

Over the past decades, the global economy has shifted from the Industrial Age to the Information Age, represented by the computers and internet. The new environment based on increased processing of information by the use of computers has led to the direct issuance and trading of securities in dematerialized form, and ultimately, to the technical efficiency of cross border transactions. Although the technical barriers has been overcome, there are still many long-standing and deep-rooted obstacles that stand in the way of cross-border investments. The newest plan aimed at breaking down these barriers in the EU is strongly supported by the European Commission action plan termed the Capital Market Union (CMU).

Efficient and safe post-trade infrastructures are the key elements of well-functioning capital markets. That's the reason why the main aim of the project is to assess the current arrangements for cross-border clearing and settlement and to identify the main sources of inefficiency related to the corresponding arrangements for domestic transactions. The research carried out as part of the project should lead to the improvement of legal confidence of the market participants in the recording of securities in book-entry forms. This targeted work may, in consequence, lead to the improvement of legal certainty in this area, however the important progress in the harmonization of the essential issues arising from cross-border transactions still has to be made.

This is because the current regulatory landscape of the EU in this area is not result of a compromise between the current capital market needs on the one hand and the protection of various market participants entitled to their securities or to recording them in book-entry registrations systems in favor of their clients, on the other hand. To support this hypothesis careful examination of the legal texts has to be done, as well as detailed comparative legal analysis of legal systems of some European countries such as Switzerland and Germany in order to resolve problems arising from the legal situation of the account holder and account provider in the event of an invalid entry, the application of innocent acquisition rule or the PRIMA rule in the cross border context.