



BANK OF ENGLAND

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21st Century Markets – Speech by Ian Plenderleith

In a speech today in Brussels Ian Plenderleith, Executive Director for Financial Market Operations at the Bank of England and a member of the Monetary Policy Committee, highlights the successful launch this week of delivery versus payment (DvP) in the UK's securities settlement system.

He says: "This very week we have linked the payments and settlements systems to provide full delivery versus payment (DvP), so that securities transactions are now settled in real-time in CREST versus a simultaneous real-time payment in the high value payment system, with the Bank of England operating the central system that links the two. This is a major advance in reducing risk in the financial system and in increasing its efficiency. It was a big step for the UK financial markets when we inaugurated the system on Monday of this week, 26 November, and we are all delighted that it is operating so smoothly and so successfully."

In the rest of the speech, Ian Plenderleith reviews the growing importance of financial markets in the economic policy process. He notes that, if markets develop sound and efficient structures, they have the potential to be "enormously beneficial" in helping "to promote growth in output and employment and rising living standards - the aims that we are all ultimately pursuing."

Key Resources

21st Century Markets – Full speech

<http://www.bankofengland.co.uk/archive/Documents/historicpubs/speeches/2001/speech152.pdf>