

CNMV ADVISORY COMMITTEE RESPONSE TO CESR DOCUMENT ON TRANSACTION REPORTING

This Committee generally considers that the efforts and position set out by CESR in this document are very positive, and it shares the opinion that it should not be necessary for a branch to report its transactions to two different regulators.

Moreover, this principle, which is based on agreements between CESR members, is applicable even in the absence of a reply from the European Commission to the CESR consultation as to when a transaction is deemed to be executed in one Member States or another.

In cases where agreement between regulators is required, such agreements should apply uniformly in the various Member States. The Committee considers that CESR can play a very important role in this context.

Question 1- Do respondents agree with the proposed guidelines?

CESR's proposal is very positive.

Question 2 -Do respondents consider that guidance is needed on which transaction is executed by a branch or by its head office for the purpose of reporting it to the relevant competent authority? If yes, do respondents consider that transactions executed by a branch should be understood as those transaction booked by the branch?

This issue must necessarily be decided on the basis of the principle referred to above, i.e. that transactions executed by the branch should be reported to the regulator of the host state, whereas those executed by the parent company should be reported to the home state.

The "place of booking" test proposed by CESR appears to be suitable for this purpose.

Question 3 – Do respondents agree with the proposed guidelines?

The Committee agrees with this line of interpretation.

Question 4 – Do respondents agree with the proposed guidelines?

The measures proposed by CESR are aimed at reducing the burden of paperwork for firms, thus making for greater efficiency and lower costs. Accordingly, mutual recognition of reporting channels by regulators is very positive.