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**PRESS RELEASE**

**CESR reviews its old Standards and the implementation of UCITS Guidelines**

CESR publishes today the results of CESR members' self-assessment of their implementation of the CESR Guidelines to simplify the notification procedure of UCITS ("the guidelines") (CESR/08-113), and the results of CESR's revision of its FESCO/CESR standards, guidelines and recommendations which are now superseded by the Lamfalussy Directives.

Carlos Tavares, Vice-Chair of CESR and Chairman of the CESR Review Panel

*"Today's publications represent the significant contribution that the Review Panel is making in improving supervisory convergence. Being in charge of this CESR's peer pressure mechanism I am tasked with ensuring that CESR carries out rigorous and analytical peer reviews. The UCITS self-assessment exercise shows this is the case, as evidenced by the self-assessment results reflecting the high benchmarks that we set for the assessment of the implementation of the Guidelines.*

*The revision of the previous FESCO/CESR Standards reflects the other aspect of the Review Panel's work in keeping house and ensuring that Level 3 standards are up to date and relevant to facilitate the day-to-day application of EU directives. It also proves our determination in avoiding the subsistence of unnecessary regulation".*

**Self-assessment of CESR members' implementation of the guidelines**

In June 2006, when adopting Guidelines to simplify the notification procedure of UCITS (CESR/06-120b), CESR committed to monitoring the implementation of the guidelines by reviewing them within two years. The document published today represents the first step in fulfilling this commitment.

The assessment is conducted in two phases, the first is the self-assessment stage (the results of which are set out in detail in the published document) in which members assess their application by answering questions that have been established for each guideline against a set of benchmarks. Full details of each member's individual responses to the questionnaire can be found on the CESR website, in the section Review Panel Assessments.

This first stage will be followed by the peer review stage which involves each member's assessment being assessed by their peers. The results of this assessment will be published later during the course of the year.

Overall, as can be seen, the members are making headway in their implementation of these guidelines, however, there is still room for improvement with:

- 2 members (Luxembourg and Portugal) assessing themselves as applying all 13 guidelines;
- 15 members (Italy, Romania, Norway, Belgium, Denmark, Malta, France, Lithuania Sweden, Austria, Germany Cyprus, Estonia, Finland, and the Netherlands) applying between 90-98% of the guidelines;



- 6 members (Spain, Greece, Bulgaria, Hungary, UK and Iceland) assessing themselves as applying 80-88% of the guidelines;
- 2 members (Czech Republic and Ireland) assessing themselves as applying 71-78% of the guidelines;
- 1 members (Poland) assessing itself as applying between 62-69% of the guidelines;
- 3 members (Slovenia, Slovakia and Latvia) assessing themselves as applying between 54-59 % of the guidelines.

**CESR'S revision of its FESCO/CESR Standards, Guidelines and Recommendations which are now superseded by new legislation**

CESR's Review Panel has examined whether, and to what extent, CESR Guidelines, Standards and Recommendations or respective provisions of its predecessor FESCO (CESR Level 3 measures) issued in the past, have been superseded by subsequently issued European Law. This exercise should ensure the alignment of CESR measures with existing legislation and market needs.

Even though Level 3 measures are not legally binding, CESR members have committed themselves to adopting the respective provisions in their supervisory practice, and they play an important role in the creation of supervisory convergence and in giving guidance on regulatory issues. As such, identifying which Level 3 measures still need to be retained following the implementation of new EU legislation is important both for CESR members and market participants.

Following the conclusion of this work, CESR has decided to update its Level 3 measures by removing the following six sets of measures which are now superseded in light of the new framework of European Directives. Most of these measures have been incorporated into the new EU rules, mainly into the Markets in Financial Instrument Directive "MiFID" and its respective Level 2 provisions, and also into specific provisions of the Market Abuse Directive, the Prospectus Directive and other European Law. The measures affected by the CESR decision are the following:

1. A European Regime for Investors Protection The Harmonization of Conduct of Business Rules (CESR/ 01-014d/ April 2002);
2. A European Regime for Investor Protection – The professional and counterparty regimes (02-098b/ July 2002) & Implementation of Article 11 of the ISD: Categorisation of investors for the purpose of Conduct of Business rules (2000-FESCO-A/ March 2000);
3. Standards for Alternative Trading Systems (02-086b-July 2002);
4. Standards for Regulated Markets under the ISD (99-FESCO-C/December 1999);
5. European Standards on Fitness and Propriety to Provide Investment Services (99-FESCO-A/ February 1999);
6. Market Conduct Standards for Participants in an Offering (99-FESCO-B December 2000).

As regards the measures above, CESR decided that the removal should take effect immediately for all members except for those members that have not yet transposed the provisions of the MiFID. In the latter case the measures remain valid until transposition has been completed in so far as they do not contradict the provisions of MiFID and its respective Level 2 measures.

The revision of the above Level 3 measures is without prejudice to CESR being able to conduct further work at Level 3 in the areas covered by the removed measures.



**Notes for Editors:**

1. CESR's peer pressure group the "Review Panel", is a key group in facilitating supervisory convergence and is chaired by CESR Vice-Chair Mr Carlos Tavares, Chairman of the Portuguese Securities Commission (COMISSÃO DO MERCADO DE VALORES MOBILIÁRIOS - CMVM).
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. 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.
3. 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 as its representative the Director General of the DG Market. Furthermore, the securities authorities of Norway and Iceland are also represented at a senior level.
4. For further information please contact:

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