CESR

Respons by Swedish Securities Dealers Association to CESR:s consultation on the Role of CESR at Level 3

Swedish Securities Dealers Association (SSDA) submits the following response to CESR's above mentioned consultation.

SSDA agrees to the key issues underlined in the response submitted by LIBA, IPMA and ISMA, namely

(a) Best possible realisation of the potential of CESR's Level 3 role requires EU commitment to a clearly agreed <u>statement of overarching principles of regulation</u>.

(b) CESR should stress the importance of mutual recognition as well as of regulatory and supervisory convergence.

(c) Transparency, consultation, cost/benefit disciplines, and thorough analysis of existing national regulatory requirements and practices are vital in all aspects of CESR's Level 3 role.

(d) CESR should build in specific mechanisms or procedures to take account of the specific needs of wholesale markets, to ensure that its Level 3 activity is consistent with them and does not impose unsuitable and damaging retail standards on them.

(e) CESR should take into account the importance of the interaction between EU regulation and the needs of global issuers and investors.

(f) Strong support for CESR's proposed role in alerting the Commission of the need to adjust EU law. CESR should also have a role in alerting the Commission to national implementation failures.

(g) CESR should not seek Commission 'endorsement' of its Level 3 convergence, other than through Levels 2 or 4. Such endorsement risks undermining CESR's Level 3 role and flexibility.

Further to the questions in CESR's consultation SSDA's responses are the following.

Q1 – It is important that the European legislation and regulation give room for developing the securities business in competitive ways, which underlines the necessity of a flexible legal environment. In parallel with this the national implementation on all levels should be in co-ordination. CESR can play a vital role to enhance this.

Q2 – In line with LIBA, IPMA and ISMA and the response under Q1 SSDA supports Level 3 to be used for convergence in the supervising practice. CESR should play a role in this and see to it that proper consultation practice is upheld.

Q3 – As CESR has a close connection with the local regulators CESR should use these contacts to follow up the creation of the European level playing field in practice and give signals to the Commission in its task on Level 4 when recognising failures.

Q4 – Referring to what is said above about flexibility and room for developments it is essential that the market participants themselves independently can decide on innovations. CESR's role should not be proactive but retrospective following the situation and alerting when failures occur.

Q5 – The answer is no.

Q6 – The answer is no.

Q7 – As expressed by LIBA, IPMA and ISMA SSDA can see a limited role for CESR giving advice.

Q8 – SSDA refers to the response given by LIBA, IPMA and ISMA.

SWEDISH SECURITIES DEALERS ASSOCIATION

Per-Ola Jansson Vigg Troedsson