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CESR's Advice on Possible Implementing Measures of the Directive 2004/39/EC on Markets in Financial Instruments

NOREX is the strategic alliance between the Nordic and Baltic stock exchanges.

The NOREX Alliance is unique by being the first stock exchange alliance to implement a joint system for equity trading and harmonise rules and requirements between the exchanges with respect to trading and membership.

The Alliance currently consists of the Copenhagen Stock Exchange, Iceland Stock Exchange, Oslo Børs as well as the OMX Exchanges: Helsinki Exchange, Riga Stock Exchange, Stockholm Stock Exchange, Tallinn Stock Exchange and Vilnius Stock Exchange.

All NOREX exchanges are also members of FESE – the Federation of European Securities Exchanges. They support the views put forward by FESE in this consultation.

In addition to submissions of individual members of the NOREX Alliance, we take this opportunity to express an overall concern, which is important to us as an Alliance, leaving the more detailed comments aside, as they are fully covered by FESE and the individual members of the Alliance.

Having actually implemented a common trading system for several markets, we are painfully aware of the variety of local customs and wishes from the different markets involved when building a common trading system and – not least – when updating it with new features through new releases.

Although we have a joint trading system and members only have to link up technically to one system to get access to seven markets, there are a number of facilities, which are being used by some markets and not by others. This

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may be due to national differences in legislation and regulation, or it may be due to the local culture and customs of the particular market.

Irrespective of this, the Alliance aims – over time – to have as identical trading methods and trading rules as possible, but at the same time has the ambition to constantly develop and refine those methods to the benefit of all market participants.

This can only be achieved, if legislation and regulation is sufficiently flexible to allow for such developments and refinements to happen.

We therefore ask CESR to reconsider the level of detail in its approach and to focus its attention on general principles, which will secure the appropriate level of transparency and prudential regulation that should be required by regulated markets, as well as making room for innovation and adaptation to the benefit of the public as well as market users.

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