



Date: 27 March 2002

Ref.: CESR/02-042

PRESS RELEASE

**MAJOR OUTCOMES OF THE THIRD MEETING OF CESR
CESR STARTS WORK UNDER THE LAMFALUSSY APPROACH**

The third meeting of the Committee of European Securities Regulators (CESR) took place in Paris on 14 March 2002.

CESR has approved the retail regime as set out in the paper “A European Regime of Investors Protection: the Harmonisation of the Conduct of Business Rules” (Ref. CESR/01-014d). This set of Standards and Rules provides harmonised core conduct of business rules for retail investors in the following areas: standards and rules of general application, information to be provided to customers, the “know your customer” standards and the duty of care, customers agreements, dealing requirements (including the “best execution” standards) and individual discretionary portfolio management. The professional and counterparty regime, including the categorisation of investors paper, requires further work by CESR.

CESR has approved the paper “Stabilisation and Allotment, a European Supervisory Approach” (Ref. CESR/02-020b). This paper provides harmonised standards for Stabilisation practices in the context of a public offer and an harmonised disclosure regime for the Allotment of securities as well as some basic principles of the Allotment process. This work has not been elaborated under a formal mandate of the EU Commission in the context of the future Directive on Insider Dealing and Market Manipulation or the future Directive on Prospectuses. However, these standards represent an important “acquis” for any future work to be undertaken on the same subject.

The documents referred to above will be published shortly on the CESR Internet Home Page: www.europefesco.org.

CESR will continue to contribute to the ongoing work undertaken by the EU Commission on the revision of the ISD. The work on the regulation of Alternative Trading Systems (ATs) is nearing completion. CESR has now decided to create an Expert Group on Market Transparency and Efficiency with a remit to explore the interactions between four elements: Transparency, Price Formation, Best Execution and Market Structure of secondary markets. Claes Norgren, Director General of the Swedish Finansinspektionen, will chair the group. A preliminary report is expected to be tabled at CESR’s June meeting.



CESR has received from the European Commission two requests for advice on possible implementing measures on the future directive on Market Abuse and on the future directive on Prospectuses. To prepare this work two Expert Groups have been established:

- An Expert Group on market Abuse, chaired by Pr. Stavros Thomadakis, Chairman of the Hellenic Capital Market Commission;
- An Expert Group on Prospectuses, chaired by Pr. Fernando Teixeira dos Santos, Chairman of the Portuguese Comissão do Mercado de Valores Mobiliários (CMVM).

The requests of advices can be consulted on the CESR website (section Consultative Papers) and should be understood as an initial call for contributions from all interested parties.

Subject to final consultation with the European Commission, the EU Parliament and the European Securities Committee, CESR has decided to establish a high level Market Participants Consultative Panel with a limited number of members appointed on a personal basis. The role of the Panel will be to:

- provide comments on the way in which CESR is exercising its role, in particular in implementing its Public Statement on Consultation Practices;
- assist the Committee in the definition of priorities; and
- alert CESR about regulatory inconsistencies in the Single Market and major financial evolutions.

It is expected that the members of the Panel will be nominated by June 2002.

In view of the forthcoming Danish Presidency of the Union, the next meeting of CESR will take place in June in Copenhagen.

*
* *

For additional information:

Fabrice Demarigny
Secretary General of CESR
Tel.: + 33 1 53 45 63 61
Fax: + 33 1 53 45 63 60
E-mail: fdemarigny@europescf.org



Notes for Editors:

CESR was established as an independent committee of European securities regulators. All undertakings, standards, commitments and work agreed within the Forum of the European Securities Commissions (FESCO) will be taken over by CESR. The role of this Committee is to:

- Improve co-ordination among securities regulators;
- Act as an advisory group to assist the EU Commission, in particular in its preparation of draft implementing measures in the field of securities;
- Work to ensure more consistent and timely day to day implementation of community legislation in the member states.

The Committee was established under the terms of the European Commission's decision of 6 June 2001 (2001/1501/EC). It is one of the two committees envisaged in the final report of the group of Wisemen on the regulation of European securities markets. Baron Alexandre Lamfalussy chaired this group. The regulatory approach described in the report was endorsed by the Stockholm European Council Resolution and by a Resolution of the European Parliament.

Each Member State of the European Union has one member on the Committee. The members are nominated by the Members States and are the Heads of the national public authorities competent in the field of securities. The European Commission has nominated the Director general of the DG Internal Market, as its representative. Furthermore, Securities authorities of Norway and Iceland are also represented, at a senior level.