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**PRESS RELEASE**

**CESR takes further steps to increase its accountability to the European Institutions and to enable the European Union to assess the steps being undertaken to enhance supervisory convergence on a day-to-day basis**

On Thursday, 7 April 2005, CESR presented its 2004 Annual Report and a detailed report on the steps it is taking to improve supervisory convergence in the European Union to the Financial Services Committee (FSC). The FSC is a Council Committee that gathers together high-level representatives of the European Union's Finance Ministries. This marks the first of a more periodic framework of reporting by CESR which will further strengthen CESR's accountability with the EU institutions. Similar reporting to the FSC will take place once a year hereon, and will be particularly focused on CESR's work on supervisory convergence. The Lamfalussy process envisaged a critical role for supervisors to work in a co-ordinated fashion (under what was described as Level 3 of the new four level process). The purpose of this increased supervisory convergence in the day-to-day application of European law and in supervisory practices generally, is to assist the development of the Single Market in Financial Services.

Mr Kees van Dijkhuizen, Chairman of the FSC and Treasurer-General of The Netherlands Ministry of Finance, welcomed this first CESR progress report on supervisory convergence. The Council had on several occasions emphasised the need for supervisory convergence in the EU. He found this first report to be useful input for the FSC's ongoing debate on the development of the EU financial regulatory and supervisory framework. Furthermore, regular reporting by CESR on results achieved would strengthen CESR's accountability links with the Council and the other EU institutions.

Mr Arthur Docters Van Leeuwen, Chairman of CESR noted:

“CESR strongly welcomes the opportunity to present to members of the FSC, CESR's Annual Report and a detailed report on its efforts to bring about supervisory convergence. Clearly, having nearly completed the ambitious review of Europe's Financial Services Legislation brought about by the Financial Services Action Plan, the focus has now begun to shift towards implementing this new legislation on a day-to-day level in a convergent manner. CESR has a key role to play here which it takes very seriously. For this reason, we must be very realistic about what we can and cannot achieve. We therefore hope these reports will contribute and assist the Institutions in assessing practically where day-to-day convergence in supervisory practices across Europe is happening. It is CESR's belief that the objective of confident, secure and liquid financial markets in Europe is possible if the role of supervisors is well understood and politically supported.”

The reports presented to the FSC, therefore reflect the willingness of CESR to further compliment its accountability beyond that required by the Commission's Decision establishing CESR. The reports presented to the FSC also follow the recent visit by a delegation of Members of the European Parliament from the Committee on Economic and Monetary Affairs (ECON), to discuss the work of CESR at its head quarters in Paris, on 31 March.



#### Notes for Editors:

1. At present, CESR attends the FSC as an observer and provides both CESR's Annual Report and a half yearly report to the Council, as part of its obligations under the European Commission's decision of 6 June 2001 establishing the Committee of European Securities Regulators (2001/527/EC), which states CESR is required under Article 4, to submit the Annual report to the European Commission, the European Parliament and the ECOFIN Council.
2. 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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