

In Ch.9 as its chapter title, "Design Choices in Central Clearing and Their Consequences", Building and Murphy set out 16 choices (questions) to be asked in each of the stage in designing a central clearing. These questions reflect on the previous chapters by taking into account of the financial resources, governance and ownership, and the definition of the clearing mandate: location and local compliance.

In its concluding chapters, it summaries in brief as to the pros and cons on the future mandatory central clearing, which offer a clear picture of where OTC derivatives regulation lay and where do we go from here by asking some important questions.

This first edition on the OTC Derivatives Clearing sets a bench mark in the field of OTC derivatives regulation and can be recommended to all who are looking for an excellent analysis in this field, be they academics, practitioners or regulators. No doubt, a second edition of the book will be needed before very long and I personally look forward very much to reading it.

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The Resolution of Cross-Border Banking Crises in the European Union. A Legal Study from the Perspective of Burden Sharing, by Seraina Neva Grunewald, (Kluwer Law International, 2014), 344 pp., £116, ISBN: 9789041149091.

Starting with a famous quote from James Madison ("Federalize their wallets, and their hearts and minds will follow"), the book under review constitutes the first wide-ranging legal account of the emerging bank resolution regime in the European Union. Following the failures of pre-crisis governance structures for the regulation and supervision of credit institutions as well as the impact of the banking crises in Europe, the monograph analyses the emerging resolution regime from the angle of burden sharing.

The book by Seraina Grunewald, based on her PhD dissertation from the University of Zurich, is the first scholarly study on the legal response to the lack of cross-border resolution regime in the European Union. The outcome is a thought-provoking and accurate legal analysis of the contested role of burden-sharing which provides an elaborate critical assessment of the post-crisis resolution reforms and which proposes new options for further integration in the resolution regime. The intention to combine the discussed role of burden sharing in Europe within the creation of a European resolution regime is topical and appealing.

The book aims to provide a new reading into the development of resolution regimes in Europe by making four challenging claims: firstly, that policy makers must

focus on the improvement of resolution regimes, secondly, that bank resolution requires substantial financing by the public sector; thirdly, that the concept of burden sharing has a European dimension; fourthly, that burden sharing arrangements are an essentially contested point of resistance to establish a Banking Union (p.5).

The book is divided into six chapters. Chapter 1 offers an introductory picture on the development of a resolution regime in Europe. Special emphasis is put on the concept, the objectives and the role of public authorities in banking resolution.

Chapter 2 offers a comprehensive analysis of the concept of burden sharing, the overall "red thread" throughout the monograph. This theoretical chapter aims to shed some lights on the burden sharing concept in Europe, in particular by appraising what burden sharing is, why pursue burden sharing and how to pursue burden sharing.

Chapter 3 deals with the design of a legal regime for bank resolution. After having briefly looked at the international initiatives, the core of the chapter assesses the regulatory initiatives for the harmonisation of resolution regimes in Europe (in particular the proposal for a Bank Recovery and Resolution Directive—"the BRRD") as well as the role of competition law (merger control and state aid control) in addressing the resolution of credit institutions.

Chapter 4 provides a practical overview of the debate for burden-sharing by looking at the framework for Deposit Guarantee Schemes (DGS's) in Europe and at the distribution of quasi-fiscal responsibilities to protect depositors among the Member States. Particular attention is devoted to the implications of the famous *Icesave* dispute and depositor protection.

Chapter 5 moves the discussion on burden sharing to the institutional dimension by assessing the European Union's institutional and budgetary structures through which Member States determine and share the financing of common policies. The chapter focuses on the role of the European Central Bank, the European Commission and the European Stability Mechanism (ESM) to constitute a reliable integrated framework for bank resolution and effective burden sharing. Interestingly, the author's approach to consider together these three institutions makes it possible to analyse resolution regimes also in the perspective of the wider crisis-related reforms in Europe (the new European economic governance framework, the Single Supervisory Mechanism, the role of the ESM in Europe).

Chapter 6 provides the author's concluding remarks and aims to put forward some interesting legal grounds to improve the existing system of banking resolution in Europe. After having summarised the findings of the preceding chapters, the author identifies some options for further integration for resolution regimes in Europe. To that extent, the conclusions shed some lights on the possibilities to create a uniform regime beyond the adopted approaches taken up by the BRRD and the Single

Resolution Mechanism (SRM). Of particular interest is the argument in favour of the creation of a centralised system of resolution regime as well as that of the possible use of enhanced cooperation between some Member States in the European Union. The chapter concludes with a brief analysis on the coordination of resolution action with Switzerland.

The book constitutes a research of high quality, especially in light of the normative difficulties arising from the development of a new and credible resolution regime in Europe. The analysis is comprehensive and well-structured, covering almost all of the legal aspects related to the assessment of burden sharing in Europe. While some parts are structurally questionable (why conclude the monograph on the question of coordination of resolution regimes with Switzerland?), the very wide coverage of the book and thorough analysis makes the book an essential reading for those interested in understanding why, what and how a resolution regime in Europe is developing. Two of the added values of the book are the combination of a public law and banking

law perspective in the development of the burden sharing regime in Europe as well as the references to other fields such as supervisory law, banking regulation and European law.

It is clear that the financial regulatory framework is still in the process of being shaped as a consequence of the financial crisis. As a result, the book could not assess the latest legal developments on the topic (DGS Directive, the final BRRD and the final SRM Regulation) which have been adopted by the European co-legislators only in April 2014. Despite that, the book certainly addresses the four claims indicated in its introduction.

In sum, the book makes an original contribution to the field of banking resolution in Europe and is therefore a necessary reading for academics, policy-makers, legal and other practitioners interested in the emerging area of European resolution law.

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