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PRESS RELEASE

FESCO AGREES ON A EUROPEAN DEFINITION OF « PROFESSIONAL INVESTORS »

A Common Categorisation of Investors for the Application of Rules on Investor Protection is a major contribution to a Common Regulation of the European Single Market for Financial Services

During its last meeting in Amsterdam, the members of FESCO took a significant step towards achieving a common approach to the regulation of the European Single Market for financial services.

FESCO members agreed on a harmonised definition of professional investors in its paper "**Categorisation of Investors for the Purpose of Conduct of Business Rules**" (Ref. 00-FESCO-A) this will facilitate cross border business through common implementation of article 11 of the Investment Services Directive (93/22/EEC).

FESCO members agreed that the full range of investor protection rules need not apply to those investors with sufficient knowledge and experience to assess the risks they face. The existence of different categories of investors is designed first, to allow investors to enjoy an appropriate level of protection and, secondly, to avoid over-regulation.

This common definition of professional investors will be sent formally to the European Commission as a contribution to its work in relation in the EU Action Plan for Financial Services.

The Experts Group on Investor Protection will now continue its work on the harmonisation of the rules of conduct in Europe and seek to agree on a specific regime for inter-professional business.

Mr. JWF. Kaptein, Commission of the Stichting Toezicht Effectenverkeer (STE) will take over the Chairmanship of the Experts Group on "Investor Protection" from Bert Canneman who was extensively thanked for this.

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The document (00-FESCO-A) is available on the FESCO' home page: www.europefesco.org