



## **EMCF AND EUROCCP COMBINE STRENGTHS TO CREATE NEW COMPETITIVE FORCE IN PAN-EUROPEAN CASH EQUITIES CLEARING**

### ***Industry to Benefit from Best Practices, Substantial Cost Savings and Collateral Efficiencies***

AMSTERDAM and LONDON, 14 March 2013 – The two largest pan-European cash equities clearing houses, EMCF and EuroCCP, today announced plans to combine their strengths and capabilities by forming a new entity that will deliver greater efficiencies and sustainable competition to the pan-European market place. The combined firm will provide best practices in a number of important areas, including risk management, technology, settlement and client service.

Current owners of EMCF – ABN AMRO Clearing Bank and NASDAQ OMX – and current owner of EuroCCP – The Depository Trust & Clearing Corporation (DTCC) – along with BATS Chi-X Europe, have entered into a memorandum of understanding to become equal shareholders in the new combined clearing house.

Upon execution of the definitive agreements, the transaction is expected to complete if the necessary regulatory approvals are received.

The new CCP will use the risk management framework and customer-service organisation of EuroCCP, and it will run on the technology and operations infrastructure of EMCF. The new entity, to be called EuroCCP, is planned to be headquartered in Amsterdam, with client-facing functions located in London and Nordic coverage provided from Stockholm.

The future shareholders intend to appoint Diana Chan, CEO, EuroCCP as CEO of the new entity and Jan Booij CEO, EMCF as COO of the new entity, subject to regulatory approval.

### ***Addressing Industry Desire for Competition and Greater Efficiency***

Commenting on the transaction, Diana Chan, CEO, EuroCCP: “Bringing together EMCF and EuroCCP reflects the desire of many market participants to see sustained competition, consolidation and greater efficiencies in European clearing and post-trade processing.”

Clients will benefit from the following:

- substantial settlement cost savings resulting from increased settlement netting and reduced inter-CCP settlements;
- reduced collateral obligations as a result of portfolio margining and a single guarantee fund;
- removal of one set of membership fees;
- improved information technology; and
- lower connectivity expenses.



### *Broad Industry Representation and Governance*

EuroCCP's Supervisory Board will consist of representatives from ABN AMRO Clearing Bank, BATS Chi-X Europe, DTCC and NASDAQ OMX plus independent directors, providing a broad and balanced representation of the market place. No single shareholder or group of shareholders will have overriding control. The balanced board structure and business model are intended to ensure market focus, low costs, sustained competition, and that the CCP is financially robust. The Risk Committee and a Participant Advisory Board will have broad industry representation.

Jan Booij, CEO, EMCF said: "This is not only a transformational initiative for EMCF and EuroCCP but for the industry. It will enable us to provide more flexible and innovative clearing services to all clients, while our sustainable business model will ensure costs are kept low and will provide the very best in risk management, technology, settlement and client service."

Diana Chan, CEO, EuroCCP said: "The new CCP will lead the way in encouraging greater competition between all cash equity clearing houses while driving down costs. Following the launch of four-way interoperability, the industry must now consolidate in Europe to achieve economies of scale and respond to the changing needs of market participants. Combining our organisations will accomplish this."

###

### **About EMCF and EuroCCP:**

#### **European Multilateral Clearing Facility (EMCF)**

EMCF provides competitive central counterparty clearing services for the rapidly growing Multilateral Trading Facility (MTF) market and selected stock exchanges. Established in March 2007, EMCF provides CCP services for BATS Chi-X Europe, Burgundy, CATS, QUOTE MTF, TOM, NASDAQ OMX Nordic as well as NASDAQ OMX First North. EMCF is the most competitive European CCP, providing tangible savings for the industry. EMCF offers clearing participants a transparent fee schedule, charging the lowest fee across European markets with participants having access to the lowest fees in the world. The activities of EMCF are regulated by the Dutch central bank (De Nederlandsche Bank, DNB), the Dutch Authority for the Financial Markets (AFM) and the UK Financial Services Authority (FSA). EMCF is owned by ABN AMRO Clearing Bank N.V. (77%) and Nasdaq OMX (22%).

#### **EuroCCP**

European Central Counterparty Limited (EuroCCP) is a UK-incorporated, FSA-regulated Recognised Clearing House. It is the European subsidiary of The Depository Trust & Clearing Corporation (DTCC) and is headquartered in London. EuroCCP was formed to provide clearing services for a wide range of trading venues across Europe, offering risk management expertise to European market participants. It currently clears equity trades in 19 markets. EuroCCP provides pan-European central counterparty services for BATS Chi-X Europe, Burgundy, Equiduct, NYSE Arca Europe, SIGMA X MTF, SmartPool, Turquoise and UBS MTF. It has the mandate from GETMatched Europe and NASDAQ OMX Nordic Exchanges to provide competitive clearing.\*



**EuroCCP**

EuroCCP has developed a capability to clear over-the-counter (OTC) European cash equities trades. It currently clears trades matched on the Omgeo CTM platform and has been mandated by Traiana and by SWIFT Accord platform to provide pan-European clearing.\*

Market participants can trade equities on any venue EuroCCP supports and have their transactions netted for settlement and/or margin purposes for the same security traded on the same day, thereby reducing costs and operational risks.

\*Subject to regulatory approval.

**For further information please contact:**

Jeff Watt (DTCC/EuroCCP) – Greentarget +44 7515 586503 – [jeff.watt@greentarget.co.uk](mailto:jeff.watt@greentarget.co.uk)

Jana Sanchez (EMCF) – City Savvy: +44 7985 917060 / +31 6 422 98 144 – [jana@citysavvy.com](mailto:jana@citysavvy.com)

Kelly Bailey – BATS Chi-X Europe: +44 207 012 8950 – [kbailey@bats.com](mailto:kbailey@bats.com)

Martin Hedensio – NASDAQ OMX: +46 8 405 62 54 – [Martin.Hedensio@nasdaqomx.com](mailto:Martin.Hedensio@nasdaqomx.com)

Alex Evans – ABN AMRO: +44 020 3192 9417 – [alex.evans@uk.abnamro.com](mailto:alex.evans@uk.abnamro.com)