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PRESS RELEASE

**CESR intensifies co-ordination in the light of recent market volatility
in euro denominated debt instruments.**

Following the recent CESR Plenary meeting in Barcelona on 7 May, CESR began intensifying close co-ordination of its Members' market surveillance efforts. Furthermore, in order to assess if any further action should be taken, dialogue between CESR and its Members has been intensified, especially given the decision by the German BaFin to introduce a short selling ban (which took effect Wednesday 19 May).

At present, CESR Members are closely monitoring the situation along with national Finance Ministers and central banks. If necessary, co-ordination of any further action will take place within CESR.

CESR is of the view that structural reforms should be rapidly introduced to enhance the transparency, organisation and functioning of the bond and CDS markets that are currently largely OTC. Some preparatory steps have already been taken by CESR through the launch of its consultation on enhancing trading transparency on a broad range of non-equity instruments, including corporate bonds and OTC derivatives (published on 7 May 2010, Ref. CESR/10-510). CESR is also in the process of carrying out work on possible measures to enhance the organisation and integrity of OTC derivatives markets. These initiatives would enable regulators to better monitor developments and trace potential cases of market abuse and would enhance the overall efficiency of these markets. In this respect, CESR urges the European Commission to urgently adopt the planned legislative reforms ahead of its original timetable.

CESR will further complement this work by evaluating enhanced transparency for government bonds markets and related CDSs in the light of recent developments, and examining the operation of these markets, including settlement. The appropriate Standing Committees have been mandated to further analyse these issues.

CESR and its Members will continue to monitor developments closely and the existing co-ordination will be maintained on an intensified basis amongst Members. CESR will also maintain close and regular contact with the European Commission.



Notes to editors:

1. CESR is an independent Committee of European Securities Regulators. The role of the Committee is to improve co-ordination among securities regulators and act as an advisory group
 - To assist the European Commission, in particular in its preparation of draft implementing measures in the field of securities; and
 - To work to ensure more consistent and timely day to day implementation of community legislation in the Member States.

The Committee was initially established under the terms of the European Commission's decision of 6 June 2001 (2001/527/EC) which was repealed and replaced by the Commission Decision of 23 January 2009 (2009/77/EC). CESR was one of the two Committees first envisaged in the Final Report of the Group of Wise Men on the regulation of European securities markets chaired by Baron Alexandre Lamfalussy. The report itself was endorsed by the European Council and the European Parliament. The relevant documents are available on the CESR website.

2. Each Member State of the European Union has one Member in the Committee. The members are nominated by the Member States and are the heads of the national public authorities competent in the field of securities. The European Commission has nominated as its representative the Director General of the DG MARKT. Furthermore, the securities authorities of Norway and Iceland are also represented at a senior level as observers.

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