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PRESS RELEASE

CESR PRESENTS ITS CONSULTATION POLICY

The Committee of European Securities Regulators (“CESR”) has issued its draft Statement of Consultation Practices (‘the Statement’) for public consultation (Ref. CESR/01-007b). Consultation will close on 16th November 2001.

The statement follows on from the commitment made by CESR in its Charter (CESR/01-002) that it would draw up a public statement, giving force to the Committee’s pledge to work in an open and transparent manner. It also reflects CESR’s wish to implement the recommendations contained in the Final Report of the Committee of Wise Men on the Regulation of the European Securities Markets (‘the Lamfalussy report’).

The statement contains a number of specific commitments relating to who, when and how it will consult. In particular, CESR will seek to target all interested parties, including consumer groups. Consultation documents will therefore be made widely available including via the Internet.

As set out in the Charter, CESR will establish working consultative groups whenever appropriate and will be issuing proposals to give effect to this in due course. CESR would welcome proposals from consultees on the objectives and mechanics for taking this initiative on consultative groups forward including the best ways for an appropriate balance between market players (market participants, consumers, end-users) and nationalities.

CESR is committed to playing its full role in the Lamfalussy process. This statement will contribute to raising transparency in the regulation of European securities market.

Please send your responses to Fabrice Demarigny, Secretary General,
(Tel. + 33 1 53 45 63 61; Fax: + 33 1 53 45 63 60; email: fdemarigny@europesefesco.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 report itself was endorsed by the Stockholm European Council Resolution.

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 John Mogg, Director general of the DG Market, as its representative. Furthermore, Securities authorities of Norway and Iceland are also represented, at a senior level.

Mr. Arthur DOCTERS VAN LEEUWEN, Chairman of CESR

Mr. Thomas GOLDMANN, Director of the Austrian Securities Authority (ASA)

Mr. Eddy WYMEERSCH, Chairman of the Commission bancaire et financière, (Belgium)

Mr. Henrik Bjerre NIELSEN, Director general of the Finanstilsynet, (Denmark)

Mr. Kaarlo JÄNNÄRI, Director general of the Rahoitustarkastus, (Finland)

Mr. Michel PRADA, Chairman of the Commission des opérations de bourse (COB), (France)

Mr. Georg WITTICH, Chairman of the Bundesaufsichtsamt für den Wertpapierhandel(BAWe), (Germany)

Mr. Stavros THOMADAKIS, Chairman of the Capital Market Commission, (Greece)

Dr. Liam O'REILLY, Assistant Director general of the Central Bank of Ireland

Mr. Luigi SPAVENTA, Chairman of the Commissione Nazionale per le Società e la Borsa (CONSOB), (Italy)

Mr. Jean-Nicolas SCHAUS, Director general of the Commission de surveillance du secteur financier, (Luxembourg)

Mr Jacob KAPTEIN, Commissioner, Securities Board of the Netherlands

Pr. Fernando TEIXEIRA dos SANTOS, Chairman of the Comissão do Mercado de Valores Mobiliários (CMVM), (Portugal)

Mr. Blas CALZADA, Chairman of the Comisión Nacional del Mercado de Valores (CNMV), (Spain)

Mr. Claes NORGREN, Director general of the Finansinspektionen, (Sweden)

Mr. Howard DAVIES, Chairman of the Financial Services Authority, (United Kingdom)

Mr. Páll G. PÁLSSON, Director general of the Financial Supervisory Authority, (Iceland)

Mr. Erling SELVIG, Chairman of the Kredittilsynet (Norway)



Date: October 2001
Ref.: CESR/01-006

Draft Public Statement of Consultation Practices Cover note

The Committee of European Securities Regulators (“CESR”) has issued its draft Statement of Consultation Practices (‘the Statement’) for public consultation (Ref. CESR/01-007b). Consultation will close on 16th November 2001.

The statement follows on from the commitment made by CESR in its Charter (CESR/01-002) that it would draw up a public statement, giving force to the Committee’s pledge to work in an open and transparent manner. It also reflects CESR’s wish to implement the recommendations contained in the Final Report of the Committee of Wise Men on the Regulation of the European Securities Markets (‘the Lamfalussy report’).

The statement will guide the way in which CESR will undertake consultation on all its work, both at levels two and three (as described in the Lamfalussy report). The statement aims to achieve a balance between effective consultation and efficient use of the limited resources devoted by all interested parties in the regulatory issues in the securities field. It also attempts to balance effective consultation with the fact that, at level two, the Committee will be constrained by the scope and timetable of the mandates given to it by the European Commission. All those involved in the consultation process will need to ‘play a co-operative game’, in other words, to work in a manner that promotes the success of the process.

The statement contains a number of specific commitments relating to who, when and how it will consult. In particular, CESR will seek to target all interested parties, including consumer groups. Consultation documents will therefore be made widely available including via the Internet.

As set out in the Charter, CESR will establish working consultative groups whenever appropriate and will be issuing proposals to give effect to this in due course. CESR would welcome proposals from consultees on the objectives and mechanics for taking this initiative on consultative groups forward including the best ways for an appropriate balance between market players (market participants, consumers, end-users) and nationalities.

CESR is committed to playing its full role in the Lamfalussy process. This statement will contribute to raising transparency in the regulation of European securities market.

Please send your responses to Fabrice Demarigny, Secretary General,
(Tel. + 33 1 53 45 63 61; Fax: + 33 1 53 45 63 60; email: fdemarigny@europesefco.org)

Public Statement of Consultation Practices *(First draft)*

Having regard to the decision of the EU Commission establishing the Committee (2001/1501/EC) and, in particular, its article 5;

Having regard to the Charter of the Committee of European Securities Regulators ('the Charter'), which commits the Committee to make a public statement of its consultation practices;

Considering the Final Report of the Committee of Wise Men on the Regulation of European Securities Markets (15 February 2001) ("the Report") and its recommendations on the consultation procedures and transparency for the Committee;

Considering Article 5.7 of the Charter, which commits the Committee and its expert groups to working in an open and transparent manner;

Considering Article 5.9 of the Charter, which commits the Committee to using appropriate processes to consult (both ex ante and ex post) market participants, consumers and end-users;

The Committee of European Securities Regulators has approved the following statement for all its work including levels two and three as set out in the Report:

1. **The aim of consultation** is to improve the decision making process of the Committee by:
 - a. Benefiting from the expertise of market participants, consumers and end-users;
 - b. Providing opportunities for alternative approaches to a given issue to be considered;
 - c. Obtaining information and views on the potential impact of proposals;
 - d. Obtaining feedback on the Committee's work;
 - e. Promoting understanding of the work of the Committee and its role;
2. **To deliver this aim, the Committee emphasises,**
 - (i) **the need for all involved to "play a co-operative game"** (page 42 of the Report). This places mutual obligations on the Committee and those consulted to work in a manner that promotes the success of the process. This has particular significance at Level Two, where the scope and timetable of the Committee's work will be determined by mandates from the European Commission.
 - (ii) **the need for a flexible and proportionate approach to consultation** that can be adapted according to the significance of an issue.

3. **Notwithstanding the need for flexibility, the Committee will be guided by the following principles:**
 - a. On **who** it consults, the Committee will seek to:
 - i. Target the full range of interested parties, including market participants, consumers and end-users;
 - ii. Make consultation proposals widely known and available through all appropriate means, in particular, the Internet;
 - iii. Consult at national and/or European levels.
 - b. On **when** it consults, the Committee will seek to:
 - i. Publish an anticipated annual work programme so that all interested parties know when to expect output from the Committee;
 - ii. Publish any mandate received from the European Commission as soon as practical after receipt;
 - iii. Be open to informal discussions at an early stage with those most likely to be directly affected;
 - iv. Consult at a sufficiently early stage to enable the Committee to take the responses into account;
 - v. Allow those consulted adequate time to respond, given the complexity of the issue and the time available. For significant issues, the Committee will aim to allow a three month consultation period.
 - c. On **how it consults**, the Committee will seek to:
 - i) Provide an opportunity for interested parties to make submissions on receipt by the Committee of a mandate from the European Commission;
 - ii) When necessary, release its thinking at various stages, including via concept releases;
 - iii) Produce reasoned consultative proposals, expressed in concise and clear language, and, if possible, include in proposals preliminary information on their impact;
 - iv) Establish advisory groups of experts where appropriate;
 - v) Consult using a variety of media, including public hearings/roundtables, written and Internet consultations. In the interests of efficiency, use of the Internet will be encouraged and facilitated;
 - vi) Use appropriate processes when necessary better to target consultations to particular affected parties.
 - d. On **how it responds** to consultation, the Committee will seek to:
 - i. Give due consideration to responses received;
 - ii. Make public all responses to formal European consultations, unless the respondent requests otherwise, or make public a summary of the responses received;
 - iii. Publish a reasoned explanation addressing all major points raised;
 - iv. Publish all formal proposals and advice, including advice to the European Commission given under Level Two.
4. If it is not possible for the Committee to follow the principles described above, the Committee will publish its reasons.
5. When necessary, the Committee will review this statement of consultation practices.