

Press Release

Brussels, 26th May 2009

FESE statement - US Treasury Plans on OTC Derivatives Markets

FESE welcomes the regulatory reform of OTC derivatives markets initiated by U.S. Treasury Secretary Geithner, SEC Chairman Schapiro and CFTC Acting Chairman Dunn. In particular, FESE commends the proposed action to promote efficiency and transparency and to mitigate risk in the OTC derivatives market.

FESE in particular congratulates the US regulators for taking a nuanced view of the clearing landscape for OTC derivatives. The proposal contains a clear framework for enforcement with clearly defined terms and recognition of the need to work with overseas regulators to avoid regulatory arbitrage opportunities.

FESE Secretary General commented: "We believe this proposal, when implemented, will significantly contribute towards an increase in investor confidence as well as ensuring the integrity of the marketplace and strengthening risk management capabilities".

Finally, FESE strongly believes that the current constructive dialogue between the US authorities and the European Commission to coordinate the regulation and supervision of these markets will prevent transatlantic regulatory gaps and give these two jurisdictions a leading role in shaping the global policy response in the derivatives area. In this regard, FESE will continue its cooperative dialogue with regulators, supervisors and market participants on both sides of the Atlantic.

Information for the Editor:

The Federation of European Securities Exchanges (FESE) represents 42 exchanges in equities, bonds, derivatives and commodities from all EU Member States, Iceland, Norway and Switzerland as well as 7 Corresponding Members from European emerging markets. FESE is a keen defender of the Internal Market and many of its members have become multi-jurisdictional exchanges, providing market access across multiple investor communities. FESE represents public Regulated Markets. Regulated Markets provide both institutional and retail investors with transparent and neutral price-formation. Securities admitted to trading on our markets have to comply with stringent initial and ongoing disclosure requirements and accounting and auditing standards imposed by EU laws.

To date, FESE members have up to 12,304 companies listed on their markets, of which 15% are foreign companies contributing towards the European integration and providing broad and liquid access to Europe's capital markets. Many of our members also organise specialised markets that allow small and medium sized companies across Europe to access the capital markets; 2,132 companies are listed in these specialised markets/segments in equity, increasing choice for investors and issuers.

FESE is registered with the European Commission's 'Register of Interest Representatives'. FESE is also a founding member of the European Capital Market Institute, the European Parliament Financial Services Forum and the European Corporate Governance Institute.

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