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Regarding the provisions quoted in the response below, as far as possible, hyperlinks to these provisions (in the respective language or, if available, in English) are set out in Document CESR/04-075 for each country.

IMPORTANT NOTICE

In the interest of transparency and to inform interested parties, CESR has published the following (together the “Tables”):

- *the Correspondence Tables on the CESR Standards for Investor Protection (Ref. CESR/03-416b to 423b, CESR/03-134/Country);*
- *the Correspondence Tables on the CESR Standards for Alternative Trading Systems (Ref. CESR/03-415b, CESR/03-135/Country);*
- *the Synthesis Tables (Ref. CESR/03-427b and CESR/03-432b);*
- *the List of Alternative Trading Systems currently operating in Member States¹ (Ref. CESR/03-497b);*
- *the explanatory notes and caveats attached to the Tables.*

The Tables were produced by the Members of CESR¹ within the constraints of and solely for the purposes of the CESR Review Panel process of monitoring the status of implementation of the CESR Standards for Investor Protection² and the CESR Standards for Alternative Trading Systems³ in Member States.

The Tables have no legal effect; they do not present any interpretation of, or definitive position on, existing law or regulation in any jurisdiction. The Tables should not be relied upon for any purpose other than the purpose for which they were prepared. In particular, they should not be relied upon as a substitute for, or as guidance on, any aspect of the regulatory system of any Member State or as a defence in supervisory activities or enforcement proceedings; and they cannot be used to restrict competent authorities in taking regulatory or enforcement actions.

The information set out in the Tables is the response of each Member’s self-assessment. For this reason, the content of the Tables regarding a particular Member State has been prepared solely by the relevant Member on a best-efforts basis. (In a next step, the CESR Review Panel is going to conduct a common and collective peer exercise in reviewing the responses from all Members.) In case of discrepancy between the tables containing the responses from all CESR Members and the tables containing the individual responses from a particular CESR Member, the latter should be referred to.

The Tables provide a “snap shot” and will be up-dated on a regular basis to take account of regulatory developments in Member States. Therefore, they cannot be considered as fully finalised or definitive reflections of regulatory provisions in Member States. The Tables should also be read in light of current and future developments in the formulation of the proposed Directive on Markets in Financial Instruments (“ISD2”) and the future Level 2 implementing measures, and without prejudice to the position of any Member State in those developments.

For a more detailed account of the process, methodology and first, interim results, please see the “First Interim Report” by the Review Panel (Ref. CESR/03-414b).

¹ For reasons of simplicity, the term “Member” in this context refers to all participants in the Review Panel, i.e. CESR Members, CESR Observers, and the Polish securities regulators; this applies to the term “Member State” accordingly.

² “A European Regime of Investor Protection - The Harmonization of Conduct of Business Rules” (Ref. CESR/01-014d, April 2002) and “A European Regime of Investor Protection – The Professional and the Counterparty Regimes” (Ref. CESR/02-098b, July 2002).

³ Ref. CESR/02-086b, July 2002.

CORRESPONDENCE TABLE ON STANDARDS FOR ALTERNATIVE TRADING SYSTEMS
(REF. CESR/02-086B)

THE NETHERLANDS

1. Market Integrity Standards for Alternative Trading Systems

Standard	Implementing authority(ies)	Implementing measure ⁴	Comments
<p>As a general comment it should be noted that currently within the Netherlands there is only one investment firm that performs activities as a qualifying system.</p> <p>The present Act on the Supervision of the Securities Trade 1995 gives us the opportunity to lay down specific regulations to protect the investor and promote the efficiency of the market. We have used this article in the case of the qualifying system to attach specific conditions to the licence of the firm that are relevant to the operator of a trading system in the interest of the investor and to promote the efficiency of the market.</p> <p>In the license that has been granted AFM reserves the right to alter its assessment about the trading system, should this be necessary in light of national and international developments.</p> <p>Our licensee has been given a license in the following category:</p> <p>Further Regulations on Market Conduct Supervision of the Securities Trade 2002 <u>Article 1</u> In these Regulations, the following definitions shall apply: h. securities services: 2. the receipt of orders from clients relating to financial instruments and the execution or the causing of the execution of those orders for the account of these clients and the bringing together of buyers and sellers in other ways in connection with transactions in financial instruments;</p>			
<p><i>1. Investments firms should be required by their home state regulatory authority to notify the establishment of a qualifying system. They should also notify the home state regulatory authority (and, where different, the home state regulatory body in that member state responsible for the oversight of markets) of its key features</i></p>	<p>Ministry of Finance, AFM</p>	<p>Act on the Supervision of the Securities Trade 1995 Section 7 1 Persons not possessing a licence shall be prohibited from offering or performing services as a securities broker or portfolio manager in or from the Netherlands. -7. Restrictions may be imposed on, and conditions attached to, a licence in the interests of the proper operation of the securities markets or the position of investors in the said markets.</p>	<p>ATSS are considered securities firms, which must adhere to the regulations set in law. Although the law does not mention ATSS specifically, certain requirements can be taken</p>

⁴ Any derogation to the application of the implementing measures should be mentioned.

<p><i>and significant changes to its operation.</i></p>		<p>Decree on the Supervision of the Securities Trade 1995</p> <p>Article 20 A securities institution shall submit, in so far as applicable to it, the following information to the supervisory authority</p> <p>c a statement by an accountant showing that sections 12 and 13(1) have been complied with;</p> <p>d a description of the systems referred to in section 13(3);</p> <p>e a description of the measures referred to in section 14(2);</p> <p>f a description of the structure referred to in section 15(1);</p> <p>g a description of the measures referred to in section 16(1);</p> <p>j the general terms and conditions that apply to agreements with clients;</p> <p>k a statement of the range of services that the securities institution offers or performs as a securities broker or portfolio manager;</p> <p>l a statement of the range of securities to which the services relate;</p> <p>m a statement of any other types of professional or commercial activity of the securities institution other than the services referred to in (k);</p> <p>n a statement of the category or categories of persons to whom or for whom the securities institution offers or performs services as a securities broker or portfolio manager, a distinction being made between persons who trade or invest in securities in a professional or commercial capacity and other persons;</p> <p>o a statement of the name and the address of the head office of any other securities institution on whose behalf the securities institution referred to in the opening lines offers or performs services, together with, where relevant, the place in which the other securities institution is established.</p> <p>p a description of the group to which the securities institution belongs and of the position it occupies therein;</p> <p>q a statement of the manner in which the services will be offered to investors;</p> <p>r other information and documents that the supervisory authority reasonably deems necessary for the assessment of the licence application; and s a programme of activities, whose form and content shall satisfy rules to be laid down by the supervisory authority.</p> <p>Article 22 1. A securities institution shall notify the supervisory authority of every proposed alteration to:</p> <p>(a) the number and identity of the persons referred to in section 10;</p> <p>(b) the systems referred to in section 13(3);</p> <p>(c) the measures referred to in section 14(2);</p> <p>(d) the structure referred to in section 15(1);</p> <p>(e) the measures referred to in section 16(1);</p> <p>(f) the accounting system and related internal controls, recording system and other systems referred to in section 17(1); and</p> <p>(g) the name and address of the head office of the securities institution and, if it is not established in the Netherlands, the address of the branch office, together with, where applicable, the place in which it is established.</p> <p>(h) the composition and the formal and actual control structure of the group to</p>	<p>up in the licenses of ATs, thus meeting CESR ATs Standards.</p>
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		<p>which the securities institution belongs.</p> <p>5. If there is an alteration to the antecedents referred to in section 20(a), or to the programme of activities referred to in section 20(s), the securities institution shall give the supervisory authority written notification thereof forthwith.</p> <p>License On the basis of article 7, under 7, of the Act, a restriction has been inserted in the relevant license which not only requires the licensee to notify the supervisory authority any change in the trading system, but also to ask for <i>approval</i> of this system.</p>	
<i>2. Investment firms operating a qualifying system should establish trading arrangements that result in fair and orderly trading.</i>	Ministry of Finance, AFM	Not specifically mentioned in law, but requirements can be taken up in license. The general rule: A securities institution shall, during the performance of its activities, comply with rules to be laid down by the supervisory authority that serve to ensure that the securities institution (a) acts in the interests of its clients and the proper operation of the securities markets. (art. 24 Decree)	
<i>3. An investment firm operating a qualifying system providing trading in an instrument traded on a regulated market must make publicly available, on a reasonable commercial basis, information about quotes and/or orders that the qualifying system displays or advertises to the system users. Similarly, operators must make publicly available, on a reasonable commercial basis, information relating to completed transactions that the system provides to users.</i>	Ministry of Finance, AFM	The general rule (section 7(7) Wte) applies. See standard 1.	In our specific case the license has been restricted to professional parties, so no extra regulations have been imposed)
<i>4. Investment firms operating a qualifying system should monitor user compliance with the contractual rules of the system.</i>	Ministry of Finance, AFM	Not implemented	Although a firm must adhere to requirements regarding internal controls, the law has no explicit reference to user compliance.
<i>5. Investment firms operating a qualifying system should, where their home state regulatory authority requires it for the purposes of investor protection and market integrity, establish arrangements with that authority to facilitate satisfactory monitoring of the markets in the instruments traded and the detection of market abuse.</i>	Ministry of Finance, AFM	<p>In general, investment firms must comply with the Disclosure of Unusual Transactions Act. Firms must incorporate measures to detect and prevent market abuse on the basis of the rules mentioned below.</p> <p>Act on the Supervision of the Securities Trade 1995 Section 46</p> <p>-1. It shall be prohibited for any person who is in possession of inside information to carry out or cause to be carried out in or from the Netherlands a transaction in:</p> <p>(a) securities that are listed on a securities exchange recognised pursuant to section 22 or on a securities exchange that is established outside the Netherlands and is admitted by government, or securities that are likely to be listed on such an exchange in the near future; or</p> <p>(b) securities whose value is determined in part by the value of the securities referred to in (a).</p> <p>-2. Inside information shall mean the knowledge of specific information concerning a legal person, company or institution to which the securities relate or concerning the trade in the said securities:</p>	

	<p>(a) that has not been made public; and (b) where disclosure can reasonably be expected to have an effect on the price of the securities concerned, irrespective of the direction of the share price.</p> <p>-3. The prohibition in subsection (1) shall not apply to:</p> <p>(a) an intermediary who, being merely in possession of inside information concerning the trade in securities, trades in accordance with the principles of good faith in order to execute client orders.</p> <p>(b) to a legal person, company or institution of which the employees who are involved in the carrying out of transactions or in causing transactions to be carried out are only in possession of inside information concerning the trade in securities; and (c) to persons who carry out a transaction, or cause a transaction to be carried out in order to comply with an enforceable obligation that pre-existed at the time when he became aware of the specific information referred to in subsection (2).</p> <p>-4. Categories of transactions to which the prohibition referred to in subsection (1) do not apply, may be designated by order in council. Within a category to be designated, a distinction may be made according to the persons by whom and the circumstances in which transactions are carried out or are caused to be carried out.</p> <p>-5. Amsterdam District Court shall have sole competence of first instance in respect of the criminal offences referred to in subsection (1).</p> <p>Section 46a</p> <p>- 1. It shall be prohibited for any person who is in possession of inside information concerning a legal person, company or institution as referred to in section 46(2) or concerning the trade in securities as referred to in section 46(1) in respect of that legal person, company or institution, other than as part of his normal duties, profession or position:</p> <p>(a) to communicate this inside knowledge to a third party, or (b) to recommend a third party to carry out or to cause to be carried out transactions in such securities.</p> <p>Section 17</p> <p>- 1. A securities institution shall have, according to the judgement of the supervisory authority, a good accounting system and effective related internal controls and a reliable recording system for the services it has performed, together with systems for the effective monitoring and control of the risks relating to its operations as a whole and systems for determining its financial position accurately at any time. The said system, controls, recording system and other systems shall enable the supervisory authority to ascertain whether the rules governing the management of the activities of the securities institution and capital adequacy are being complied with.</p> <p>- 2. The supervisory authority may lay down rules relating to the accounting system, related internal controls, recording system and other systems referred to in subsection (1).</p> <p>Decree on the Supervision of the Securities Trade 1995</p> <p>Article 40</p> <p>A securities institution shall ensure the monitoring of compliance with the measures referred to in article 19 and the monitoring of compliance with the codes of conduct regarding price-sensitive information, private investment transactions required pursuant to articles 22 and 23, and the taking of disciplinary action.</p>	
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<p><i>6. Investment firms operating a qualifying system should be able to demonstrate to the relevant home state regulatory authorities that the system is capable of delivering the proposed service, that there are satisfactory arrangements for the management of the technical operation of the system and that there are satisfactory contingency arrangements in the event of system disruption.</i></p>	<p>Ministry of Finance, AFM</p>	<p>Decree on the Supervision of the Securities Trade 1995</p> <p>See section 17 in the above</p>	
<p><i>7. Investment firms operating qualifying systems should ensure that there is clarity of obligations and responsibilities for the clearing (where applicable) and settlement of transactions.</i></p>	<p>Ministry of Finance, AFM</p>	<p>Investment firms must put in place adequate arrangements to protect the rights of their clients and to avoid that securities and monies (as far as the client is not a credit institution) are used for their own account by investment firms (art. 16 Decree).</p> <p>This would in practice be a tripartite agreement between client, investment institution and credit institution if the investment firm is not also a credit institution. The credit institution must adhere to relevant rules regarding clearing and settlement.</p> <p>Also, in the client agreement it should be stated in what way monies and securities are settled and cleared (art. 25(2)-f Decree).</p>	

2. Application of Conduct of Business Rules to Alternative Trading Systems

Standard / Rule	Implementing authority(ies)	Implementing measure	Comments
<p><i>8. Investment firms operating a qualifying system should make clear the nature of the relationship between operator and user.</i></p>	<p>Ministry of Finance, AFM</p>	<p>The relationship between client and firm is written down in the client agreement.</p> <p>Decree on the Supervision of the Securities Trade 1995</p> <p>Article 25</p> <p>1 A securities institution shall conclude a written agreement with each client, which shall form the sole basis for the services that the securities institution performs for the client in the conduct of its business.</p> <p>2. The agreement shall in any event stipulate the following</p> <p>(a) the rights and obligations of the client and the securities institution under the agreement;</p>	

<p><i>9. Investment firms operating a qualifying system should supply sufficient information about the system to enable a user to use the system efficiently and to understand any risks arising in using the system.</i></p>	<p>Ministry of Finance, AFM</p>	<p>Decree on the Supervision of the Securities Trade 1995 <u>Article 24</u> A securities institution shall, during the performance of its activities, comply with rules to be laid down by the supervisory authority that serve to ensure that the securities institution: c provides its clients with the information and documents necessary for an assessment of the services offered by it and the securities to which the said services relate;</p> <p>Further Regulations <u>Article 33</u> 1. A securities institution shall provide its clients in an appropriate manner with the information and documents that are necessary for a proper assessment of the services provided by the securities institution and financial instruments to which the services relate.</p>	<p>In the rules no specific reference is made to informing a client about the system. This is, however, implicit, since a firm must at all times act in the interest of a customer.</p>
<p><i>10. Investment firms operating a qualifying system should provide, or be satisfied that there is access to, sufficient publicly available information to enable users to form an investment judgement, taking into account both the nature of the users and the type of instruments traded.</i></p>		<p>This standard has not been taken up in law, but a restriction can be made in the license. In practice, this has not been done, as the only Dutch ATS provides services exclusively to professionals.</p>	