

SLRC PROPOSED 2004 WORK PROGRAMME

Complete UK Annex to the Stock Borrowing and Lending Code of Guidance.

Review Stock Borrowing and Lending Code of Guidance e.g in relation to equity stock lending and voting.

Review Gilt Repo Code of Best Practice.

Shareholder Voting Group: ensure that SLRC members' interests are effectively represented on this group.

Monitor impact of European directives on stock lending and repo markets including Transparency Directive, Collateral Directive and Insurers Re-organisation and Winding-up Directive.

Monitor the impact of Basel 2 on the stock lending and repo markets.

Monitor G-30 progress

- First meeting of steering group on 4 December.
- G30 recommendation 7 ('permit securities lending and borrowing to expedite settlement') reiterates and endorses the earlier CPSS-IOSCO recommendation.
- G30 targeting countries where securities lending is not permitted or where tax, accounting or legal barriers impede its development. A watching brief therefore for SLRC.

Monitor Giovannini developments

- Steering group to ensure coordinated work programme for removal of the 15 Giovannini barriers not yet in place.
- Awaiting an EU Commission communication on clearing and settlement, expected in the New Year.
- Stock lending is not explicitly mentioned in Giovannini. SLRC to watch for possible impacts from moves to remove eg legal and tax barriers.

Monitor the results CESR/ESCB clearing and settlement consultations.

- Consultation on the proposed standards closed end-October. CESR/ESCB considering responses and the working group is to reconvene in New Year.
- CESR/ECSB standard on stock lending goes little or no further than CPSS-IOSCO or G30. SLRC to monitor any other potential indirect impacts.

Promote the publication on securities lending

Ensure appropriate representation for the securities lending and repo markets on any

working groups or initiatives that arise out of those papers, and co-ordinate such representation.

Monitor uptake of new gilt repo settlement facility in CREST

Monitor LCH plans for gilt DBV netting.

[Fact-finding projects e.g. prime brokerage, non-gilt repo.]