



THE COMMITTEE OF EUROPEAN SECURITIES REGULATORS

Ref.: CESR/04-382

**INTERIM REPORT ON THE ACTIVITIES OF
THE COMMITTEE OF EUROPEAN SECURITIES REGULATORS
TO
THE EUROPEAN COMMISSION
AND SENT TO:
THE EUROPEAN PARLIAMENT
THE EUROPEAN SECURITIES COMMITTEE**

SEPTEMBER 2004



The present interim report aims at providing a half yearly update on the activities of the Committee of European Securities Regulators (CESR) to the European Commission, the European Parliament and the European Securities Committee. The report focuses on the functioning of CESR: the “Level 2” work where CESR provides advice to the EU Commission on possible implementing measures of Directives, the “Level 3” work where CESR Members work together to ensure convergence of their regulatory and supervisory tasks and finally, it provides an indicative timetable of CESR work plan for the next half of the year.

1. The Organisation of CESR

1.1. New Members

CESR was pleased to announce on 4 May 2004 that the following ten Authorities had joined CESR as full members: 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 and Market Agency.

The accession countries faced the twin challenge of implementing the European Union’s existing financial services legislation, 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.

CESR very much welcomes these new members whose active involvement is already much appreciated. The decision of Andres Trink, Chairman of the Estonian Financial Supervision Authority, to accept to chair the Expert Group preparing advice on the Transparency Directive is an example of this contribution.

1.2. Secretariat

In order to perform an increasing number of tasks, the CESR Secretariat was strengthened with the recruitment of new permanent staff and the announcement of additional recruitments. CESR recruited 1 additional permanent staff for its secretariat which now numbers 14 people, including the remote members of the secretariat.

On June 2004 CESR announced the recruitment of 2 additional staff, a Junior Expert in issues related to the Directive on Markets in Financial Instruments and a Technical Assistant to CESR-Fin. These recruitments will take place in the second half of 2004.

A programme of internship was renewed, offering ‘stage’ opportunities for personnel from CESR members. To date, three stagiaires have worked at CESR Secretariat Offices.

1.3. Other activities

In March 2004 the “2003 Annual Report of CESR” was published. The Annual Report reflected the activities of CESR in 2003 and contained a detailed work programme for 2004.



During the first quarter of 2004 CESR's new website became operational. This new site has a number of new functions which make it easier to access information, as well as to ensure transparency and effective communication with the users of the site.

2. The activities of CESR under the "Level 2".

2.1. CESR starts work on EU Commission mandates on the new Investment Services Directive - the Financial Instruments Markets Directive (MiFiD)

On 20 January 2004, the European Commission published its **first set of provisional Mandates to CESR for Technical Advice on Possible Implementing Measures concerning the Future Directive on Financial Instruments Markets** (Ref. CESR/04-021). The Provisional Mandate set the deadline for CESR's technical advice on 31 January, 2005.

CESR established three Expert Groups to deliver its technical advice:

- An Expert Group on Markets was chaired until July by Jacob Kaptein (Commissioner at the Dutch Securities Regulator) and in the future the group will be chaired by Karl-Burkhard Caspari (Vice President of the BaFin). This expert group covers the mandates relating to the admission of financial instruments to trading; pre-trade transparency requirements for multilateral trading facilities (MTFs) and regulated markets; post-trade transparency requirements for MTFs and regulated markets and post trade disclosure by investment firms.
- An Expert Group on Intermediaries' issues that is chaired by Callum McCarthy (Chairman of the UK's Financial Regulator). This expert group covers the mandates related to: organisational requirements; conflicts of interest; conduct of business obligations when providing investment services to clients; best execution and client order handling rules.
- An Expert Group on Cooperation and Enforcement issues that is chaired by Michel Prada (President of the French Securities Regulator, AMF). This expert group covers the mandates related to: transaction reporting; co-operation between competent authorities; and exchange of information.

In order to have the technical input for the three Expert Groups from external experts, CESR formed a specific Consultative Working Group of 23 market participants drawn from across the European Markets and different technical expertises.

CESR has undertaken to consult widely and the first step in CESR's consultation process began with the launch of a Call for Evidence from all interested parties on 20 January 2004 (Ref. CESR/04-021). CESR received more than 40 responses from a wide range of market participants, which are available on CESR's website. These responses were taken into consideration by the three expert groups in the development of the consultation paper.

CESR also published a Concept Paper on 1 March 2004 for a consultation. This set out CESR's initial orientations and a number of open questions (Ref. CESR/04-073b). CESR also requested comments from all interested parties on which issues should be dealt with at Level 2 or Level 3, and what the costs and regulatory impact of changes to the transaction reporting requirements would be. CESR received some 25 responses to this consultation.

In June 2004, CESR's draft Advice on Possible Implementing Measures of the Directive 2004/39/EC on Markets in Financial Instruments (Ref. CESR/ 04-261b) was published. The purpose of this consultation document was to seek comments on the draft technical advice that CESR proposed to give to the European Commission on the implementing measures set out in the first set of provisional mandates received by CESR from the EU Commission on 20 January 2004.



On 29 June 2004, CESR published a Call for Evidence on the **second set of mandates from the European Commission on further legislative measures to implement the Markets in Financial Instruments Directive**. CESR's advice on this second set of mandates must be submitted to the European Commission by the end of April 2005.

The work will be taken forward by the following expert groups:

- The Expert Group on Markets will cover the mandates related to display of unexecuted limit orders and pre-trade transparency for systematic internalisers.
- The Expert Group on Intermediaries' issues will cover the provisional mandates related to the list of financial instruments to be established by the future implementing measures, the definition of investment advice as identified in Article 4 of the Directive, the conduct of business rules and the eligible counterparties.

When completed, CESR's advice on both this set of mandates and the first set of mandates received in January 2004 (which must be submitted by the end of January 2005) will assist the European Commission in developing a legal text known under the Lamfalussy legislative process as Level 2 technical implementing measures.

2.2. CESR starts work on the EU Commission's mandates on the Transparency Directive

On 29 June 2004, the European Commission published its **first set of provisional mandates requesting CESR's advice on possible technical measures to implement the Transparency Directive**. CESR has been asked to submit its advice by 30 June 2005 and the entire package of measures must come into force by the end of 2006.

CESR's advice is prepared by an expert group chaired by Andres Trink, Chairman of the Estonian Financial Supervision Authority. In addition, a consultative working group of 11 market participants has also been appointed to provide technical advice to the expert group.

The Call for Evidence and mandates (Ref. CESR/04-284) were published and in summary covered the following issues: implementation measures for the application of the Directive's provision on the disclosure of information about major holdings; dissemination of regulated information; procedural arrangements by which an issuer may elect its home Member State; half-yearly reports, on which CESR's advice should clarify the nature of the auditor's review and description of the minimum content of half-yearly financial information when the issuers does not make use of IAS/IFRS; and finally, third countries, how equivalence will be assessed as regards issuers and UCITS management companies and investment firms.

Apart from this mandate, the Commission has invited CESR to present a progress report on possible European-wide electronic networks of information on security issuers. The first progress report is expected from CESR in February 2005.

2.3. CESR starts work on implementing measures to establish equivalence between third countries GAAP and IAS/IFRS

Following the receipt of a mandate from the European Commission (Ref. CESR/04-305) on 29 June 2004, CESR began its work to consider the equivalence between certain third countries' GAAP and IAS/IFRS and to this end launched a call for evidence for interested parties.

The European Commission has requested CESR's advice by 30 June 2005 to allow sufficient time for parties affected by the application of the Prospectus Directive (which will take place from 1 July



2005) and the Transparency Directive (expected to apply from the autumn of 2006) to adapt if necessary.

As a first step in developing CESR's final advice, CESR will publish a concept paper which will establish the principles upon which equivalence could be assessed and the methods and criteria to be used for the technical assessment of equivalence. This will be followed by a review of US GAAP, Canadian GAAP and Japanese GAAP on which CESR will give its advice to the European Commission.

3. The activities of CESR under the "Level 3".

3.1. CESR consulted on defining further its role under 'Level 3'

In April 2004, CESR launched a consultation (Ref. CESR/04-104b) seeking to engage market participants, consumers and end-users of financial services regulation in a discussion to establish how regulators can fully play their part. In particular to identify how CESR can contribute towards ensuring that there is greater consistency across Europe in the process of implementation (where CESR Members contribute towards the local transposition of European financial services legislation in their Member States); And secondly, to establish greater EU-wide convergence through the application of this legislation (that is undertaken on a day-to-day basis through the exercise of their supervisory tasks) in Level 3, which concerns a strengthened co-operation between regulators to ensure consistent and equivalent transposition of Level 1 and Level 2 legislation.

The Lamfalussy framework envisaged an active role for CESR in the field of common and uniform implementation of EU legislation. In particular, the Lamfalussy Report defined the role of CESR under the Level 3 as follows:

- To produce consistent guidelines for the administrative regulations to be adopted at the national level;
- To issue joint interpretative recommendations and set common standards regarding matters not covered by EU legislation – where necessary, these could be adopted into Community law through a level 2 procedure;
- To compare and review regulatory practices to ensure effective enforcement throughout the Union and define best practice.

The consultation paper explored how CESR members might fully exercise their responsibilities within the four level framework and establishes a number of proposals on how it can develop its role in Level 3 further whilst also recognising the need for CESR to co-ordinate its execution of this role with other key players such as the Member States, responsible for transposition of EU law into national legislation and, the role of the European Commission as 'Guardian of the Treaties', whose function includes enforcing by law any failure to implement legislation (Article 226 of the Treaty) under Level 4 of the legislative framework.

CESR identified its existing functions as falling into 3 categories namely: work to ensure co-ordinated implementation; work towards regulatory convergence and those related to supervisory convergence. Under each of these categories CESR foresaw that in addition to its existing work in each of these capacities it could add further value by caring out further roles, these included:

In the context of co-ordinated implementation:

- Keeping alive the network of CESR experts who prepared CESR's Level 2 advice to the European Commission;



- Recommending that within the national constitutional frameworks, CESR members all be given similar powers to make rules to implement both EU legislation and CESR standards and guidelines.

In relation regulatory convergence:

- Alerting the EU Commission on any need to update EU legislation (in the Level 1 and Level 2 texts);
- Where appropriate, support the EU Commission initiatives to give more authority to CESR guidelines, recommendations and standards.

And finally in the context of improving supervisory convergence CESR proposed that in addition to its current functions it might:

- prepare guidelines and undertake joint investigations of cross-jurisdictional institutions;
- exchange staff and joint training programmes;
- develop additional information databases with precedents of regulatory interpretation and judicial cases;
- develop a 'mediation mechanism' by peers when two competent authorities disagree or where regulators fail to co-operate.

3.2. CESR starts work on its agenda for Investment Management

In December 2003, CESR decided to establish a provisional Expert Group on Investment Management (Ref. CESR/03-411). This group is chaired by Lamberto Cardia (Chairman of the Italian Commissione Nazionale per le Società e la Borsa, CONSOB), and has worked on drawing up its specific mandate based upon the Consultation Paper "The role of CESR in the regulation and supervision of UCITS and asset management activities in the EU" (Ref. CESR/ 03-378b) and the comments arising from the consultation. A consultative working group of 16 market participants was also appointed to provide technical advice to the expert group.

On 9 June 2004, CESR published a mandate (Ref. CESR/04-160) and work programme for its work in the field of investment management.

The short-term priority of the newly formed working group will be to focus on ensuring the single market on investment funds is fully functional.

As such, the working group will concentrate initially on two aspects related to the harmonised implementation of the UCITS Directive, namely the application of the transitional provisions of the amending Directives and the clarification of some key definitions in the Directive.

Next, CESR will work on the simplification of the registration procedure for UCITS, conduct of business rules in collective investment management, outsourcing and issues related to non-harmonized funds.

CESR will also focus on the consistency between the UCITS Directives and other EU Directives ensuring the convergence of supervisory systems in the different jurisdictions.

3.3. The CESR-ESCB Working Group on Clearing and Settlement

The CESR-ESCB Working Group, jointly chaired by Eddy Wymeersch, Chairman of the Belgian Commission Bancaire Financière et des Assurances (CBFA) and Jean-Michel Godeffroy, Director General of Payment Systems of the ECB, published the responses to the second CESR-ESCB public consultation on the consultative report entitled "Standards for securities clearing and settlement



systems in the European Union” and the note entitled “Scope of application of the CESR-ESCB standards” on 12 January 2004.

The standards of this draft were based on the CPSS-IOSCO recommendations for securities settlement systems and tailored to the peculiarities of the European Union. The Group firmly endorsed these recommendations and recognised that they represent an obvious starting point for any future work on the issue of setting standards for securities clearing and settlement.

The Working Group continued the dialogue with market participants by publishing a joint -CESR-ESCB revised draft report.

In early July 2004, CESR and the ESCB published responses received to the joint consultation on Draft Standards for Securities Clearing & Settlement Systems in the European Union. CESR and the ESCB intend to publish its final version of the standards in the autumn. This will be accompanied by a feedback statement indicating how the joint working group have tried to respond to the comments made by market participants during the consultation.

3.4. The “Review Panel” and the implementation of CESR Standards

On 3 March 2004, CESR published the first interim report by the Review Panel which provided a global overview of the state of implementation of two sets of CESR Standards, one of which established a common set of rules to protect investors across Europe and the other, establishing a common approach to the regulatory framework of Alternative Trading Systems (ATs).

The effective implementation of the Standards reviewed by CESR will ensure investors can enjoy an equivalent level of protection throughout Europe and that investment firms are assured a level playing field. This will therefore contribute to greater public confidence in the single market for financial services.

The Review Panel also held some ad-hoc sessions to co-ordinate the legal transposition by CESR members of the Market Abuse Directive. This work will continue. (See Section 3.5).

3.5. CESR starts work on recommendations for the consistent implementation of the proposed commission’s regulation on Prospectus

The European Commission published on 31 December 2003, in the Official Journal, the Prospectus Directive (Directive 2003/71/EC). This set out the high level policy objectives that the legislation must achieve and established the areas and scope of what should be included in the implementing measures. On 29 April 2004, the European Regulation No 809/2004 implementing Directive 2003/71/EC was published. This set out how the (level 1) Directive should be implemented.

On 4 March 2004, CESR announced the launch of work to prepare guidance on disclosure requirements established under the proposed Prospectus Regulation. This work was started at the request of market participants during various consultations on development of implementing measures for the Prospectus Directive, in which they requested CESR to provide further guidance on some of the practical aspects of preparing a Prospectus. The Prospectus Directive and accompanying Regulation establishes a harmonised format for Prospectus in the Europe Union and enables companies to use this Prospectus to list on all Europe’s markets without having to re-apply for approval from the local regulator and by so doing, help companies avoid the inherent delays and costs that this may involve. CESR intends to complete its guidance by March 2005.

In June 2004, CESR launched a consultation paper (Ref. CESR/04-225) on possible recommendations for the consistent implementation of the Commission’s Regulation on Prospectus.



3.6. Market Abuse Directive

On 30 April 2004, Commission Directive 2004/72/EC of 29 April 2004 implementing Directive 2003/6/EC was published.

Having completed its mandate in full, the CESR Expert Group on Market Abuse was disbanded. However, CESR's role in ensuring the consistent implementation of the Directive and its level 2 implementing measures means that, while the expert group is no more, CESR's work on market abuse continues. CESR-Pol (please see section 3.6 below) is responsible for the operational elements of implementation while further work relating to the legal transposition of the Directive by CESR members, is co-ordinated by CESR's Review Panel. CESR held an ad hoc meeting to discuss transposition on January 27 2004. Subsequently, the European Commission took over arranging and chairing these meetings. CESR has participated fully in these Commission meetings. Furthermore, CESR has produced a transposition newsletter and has provided a network for informal contact between regulatory experts on specific implementation issues.

3.7. CESR Pol

CESR-Pol continues to develop as CESR's operational network of enforcement and market surveillance officials to ensure that proportionate action is taken against threats to market integrity and investors operating in the Single Market. CESR-Pol focused on the smooth integration of the Accession Countries by preparing the timely signature of the CESR Memorandum of Understanding (MoU) and organized a seminar for the new members on the use and extent of the MoU. Further areas of work included, among others, the revision of the CESR Standard Format Request to be used by members when requesting information from each other, including the development of a Service Level Guidance; Surveillance of securities activity on the Internet and the issue of risk based enforcement.

CESR-Pol, in the half year under review has also been given responsibility for ensuring the effective day to day operation of the Market Abuse Directive under level 3 of the Lamfalussy process. In particular, it has established a sub group to develop a paper, for planned release in October, focusing on key operational issues faced by market participants. This includes the guidance on "accepted market practices" and on unacceptable practice and the development of a common reporting format on suspicious transactions, including appropriate guidance.

CESR-Pol has also established a small ad-hoc group which will look at co-operation and enforcement issues in the context of MAD. This group will propose a work programme to the September CESR-Pol meeting.

3.8. CESR Fin

On 7th October 2003, CESR published for comments a draft Standard No 2 on Financial Information and Co-ordination of enforcement activities.

Following CESR's public consultation, CESR released the standard on the organisation of greater co-ordination of enforcement activities by supervisors of financial information in Europe "Standard No 2 on Financial Information – Co-ordination of Enforcement Activities" (Ref. CESR/03-317c) and CESR's Feedback Statement (Ref. CESR/04-045b) following CESR's consultation on the draft Standard. As such, Standard No 2 sets out the establishment of a co-ordination mechanism for enforcement at a pan-European level.

On 25 June 2004 CESR published guidance for implementation of co-ordination of enforcement of financial information (implementation of CESR Standard No 2 on financial information – co-ordination of enforcement activities). The guidance dealt mainly with the organisational aspects of the European Enforcer Co-ordination Sessions and provided practical guidance on the functioning of



the database that EU National Enforcers will feed and use as a practical reference tool providing a record of previous decisions reached in particular cases. Interested parties were invited to submit written comments on the guidance by 6 September 2004.

CESR Fin also actively monitored the finalisation by the IASB of a number of important reporting standards and their endorsement at EU level for application in 2005.

4. Other Key activities.

4.1. The regulatory and supervisory dialogue with the US SEC

In June 2004, CESR and the SEC published the “The Terms of reference for the cooperation and collaboration regarding market risks and regulatory projects between the US Securities and Exchange Commission and the Committee of European Securities Regulators”.

The enhanced relationship between the SEC and CESR has two objectives. The first objective is to improve oversight of US and EU capital markets through increased communication regarding regulatory risks to enable regulators to anticipate regulatory problems more effectively. The second objective is to promote through timely discussion regulatory convergence with regard to future securities regulation.

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 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;
- Credit rating agencies;
- Financial Analysts.

CESR members and the SEC may undertake additional areas of work in the future and will have meetings that will take place at Chairman and Working Level on a regular basis. CESR and the SEC will inform the institutions involved in the EU/US Financial Services Dialogue on an ongoing basis of the substance of the discussions undertaken as part of their co-operation and collaboration.

4.2. Strategic Task Force

In March 2004, a Strategic Task Force (“Himalaya Group”) was established by CESR. Its purpose was to establish an analytical framework to provide answers to the following questions concerning the future regulation of securities markets in Europe:

- 1) What are the reasonable demands in relation to the regulation of securities markets made on CESR at EU level?
- 2) What are the appropriate answers to these demands?
- 3) Are structural changes to CESR necessary?

The Task Force is guided by the objectives of the Lisbon European Council and by the need to evaluate the adequacy of the regulatory and supervisory tools in the Single Market. The Task Force is in the process of drafting an analytical position paper presenting CESR’s opinion on the evolution of securities regulation at an EU level. In undertaking this work the Task Force will establish a set of



principles that might usefully contribute to how regulation of securities markets in Europe should develop in the future.

4.3. Contacts with other Level 3 Committees

In the first half of the year CESR intensified the coordination with other “Level 3 Committees”: CEIOPS and CEBS. Contacts have been taken both at the level of Chairs and of Secretary Generals. A joint press release welcoming the political agreement on the Directive for the extension of the Lamfalussy process has been the most recent evidence of this cooperation. The main areas of work on which there will be particularly close collaboration in the forthcoming months includes: credit risk transfer, financial conglomerates and credit rating agencies.

4.4. Market Participants Consultative Panel.

The Markets Participant Consultative Panel met two times in Paris: on 11th March 2004 and on 10th of June.

The discussion was mainly focused on the following subjects: corporate governance, Post-FSAP, credit risk transfer and equivalence of third countries GAAP vis-à-vis IFRS.

At their meeting on 11th March the members of the panel focused their discussion on the regulatory approach to corporate governance in Europe. This discussion serves the purpose of helping CESR in highlighting priorities for the Post-FSAP. The members of the panel also discussed the priorities post FSAP and the discussion was also focused on how to improve the functioning of CESR in order to better perform its tasks. Members of the Panel considered that before launching new regulatory initiatives, implementation of the Action Plan should be ensured. Members of the Panel also expressed their support for the Lamfalussy procedure and welcomed the recent results of CESR. CESR also presented the initial thoughts of the Committee, which include strengthening the functioning of network at different levels.

At the following meeting on 10th June the members of the panel considered the issues arising from credit risk transfer, with particular regard to the potential impacts for investors. The members of the Panel discussed the ECB report on the credit risk transfer activities. Members of the panel expressed the concern that there was a lack of transparency of the transactions on credit risk transfer instruments. This lack of visibility was particularly pronounced where the activities were carried out by hedge funds.

They also discussed the equivalence of third country GAAP vis-à-vis IFRS and addressed the main points of the mandate that CESR has received and the possible solutions as to the meaning of “equivalence”. CESR explained that it would adopt a two phase approach: the first devoted to define “equivalence” and to present a working methodology to assess such equivalence; the second on the detailed work of technical assessment.

4.5. CESR contribution to the European Commission on the post-FSAP phase.

In June, CESR submitted a letter to the European Commission with CESR’s views on the post-FSAP phase. This letter was considered as CESR’s initial contribution to the process of the policy on post-FSAP.

In this letter, CESR recommended that any further regulatory intervention should be based on an analysis of the results achieved by the FSAP on the integration of the European financial markets. This assessment will be particularly useful for enabling specific measures in those areas where integration still requires regulatory intervention. Nevertheless, CESR identified the following areas



where further work may be necessary; Clearing and settlement, corporate governance and UCITS Directive. CESR also suggested that any further legislative measures to be proposed by the Commission should follow the Lamfalussy process.

On 22 and 23 June 2004 the European Commission organized a conference in Brussels about the European Financial Integration: progress & prospects. In this conference CESR had the opportunity to describe its experience under the FSAP and also to comment on the report prepared for this conference of the Forum Group on Securities, and the challenges for further integration in the future.

5. The near Future: Indicative CESR Work Programme for Second-half 2004

A) CESR

<i>Areas of work</i>	<i>Description</i>
Level 3	Contacts with the other Level 3 Committees, CEBS and CEIOPS
Strategic Task Force	Analytical Consultative Paper to be published in the autumn.
Macro-economic conditions	Participation at the EFC stability round table
Relations with US Authorities	Intensify dialogue with the SEC and the commencement of dialogue with the CFTC.
Rating Agencies	Follow up to the IOSCO report and work on the technical advice to the EU Commission. A consultative paper envisaged end November with a public hearing in January 2005.
One Day Conference	Organisation of a one day paying conference on topics of financial regulation related to CESR's activities. This will take place in Paris on 6 December 2004.

B) Level 2

<i>Areas of work</i>	<i>Description</i>
MiFID Directive 1st and 2nd set of mandates	Work on consultation on the technical advice of implementing measures concerning the regulation of intermediaries, markets, co-operation & enforcement. Consultative paper on the second set of mandates end October and Open Hearing on 19 November. Second consultation on the first set of standards end October.
Transparency Directive	CESR adoption of Draft Consultation papers and the launch of a public consultation in November with an open hearing planned for December.
Equivalence of Third Countries GAAPS	Internal drafting process for the mandates on Equivalence, public consultation on concept paper and publication of final concept paper. October – December

UCITS Directive	Possible mandate on eligible assets. Call for evidence published as soon as the mandate is received from the European Commission.
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C) Level 3

<i>Areas of work</i>	<i>Description</i>
Level 3	The role of CESR at 'Level 3' under the Lamfalussy process. Final approval of the paper following the consultation process and discussion in the ESC and with the EU Commission.
Clearing and Settlement	Approval of the standards and follow up work on the assessment methodology before application of the CESR/ESCB Standards for Securities Clearing and Settlement Systems in the European Union
Review Panel Activities	Review of Standard No.1 on Enforcement
Investment Management	CESR approves the consultation paper on transitional measures. Public consultation on the draft guidelines proposed by CESR.
CESR-Fin <ul style="list-style-type: none"> - Audit - SISE - SCE 	<ul style="list-style-type: none"> - Audit Task Force which will deal with issues related to the audit of financial statements. - SISE dealing with issues related to the endorsement of IAS/IFRS in Europe - SCE dealing with issues related to the enforcement of financial reporting under IFRS
CESR-Pol	Assessment of the consequences of the adoption of the Market Abuse Directive and publication of guidelines on the application of the directive (including monitoring of Accepted Market Practices)
Prospectus	Guidelines to complete a prospectus

Complete information and all documents published are available on the CESR Website www.cesr-eu.org