

## Press Release

Brussels, 17<sup>th</sup> March 2008

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**Judith Hardt, the Secretary General of FESE**, was named **Lobbyist of the Year** by the Euromoney publication *Compliance Reporter* at the **6<sup>th</sup> Annual Achievement in Regulatory Compliance Awards** for the role played by FESE, under her leadership, in the **Code of Conduct for Clearing and Settlement of Securities**.

Judith Hardt

The recipients of the **ARC awards**, which are organised in **six categories**, are chosen from among nominees around the world who are seen as standing out for a significant contribution to financial services and accounting compliance and regulation. The publication invited readers to submit suggestions and the staff used the feedback in selecting the nominees. Judith was among **three nominees** for Lobbyist of the Year. The winners were chosen based on the votes and comments from industry participants and were announced at a luncheon during the 3<sup>rd</sup> Annual Chief Compliance Officer Forum on March 11<sup>th</sup>. The **official announcement** as published on the website today can be seen in the **Annex**. The full list of categories and their winners can be accessed below (requiring subscription):

<http://www.compliancereporter.com/ChannelFree.aspx?pageID=1322>

Judith's award highlights the key role FESE played in the negotiations that led to the successful implementation of the industry-led **European Code of Conduct on Clearing and Settlement in 2007**. The publication noted that, acting for the European exchange industry, she was **one of the Code's architects** and played an important part in convincing the European authorities that a voluntary Code was more appropriate than legislation to integrate the market. The publication stated that Judith "has been credited with helping Europe avoid having legislation imposed that the industry feared would be untimely, expensive, risky and disruptive" and also cited her reputation as an "honest and fair" lobbyist as a factor contributing to the result.

The implementation of the Code should contribute significantly towards the goal of achieving a **stronger and more efficient European capital market**. The Code has already delivered an **increase in price transparency** as well as a **decrease in the fees** charged by several market infrastructures. The unbundling of services and separation of accounts provides customers with further flexibility when choosing which services to purchase and information on the services provided. Finally, the Code has contributed towards offering market participants the **freedom to choose their preferred provider of services** separately at each layer of the transaction chain (trading, clearing and settlement) through the establishment of **access and interoperability links**.

The publication also cited, among FESE's other work in 2007, the Federation's lobbying for **improved market access between European and U.S. exchanges** and cost-effective implementation of the Markets in Financial Instruments Directive, particularly in regard to **transaction reporting**, where FESE led an industry coalition to design and implement an alternative transaction reporting standard to identify derivatives instruments (**the Alternative Instrument Identifier**) in 2007. The initiative is estimated to save the industry a total of 2.6 billion Euros over 5 years.

FESE wishes to take this opportunity to **congratulate the other nominees** in the same category: **Michael McKee**, former Executive Director at the British Bankers' Association and currently Partner at DLA Piper, and **Ann Vicek**, v.p. and associate general counsel, Securities Industry Financial Markets Association (Washington, D.C.).

The Code of Conduct and other topical issues will be discussed by top-level policymakers and industry participants at the **FESE Annual Convention**, which will be held in **Stockholm on 18<sup>th</sup> June 2008** (for more information and registration, please visit [www.fese.eu](http://www.fese.eu) ).

**For further information:**

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**FESE Secretariat**

Rosa Armesto

Acting Communications and Events Adviser

Tel: +32 2 551 01 85

Email: [armesto@fese.eu](mailto:armesto@fese.eu)

Rafael Plata

Economics and Statistics Adviser

Tel: 32 2 551 01 89

Email: [plata@fese.eu](mailto:plata@fese.eu)

**Annex: Excerpt from the Compliance Reporter Official Announcement on the Annual Achievement in Regulatory Compliance Awards**

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**Lobbyist of the Year**

**- 03/14/2008**

**Judith Hardt**

*Judith Hardt, secretary general, Federation of European Securities Exchanges (Brussels)*

Hardt spent 2007 campaigning for, developing, negotiating and finally agreeing on the Code of Conduct for Clearing and Settlement. She has been credited with helping Europe avoid having legislation imposed that the industry feared would be untimely, expensive, risky and disruptive.

With the Markets in Financial Instruments Directive Nov. 1 implementation deadline fast approaching, Europe was under pressure to develop an efficient post-trade arrangement to improve price transparency, access and unbundle services between exchanges, clearing houses and central securities depositories. In 2005 the European Commission decided to give the industry a chance to prove it could come up with its own self-regulatory clearing and settlement code, which would become the final piece of the MiFID puzzle.

Hardt took pole position in meeting this challenge and started the long process of bringing 20 exchanges, 12 clearing organizations, and 34 CSDs--many of which hadn't talked to each other before--to signing a comprehensive agreement. She told CR the process involved numerous late-evening discussions at the Sheraton hotel in Brussels and last-minute negotiations trying to sell the code to the Commission. Up to the moment the last signature was gathered, Hardt said, she doubted whether the project was going to work.

The code was a better solution than regulation because it was applicable right away and has had an immediate impact in bringing the post-trading community together, Hardt said. Her charm and energy won support from all sides of the negotiations. Mario Nava, head of financial markets infrastructure at the Commission, told CR: "Judith is pushy like all lobbyists, she has her agenda like all lobbyists, but she has two rare qualities...she is honest and fair and her commitments are meaningful."