



4th Annual bwf/ICMA Capital Markets Conference 'New Challenges for European Capital Markets'

Monday 24 October 2011

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4th Annual bwf/ICMA Capital Markets Conference - 'New Challenges for European Capital Markets'

Monday, 24 October 2011, Deutsche Nationalbibliothek, Frankfurt am Main

Agenda

- 9.30** Registration, Tea & Coffee
- 10.00** **Welcome Remarks**
Professor Dr. Jörg Franke, Chairman of the Board, bwf
Martin Scheck, Chief Executive, ICMA
- 10.15** **Monitoring Prices, Costs and Volumes of Trading and Post-Trading Services**
Reinder van Dijk, Managing Consultant, Oxera
- 10.45** **The Launch of ESMA – a New World for Regulators and Market Participants**
Karl-Burkhard Caspari, Chief Executive Director of Securities Supervision/Asset Management, Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)
- 11.15** **Keynote Address: the Future of Global Securities Market Regulation**
Greg Tanzer, Secretary General, International Organization of Securities Commissions - IOSCO
- 11.45** **Panel Session – The Planned Merger between Deutsche Börse and NYSE/Euronext - Views and Visions**
Moderator: *Professor Dr. Jörg Franke*, Chairman of the Board, bwf
Panellist 1: *Rainer Riess*, Managing Director Stock Market Business Development, Deutsche Börse AG
Panellist 2: *Joseph S. Rizzello*, CEO, NSX - National Stock Exchange, Jersey City
- 12.15** **Lunch**
- 13.00** **Corporate Governance in Financial Institutions**
Dr. Hans Mewes, Legal Advisor, bwf
- 13.30** **Panel Session – The Changing World of Exchange Trading**
Moderator: *John Serocold*, Senior Director, Market Practice and Regulatory Policy, ICMA
Panellist 1: *Karsten Hiestermann*, Director and Head of the Department, Ministry of Economics, Transport and Urban Development of the state of Hesse
Panellist 2: *Christoph Lammersdorf*, CEO, Boerse Stuttgart AG



Panellist 3: *Rainer Riess*, Managing Director Stock Market
Business Development, Deutsche Börse AG
Panellist 4: *Joseph S. Rizzello*, CEO, NSX - National Stock Exchange, Jersey City
Panellist 5: *Michael H. Sterzenbach*, Secretary General, bwf

- 14.30** **The Interconnectivity of Central and Commercial Bank Money in the European Repo Market**
Richard Comotto, Teaching Fellow, ICMA Centre
- 15.00** **From Punch Card to iPad: Innovations in Institutional Investor Services**
Sikko van Katwijk, Managing Board / CCO, KAS Bank
- 15.30** **The Euro Crisis: Longer Term Political and Market Implications
(does this sound the death knell of the UK in the EU?)**
Graham Bishop, Advisor, European Financial Affairs, GrahamBishop.com
- 16.00** **Q&A and Closing remarks**
- 16.15** *Drinks/Networking session*
- 17.00** **Close of event**



Speaker Biography

Speaker: Professor Dr. Jörg Franke

Job title: Chairman of the Board

Company: Bundesverband der Wertpapierfirmen an den deutschen Börsen e.V. (bwf)

Jörg Franke, a trained jurist, became chairman of the board of governors of bwf, the Federal Association of Securities Trading Firms in Germany, in January 2007. At the same time he is chairman of the supervisory board of several companies, such as the Berliner Effektengesellschaft AG, a financial holding company in Berlin and Frankfurt, and of RTS Real Time Systems in Frankfurt, an ISV (Independent Software Vendor) which develops products for exchanges and traders. He is also chairman of the Exchange Council of the Berlin Stock Exchange.

Between 2001 and 2006 Franke was Co-CEO of the Berliner Effektengesellschaft. Prior to that, from 1988 to the end of 2000, he built up and ran the DTB (Deutsche Terminbörse, the German Options and Futures Exchange) as its CEO. In 1997/8 the DTB merged with the Swiss Options and Futures Exchange (SOFFEX) to become Eurex, from 1999 onwards the world's largest regulated derivatives market. In 1994 Franke was appointed member of the Board of Directors of Deutsche Börse in parallel. Under his leadership the DTB was awarded the title "Exchange of the Year" by the magazine "World Equity" in 1997. In 1999 Eurex received the same title from the magazine "International Financing Review". Franke was inducted in the "Hall of Fame of Derivatives Strategy", New York, in 1997 and in the "Hall of Fame of the Futures Industry Association", Washington, in 2007. He has taught at the University of Karlsruhe since 1999 and became an honorary professor there in 2005.



Speaker Biography

Speaker: Martin Scheck

Job title: Chief Executive

Company: International Capital Market Association (ICMA)

Martin Scheck took up his position as Chief Executive of ICMA in August 2009.

He has been a Board member of ICMA since 2004 and also the Chairman of its Audit, Compliance and Governance Committee.

Previously he was Managing Director and Head of Fixed Income at UBS investment Bank, Zurich from 2001 to 2009 and before this Head of Debt Capital Markets for Switzerland at UBS from 1999.

From 1987 to 1999 Mr Scheck held a number of senior roles at Swiss Bank Corporation in London, Zurich and the USA, including: Head of Debt Capital Markets for North America, Executive Director of the Capital Markets Team and Director of Equity Capital Markets.

Mr Scheck is a qualified UK Chartered Accountant and worked at KPMG in London from 1980 to 1986.



Speaker Biography

Speaker: Reinder van Dijk

Job title: Managing Consultant

Company: Oxera

Reinder's areas of expertise are competition policy and regulation, with more than fourteen years of experience in the financial services sector. He has advised companies such as MasterCard, The Royal Bank of Scotland, Swiss Re, and Zurich Financial Services. He has also managed projects for trade associations including the Association of British Insurers, British Bankers' Association, the UK Cards Association, the Council of Mortgage Lenders, the Finance & Leasing Association, the German Insurance Association (GDV) and the Futures and Options Association, in addition to government bodies such as the Financial Services Authority, the Office of Fair Trading and the European Commission. In the field of competition policy, he has worked with a range of clients on mergers, agreements, abuse of dominance and state aid cases in the UK, Ireland, Spain and the Netherlands. Before joining Oxera in April 2001, he worked as an economist at the Netherlands Central Bank and the Mexican Federal Competition Commission.



**Presentation will be available
separately**



Speaker Biography

Speaker: Karl-Burkhard Caspari

Job title: Chief Executive Director of Securities Supervision/Asset Management

Company: Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)

7 December 1951	Born in Reinheim/Odenwald, Hesse (Germany) Married, 2 children
1970-1975	Degree course in law, Frankfurt am Main
1976	First state examination for entry to the legal profession
1978	Second state examination to commence professional practice
1979-1980	Regional Inland Revenue Office, Nuremberg Officer for Tax Rebate Matters
1980-1991	Federal Ministry of Finance Officer in the Sections for Stock Exchange / Securities Law and Borrowing for the Federal Government
1991-1994	Federal Ministry of Finance Head of "Kreditabwicklungsfonds" Section (fund for the management of debt of the former GDR) and Stock Exchange / Investment Law Section
1994-2002	Federal Ministry of Finance Head of Sub-Division for Banking, Insurance, Investment, Stock Exchange and Securities
2002-2008	Deputy President of the Federal Financial Supervisory Authority, Bonn/ Frankfurt am Main
Since April 2008	Chief Executive Director Securities Supervision of the Federal Financial Supervisory Authority, Frankfurt am Main, Member of Chief Executive Directorate



Speaker Biography

Speaker: Greg Tanzer

Job title: Secretary General

Company: International organization of Securities Commissions - IOSCO

Greg Tanzer was appointed Secretary General of the International Organization of Securities Commissions (IOSCO) in November 2007. He was previously Executive Director for Consumer Protection and International at the Australian Securities & Investments Commission (ASIC), where he worked from 1992. While at ASIC he chaired IOSCO's Technical Committee Standing Committee on Investment Management from 1997 to 2003. Before joining ASIC, Greg worked in the Commonwealth Attorney-General's Department and the Department of Finance. He is a qualified solicitor and barrister.



The Future of Global Securities Markets Regulation

4th Annual bwf/ICMA Capital Markets Conference
24 October 2011
Frankfurt

By Greg Tanzer
IOSCO, Secretary General

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INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS

Agenda

1. IOSCO's Mission
2. The Global Financial Crisis: What went wrong?
3. Lessons from the Crisis - What is being done?
4. The G20, FSB and IOSCO: Current Technical Work
5. The Future - Implications for Securities Supervision

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IOSCO's Mission

IOSCO is the primary global forum for securities regulators, with members from over 100 jurisdictions

It exists:

- **To protect investors**
- **To ensure that markets are fair, efficient and transparent**
- **To reduce systemic risk**

(Source: IOSCO Objectives and Principles of Securities Regulation)

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IOSCO's Mission (2)

IOSCO members agree

- To cooperate in developing, implementing and promoting adherence to internationally recognized and consistent standards of regulation, oversight and enforcement in order to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risk;
- To enhance investor protection and promote investor confidence in the integrity of securities markets, through strengthened information exchange and cooperation in enforcement against misconduct and in supervision of markets and market intermediaries; and
- To exchange information at both global and regional levels on their respective experiences in order to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

(Source: Preamble to IOSCO By Laws)

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2. The Global Financial Crisis

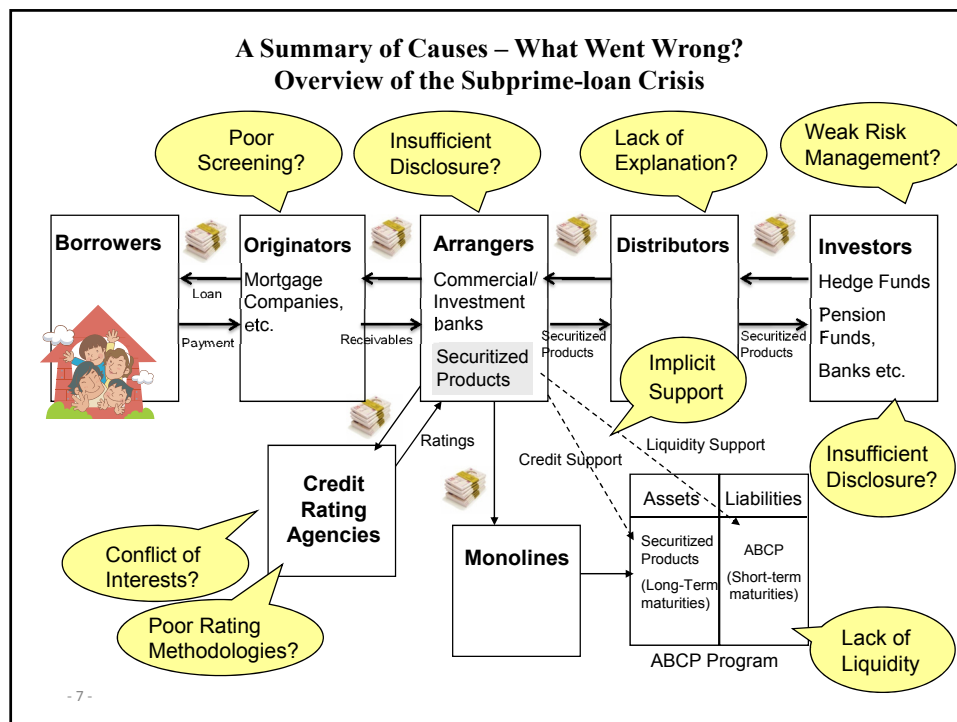




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A Few Points about the Global Financial Crisis

- It emerged from the US - the center and not the periphery of the global financial system
- Reflects the collapse of a bubble (this time so-called sub-prime loan mortgage)
- The bubble has been created in the financial system in a uniquely complex (eg.CDO, CDO²) and intractable way- through Securitization (mortgage backed securities, specifically OTD model)
- Bubbles nearly always burst: falling prices of securitized products caused deleveraging, leading to fire sale and vicious circle

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INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS

A Few Points about the Global Financial Crisis

- Not only market liquidity evaporated, but also market participants' (eg Lehman Bros) liquidity evaporated. Failure of Lehman as a global player raised awareness of counterparty risk in ALL markets
- Problem in the financial sector spilled over the real economy : e.g. US motor industry
- More recently, this has spilled over into lack of confidence in sovereign debt
- Key features: from domestic to global, from one market to all the markets, from the financial economy to the real economy, from private sector to public sector debt : **emphasizes the need for cross-border cooperation and regulations**

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3. Lessons from the Crisis – Global Responses

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Global Responses



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Lessons learnt from the Crisis Outline of the FSF Recommendations

- Strengthened prudential oversight of capital, liquidity and risk management
- Enhancing transparency and valuation
- Changes in the role and uses of credit ratings
- Strengthening the authorities' responsiveness to risks

Source: Report of the Financial Stability Forum on Enhancing Market and Institutional Resilience" (7 April 2008)

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IOSCO Regulatory Responses

There are a few key themes which IOSCO identified from the crisis, which were key factors in the G20 declarations:

- The need for attention to be given to implementation of global standards;
- The need for regulators to look for emerging systemic risks and take actions to mitigate them; and
- The need for improved communication and cooperation globally between regulators.

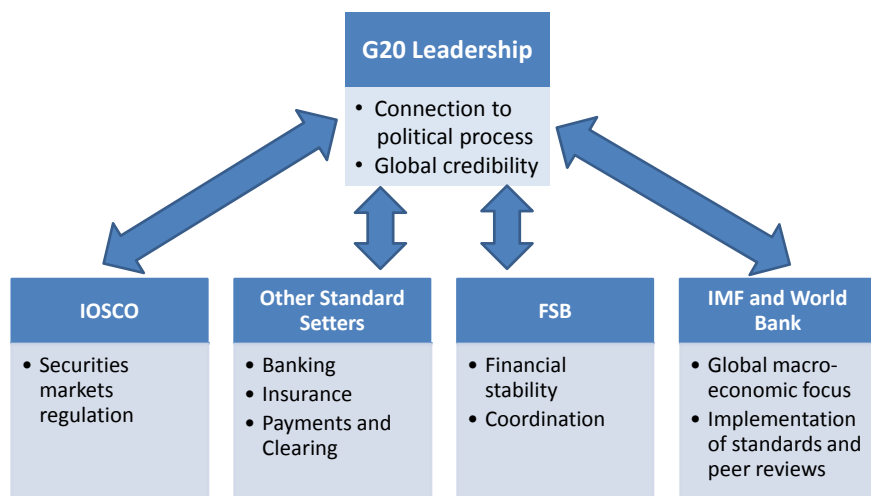
So, IOSCO endorsed a new Strategic Direction for 2010-2015 to address these key themes.

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4. The G20, FSB and IOSCO: Current Technical Work

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Global architecture of the reform agenda



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Overview of the Financial Stability Board (FSB)

- Established: April 2009 (expanded from FSF)
- Chairperson: Governor Mario Draghi (Bank of Italy)
- Membership:
 - Authorities responsible for financial stability (e.g. treasuries, central banks and financial supervisory agencies) of 24 jurisdictions and International standard setting bodies (including IOSCO), IFIs and central bank committees related to market infrastructure
- FSB's mandates
 - To assess vulnerabilities affecting the financial system and identify and oversee action needed to address them
 - To promote coordination and information exchange among authorities responsible for financial stability
- Reports to G20 Finance Ministers and G20 Leaders

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Recent G20/FSB's call to IOSCO

G20 communiqué (November 2010)

Future work: Issues that warrant more attention

- **Improving market integrity and efficiency:** *We called on IOSCO to develop by June 2011 and report to the FSB recommendations to promote markets' integrity and efficiency to mitigate the risks posed to the financial system by the latest technological developments.*
- **Further work on regulation and supervision of commodity derivative markets:** *We called especially on IOSCO's taskforce on commodity futures markets to report to the FSB for consideration of next steps in April 2011 on its important work.*
- **Strengthening regulation and supervision of shadow banking:** *With the completion of the new standards for banks, there is a potential that regulatory gaps may emerge in the shadow banking system. Therefore, we called on the FSB to work in collaboration with other international standard setting bodies to develop recommendations to strengthen the regulation and oversight of the shadow banking system by mid-2011.*

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Market Integrity and Efficiency

- Technological developments in the markets and Emerging Issues
 - Direct Electronic Access
 - Dark Pools
 - High Frequency Trading (HFTs)
 - Exchange Traded Funds (ETFs)
- How do these developments affect the core function of markets to provide efficient price discovery and an efficient trading platform?
- Key planks: Transparency (pre and post trade) and market integrity (supported by surveillance)
- Discussion over internalization of externality caused by technological developments. Who pays?
- Policy options

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OTC Derivatives Regulation

- Need for more data and transparency
 - AIG's near-failure, Lehman's CDS liquidation
- A default of a market participant could lead to contagion because of uncertainty regarding who is linked to the failed participant: need for transition from OTC to exchanges
 - *All standardized OTC derivative contracts should be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties by end-2012 at the latest. (G20 communiqué in Pittsburgh, September 2009)*
- IOSCO's mandate
 - Analysis on exchange and electronic trading
 - Data reporting aggregation requirements to Trade Repositories
 - International standards on central clearing requirements

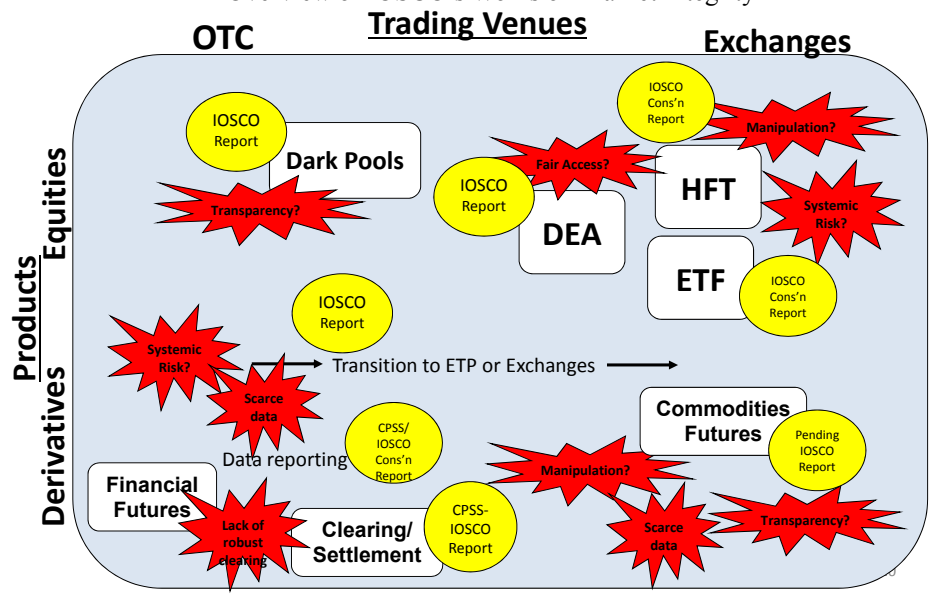
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Commodities Futures Markets

- Price increase of oil and agricultural products causing real economic problems: need to analyze the cause of the volatility
- Not only demand/supply factors but also development of financialization of commodities products (ETF investors). But to what extent?
- No comprehensive/uniform data
- Complex issue (including macro indicators such as Foreign exchange, interest rate)
- Policy options
 - Transparency, market surveillance

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Overview of IOSCO's Works on Market Integrity



Shadow Banking

The Crisis intensified in the non-banking sector

When	Event
June 2007	Bear Stearns hedge funds
Autumn 2007-mid 2008	Liquidity and solvency problems at off-balance sheet vehicles (e.g. SIVs, ABCP conduits)
March 2008	Near-failure of Bear Stearns
Summer 2008	Stresses at Money Market Mutual Funds (MMFs) – Reserve Primary Fund “breaks the buck”
August – October 2008	Liquidity run in repo and other secured funding markets
September 2008	Failure of Lehman
Late autumn 2008	Hedge fund deleveraging and asset sales exacerbate downward spiral of asset values

Source: Yasushi Shiina (FSB Secretariat) presentation on 28th April 2011

Shadow Banking (2)

- The FSB Task Force is:
 - To clarify what is meant by “shadow banking system (SBS)”
 - To set out potential approaches for monitoring the SBS; and
 - To explore possible regulatory measures to address the systemic risk and regulatory arbitrage concerns posed by the SBS

Shadow Banking (3)

Monitoring and policy responses to be guided by a two-step approach:

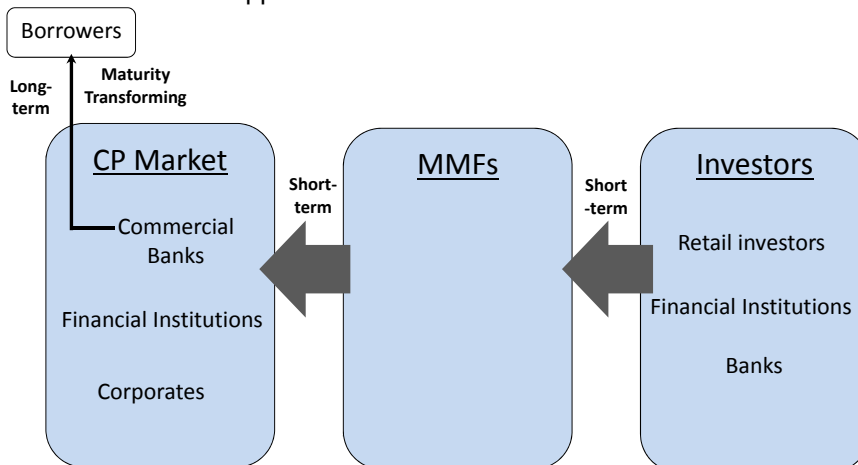
- First, authorities should cast the net wide, looking at all non-bank credit intermediation to ensure that data gathering and surveillance cover all the activities within which shadow banking-related risks might arise.
- Secondly, authorities should then narrow the focus, concentrating on the subset of non-bank credit intermediation - a system of credit intermediation that involves entities and activities outside the regular banking system, and raises concerns by:
 - Maturity/Liquidity transfer
 - Flawed/improper credit risk transfer
 - Leverage
 - Regulatory arbitrage

Source: *Shadow Banking: Scoping the Issues* (http://www.financialstabilityboard.org/publications/r_110412a.pdf/)

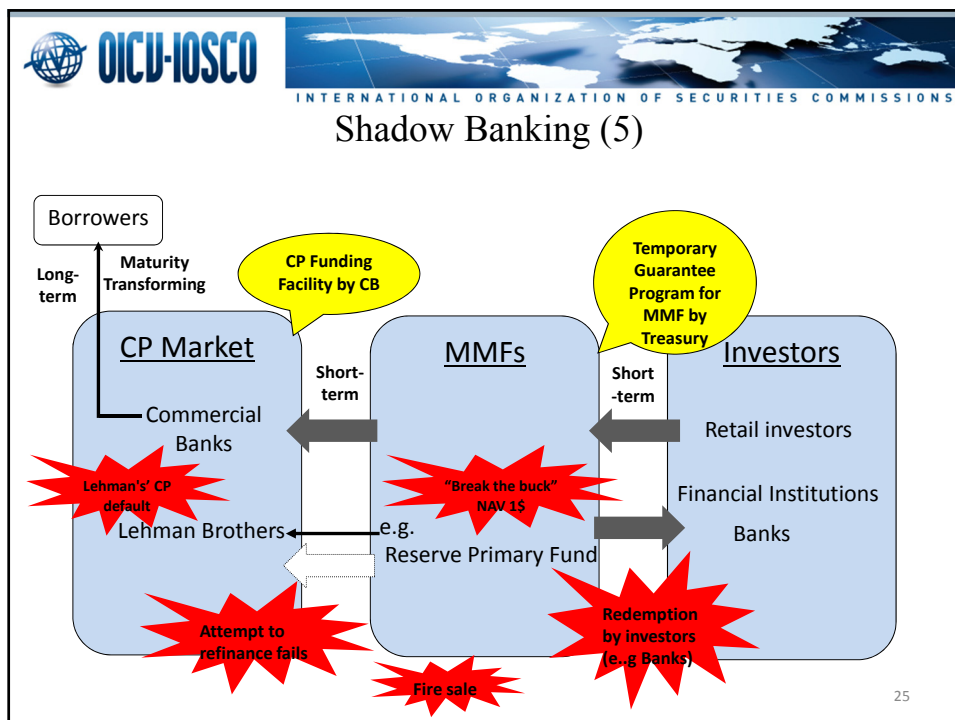
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Shadow Banking (4)

What happened in MMF Markets? - Role of MMFs -



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- OICU-IOSCO**
INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS
- ### Shadow Banking (6)
- IOSCO's contribution to the FSB Task Force
 - Both regulatory and research sides
 - Work on MMFs and Securitization
 - Participation in work on securities lending and hedge funds
 - Necessary to see the entire financial system
 - Looking only at one market is not necessarily a solution as a whole. One sided reform might cause new risks
 - e.g. MMFs' liquidity requirements
 - Need for cooperation amongst regulators so that we don't cause distortion and regulatory arbitrage
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5. The Future – Regulatory Challenges

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The Future

- IOSCO's members believe that securities regulators can ensure:
 - their voice is heard in the reform of global regulation needed to address the global crisis, and
 - they are equipped with the necessary tools and powers to identify and mitigate possible emerging risks in the future.
- The evolving approach of regulators includes a focus on possible capital ratios for securities firms, increasingly exacting product regulation, an increased emphasis on transparency and disclosure to the market and investors, and an increasing emphasis on market surveillance.
- Global standards are important but they are no panacea – they must be implemented and their effectiveness to achieve their purpose reviewed.
- Independent sources of advice and information are key.

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The Regulator's Balance

- There is no financial system without risk
- Balance between promotion of competition and innovation, and risk management
- Currently, there is a natural emphasis on seeking to reduce or eliminate risk in the financial system, given the amount of taxpayers' money that has been devoted to supporting the system and its largest participants.
 - But in seeking to promote a safer financial system, are we giving investors a false impression that all investments are safe?

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A Few Open Questions

- There is a very strong emphasis on improving transparency, both in retail and in wholesale markets:
 - But how can we rely on retail investors to read and understand disclosure documents, when the most professional investors didn't seek disclosure or preferred to rely on CRAs?
- New global standards have been set (Basel 3; OTC Derivatives clearing and reporting).
 - How can we ensure they are implemented globally?

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Regulator's Images: Do you want your regulator to be



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Or



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Thank you.

g.tanzer@iosco.org



Speaker Biography

Speaker: Rainer Riess

Job title: Managing Director, Stock Market Business Development

Company: Deutsche Börse AG

Rainer Riess is Member of the Management Board of the Frankfurt Stock Exchange and Managing Director XETRA Market Development at Deutsche Börse. He is responsible for sales, business development and functionality for all cash market activities of Deutsche Börse AG, comprising of the electronic trading system Xetra® and the floor of the Frankfurt Stock Exchange. Currently, more than 257 member institutions from 19 countries as well as 4 exchanges use the Xetra system. Altogether, the cash market of Deutsche Börse comprises of more than 380,000 stocks, bonds, exchange-traded and actively managed funds, certificates and warrants. He is a Supervisory Board Member of the Scoach Group and of Tradegate AG, a Board Member of the FESE and of the eFinance-Lab, as well as a Member of the Board of Trustees of the Goethe Business School.



Speaker Biography

Speaker: Joseph S. Rizzello

Job title: Chairman of the Board, NSX Holdings, Inc and
CEO, National Stock Exchange, Inc. (NSX)

Joseph S. Rizzello is Chairman of the Board of NSX Holdings, Inc. and Chief Executive Officer of National Stock Exchange, Inc. (NSX). Mr. Rizzello was elected Chairman of NSX Holdings in September 2006 and appointed CEO of NSX in October 2006. NSX Holdings, Inc, parent of NSX, is the for-profit holding company resulting from NSX's demutualization.

Before becoming Chairman of NSX Holdings, Mr. Rizzello was Special Adviser to the NSX CEO and Board of Directors. He was named to this position in September 2004, immediately following his service as a Director on NSX's Board from January 2002 to September 2004. He also served on NSX's Executive Committee during that period.

Prior to his appointment as Special Adviser to NSX, Mr. Rizzello was Managing Director of Pershing LLC, a leading global provider of securities processing and investment-related products and services, and President of Pershing Trading Company, LP (PTC). Mr. Rizzello was also a select member of Pershing's Executive Committee.

As President of Pershing Trading Company, Mr. Rizzello was responsible for the overall management of PTC's operations as well as coordinating and implementing PTC's business and strategic development, technology development, and risk management functions. As a member of Pershing's Executive Committee, he was instrumental in the collective development of Pershing's long-term business strategies and created, reviewed and implemented policies and procedures.

Prior to joining Pershing, Mr. Rizzello was a Principal at Vanguard Brokerage Services (VBS), the brokerage arm of The Vanguard Group, in charge of Vanguard's broker-dealer. While at VBS, Mr. Rizzello designed and implemented a new brokerage business and operating model that more than doubled customer accounts, assets and revenues in just two years. In addition, he executed an integrated business and technology strategy for retail, institutional and high net worth brokerage business.



Earlier in his career, Mr. Rizzello was Executive Vice President of Marketing, Business and New Product Development at the Philadelphia Stock Exchange (PHLX), as well as President of the Philadelphia Board of Trade, PHLX's futures subsidiary. He began his career in the securities industry as Vice President of Sales and Branch Manager for Thomson McKinnon Securities, Inc., building one of the firm's top producing offices.

Mr. Rizzello had previously served on the Board of Directors of Shiner International, Inc. and on the boards of the International Visitors Council, Community College of Philadelphia Foundation, Temple University's Business Curriculum Advisory Board and the Philadelphia chapter of the Pennsylvania Partnership on Economic Education.



Speaker Biography

Speaker: Dr. Hans Mewes

Job title: Legal Advisor

Company: Bundesverband der Wertpapierfirmen an den deutschen Börsen e.V. (bwf)

- Born 1961
- Lawyer (Rechtsanwalt)
- studied law at the University of Hamburg
- 1994 doctorate degree in International Insurance Law
- 1995 admitted to the German Bar
- 1998 - 2004: Legal Counsel of the Federal Association of Finance Intermediaries on the German Stock Markets
- since 2004: Legal Counsel of the Federal Association of Securities Trading Firms (bwf)
- lecturing at the University of Hamburg and publications in the field of Capital Market Law and Stock Exchange Law
- since 2000 partner at Esche Schümann Commichau
- Areas of Expertise: Capital Market Law, Securities Trading Law, Stock Exchange Law, Company Law, Customs Law

Corporate Governance in Finanzinstituten

bwf/ICMA Capital Market Conference

Frankfurt am Main, 24. Oktober 2011

**Dr. Hans Mewes
Rechtsanwalt und Justiziar bwf**

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Exkurs: "Regulierungsunami" (1.)

EU-Kommission

- MiFID-Review (u.a. Equity Markets, Client Categorisation, Investor Protection and Intermediaries, Pre- and Post-Trade-Transparency, Best-Ex-Proceedings, High-Frequency-Trading)
- Novellierung Einlagensicherungsrichtlinie und Anlegerentschädigungsrichtlinie
- Rechtsetzungsvorhaben "Short Selling and Credit Default Swaps"
- Rechtsetzungsvorhaben EMIR (Clearing OTC-Derivatives and Market Infrastructure)
- Umsetzung Arbeitsdokument "EU-Krisenmanagement im Bankensektor"
- Novellierung der Marktmissbrauchsrichtlinie
- Richtlinienvorschlag für ein gemeinsames Finanztransaktionssteuersystem
- Rechtsetzungsvorhaben Corporate Governance

Exkurs: "Regulierungsunami" (2.)

Deutschland (1.)

- Gesetz zur Vorbeugung gegen missbräuchliche Wertpapier- und Derivategeschäfte (u.a. Leerverkaufsverbot)
- Restrukturierungsgesetz (u.a. Errichtung Restrukturierungsfonds und Bankenabgabe)
- Anlegerstärkungs- und Funktionsverbesserungsgesetz (u.a. Regulierung „Grauer Kapitalmarkt“, Beteiligungstransparenz, Regulierung offene Immobilienfonds, anlegergerechte Beratung von Privatanlegern)
- Gesetz über die aufsichtsrechtlichen Anforderungen an die Vergütungssysteme von Instituten und Instituts-Vergütungsverordnung
- WpHG-Mitarbeiteranzeigeverordnung in Vorbereitung (Meldewesen in Bezug auf Mitarbeiter in der Anlageberatung, Vertriebsbeauftragte und Compliance-Beauftragte)

Exkurs: "Regulierungsunami" (3.)

Deutschland (2.)

- Entwurf Aktienrechtsnovelle 2011 („Abschaffung“ Inhaberaktien außerhalb regulierter Märkte)
- Entwurf eines Gesetzes zur Novellierung des Finanzanlagenvermittler- und Vermögensanlagenrechts
- Entwurf eines Gesetzes zur Optimierung der Geldwäscheprävention
- Modernisierung des bankaufsichtsrechtlichen Meldewesens (Vorhaben BaFin/Bundesbank betr. Anpassungen im Bereich Finanzdaten und Groß- und Millionenkreditregime)
- Umsetzung Bankenrichtlinie/Kapitaladäquanzrichtlinie (laufende Anpassungen)
- MaRisk / MaComp (laufende Anpassungen)

Exkurs: “Regulierungstsunami” (4.)

Sonstiges

- Wegfall Aufgabengeschäfte/GroMiKV-Regime
- Behandlung von Interinstitutskrediten/GroMiKV-Regime
- Spezialistenmodell/Xetra (Handelsmodell FWB seit Mai 2011)
- Fusion DBAG/NYSE (künftiges Marktmodell FWB?)
- “Entschädigungsfall” EdW/Phoenix

Grundsätze guter Unternehmensführung (“Corporate Governance”)

- Implementierung nachhaltiger Leitungskontrolle und Überwachungsstrukturen
- Operatives Geschäft und Entscheidungen Management an langfristiger Wertschöpfung ausgerichtet (Nachhaltigkeit)
- Wahrung der Interessen verschiedener Gruppen (insbes. Shareholder und Stakeholder)
- Zielgerichtete Zusammenarbeit von Management und Überwachungsorganen
- Transparenz in der Unternehmenskommunikation
- Umgang mit Risiken (insbes. Vorsorge, Früherkennung, Vermeidung, Management)

Grundzüge des hiesigen Corporate-Governance-Regimes

- Deutscher Corporate Governance Kodex (seit 2002) und § 161 AktG
 - Personeller Anwendungsbereich: börsennotierte Unternehmen
 - Fakultative Anwendung (Prinzip der freiwilligen Selbstverpflichtung)
 - Jährliche Entsprechenserklärung („Comply or Explain“)
 - Corporate-Governance-Bericht (Teil des Geschäftsberichts)
 - „Sanktionen“: Markt und Hauptversammlung
- Vorher unreguliert?
- Kodex abschließend ?

Regelungsbereiche des Deutschen Corporate Governance Kodex

- Aktionäre und Hauptversammlung
- Zusammenwirken von Vorstand und Aufsichtsrat
- Vorstand
 - Vergütungsregime (insbesondere Einbeziehung verschiedener Vergütungsbestandteile und Nachhaltigkeit der Anreize)
 - Transparenzanforderungen
 - Personelle Ausgewogenheit („Diversity“)
- Aufsichtsrat
 - Kompetenzabgrenzung/Ausschüsse (u.a. Audit Committee, Financial Expert)
 - Vorkehrungen gegen Interessenkonflikte
 - Vergütungsbericht
- Transparenz
- Rechnungslegung und Abschlussprüfung

Europäische Corporate-Governance-Vorschläge im Bereich des Finanzmarktes

Larosiére-Report / Turner-Review / Walker-Review (jeweils 2009)

Principles for Enhancing Corporate Governance (Basel Committee on Banking Supervision 2009)

Guidebook on Internal Governance (CEBS 2009)

Grünbuch zur Corporate Governance in Finanzinstituten (Kommission 2009)

Materielle Reformansätze:

- Stärkung der Aufsichtsorgane
- Verbesserung des Risikomanagements
- Stärkere Inpflichtnahme der Abschlussprüfer
- Stärkere Kontrolle durch Aktionäre bzw. Hauptversammlung
- Externe Überwachung durch Aufsichtsbehörden

Die Stimme der Wertpapierfirmen auf dem politischen Parkett!

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Aktuelle europäische Corporate-Governance-Reformmaßnahmen im Bereich des Finanzmarktes

- Richtlinienentwurf im Zuge der 4. Änderung der Kapitaladäquanz-Richtlinie (Umsetzung von BASEL III)

„Vorschlag für eine Richtlinie über den Zugang zur Tätigkeit von Kreditinstituten und die Beaufsichtigung von Kreditinstituten und Wertpapierfirmen und zur Änderung der Richtlinie 2002/87/EG des Europäischen Parlaments und des Rates über die zusätzliche Beaufsichtigung der Kreditinstitute, Versicherungsunternehmen und Wertpapierfirmen eines Finanzkonglomerats“ (Juli 2011)

- Operative Ziele der Rechtsetzung im Bereich Corporate Governance:
 - Verhinderung des Eingehens und der Ballung übermäßiger Risiken im Finanzsystem
 - Erhöhung der Wirksamkeit der Risikoüberwachung durch die Leitungsgremien
 - Verbesserung des Status der Risikomanagement-Funktion in den Instituten
 - Gewährleistung einer wirksamen Überwachung der Risikobeherrschung durch die Aufsichtsbehörden

Die Stimme der Wertpapierfirmen auf dem politischen Parkett!

10

Corporate-Governance-Regelungen des Richtlinienentwurfs im Einzelnen

- Art. 73, 74 sowie 86 bis 91 des Richtlinienentwurfs
- Personeller Anwendungsbereich:
 - Sämtliche Finanzinstitute (Kreditinstitute und Wertpapierfirmen)
 - Verbindliche Anwendung (keine freiwillige Selbstverpflichtung)
- Sachlicher Anwendungsbereich:
 - Konkretisierung persönliche Anforderungen und Pflichten der Leitungsorgane
 - Vielfalt (Diversity)
 - angemessenes Vergütungsregime
 - Vergütungsausschuss
 - Nachhaltigkeit (generell)
- KMU-Regime bzw. Proportionalitätsregel (Art. 73 Abs. 2 und 91 Abs. 1 des Richtlinienentwurfs)
- Detailliertes Regelwerk durch EBA („technische Regulierungsstandards“)

Ausblick

- Umsetzung der Richtlinie in den Mitgliedsstaaten
- Materielles/technisches Regelwerk EBA (ESMA?!)
- Implementierung in hiesiges Aufsichtsrecht / BaFin-Zuständigkeit
 - MaRisk / MaComp / MaCopGov(?)
- Regulierung weitergehender Maßnahmen bzw. weiterer materieller Corporate-Governance-Bereiche im Bereich des Finanzmarktes
- Gesellschaftsrechtliches Corporate-Governance-Regime (Grünbuch der Kommission von April 2011)
 - Personell: Kapitalgesellschaften generell (!)
 - Sachlich: Comply or Explain(!)

Vielen Dank für Ihre Aufmerksamkeit!

Kontakt:

Rechtsanwalt Dr. Hans Mewes

Esche Schümann Commichau

Rechtsanwälte Steuerberater Wirtschaftsprüfer

Herrengraben 31, 20459 Hamburg

Tel.: 0049/40/36805 –0 und –215

Mail: h.mewes@esche.de und h.mewes@bwf-verband.de



Speaker Biography

Speaker: John Serocold

Job title: Senior Director, Market Practice and Regulatory Policy

Company: International Capital Market Association (ICMA)

John Serocold took up his position as a Senior Director at ICMA in January 2011.

He is responsible for ICMA's work in the secondary cross-border market for international debt securities, including co-ordinating the response of member firms to current consultations on the review of the Markets in Financial Instruments Directive (MiFID) and other European regulatory reform affecting the market.

Previously he was a Managing Director at the Association for Financial Markets in Europe (AFME) from 2009 to 2010 and before this a director at London Investment Banking Association, a predecessor of AFME, from 2000. His trade association work included market structure, commercial and regulatory issues; securities trading, clearing and settlement issues, prime brokerage and investment bank insolvency.

Between 1992 and 2000 Mr Serocold worked on equity markets issues and market automation projects for the Bank of England, the UK FSA and a variety of commercial clients.

From 1986 to 1992 Mr Serocold held a number of corporate broking roles.



Speaker Biography

Speaker: Karsten Hiestermann

Job title: Director and Head of Department (Supervision of Frankfurt Stock Exchange and Eurex Deutschland)

Company: Ministry of Economics, Transport and Urban Development of the state of Hesse

Since 1997, Karsten Hiestermann, born 1959, has worked as director and head of the department “Supervision of Frankfurt Stock Exchange and Eurex Deutschland” at the Ministry of Economics, Transport and Urban Development of the state of Hesse. Prior to this, between 1991 and 1996, he was senior expert for competition and anti-trust law at the same Ministry and at the Ministry of Economic of the State of Thuringia. Alongside his regular professional occupation, he worked as assistant lecturer for contract, commercial and companies law at the Wiesbaden University for Applied Sciences. He started his professional career as a legal expert in the Research Department of the German Federal Parliament. Karsten Hiestermann studied law at Göttingen University and passed the First and Second State Examinations in law in 1985 resp. 1990. He is married and the father of one daughter.



Speaker Biography

Speaker: Christoph Lammersdorf

Job title: CEO

Company: Boerse Stuttgart AG

Christoph Lammersdorf (born 1950) was appointed CEO of Boerse Stuttgart AG with effect from 01 September 2008. He is also Chairman of the Management Board of Boerse Stuttgart Holding GmbH and CEO of Euwax AG.

Christoph Lammersdorf graduated in physics at the Technical University of Clausthal. A proven stock market expert, he was also a co-founder of database operator Counterparty Link Ltd., London, which was sold to a private equity firm in March 2008. Prior to this, he gained six years' experience with Deutsche Börse Group, Frankfurt, where in his last role as managing director he was responsible for the Information Services division. During his earlier career, he held a series of international management positions with Dow Jones Markets (Telerate), a provider of real-time financial information for banks, insurers and companies.



Speaker Biography

Speaker: Michael Sterzenbach

Job title: Secretary General

Company: Bundesverband der Wertpapierfirmen an den deutschen Börsen e.V. (bwf)

Mr. Sterzenbach is Secretary General of the Bundesverband der Wertpapierfirmen an den deutschen Börsen e.V. (bwf), the nationwide association of securities trading firms and authorized stockbrokers in Germany.

He started his career as a management consultant for banks, clearing houses and financial intermediaries in the 1990's. Before he became Secretary General of the bwf in 2004, he was a member of the board of one of the bwf's predecessor associations for several years in the capacity of head of risk & compliance of a major German securities trading bank.

He holds a master of arts degree in political economy, political sciences and philosophy from the Friedrich-Alexander-Universität Erlangen-Nürnberg.



Speaker Biography

Speaker: Richard Comotto

Job title: Teaching Fellow

Company: ICMA Centre

Senior Visiting Fellow at the ICMA Centre at the University of Reading in England, responsible for the post-graduate module on short-term financial markets (FX, money markets and securities financing).

Richard is course director for the Professional Repo Market Course delivered jointly by ICMA, ACI and SIFMA in Europe and Asia, and for the ICMA-ISLA GMRA-GMSLA Workshop. Director of the ICMA semi-annual survey of the European repo market. He is a Consultant to the ICMA's European Repo Council (ERC) and author of their recent White Paper on 'The operation of the European repo market, the role of short-selling, the problem of settlement failures and the need for reform of the market infrastructure'.

Richard is an independent consultant providing research, support and training on the institutional money, securities and derivatives markets to a wide range of clients, including professional market associations, government agencies, regulatory authorities, banks, brokers and information services, both in the City of London and outside the UK. He has recently advised the World Bank on the reform of repo markets in Egypt. His special interests include securities financing, collateral management and electronic trading in OTC markets. Served for 10 years in the Bank of England (1979-89), including the Bank's International and Foreign Exchange Divisions and on secondment to the UK Delegation to the International Monetary Fund in Washington DC (1987-89).

The interconnectivity of central and commercial bank money in the European repo market

Richard Comotto
ICMA Centre
University of Reading
United Kingdom



Central and commercial bank money

- regulatory debate on financial market infrastructures (FMI)
- FMI = (I)CSD, CCP
- should more/all payments in FMI be in central bank money?
- interoperability of tri-party repo services
- what is central/commercial bank money?
- quality of central bank money v commercial bank money
- flows in fixed-income clearing and settlement

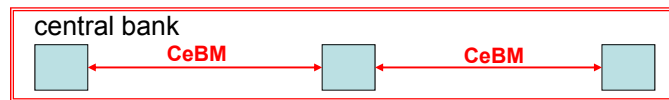
Central and commercial bank money

- central bank money as a risk-free asset
 - operational risk
 - credit risk
 - funding liquidity risk
 - market liquidity risk
 - sources of risk on commercial bank money
 - operational risk
 - losses on unrelated business
 - credit risk & funding liquidity risk on customers
 - other central bank money advantages
 - competitive neutrality
 - economies of scope
- but not:
- privileged access to lender of last resort
 - cost of funds

Central and commercial bank money

- actual role of central bank money
 - no mono-banking or free banking
 - only in SIPS

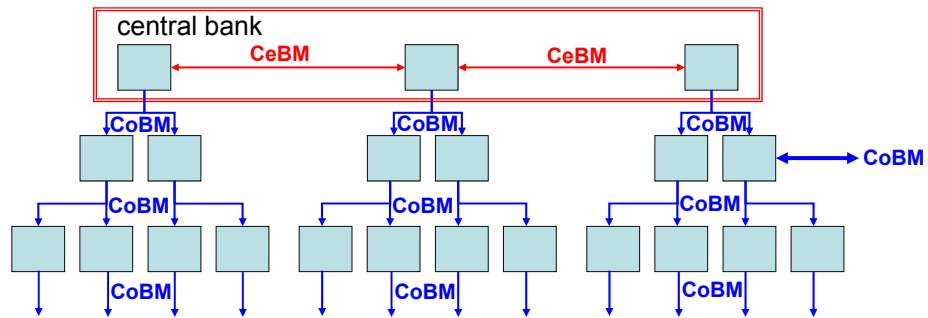
Central and commercial bank money



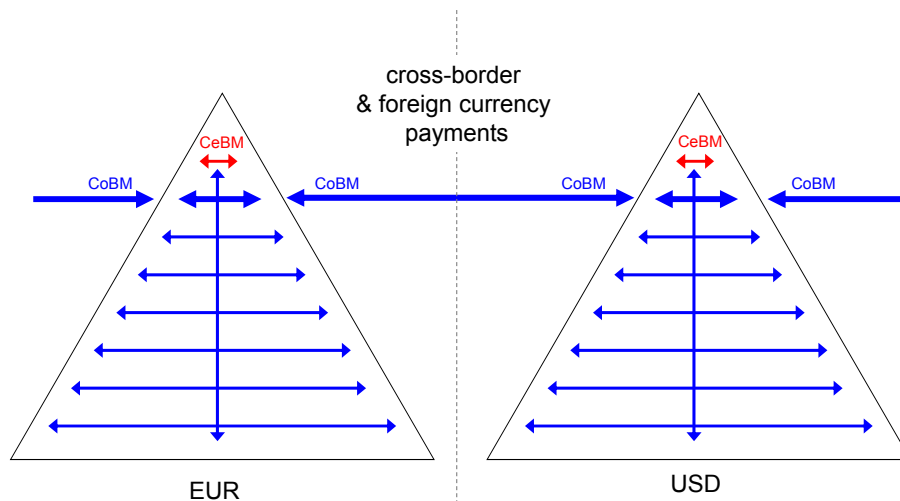
Central and commercial bank money

- actual role of central bank money
 - no mono-banking or free banking
 - only in SIPS
- role of commercial bank money
 - tiering of domestic payments
 - foreign currency, cross-border payments

Central and commercial bank money



Central and commercial bank money



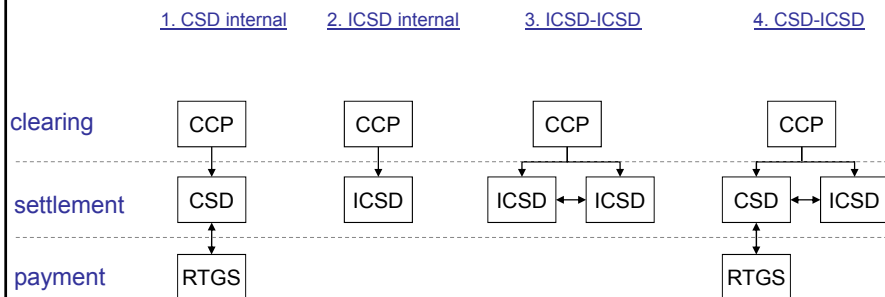
Central and commercial bank money

- commercial bank money advantages
 - payment agency services
 - foreign currency, cross-border payments
 - competition
 - diversification
 - cost of service
 - functionality of service
 - access to credit
- safeguards
 - risk management & prudential supervision
 - specialisation

Central and commercial bank money

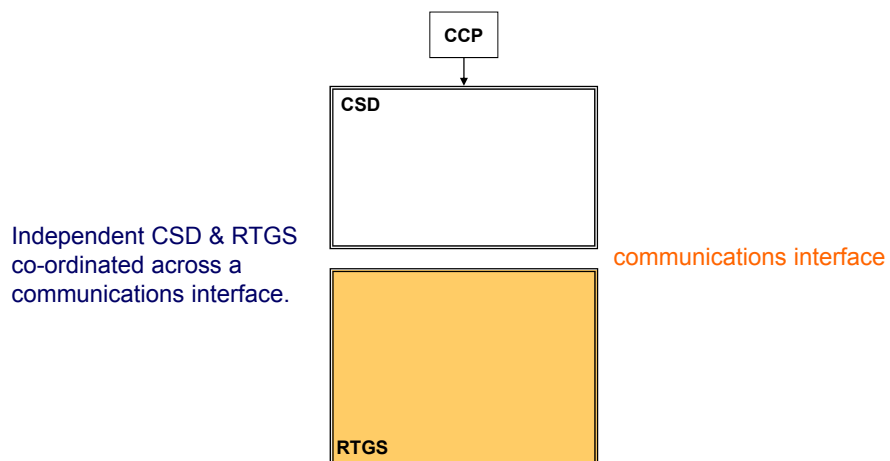
- what is the current relationship?
- mapping money flows in clearing and settlement
- ERC report on www.icmagroup.org

CCP-(I)CSD-payment configurations



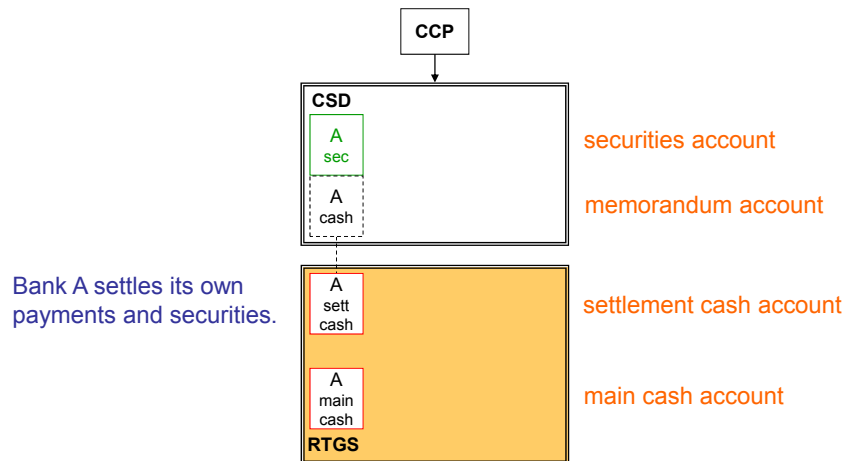
11

1.1 CSD internal clearing & settlement (interfaced)



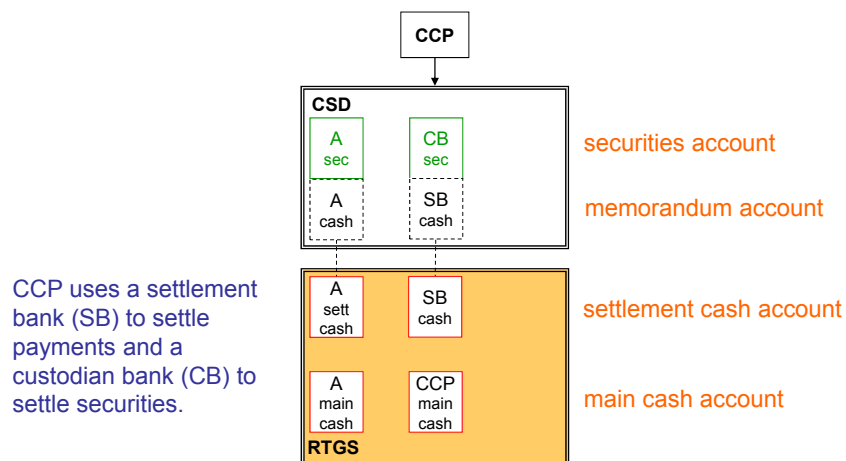
12

1.1 CSD internal clearing & settlement (interfaced)



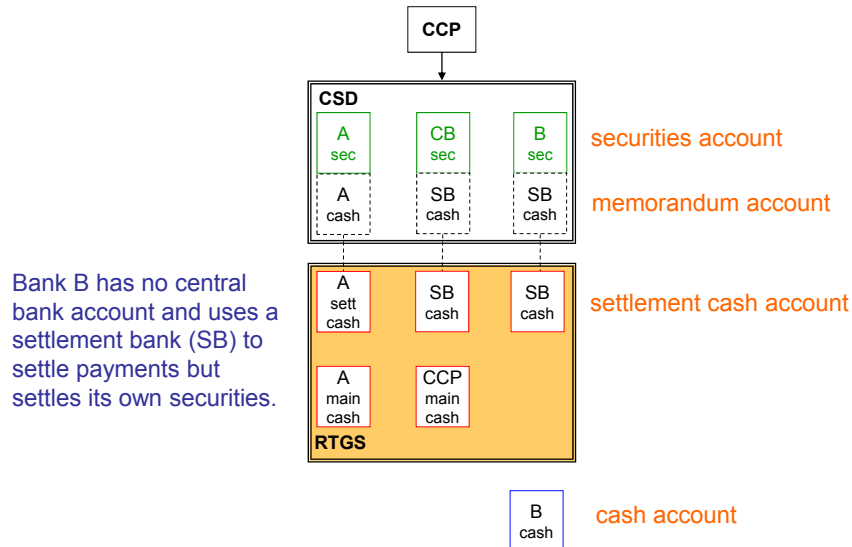
13

1.1 CSD internal clearing & settlement (interfaced)



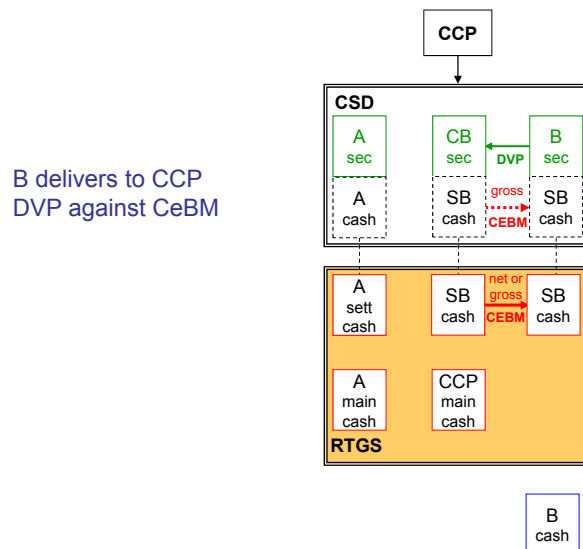
14

1.1 CSD internal clearing & settlement (interfaced)



15

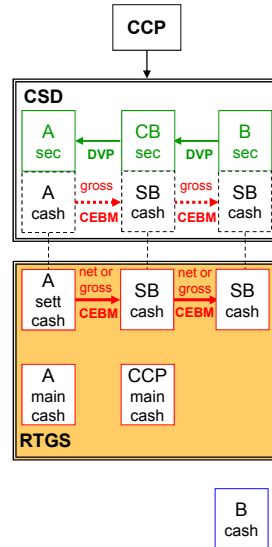
1.1 CSD internal clearing & settlement (interfaced)



16

1.1 CSD internal clearing & settlement (interfaced)

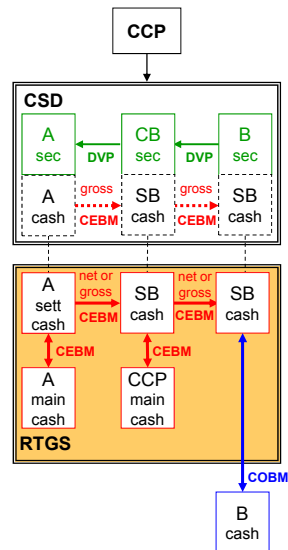
CCP delivers to A
DVP against CeBM



17

1.1 CSD internal clearing & settlement (interfaced)

funding/defunding from/to
main cash accounts in
CeBM

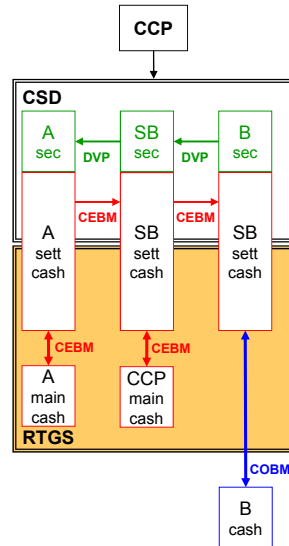


funding/defunding
between agent and own
cash account in CoBM

18

1.2 CSD internal clearing & settlement (integrated)

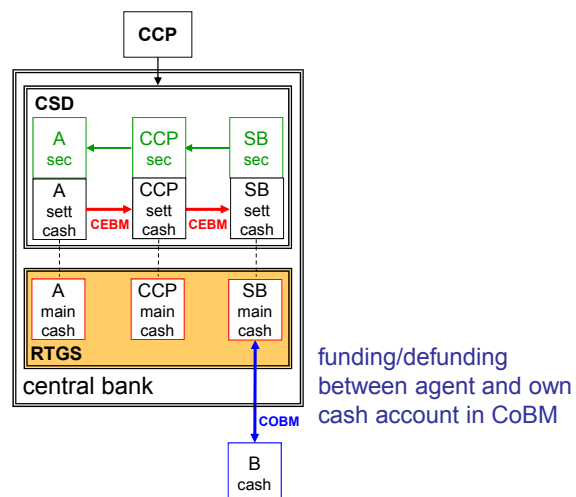
Central bank outsources payments in CeBM to an independent CSD.



19

1.3 CSD internal clearing & settlement (embedded)

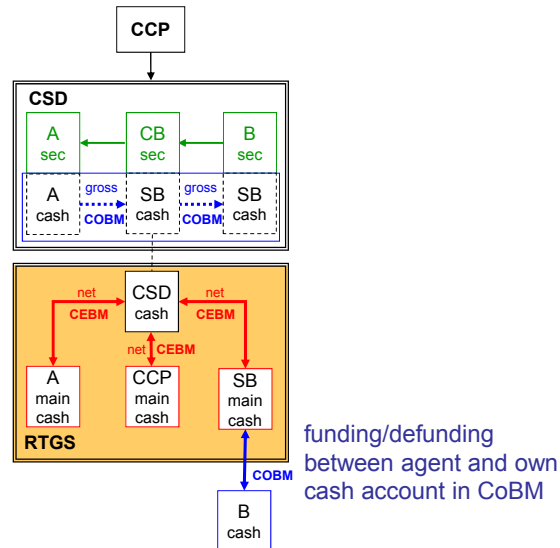
Central bank operates CSD with embedded payment mechanism, but final settlement is in CeBM.



20

1.5 CSD internal clearing & settlement (autonomous pre-funded)

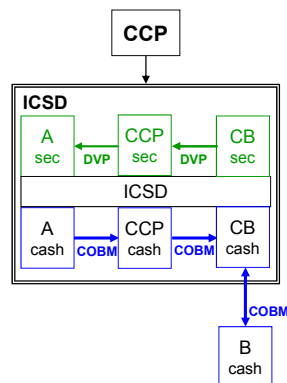
Independent CSD operates payments across its own books in CoBM but payments in the CSD are guaranteed by the funding in CeBM. At the end of the day, balances are paid in CeBM.



21

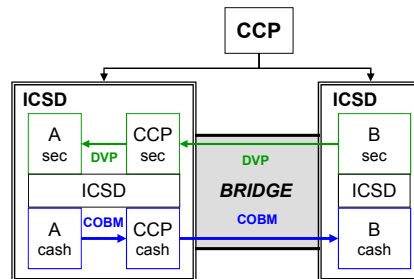
2 ICSD internal clearing & settlement

ICSD operates SSS with embedded payment mechanism in CoBM.



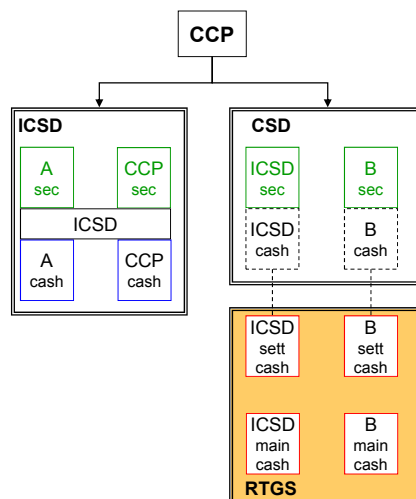
22

3.1 ICSD-ICSD clearing & settlement



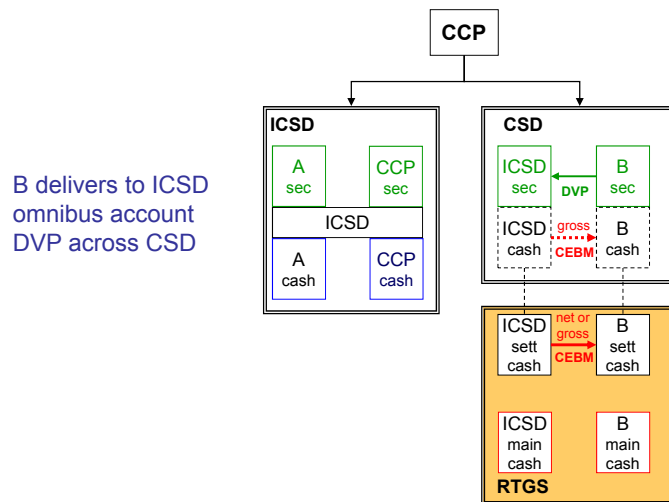
23

4.1.1 CSD-ICSD clearing & settlement



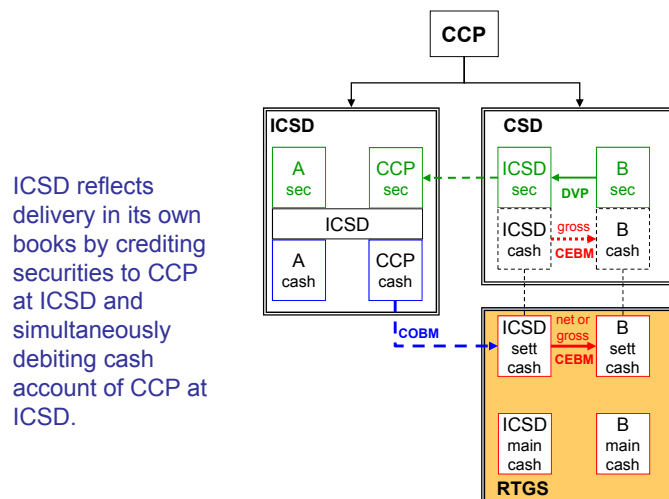
24

4.1.1 CSD-ICSD clearing & settlement



25

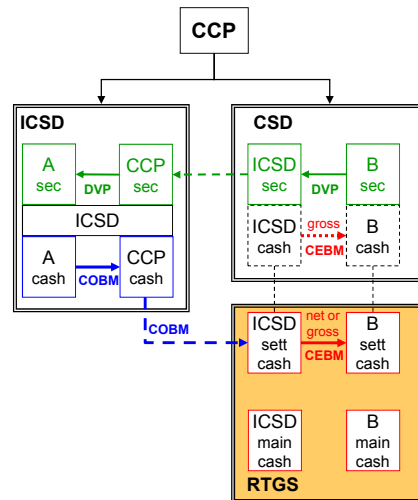
4.1.1 CSD-ICSD clearing & settlement



26

4.1.1 CSD-ICSD clearing & settlement

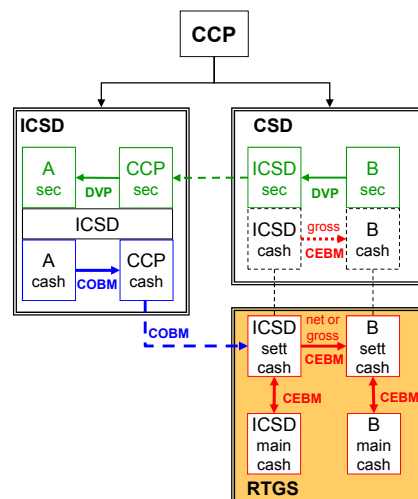
CCP delivers to A
DVP across ICSD
in CoBM.



27

4.1.1 CSD-ICSD clearing & settlement

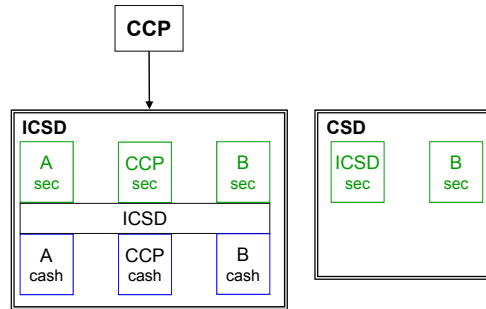
funding/defunding
from/to main cash
accounts



28

4.1.3 CSD-ICSD clearing & settlement

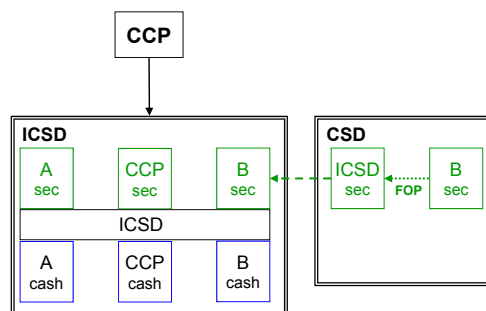
CCP is a member of only of the ICSD.



29

4.1.3 CSD-ICSD clearing & settlement

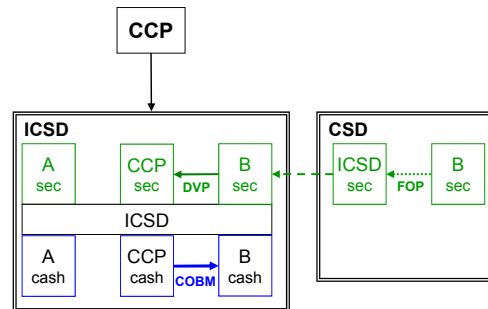
Securities 're-aligned' from CSD to ICSD by transfer FOP into ICSD omnibus account at CSD and crediting of B account at ICSD.



30

4.1.3 CSD-ICSD clearing & settlement

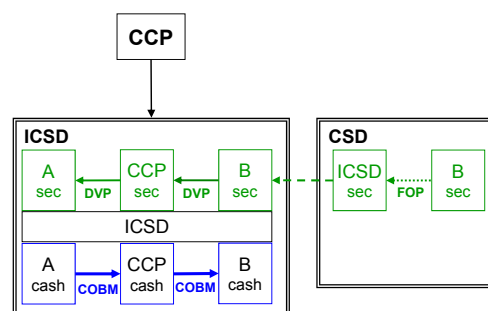
B delivers to CCP
DVP across ICSD
against CoBM.



31

4.1.3 CSD-ICSD clearing & settlement

CCP delivers to A
DVP across ICSD
against CoBM.



32



Speaker Biography

Speaker: **Sikko van Katwijk**

Job title: **Member of Managing Board and Chief Commercial Officer**

Company: **KAS BANK N.V.**

With effect from 1 July 2009, Sikko van Katwijk (1964) has been appointed member of the Managing Board and Chief Commercial Officer (CCO) of KAS BANK N.V. His most significant focus areas are the market segments Institutional Investors and Financial Institutions, Institutional Risk Management and Marketing.

As CCO Van Katwijk will be primarily responsible for base and our role as pure player in the European securities Van Katwijk studied Public Administration at the Erasmus University in Rotterdam and Business Administration at the Indiana University in Bloomington (USA). He also attended several training courses in the securities services area both in the Netherlands and abroad.

From 1989 to 2001 Van Katwijk was also employed at KAS BANK, among others as head of Institutional Relationship Management and Managing Director of KAS UK Branch. As of 2001, he held several management positions at Citigroup Inc., first in Amsterdam and later in London. In his last position at Citigroup he was responsible for all Investor Sales activities of Global Transaction Services in Europe, the Middle East and Africa.

Sikko van Katwijk is member of the International Advisory Board of the University of Maastricht (the Netherlands) and the Advisory Council of Partners at Work.



**Presentation will be available
separately**



Speaker Biography

Speaker: Graham Bishop

Job title: Advisor, European Financial Affairs

Company: GrahamBishop.com

Graham Bishop provides independent analysis on European financial affairs. He founded GrahamBishop.com in 2000 to disseminate insights into economic and structural developments in the financial markets of Europe. These include both the technicalities and political impact so he has always been heavily involved in the political implications of finance – to both the UK and the EU. He was a member of the European Commission's: Maas Committee in 1994/5 (preparing the changeover to the single currency); 1998/9 Financial Services Strategy Group (creating the Financial Services Action Plan) and Giovaninni Group. The European Parliament nominated him as one of its two members of the first Inter-Institutional Monitoring Group and he is a Board member of the Kangaroo Group. He has been a Special Advisor to the House of Commons Treasury Select Committee and to the House of Lords European Committee.

- **The Euro crisis: longer term political and market implications**
- **Does this sound the death knell of the UK in the EU?**

Graham Bishop

Frankfurt

24th October 2011

President Roosevelt

At the low point of the 1930's US Depression,

**"the only thing we have to fear is
fear itself".**

The International Monetary System

Since Bretton Woods in 1944:

- **US dollar has been the reserve asset**
 - Backed by the economic hegemon
 - Issuer of the safest assets
- **Is this changing?**

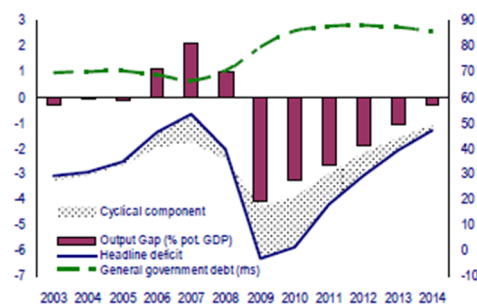
International Debt and Deficit Comparisons

	Public debts, as % of GDP		Public deficits, as % of GDP	
	2011	2012	2011	2012
Eurozone	85.2	86.3	-4.7	-3.8
• Italy	120.3	119.8	-4.0	-3.2 (-1.5)
• Spain	84.7	86.8	-6.3	-5.3
• Portugal	101.7	107.4	-5.9	-4.9
• Greece	157.7	166.1	-9.5	-9.3 (-4.5)
• Ireland	112.0	117.9	-10.5	-8.8
UK	84.2	87.9	-8.6	-7.0
<i>US</i>	<i>98.3</i>	<i>102.4</i>	<i>-10.0</i>	<i>-8.6</i>
<i>Japan</i>	<i>236.1</i>	<i>242.1</i>	<i>-9.7</i>	<i>-9.8</i>

Source: European Commission Spring 2011 Forecasts

Fiscal deficits of the good ship Eurozone

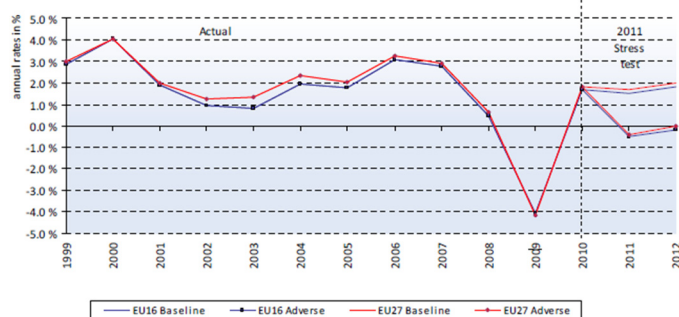
Graph 1.1: Output gap, government debt and deficit in SPs, euro area (% of GDP)



Source: Commission services, SPs.

2011 Bank Stress Test Scenarios

Chart 1. Real GDP growth for EU27 and euro area under the baseline and adverse scenarios in comparison to historical developments



Source: Eurostat up to 2010, 2011-2012 stress test scenarios

The EU's "six-pack"

- 1. Stronger preventive and corrective action to ensure fiscal sustainability**
 - Stronger preventive arm
 - Excessive Deficit Procedure
 - National budgetary frameworks
- 2. Reducing macro-economic imbalances and promoting competitiveness through preventive and corrective action.**
 - An early warning system
 - Preventive and corrective action
 - Rigorous enforcement

UK versus Eurozone

- **Merkel/Sarkozy letter: historic steps for the eurozone...**
- **but could they spell the death knell of Britain in the EU?**
- **Financial Transaction Tax (FTT)**

“Whatever it takes”: My Plan

1. Drastically overhaul the approach to communicating Council policy to the markets and electors
2. Agree immediately to the final element of Parliament’s proposal on the six-pack
3. Change the EFSF’s terms of reference to enable borrowing on demand by any State whose economic policies have been approved by the Eurogroup during the “European Semester”
4. Expand the size/remit of the EFSF to at least €1 trillion of disburseable funds immediately
5. With such facilities in place, it would be difficult to argue that existing government bonds could be in default
6. The future borrowing costs of Greece (and other states at risk) would be reduced to levels that would make their debt burdens sustainable
7. With these guarantees in place, the ECB should have no qualms in continuing to accept Greek etc government bonds as “good” collateral
8. Confidence could revive rapidly as the daily media drumbeat of imminent disaster would vanish

Bundesverband der Wertpapierfirmen e.V.
Federal Association of Securities Trading Firms

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Fax: +49 69 92 10 16 92
mail@bwf-verband.de
www.bwf-verband.de

bwf – raising a voice for investment firms in the political arena

Profile of the association's structure and activities as of October 2011



bwf boardmembers & staff (picture taken in Mai 2007)

The *Bundesverband der Wertpapierfirmen e.V.* (bwf) was created in September 2003 on the initiative of three hitherto existing German industry associations. Since January 2004 it has continued the business of these associations, with the goal of uniformly protecting and promoting the common professional interests of Germany's securities trading firms on a national, European and global level.

The association assists and informs its members in all matters that concern them in connection with their activity as securities trading firms. The bwf furthermore works closely together with national and international industry associations of the banking and capital markets sector. In its capacity of a representative of the German securities industry the bwf is a member of the *European Financial Market Federation* (EFMF) and the *International Council of Securities Associations* (ICSA).

The bwf has legal capacity with its entry in the registry of associations of the district court Charlottenburg (Berlin). While the Association's registered office is situated in Berlin, the Secretary General's office is situated in Frankfurt am Main due to the importance of Frankfurt as Germany's largest financial centre and the fact that many of the association's members are domiciled in Frankfurt. Mr. *Michael H. Sterzenbach*, the Secretary General of the bwf is supported by the association's Legal Adviser *Dr. Hans Mewes*. The association's Legal Advisor as well as its Secretary General are appointed by the Board of Governors whose members are elected by the association's General Meeting for a period of two years. The association's Board of Governors is currently chaired by *Prof. Dr. Jörg Franke*.

The bwf has an actual member-base of 49 members among which are also 24 supporting members. bwf members are usually completely "wholesale" firms. Their clients and market counterparts are German and international banks, UCITS companies, insurance companies and other investment firms alike. While some of the members are still focused solely on their traditional function as market specialist, others offer the full range of trading, order routing and order execution services on German and European trading venues across a wide range of instruments. Some member firms are also active in the IPO and corporate finance business. Beside this, most of the post trading activities, especially clearing & settlement and custody functionalities are usually outsourced to specialized banks. However, several of the main Custodian/Transaction Banks ("Depotbanken") offering post trade services for broker-dealers, did join the bwf as supporting members during the last years.

Setting standards in the international capital market

The International Capital Market Association (ICMA) has made a significant contribution to the development of the international capital market for more than 40 years by encouraging interaction between all market participants: issuers, lead managers, dealers and investors.

Representing financial institutions who are active in the international capital market on a global or cross border basis, ICMA is distinctive amongst trade associations as it represents both the buy-side and sell-side of the industry.

ICMA works to maintain the framework of cross-border issuing, trading and investing through development of internationally accepted standard market practices. ICMA liaises closely with governments, regulators and central banks to ensure that financial regulation promotes the efficiency and cost effectiveness of the international capital market.

**Over 400 financial institutions
in 50 countries are already
experiencing the direct
benefits of ICMA membership.
Find out about joining us.**

**membership@icmagroup.org
+41 44 360 5256**

If you are an individual working for a member firm (a full list of ICMA members is available from www.icmagroup.org) contact us to find out how your membership of ICMA can directly benefit you as you transact your day to day business.
E-mail: allan.malvar@icmagroup.org Telephone: **+44 20 7213 0322**

International Capital Market Association (ICMA) Talacker 29 CH-8022 Zurich Switzerland



Sponsor Profile

As one of the world's leading exchange organizations, Deutsche Börse Group provides investors, financial institutions and companies access to global capital markets. Our business covers the entire process chain from listing, securities and derivatives trading, clearing, settlement and custody, through to market data and the development and operation of electronic trading systems. Issuers benefit from low capital costs, investors from high liquidity and low transaction costs.

Our reliable systems and our integrity as a neutral provider form the basis of our business philosophy. We operate to the most exacting standards to create products and services to meet the needs of international financial markets. As a listed company we work to create value for our customers and our shareholders.



Sponsor Profile

J.P. Morgan is a market brand of JPMorgan Chase & Co. and its subsidiaries worldwide. JPMorgan Chase & Co. is a leading global financial services firm with assets of \$2.3 trillion, offering solutions to clients in more than 100 countries. The firm is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity. For more than 200 years in business, JPMorgan Chase & Co. serves today millions of consumers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands.

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Sponsor Profile

KAS BANK Germany provides clearing, settlement, custody, depotbank and fund administration solutions to financial intermediaries, investment funds and institutional investors in the German speaking countries via its two German entities KAS BANK N.V. German Branch and its *Kapitalanlagegesellschaft*, KAS Investment Servicing GmbH. As a specialist bank for transaction and asset servicing, KAS BANK focuses on administrative services only, therefore ensuring an independent market position that is unique in Germany.

KAS BANK N.V. was founded in Amsterdam in 1806 and has throughout its existence been active in the securities markets. For many years now, KAS BANK focuses on transaction and asset servicing for professional, institutional clients. KAS BANK is the market leader in the Netherlands and is, next to Germany, also based in the UK. KAS BANK's working territory is Europe: as a clearing agent and custodian it has created a unique network of direct links to the major European securities markets. As such, KAS BANK offers its clients unrivalled access to the European exchanges and alternative trading platforms. KAS BANK is characterized by its industry expertise, high quality and partnership approach, providing specialist solutions in a fast changing market environment.