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### **Press release**

#### **CESR identifies further issues for work in the area of the Market Abuse Directive**

CESR publishes today its work programme for further work in the area of the Market Abuse Directive (Ref. CESR/07-416). The work programme encompasses issues where CESR identifies a need for further consideration and, therefore, further guidance may be provided to CESR Members and/or to the market, to the extent possible.

The purpose of the work programme reflects that CESR is continuing in its efforts to prepare ground for convergent implementation and application of the Market Abuse regime. This will be done by ensuring that a common approach to the operation of the Directive takes place throughout the EU amongst supervisors.

Two major steps in this process had been the publication of the first and the second set of CESR guidance and information on the common operation of the Directive (Ref. CESR/04-505b) in May 2005 and (Ref. CESR/06-562b) in July 2007 respectively.

Many of the issues included in the work programme have been flagged by market participants during the Call for Evidence, which CESR had launched in 2006. This took place following two years of experience gained with the new market abuse regime in operation in Europe (Ref. CESR/06-078) and the consultation for the 2nd set of guidance on the Operation of the Market Abuse Directive (Ref. CESR/06-562b) that has been released on 12 July 2007. Others have been identified in the mapping exercise of the implementation of the Market Abuse Directive that was conducted by the Review Panel of CESR.

Issues identified for further work include:

- Assistance to the European Commission in developing the list of sanctions and measures applicable under the MAD, in order to accommodate concerns about the diversity of measures and sanctions applied in Member States.
- Harmonisation of requirements for insiders' lists.
- Suspicious Transactions Reporting: guidance on not only to which authority the reports are submitted, but also further work to establish whether CESR can produce further guidance on expectations as regards reporting.
- Stabilisation Regime as Level 3 (the strict objectives and limits of the Regulation and the diverging application by supervisors of the Regulation in relation to Accepted Market Practices (AMPs) do not provide sufficient legal certainty).
- The two-fold notion of inside information will be considered further. This includes the definition of insider information/delay of public disclosure; concerns about the problems arising from having one definition of inside information for both the insider trading



prohibition and the issuer disclosure obligations; and also, the question of the requirement not to mislead the public in the case of a delay of public disclosure).

- A mapping of the existing thresholds in Member States and other practices of CESR Members will be undertaken. This will include, for example, stock options programmes; who is entitled to publish directors' dealings; notifications of transactions by persons discharging managerial responsibilities and consideration of whether there is a case for recommending adjustment of the threshold.
- Develop guidance on the definition of inside information with regard to commodity derivatives to the extent possible.

As indicated in these areas, CESR will seek to develop guidelines for CESR Members and/or the markets, however, where appropriate, CESR will consider whether in any cases it is appropriate to propose that the European Commission examines an issue in its forthcoming review of the operations of the Directive. If it is a decision proposed for CESR to issue specific guidance to the market, this will be developed following CESR's consultation process.

The work will be undertaken by CESR-Pol, through the Market Abuse Level 3 Drafting Group. The permanent operational group CESR-Pol is chaired by Mr Kurt Pribil, Chairman of the Austrian Finanzmarktaufsicht (FMA). The Market Abuse Level 3 Drafting Group is chaired by Ms Eleftheria Apostolidou, Director of the Department of International and Public Relations at the Hellenic Capital Market Commission (HCMC).



### 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.
2. Each Member State of the European Union has one member in 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. For further information please contact:

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