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PRESS RELEASE

New steps by CESR to address the recent market crisis

Following close and continuous monitoring of developments in financial markets, CESR members decided, at the meeting held in Paris on September 30th, to take the following actions to address key aspects of the financial crisis that fall under the competence of EU securities regulators. This work will be undertaken, where appropriate, in close co-ordination with our fellow Level 3 Committees covering banking, insurance and pensions (namely, CEBS and CEIOPS) including in liaison with IOSCO.

The Chairman of CESR, Eddy Wymeersch noted:

“Europe’s securities regulators are particularly vigilant on the developments in financial markets and stand ready to take actions to secure orderly functioning of financial markets and to ensure the protection of investors. We intensify our work in the key areas of our supervisory remit aiming at investor confidence in the markets and to co-ordinate the response of Europe’s supervisors at this critical period.”

- **Short selling:** following the initial activity of urgent coordination of national decisions adopted by CESR members on short selling, CESR is investigating how to promote further convergence of national decisions to the extent possible and appropriate, while providing better clarity to the markets. It will reinforce the cooperation among Members in respect of concrete enforcement cases relating to the short selling ban. *This work will be conducted by CESR-Pol, chaired by Kurt Pribil the Chief Executive Officer of the Financial Market Authority (FMA) in Austria.*
- **Investment Funds:** CESR is closely monitoring the impact of recent market events on the orderly functioning of investment funds. *This work will be conducted by the Investment Management Expert Group, chaired by Lamberto Cardia, Chairman of the Commissione Nazionale per le Società e la Borsa (CONSOB), Italy.*
- **Investor protection initiatives:** CESR will review the impact of the default of Lehman Brothers by coordinating the collection of data and investigations by Members into the rights of investors affected. *This Task Force will be chaired by a representative of the UK FSA.*
- **Accounting:** Following public consultation, CESR will shortly release its final statement on fair value measurement and related disclosure requirements for financial instruments in illiquid assets. CESR Members, in their capacity as national enforcers of accounting standards by listed companies, will continue to monitor the application of accounting standards during this period and follow up on any new developments. *This work will be conducted by CESR-Fin, chaired by Fernando Restoy, Executive Board Member of the Comisión Nacional del Mercado de Valores (CNMV), Spain.*



- **Clearing and settlement:** CESR Members are closely monitoring the orderly functioning of post-trading infrastructures to ensure the smooth finalisation of transactions during this period of instability. *This work will be conducted by the Post Trading Expert Group, chaired by Istvan Farkas, Chairman of the Hungarian FSA, Hungary.*

It should be noted that CESR is finalising other important and related work streams, adopted in April 2008 to implement some of the recommendations adopted by the Financial Stability Forum. Examples relate to CESR's review on market transparency for non equity instruments; risk management principles for UCITS and further work on Credit Rating Agencies.



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 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.
3. For further information please contact:

CESR

Carlo Comporti **or**
Secretary General of CESR

Victoria Powell
Director of Communications

Tel: +33 (0)1.58 36 43 21 Email: secretariat@cesr.eu