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PRESS RELEASE

CESR RELEASES CONSULTATION PAPER ON SECOND SET OF IMPLEMENTING MEASURES FOR DIRECTIVE ON MARKET ABUSE

CESR has today published a consultation paper (Ref. CESR/03-102b) on its proposed advice to the European Commission on a second set of technical implementing measures for the Directive on Insider Dealing and Market Manipulation (Market Abuse).

The advice, once finalised, will complement the initial technical implementing measures (CESR's Advice on Level 2 Implementing Measures for the proposed Market Abuse Directive [Ref. CESR/O2.089d]) recommended by CESR to the Commission at the end of last year under the new Lamfalussy approach to regulating securities markets.

The paper deals with five additional areas of the Directive which require technical implementing measures. These are as follows:

- **The definition of Accepted Market Practices**
- **The definition of Inside Information for Derivatives on Commodities**
- **The requirement on issuers, or entities acting on their behalf, to draw up lists of insiders**
- **The requirement on those with managerial responsibilities to disclose their transactions**
- **The requirement on persons professionally arranging transactions in financial instruments to notify the competent authorities of suspicious transactions**

CESR's advice has been developed by the expert group responsible for the first advice to the Commission, under the chairmanship of Mr Stavros Thomadakis, Chairman of the Hellenic Capital Market Commission. In elaborating the proposals, the expert group has drawn on input from market participants who responded to CESR's Call for Evidence on the second mandate, as well as advice from a pan-European Consultative Working Group (CWG) and an ad hoc group of experts on commodity derivatives.

The consultation period will run until 15 June 2003. CESR will organise an open hearing on the paper in Paris on 12 May to permit interested parties to clarify or discuss points directly with the expert group. It is anticipated that there will also be a number of open consultations held at national level.

Stavros Thomadakis, Chairman of the Expert Group, commented:

« The Market Abuse Directive has now been adopted. This second mandate reflects the evolution of the text during the negotiations between the European institutions and will complete the remaining measures deemed necessary to ensure a full implementation of the Directive within the 18 month timetable which is envisaged. The new mandate deals with a number of key areas and I would urge interested parties to communicate their views on CESR's proposals during this consultation period. »



CESR will finalise its advice on the basis of input received from interested parties during the consultation period and in conjunction with the CESR Chairmen. The European Commission has requested final input by 31 August 2003.

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Notes for Editors

1. CESR is an independent Committee of European Securities Regulators. The role of the Committee is to:
 - Improve co-ordination among securities regulators;
 - Act as an advisory group to the European Commission, in particular in its preparation of 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.
2. The Market Abuse Directive (“the Directive”) was adopted on 3 December 2002. The objective of the Directive is to ensure the integrity of the Community’s financial markets and to enhance investor confidence in those markets.
3. The Directive is one of a number of current legislative initiatives based on the new legislative techniques for EU securities markets developed by Baron Lamfalussy’s Group of Wise Men. These are based on a four level approach (framework principles, implementing measures, co-operation and enforcement). CESR’s advice will form the basis for level 2 implementing measures. Relevant documentation on the Lamfalussy procedure can be viewed on the CESR website.
4. The European Commission published An additional mandate to CESR for technical advice on possible implementing measures concerning the Directive on Insider Dealing and Market Manipulation (Market Abuse) (Ref: MARKET/G2 D(2003)) on 31 January 2003, with a deadline for CESR’s advice of 31 August 2003.
5. CESR’s Call For Evidence (Ref. CESR/03-037) seeking input from interested parties on the issues which CESR should consider in developing its advice on the second mandate was published on 7 February. Around 20 responses were received and can be viewed on the CESR website.