THE COMMITTEE OF EUROPEAN SECURITIES REGULATORS

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Press Release

CESR welcomes new members from the ten EU Accession Countries

CESR is pleased to announce that the following ten Authorities have now joined CESR as full members, these include: the Cyprus Securities and Exchange Commission, the Czech Securities Commission, the Estonian Financial Supervision Authority, the Hungarian Financial Supervisory Authority, the Latvian Financial and Capital Market Commission, the Lithuanian Securities Commission, the Malta Financial Services Authority, the Polish Securities Exchange Commission, the Slovakian Financial Market Authority and the Slovenian Securities Market Agency.

The accession countries have faced the twin challenge of implementing Europe's existing financial services legislation (commonly referred to as the acquis communitaire), whilst also keeping abreast of the major changes currently being implemented in the field of financial services regulation following the ambitious programme of legislative initiatives launched under the Financial Services Action Plan (FSAP), adopted by the European Commission on 11 May 1999. The decision therefore to join for a period as observers, prior to full CESR membership, has enabled most of these authorities to ease this transition given the challenging nature of this moving target.

Equally, CESR members have been keen to have the accession countries party to the development of CESR's advice on EU legislation, submitted to the European Commission, and, the development of CESR's own regulatory standards to ensure European investors can enjoy comparable levels of protection across the European Union no matter where the service provider in the European Economic Area, is based.

The real assessment of consistent implementation not only in accession countries, but across the EU, can only be assessed effectively once the legislative measures of the FSAP will come into effect. Nevertheless, the European Commission has undertaken a number of assessments on the state of preparedness for EU Membership amongst the accession countries, the last of which can be found in the European Commission's 'Comprehensive monitoring report' of 2003. Existing CESR members will therefore be keen to help their fellow regulators in strengthening the independence and efficiency of the financial supervisory authorities, which is a key requirement for safeguarding confidence in the EU's integrated financial market.

Finally, the transition today to full CESR membership reflects the accession of these countries to the European Union and is in line with the European Commission's Decision of 6 June 2001 (Article 3) which established the Committee of European Securities Regulators and indicated that 'each Member State shall designate a high level representative from its competent authority to participate in the meetings of the Committee'.

CESR

Note to 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;
   - 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 Wise Men on the regulation of European securities markets, chaired by Baron Alexandre Lamfalussy. The report itself was endorsed by the European Council and the European Parliament. The relevant documents are available on CESR's website.

2. 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 the DG Market, as its representative. Furthermore, the securities authorities of Norway and Iceland are also represented at a senior level.

3. The Lamfalussy process defines a four level approach which can be summarised very briefly as follows: Level one sets out the high level objectives that the legislation must achieve, through Regulations or Directives adopted in co-decision by the European Parliament and the Council of Ministers. Level two measures, adopted by the European Commission, set out technical requirements necessary to implement level one provisions where foreseen. Level three is intended to ensure common and uniform implementation by the use of common standards, recommendations or guidance agreed amongst regulators in CESR. Level four concerns the enforcement of EU legislation. Page 8 of the Lamfalussy report illustrates diagrammatically how these four levels fit together.

4. A summary of the responsibilities that each competent authority joining CESR as full members today is attached in the form of an Annex.

5. For further information please contact:

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