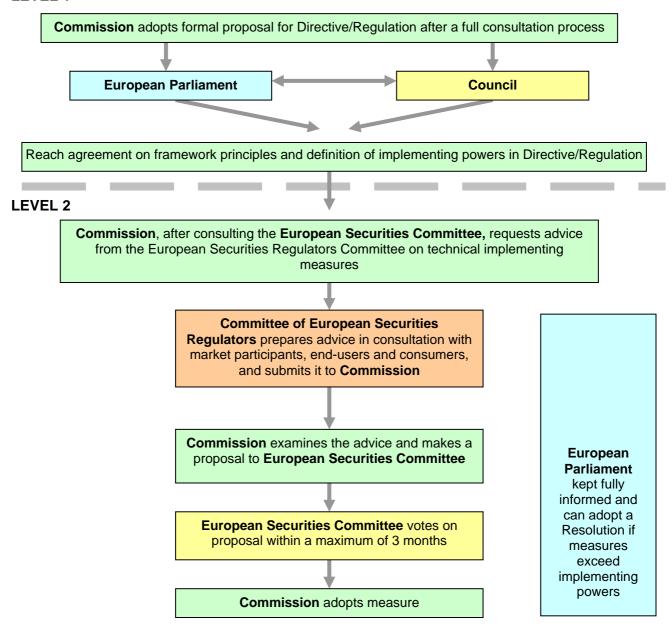
The four-level approach recommended by the committee chaired by Alexandre Lamfalussy

LEVEL 1



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 I aw