



Date: 2 November, 2007
Ref.: CESR/07-748

PRESS RELEASE

CESR IT systems and databases up and running to ensure EU wide market integrity and transparency

The MiFID Directive contains obligations that apply not only to market participants but also to competent authorities and CESR.

CESR has started to fulfil its obligations under MiFID on 1 November 2007, the date of effective application of the new rules, by putting in place a number of systems and database to facilitate:

- the flow of transaction reports amongst the members of CESR;
- the publication of a consolidated list of systemic internalisers.

The databases described above complements two further databases announced and already made available by CESR, to ensure fulfilment of CESR's obligation under MiFID:

- the identification of Liquid Shares through a database which includes all shares admitted to trading on regulated markets (this was first made public 3 July and updated 19 October 2007);
- the publication of a list of identifiers Regulated Markets, Multilateral Trading Facilities (MTFs) and other Central Counterparties (made available on 31 October 2007).

These steps are also meant to provide clarity and assist market participants in the transition toward smooth implementation of the MiFID Directive.

CESR's pan-European transaction reporting system functioning smoothly

To enable competent authorities to monitor behaviours of investment firms and to ensure integrity of the market, CESR announces that its network of transaction reporting systems (TREM), linking all Members, is working as of 1 November 2007.

On the basis of this arrangement:

- each CESR member requires investment firms which execute transactions in any financial instruments admitted to trading on a regulated market to report details of such transaction to the competent authority of the investment firm;
- a mechanism to exchange transaction reports among members has been developed. It is called the Transaction Reporting Exchange Mechanism (TREM).

TREM is now working, and ensures that the competent authority of the most relevant market in terms of liquidity for the traded instruments receives the information on the transaction, as well as the home authority of the investment firm in case of branches.

TREM is also used to exchange any transaction reports which have been requested by a Member for specific investigation purposes.



Markets databases accessible to users for full functioning of new market structures under the MiFID

A consolidated European list of systematic internalisers

CESR today publishes the available EU-wide list of systematic internalisers, in the form of a database. The purpose of this database is to provide the market with information regarding the firms engaged in systematic internalisation in Europe. The database can be accessed via the following address: <http://mifiddatabase.cesr.eu>.

According to Article 21, paragraph 4, of Commission Regulation n 1287/2006 of 10 August 2006, each competent authority has to ensure the maintenance and publication of a list of all systematic internalisers, in respect of shares admitted to trading on a regulated market, which it has authorised as investment firms. This list shall be reviewed at least annually.

According to Article 34, paragraph 5, of the same Regulation CESR has to publish on its website the consolidated list of every systematic internalisers. This list will be regularly updated.

The list published by CESR represents the consolidation of national lists communicated by CESR members. However, CESR recognises that the list published today is incomplete and that it may take some time before the list will be complete. This is due to the fact that investment firms may take the decision to become systematic internalisers at a later stage and/or that the obligation to communicate such a decision to the relevant CESR member may be delayed after 1 November. CESR will conduct regular reviews of this list.

A number of further database which complete the fulfilment of CESR's obligations under MiFID were already announced, but for completeness we refer to these here:

A database of on 'Shares admitted to trading on EU regulated markets' which assists market participants to identify Liquid Shares

The MiFID implementing Regulation (No 1287/2006, of 10 August 2006) requires the relevant competent authorities to calculate and publish a set of information regarding all shares which are admitted to trading on a regulated market. CESR has collected this information, and publishes it in the form of a database, called Shares admitted to trading on EU Regulated Markets. The information included in this database allows market participants to recognise liquid shares (which trigger the obligations for systematic internalisers according to Article 27) and to determine the block sizes for waivers from pre-trade transparency requirements and delayed post-trade publication.

Further work to improve this database is foreseen in 2008 and a consultation regarding its functioning will be launched by no later than early December. For further information please see the Press Statement (Ref. CESR/07-718).

A database of Regulated Markets, Multilateral Trading Facilities (MTFs) and other Central Counterparties

On 31 October, CESR published, on behalf of its Members, three lists setting out identification codes for Regulated Markets, Multilateral Trading Facilities (MTFs) and other Central Counterparties. The market participants will need to use the information provided in this list in their transaction reports, in order to indicate the counterparty to the transaction. The information is presented through three databases – one database for each type of counterparty (Regulated Market, MTF or Central Counterparty respectively). The publication of identifiers for Regulated Markets, MTF and Central Counterparties implements the obligation of CESR to make a public a consolidated list of all regulated markets and multilateral trading facilities or other central counterparties, as set out in Article 13 (2) of the MiFID Level 2 regulation (EC/1287/2006). For further information, please see the Press Release (Ref. CESR/07-745)



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.

2. The TREM project has been led by CESR-Tech, the IT governance body of CESR. CESR-Tech deals with any form of pan-EU related IT project stemming from EU legislation (either current or future) and any other area where CESR Members consider it necessary or useful to work together on IT issues.

CESR-Tech was chaired from June 2006 until October 2007 by Hector Sants. Ari Voipio acted during the same period as project manager for TREM, supported by a TREM team based at the CESR Secretariat. In October 2007, Hector Sants became the Chief Executive Officer of the UK FSA, and stepped down from his position as CESR-Tech chair due to his new responsibilities. He has been replaced by Ari Voipio.

3. CESR has established a 'MiFID Level 3 Expert Group' that will undertake work to deliver supervisory convergence in the day-to-day application of the legislation (i.e. Level 3). This group is chaired by Jean Paul Servais, Chairman of the Executive Management Committee at the CBFA, Belgian's integrated supervisor. The secretariats' rapporteur of this group is Carlo Comporti, Deputy to the Secretary General at CESR and Director of Markets and Intermediaries.

There are two working sub-groups reporting to the MiFID Level 3 Expert Group:

- the 'Intermediaries sub-group', is chaired by Maria Jose Gomez Yubero, Director at the Comision Nacional del Mercado de Valores (CNMV), Spain's securities supervisor. The rapporteur of the 'intermediaries sub-group' is Diego Escanero, Senior Officer at CESR Secretariat;
- the 'Markets sub-group', chaired by Hans Wolters, Head of Policy at the Autoriteit Financiële Markten, Holland's securities supervisor. The rapporteur of the 'markets sub-group' is Jari Virta, Senior Officer at CESR Secretariat.

CESR has formed a MiFID Consultative Working Group which draws together technical experts from the markets and types of firms affected to provide advice on the technical practicalities of the guidance developed under the work programme. A list of its members is available on CESR's web site.

4. 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.

5. For further information please contact:

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