

Annex 8

The four-level approach recommended by the committee chaired by Alexandre Lamfalussy

LEVEL 1

Commission adopts formal proposal for Directive/Regulation after a full consultation process

European Parliament

Council

Reach agreement on framework principles and definition of implementing powers in Directive/Regulation

LEVEL 2

Commission, after consulting the European Securities Committee, requests advice from the European Securities Regulators Committee on technical implementing measures

Committee of European Securities Regulators prepares advice in consultation with market participants, end-users and consumers, and submits it to Commission

Commission examines the advice and makes a proposal to European Securities Committee

European Securities Committee votes on proposal within a maximum of 3 months

Commission adopts measure

European Parliament kept fully informed and can adopt a Resolution if measures exceed implementing powers

LEVEL 3

Committee of European Securities Regulators works on joint interpretation recommendations, consistent guidelines and common standards (in areas not covered by EU legislation), peer review, and compares regulatory practice to ensure consistent implementation and application

LEVEL 4

Commission checks Member State compliance with EU legislation

Commission may take legal action against Member State suspected of breach of Community Law