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Directorate General Internal Market and Services

Director General

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Mr Steven Maijoor
Chairman
European Securities and Markets
Authority (ESMA)
103 Rue de Grenelle
75007 Paris

Subject: Request for ESMA advice on possible delegated acts concerning the Regulation on short selling and certain aspects of Credit Default Swaps

Dear Steven,

On 15 September 2010 the Commission adopted its proposal for a Regulation on short selling and certain aspects of Credit Default Swaps (CDS). On 18 October 2011 a political agreement was reached in the trilogue by the European Parliament and the Council on a compromise text. This text was formally adopted by the Council on 10 November 2011 and by the European Parliament on 15 November 2011.

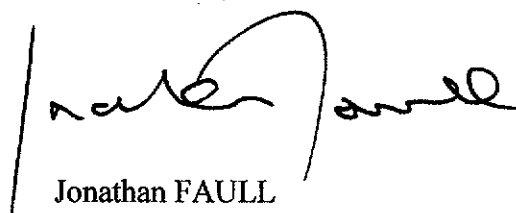
The Regulation has two main objectives: to lay down a common regulatory framework with regard to the requirements and powers relating to short selling and CDS; and to ensure greater coordination and consistency between Member States where measures have to be taken in exceptional situations. The principles in the Regulation need now to be specified in delegated acts.

In this context I enclose a mandate for technical advice on the delegated acts which are outlined in detail in the mandate. This mandate takes into consideration that ESMA needs enough time to prepare its technical advice and that the Commission needs enough time to consider that advice in preparing, drafting and adopting the delegated acts. It also takes into account the right of the European Parliament and the Council to object to a delegated act within 3 months (which can be extended by 3 months). Delegated acts need to be adopted and published in the Official Journal in time for the entry into application of the Regulation on 1 November 2012.

In light of the above, the deadline set for ESMA to deliver the technical advice is 31 March 2012.

Given the tight timetable, it will be essential for the Commission and ESMA to cooperate very closely and I am confident that this cooperation will enable a successful outcome in the preparation and adoption of the delegated acts.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jonathan FAULL', is written over a horizontal line. The signature is fluid and cursive, with a large loop at the end.

Jonathan FAULL

Enclosure: Mandate to ESMA for technical advice

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