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PRESS RELEASE

CESR SUBMITS IMPLEMENTING MEASURES ON MARKET ABUSE DIRECTIVE TO EUROPEAN COMMISSION

On Tuesday 31 December 2002, CESR submitted its technical advice to the European Commission on implementing measures in connection with certain aspects of the Directive on Insider Dealing and Market Manipulation (Market Abuse).

The advice was requested by the Commission in accordance with the new Lamfalussy approach to regulating European securities markets, designed to build an integrated financial market in Europe. It is the first example of advice developed and submitted to the Commission by CESR under the new procedure.

The CESR advice covers the five substantive areas which were set out in the Commission's Mandate to CESR:

- The definition of inside information (article 1 of the Directive)
- The definition of market manipulation (article 1)
- The disclosure obligations of issuers (article 6)
- The requirements for research (article 6)
- The conditions for access to the safe harbours for share buy-backs and stabilisation (article 8)

CESR's advice was developed by an expert group, chaired by Mr Stavros Thomadakis, Chairman of the Hellenic Capital Market Commission. The group was assisted by a pan-European Consultative Working Group of experts, drawn from a wide range of market participants.



In finalising its advice to the Commission, CESR undertook extensive consultation with interested parties. Its draft proposals were released in a consultation paper in July 2002. Two open hearings were subsequently held in London and Paris, as well as a number of national events. Around 100 written responses to the consultation paper were received from European and national federations representing financial services providers, as well as individual banks, investment services firms, asset managers, regulated markets and exchanges, financial analysts and rating agencies. Issuers, investor representatives, academics, lawyers and the media also made their views known. All public responses can be viewed on the CESR website.

In accordance with the Lamfalussy procedure, the European Commission, in consultation with the European Securities Committee and the European Parliament, will use CESR's advice as the basis for establishing complementary new EU law on Market Abuse.

Stavros Thomadakis, Chairman of the Expert Group on Market Abuse, commented:

“From a European perspective, this work represents a very good example of a Level 2 framework against market abuse. CESR has sought in its advice to assemble all the indispensable elements for an efficient European regulatory framework and to achieve harmonisation. In meeting these objectives, I believe the final advice, once adopted into European Law, will contribute to strengthening investor confidence in European markets.”

Arthur Docters van Leeuwen, Chairman of CESR, said:

“This is the first set of advice for implementing measures of EU Directives under the Lamfalussy approach, as adopted by the European Council, the European Parliament and the European Commission. We sincerely hope that we have done our best to respond in an appropriate, sensible and well consulted manner. We stand ready to continue our contribution to a proper regulation of the Single Market for financial services, in 2003.”

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For further information, please contact Fabrice Demarigny, Secretary General of CESR, at
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Notes for Editors

1. CESR is an independent Committee of European Securities Regulators. The role of the 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.
2. 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 chaired by Baron Alexandre Lamfalussy. The report was endorsed by the European Council and the European Parliament. The relevant documents are available on the CESR website.
3. Each Member State of the European Union has one member on the Committee. The members are nominated by the Member States and are the Heads of the national public authorities competent in the field of securities. The European Commission has nominated the Director General of DG Market, as its representative. Furthermore, the securities authorities of Norway and Iceland are also represented, at a senior level.
4. The Market Abuse Directive was adopted by the ECOFIN Council on 3 December 2002.
5. The full text of CESR's advice to the Commission (ref: CESR/02.089d), the Feedback Statement (Ref. CESR/02-287b) as well as the responses to the consultation, can be viewed on the CESR website.
6. For further information please contact:

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