

PRESS RELEASE

ESMA becomes operational

Carlos Tavares elected Vice-Chairman, Board of Supervisors elects Members of Management Board and endorses internal rules and procedures

Following the establishment of the European Securities and Markets Authority (ESMA) on 1 January 2011, the Board of Supervisors (BoS) of ESMA held its first meeting today at ESMA premises in Paris. The BoS is the main decision-taking body of ESMA, consisting of the heads of the relevant national supervisors chaired by the Chairperson of the Authority.

At the inaugural meeting of the BoS today, Carlos Tavares was elected Vice-Chairman of ESMA. Tavares, the Chairman of the Portuguese CMVM, who already chaired CESR from July to December 2010 and served as Vice-Chairman since February 2009, will be acting as Chair of ESMA until the elected Chair of ESMA takes office.

Carlos Tavares, Vice-Chairman of ESMA and Chair of the Portuguese Comissão do Mercado de Valores Mobiliários (CMVM), said:

“It is with great honour that I serve as ESMA’s first Vice-Chair at this historic moment. I thank my colleagues of the Board of Supervisors for their continued confidence in me. During the next few months it is clear that our attention will continue to be steadfastly focused on ensuring the effectiveness of ESMA’s functioning as it begins its new life. Much has been achieved to ensure a successful transformation of CESR to ESMA, nevertheless ESMA has significant new responsibilities which we will need to exercise mindfully and gradually over the coming years. The national competent authorities will be active partners in ensuring the success of ESMA and in the framework of the new European System of Financial Supervision. ESMA must deliver effectively in contributing to more efficient and sound European financial markets and, through this, promotes a more competitive European economy.”

Supervisors adopt rules and procedures for ESMA, Management Board set up

At the very same meeting, members of ESMA’s BoS also set up the Management Board (MB) of ESMA by electing its first six members. The Members of the MB are: Karl-Burkhard Caspari, BaFin, Germany; Jean Guill, Commission de Surveillance du Secteur Financier, Luxembourg; Alexander Justham, Financial Services Authority, UK; Raul Malmstein, Finantsinspektsioon Estonia; Kurt Pribil, Finanzmarktaufsicht, Austria; Fernando Restoy, Comision Nacional del Mercado de Valores, Spain.

The first set of key internal rules and procedures that define how ESMA will function were also adopted. Among these were rules and procedures on issues such as terms of reference for both the BoS and the MB, the decision making process for the adoption of technical standards and guidelines, as well as an HR package, including the code of conduct and a financial set of rules.

ESMA also confirmed today that all existing Level 3 measures issued by CESR remain valid under ESMA in their original status. Following their first meetings today, the governing bodies of ESMA will continue to meet regularly.



Notes for editors

1. ESMA is an independent EU Authority that was established on 1 January 2011 according to EU Regulation No. 1095/2010 as published on December 15, 2010, in the Official Journal of the European Union (L 331/84). The Authority contributes to safeguarding the stability of the European Union's financial system by ensuring the integrity, transparency, efficiency and orderly functioning of securities markets, as well as enhancing investor protection. In particular, ESMA fosters supervisory convergence both amongst securities regulators, and across financial sectors by working closely with the other European Supervisory Authorities competent in the field of banking (EBA), and insurance and occupational pensions (EIOPA).
2. ESMA's work on securities legislation contributes to the development of a single rule book in Europe. This serves two purposes; firstly, it ensures the consistent treatment of investors across the Union, enabling an adequate level of protection of investors through effective regulation and supervision. Secondly, it promotes equal conditions of competition for financial service providers, as well as ensuring the effectiveness and cost efficiency of supervision for supervised companies. As part of its role in standard setting and reducing the scope of regulatory arbitrage, ESMA strengthens international supervisory co-operation. Where requested in European law, ESMA undertakes the supervision of certain entities with pan European reach.
3. ESMA also contributes to the financial stability of the European Union, in the short, medium and long-term, through its contribution to the work of the European Systemic Risk Board, which identifies potential risks to the financial system and provides advice to diminish possible threats to the financial stability of the Union. ESMA is also responsible for coordinating actions of securities supervisors or adopting emergency measures when a crisis situation arises.
4. ESMA replaced the Committee of European Securities Regulators (CESR), an advisory body comprised of EU securities regulators that advised the European Commission from 2001 to 2010 on policy issues around securities legislation.

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