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Press Release

CESR complements the arrangements for transaction reporting in order to solve remaining issues in the exchange of transaction reporting

As a final step to start the exchange of transaction reporting in accordance with the MiFID, CESR today announces new arrangements for transaction reporting. (Ref. CESR/07-627b), developed in co-operation with the industry. These arrangements will facilitate full implementation of transaction reporting in a cost effective way and without undue delays.

Whilst CESR had indicated its initial preference for the use of international standards in transaction reporting, and as the ISIN code is the only widely used international standard for the identification of securities, CESR members consulted on the use of this code in the exchange of transaction reports among themselves. During a public consultation on this issue in January 2007 (Ref. CESR/06-648b), it emerged that while there is wide agreement on the use of ISIN codes for cash products, the picture is more diverse in the derivatives markets. Some derivatives markets already use ISIN codes while other derivatives markets face great difficulties in adapting them. The difficulties are not limited to exchanges only, but extend to the financial industry as a whole.

CESR has discussed these issues at length with the industry and in particular with an industry coalition led by the Federation of European Securities Exchanges (FESE), regrouping the following organisations: the European Association of Cooperative Banks (EACB), the European Association of Savings Banks (ESBG), the European Banking Federation (EBF), member associations of the MiFID Connect, Zentraler Kreditausschuss (ZKA), as well as individual banks with major transaction reporting involvement which are members of one or more of these associations. For further information regarding this dialogue, please refer to the letters published as annexes to the Public Statement.

As a result of these discussions, CESR has decided to adopt two new arrangements facilitating full implementation of transaction reporting under MiFID:

- Reporting on non-securities derivatives (including commodity derivatives) will be undertaken through the relevant regulated markets. They will thereby act as an alternative reporting channel for local exchange members.
- An alternative way for the identification of securities derivatives on some derivatives markets is introduced. The new identification is based on a number of fields rather than a single identifier, but in order to facilitate communication they are commonly called the Alternative Instrument Identified (or AII for short). Due to the late decision on this issue, it will not be possible to implement the AII in full use in all EEA countries on 1 November 2007. Each individual national authority member of CESR will inform locally on provisional measures and the timetable for the full implementation of this new arrangement.

CESR will review these arrangements in three years time or earlier if needed.



Notes for Editors:

1. At its last meeting, CESR appointed Ari Voipio, Senior Advisor at the Finnish Rahoitustarkastus, as the new chair of CESR-Tech, the information technology governance structure of CESR. Mr Voipio replaces Hector Sants, who has been appointed Chief Executive Officer of the UK FSA. CESR would like to thank Mr Sants for his work over the past year and half, and for his role in the success of the launch of TREM.
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, 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.

3. 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.
4. For further information please contact:

Practical issues

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