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### European banks live up to commitments

The European Banking Federation (EBF) is pleased to announce the significant progress made by European banks on the issue of central clearing of Credit Default Swaps (CDS) in Europe. As of the end of July 2009, the central clearing of particular CDS has started.

Last February, Alessandro Profumo, President of the European Banking Federation (EBF) and CEO of Unicredit Group, had committed the EBF to help the establishment of one or more central counterparties (CCPs) to facilitate the clearing of CDS in Europe. Six months on, service providers are able to offer the solutions making this possible and it is likely that other initiatives are ongoing.

Under guidance of the Commission, dealer banks have met their commitment. The EBF commends ISDA, the International Swaps & Derivatives Association, and other industry participants for their work in making this possible. In parallel, it highlights the inclusive process of engagement with the buy-side and clearing houses, which has allowed the latter to put in place competitive systems that permit secure central counterparty clearing.

“The industry will continue to encourage the process of clearing standardised CDS contracts via CCPs”, declared Guido Ravoet, Secretary General of the EBF. “Today’s solutions constitute a first important step, we now need to put the previous contracts through the new central clearing system. This will require further careful work for this to be done in a safe and secure environment”, he added.

“While we welcome the progress made in Europe, we must remember that similar work is being carried out in the US and we would like to remind all stakeholders of the importance of a convergent global approach” concluded Ravoet.

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**Note to the Editor**

Set up in 1960, the European Banking Federation is the voice of the European banking sector (EU and EFTA countries). The EBF represents the interests of some 5000 European banks: large and small, wholesale and retail, local and cross-border financial institutions