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PRESS RELEASE

CESR consults on an analytical report “Which supervisory tools for the EU securities markets?”

The Committee of European Securities Regulators (CESR) is publishing for consultation an analytical report entitled “Which supervisory tools for the EU securities markets?” (Ref: CESR/04-333f)

The purpose of this preliminary report on the supervision of securities activities in Europe by CESR is twofold. The first objective is to take stock of progress made through the Financial Services Action Plan (FSAP) toward the integration of the EU Single Market for Financial Services in the field of securities. The second objective is to identify and analyse the supervisory tools necessary to implement the FSAP and to anticipate the developments in the next five years so as to allow securities regulators to evolve effectively and by so doing, ensure they can fully play their role in maintaining fair, transparent and secure securities markets in Europe. In order to achieve this objective, a number of possible options exist for solutions to be found, both within, and sometimes, beyond, the current framework of EU law, and these options have been explored with a view to improving the efficiency of the co-operation among regulators and the operation of the CESR Network

The main ideas put forward in the report are that:

The degree of integration of the securities markets in the EU, varies significantly, both according to the sectors and categories of market players considered. EU securities regulators should therefore develop an “adaptive” strategy to face the progressive integration of markets. As a consequence, this requires supervisors to evaluate the supervisory tools they will need to react properly and proportionally to the evolving reality of markets. CESR believes that once it has completed the very significant task of dealing with the FSAP measures, there is great scope to adapt supervisory arrangements.

One of the preconditions for CESR members to carry out effectively their new obligations to co-operate under the FSAP is that supervisors should be given equivalent legal and functional capacity to act. The greatest priority of CESR is precisely to deepen the co-operation arrangements under the FSAP to enhance the supervisory relationship between authorities and improve the convergence of approaches and decisions within the Network of securities regulators.

However, this analysis would be incomplete if it did not flag that the need to consider supervisory tools of a trans-national dimension, is closer than it was four years ago when the Committee of Wise Men, chaired by Baron Lamfalussy, was set up. CESR believes that these options should be considered only if it is very clear that the present system cannot be developed to provide proper solutions to the question of supervisory convergence.

This work by CESR should be understood as a preliminary contribution to the debate on the content of the post-FSAP agenda. It does not constitute in any manner a final opinion on this matter but is rather a preliminary analysis of current challenges and possible solutions for which guidance from the EU institutions and comments from the market participants are necessary before reaching a definitive conclusion.

This report will be presented to the EU-institutions and is now open to public consultation by 31 January 2005.



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, 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.

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.

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