



Date: 4 June 2004
Ref.: CESR/04-285

PRESS RELEASE

SEC-CESR sets out the shape of future collaboration

The United States Securities and Exchange Commission (SEC) and the Committee of European Securities Regulators (CESR) announced today that they intend to increase their co-operation and collaboration. In a press conference held in Amsterdam, SEC Commissioner Roel C. Campos and CESR Chairman Arthur Docters van Leeuwen presented the terms of reference establishing the structure of this enhanced dialogue, and set out the subjects that will dominate the agenda during 2004 and 2005.

The goal of increased SEC-CESR co-operation and collaboration follows a visit by CESR's Chairman Arthur Docters van Leeuwen to Washington at the end of 2003, and was proposed by SEC Chairman William H. Donaldson in January 2004 during a visit to Brussels.

The dialogue has two primary objectives, namely to:

- identify emerging risks in the US and the EU securities markets for the purpose of improving our ability to address potential regulatory problems at an early stage; and
- engage in early discussion of potential regulatory projects in the interest of facilitating converged, or at least compatible, ways of addressing common issues.

The SEC and CESR will also share their experiences regarding enforcement matters in transatlantic and European cross-border cases.

As set out in the terms of reference, the dialogue will take place several times per year at both the Chairman's level and at a working level.

In setting out the areas of dialogue that will define the agenda for the second half of 2004 and for 2005, the following issues for discussion were identified:

- Market structure issues (the SEC's review of the US national market structure and the CESR work on the implementation of the new Investment Services Directive);
- Future mutual fund regulation, including with respect to stale price arbitrage, late trading, and corporate governance;
- Development of an effective infrastructure to support the use of International Financial Reporting Standards, in particular with respect to consistent application, interpretation and enforcement of these standards with the final objective of avoiding reconciliation with local GAAPs; and
- Credit rating agencies;
- Financial Analysts.

Furthermore, given the fast-moving nature of financial services markets, Commissioner Campos and Chairman Docters van Leeuwen were keen to stress that this is an indicative list of issues on which the dialogue will focus, and that it may be revised if new regulatory issues affecting the EU and US markets emerge in the course of the year.



Finally, the enhanced SEC-CESR relationship will complement other existing bilateral discussions that the SEC and CESR members already conduct with regulators from around the world. Similarly, it will supplement, rather than replace, the EU-US Financial Markets Dialogue, led by the European Commission and the US Treasury Department. It is also worth noting that the scope of the SEC-CESR enhanced relationship will not include the setting of standards. That task remains the purview of the International Organization of Securities Commissions, in which both the SEC and CESR members continue to participate actively.

Commissioner Campos noted that, “In today’s markets, it is critical that securities regulators around the world work with each other in order to address the risks facing our markets. By discussing emerging problems at an early stage and working to facilitate convergence of regulatory approaches, the SEC and CESR will be able to protect investors while lowering unnecessary administrative barriers to cross-border business. The enhanced relationship between the SEC and CESR builds upon the strong ties that already exist between the US and Europe, and will help bring the global community of securities regulators even closer together.”

CESR’s Chairman Docters van Leeuwen noted that, “Ensuring the integrity of the markets is a common objective which both binds and drives the work of the SEC and CESR on a day to day basis, encouraging us to forge this deeper dialogue. The final results of this transatlantic dialogue and indeed, the outcome of a deepening and widening of both US and EU markets, cannot be predetermined today, nor I hasten to add should it be. Rather, our dialogue will need to be responsive to the needs and developments of the markets we share. The question will therefore not be whether we laboured hard enough, nor even, if the result was worth the effort, but if the results create quality in a globally integrated market.”



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.
 - 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. Baron Alexandre Lamfalussy chaired this group. The report itself was endorsed by the European Council and the European Parliament. The relevant documents are available on the CESR website.

Each Member State of the European Union has one member on the Committee. The members are nominated by the Members 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. ‘

2. Please see the SEC website, www.sec.gov for further information on the SEC.
3. For further information please contact:

CESR

Fabrice Demarigny
Secretary General of CESR

Or

Victoria Powell
Information Officer

Tel : +33 (0)1.58 36 43 21
Fax: +33 (0)1.58 36 43 30
Email: secretariat@cesr-eu.org
Web site: www.cesr-eu.org

SEC

Ethiopsis Tafara
Director, Office of International Affairs
US Securities and Exchange Commission

Tel: +1 (202) 942-2770
Web site: www.sec.gov