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PRESS RELEASE

CESR assesses implementation of its Standard No. 2 on financial information on the co-ordination of enforcement activities

CESR publishes today a peer review (Ref. CESR/09-188) and a self-assessment (Ref. CESR/09-212) on the application and implementation of CESR's Standard No. 2 on financial information on the co-ordination of enforcement activities by National Enforcers across Europe. The reports published today were conducted in two stages: first, CESR Members self-assessed their application of each of the four principles of CESR's Standard No. 2 by answering questions that have been established for each principle against a set of benchmarks. Second, CESR's peer pressure group, the Review Panel, conducted a peer review of how National Enforcers applied the Standard.

CESR's Standard No. 2 is a principle-based standard establishing a framework on the co-ordination of enforcement activities in relation to financial information throughout Europe. The Standard contains proposals for achieving the necessary co-ordination and convergence of enforcement activities carried out by EU National Enforcers. These proposals mainly set out that EU National Enforcers should take into account decisions taken by other enforcers and enforcement decisions should be made available to other enforcers. It also establishes that a confidentiality regime should be followed, and that enforcement decisions and experiences should be discussed within the framework of the European Enforcers Co-ordination Sessions (EECS).

Carlos Tavares, Chair of the Portuguese Comissao do Mercado de Valores Mobiliarios (CMVM), Vice-Chair of CESR and Chair of the CESR Review Panel stated:

> *"Today's publication contributes to the role that has been predominantly envisaged for CESR's Review Panel to act as a peer pressure group. The main objective of a peer review is that peers assess if jurisdictions in practice adhere to the CESR Standards and Guidelines, promoting supervisory convergence as envisaged by the European Commission. The assessment of CESR's Standard No. 2 helped in identifying those areas where further harmonisation is needed in co-ordinating the enforcement activates of national enforcers.*
>
> *The peer pressure mechanism is intended to lead CESR Members and fellow enforcers to adopt best practices and to achieve a convergent supervisory system across the different jurisdictions which by so doing, helps to serve a level playing field across Europe."*

Members self-assessed their compliance

The review of Standard No. 2 has been conducted by 26 out of 29 CESR Members who assessed themselves their application of the Standard (cf. Annex, Table 1). This self-assessment showed that less than half (45%) of CESR's Members fully apply the Standard in their day-to-day enforcement. Two Members, Austria and Iceland, were classified as "not contributing", and one Member, the Czech Republic, did not implement Transparency Directive to which the CESR Standard refers.

CESR conducted peer review of implementation

CESR conducted a peer review on how CESR Members implemented the Standard No. 2 on financial information. This peer review revealed that slightly less than one third of CESR Members were fully applying the Standard, and that significantly more than half of the Members did not apply the principles overall (cf. Annex, Table 2). Belgium, Denmark, Finland, France, Germany, Italy, Norway, Portugal and Spain fully apply CESR's Standard No. 2. This implies that these 9 Members fully apply all four principles of the Standard.

Cyprus and Romania partially apply the Standard; which means that, as a minimum, Cyprus and Romania partially apply all four principles.

An overall rating of non-implementation of the Standard by a Member generally requires that one of the principles is not applied. This applies to 16 CESR Members, Bulgaria, the Czech Republic, Estonia, Greece, Hungary, Ireland, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Slovakia, Slovenia, Sweden and the UK, who have not yet applied the Standard No. 2.

Austria and Iceland are classified as not contributing as they did not respond to the peer review.

Based on these findings CESR will continue the dialogue with CESR Members on whether compliance with and implementation of the Standard can be further improved and how convergence can be enhanced. Following the peer review methodology (CESR/07-071b), the information provided by CESR Members can be updated on a regular basis, following which CESR will assess whether a full reassessment of the updated information might be appropriate.

Notes for editors:

1. The 'Stockholm Resolution' that has been adopted by the European Council on 23 March 2001 stated: 'The Committee of European Securities Regulators should also contribute to the consistent and timely implementation of Community legislation in the Member States by securing more effective co-operation between national supervisory authorities, carrying out peer reviews and promoting best practice.' To fulfil this important task, CESR established the Review Panel in March 2003. The panel, chaired by Carlos Tavares, Vice Chair of CESR, is a permanent group, comprising the Internal Co-ordinators of each CESR Member and observer.

   The Review Panel is mandated to review the implementation by all CESR Members of EC legislation and CESR Standards and Guidelines into national rules. The panel gives its opinion on the overall process of implementation, provides common understanding and expresses views on specific problems in the implementation process encountered by individual Members.

   The CESR Standard No2 was first published in April 2004 (Ref: CESR/03-317c) and has been complemented twice by issuing two CESR Guidances: one published in 2004 (Ref. CESR/04-257b), and another Guidance published in 2007 (Ref: CESR 07-417), both of which serve to clarify further how the standard should be implemented.

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.

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ANNEX

Table 1 – Overall benchmarking based on the self-assessments (As per 5 August 2008)

No. of Members	Jurisdictions	Overall rating achieved		Percentage of all 29 Members
13	Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Norway, Poland, Portugal, Spain and UK	100%	Apply all the principles	45%
5	Cyprus, Estonia, Greece, Hungary, Romania and Sweden	85%	At least partially apply the principles overall	21%
6	Latvia, Lithuania, Malta, Netherlands* and Slovakia	75%	Do not apply the principles overall	28%
1	Bulgaria	50%		
2	Czech Republic, Slovenia	Not implementing		
2	Austria and Iceland	Did not contribute	-	7%

* The Transparency Directive came into force in the Netherlands on 1 January 2009.

Table 2 – Overall benchmarking based on the peer review (As per 5 August 2008)

No. of Members	Jurisdictions	Overall rating achieved		Percentage of all 29 Members
9	Belgium, Denmark, Finland, France, Germany, Italy, Norway, Portugal, and Spain	100%	Apply all the principles	31%
2	Cyprus, Romania	85%	At least partially apply the principles overall	7%
6	Greece, Ireland, Luxembourg, Netherlands*, Poland, and UK	75%	Do not apply the principles overall	55%
1	Estonia	60%		
4	Hungary, Latvia, Lithuania, Malta and Slovakia	50%		
1	Sweden	35%		
2	Bulgaria	25%		
2	Czech Republic and Slovenia	0%		
2	Austria and Iceland	Did not contribute	-	7%

* The Transparency Directive came into force in the Netherlands on 1 January 2009.