

**FINANCIAL SERVICES ACTION PLAN
FORUM GROUP ON THE ISD GREEN PAPER**

**ISSUES PAPER
FOR THE
FIRST MEETING OF THE GROUP**

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I. MISSION STATEMENT

On 11 May 1999 the Commission adopted its Communication "*Financial Services : Implementing the Framework for Financial Markets : Action Plan*" (Document COM(1999) 232). The Action Plan builds on the Commission's Communication on a Framework for Action for Financial Services of October 1998, setting out what our policy responses should be to the pressures that arise from the introduction of the EURO, globalisation, and technological advance in financial services. One of the measures in the Action Plan, intended to ensure the development of a single EU wholesale market, is the publishing of a green paper on upgrading the ISD (the Investment Services Directive).

The ISD (Directive 93/22/EEC adopted on 10 May 1993) is the corner stone for a European capital market in the field of securities. Its first and central objective is to provide a "*European passport*" to non-bank investment firms to carry out a wide range of investment business (e.g. order collecting, execution of orders on an agency basis, dealing, portfolio management, underwriting) in securities and securities-related instruments (e.g. options and financial futures) either through branches or on a cross-border basis (free-provision of services). A similar passport was given to banks through the Second Banking Directive of 1989, which in addition to liberalising core banking activities allows banks to provide services related to securities throughout the Community. Certain additional services (called "non-core" services) can also be provided by an authorised investment firm if mentioned specifically in the authorisation. These services include investment advice, advice on mergers and acquisitions, safekeeping and administration of securities and foreign exchange transactions.

A second objective of the ISD, a logical extension of the first, is to open up stock exchange membership in all Member States to all types of investment firm, whether bank or non-bank companies. The ISD allows investment firms, whether banks or non-banks, to choose between indirect access to membership through a subsidiary company, or direct access by means of a branch.

A third objective is to allow a regulated market which operates without a physical floor to provide terminals to investment firms and banks in other Member States, thus allowing the latter to have access to membership on a remote electronic basis. This possibility has the effect of promoting cross-frontier trading on an electronic basis, and in effect result in regulated markets themselves benefiting from a European passport.

The ISD when adopted in 1993 liberalised, for the first time, the provision of investment services in the Community. The directive has not achieved its full potential because many Member States have delayed transposition. The main elements in the directive are however, still valid: in its present form the ISD provides a centrally important legislative framework. However, time has indicated possible imperfections especially in a fast-changing financial environment. The Green paper will complement the Commission Communication (due end 1999) in distinguishing between "sophisticated" investors from retail investors. The Communication will be an important point of reference when analysing the optimal wording for Article 11 of the ISD (see "wholesale" below).

Since the ISD was adopted in 1993 a number of important developments in the capital markets have taken place at both European and world level. Based on the experience accumulated by Member States and the industry, and the work of FESCO (the Forum of European Securities Commissions), which has two working groups directly related to the ISD (on conduct of business rules; and on standards for regulated markets), the Green Paper will analyse the need to : (i) modernise some of the Articles in the directive ; (ii) complement some perhaps unsatisfactorily defined items ; (iii) clarify the grey areas which give problems of interpretation ; and (iv) evaluate related topics currently included in other securities markets directives. Assessment of the directive should be forward-looking, in particular assessing whether the ISD is appropriate for fast-changing market practices and whether the ISD provides a regulatory framework for investment service providers conducive to an efficient European Capital market that is truly competitive in international terms, and in particular to the emergence of integrated EU trading platforms.

The objective of technical discussions in the Forum Group is neither to “negotiate”, nor to present “positions” of EU representative bodies or markets on specific issues. Individuals on the Group will be expected to provide specific, unbiased, concrete and detailed technical input from a market perspective. In particular the Commission will welcome written contributions (papers ; brochures, technical descriptions ; etc.) before or after the meetings. These documents could be intended only for the Commission or for all participants. The documents could be the product of an expert, several experts, or the whole group.

Although the Commission will chair the meetings of the Group, in practice its role will be that of a “facilitator” of discussions. The Commission’s services will provide the secretariat (preparation and distribution of papers and other documentation etc.) and act as a general point of contact. The Commission will also produce issues papers setting-out the main themes and possible areas of attention, but only to provide broad guidance.

Market experts are invited to determine the technical issues at stake and the way forward. The list of issues presented in this paper is not exhaustive. Market experts may consider that some open questions in the ISD are more appropriate for supervisors/regulators than for the industry. The Forum Group is invited to concentrate their discussions, at the first meeting, around a number of themes including :

- **The driving forces** for change in the regulatory framework for investment services, an assessment of their relative importance and the provisions of the ISD which are directly concerned.
- **Wholesale activities.** Possible move in Article 11 towards home country conduct of business rules and home country supervision of compliance with conduct of business rules (building on Communication on “sophisticated” investors).
- **Scope.** Commodities and the possible extension of the rights conferred by the ISD to counterparts of the state, central banks, etc. (Article 2.4).
- **Segregation of assets.** Re-evaluation of Article 10 to assess whether the provisions related to the segregation of securities and segregation of funds are achieving the intended prudential objectives.
- **Standards for regulated markets.** Possible improvement of Article 1.13 in order to establish more precise conditions for becoming a regulated market.
- **Clearing and settlement systems.** Clarification of Article 15.1 in relation to remote access to clearing and settlement organisations, including Central Securities Depositories (CSDs). Also analysis of the opportunity to introduce minimum standards for clearing and settlement organisations.

- **Remote membership.** Possible modification of Article 15.4 in order to confer on investment firms the right to become remote members of regulated markets. This could be of particular interest in the event of a single EU platforms for securities trading.
- **Alternative Trading Systems.** In order to ensure a level playing field with regulated markets, a re-evaluation of the status of these systems seem warranted.

To facilitate the discussion these themes are developed in detail at the next section (“specific issues”).

The Green Paper is due by mid-2000. The Forum Group is expected to meet 3-4 times during the period September 1999-February 2000.

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II. SPECIFIC ISSUES

DRIVING FORCES

In the last decade a number of powerful forces have shaped the structure and the type of business in the securities markets. Some of these forces are internal in the sense that they are the result of the liberalisation of the regulatory framework (i.e. adoption of the ISD, of the investor compensation schemes directive – ICS, UCITS directives, etc.). The ISD has provided access of banks to regulated markets ; remote access (from other Member States) to exchanges ; increase cross-border activity and the subsequent increase co-operation between competent authorities ; some Member States have abolished the figure of “agent de change”, etc. The ICS has obliged to create compensation schemes in a number of Member States. The UCITS directives have facilitated the increasing investment of small investors through institutional investors.

Other forces such as globalisation, introduction of the EURO and technological innovation are external. Globalisation is seen for instance in the internationalisation of financial portfolios ; the placement of terminals of EU exchanges in the US for both stock (e.g. Tradepoint) and derivatives (e.g. LIFFE ; EUREX) ; etc. The introduction of the EURO (for the first time most of the EMU countries share the same raw material) has produced a move towards equity (and the development of an equity culture) ; development of corporate bond markets ; EU portfolios and indexes are becoming organised by sectors instead of by countries ; credit ratings are developing ; etc.

Technology is perhaps the most powerful force. Securities markets have always moved to the latest technology. However, new technologies may alter the nature of the markets and fundamentally modify the way investors, intermediaries and markets are organised and interact with each other. New technology has allowed the development of “day trading” (or better “intra-day” trading) ; of on-line investment through internet brokers ; electronic broking in FOREX ; elimination of trading floors not only for equity but also for derivatives (futures and options) and bonds ; on-line IPOs ; possible move towards internet platform for trading shares ; “virtual exchanges” (access to a number of markets and products through a single terminal) ; dematerialisation of securities (“electronic securities”) ; availability of more sophisticated market information by news vendors ; alternative trading systems – ATs – (or ECNs – Electronic Communication Networks ; or quasi-exchanges) which could become open not only to institutional investors but also to small investors.

Other changes in the markets are due to the increasing interest in risk management techniques (leading to a wider use of collateral security) and the consolidation of financial companies (M&A). The competition/co-operation forces are also shaping the markets. Exchanges are in the middle of a demutualisation process ; there is a move to increase the number of trading hours in the US and a move to introduce harmonise trading hours in Europe. Also, whereas markets are consolidating (pan-European systems for shares, derivatives ; fast-growing SMEs ; rationalisation of securities clearing & settlement systems) the ATs may end up fragmenting the markets in the trading side.

With these considerations in mind market experts are invited to consider the relative importance of the dynamic forces shaping the markets in the years to come and to comment, in general terms, on the main characteristics of an appropriate regulatory framework suitable for the new situation.

WHOLESALE

Recital 32 of the ISD states that “*whereas one of the objectives of this Directive is to protect investors ; whereas it is therefore appropriate to take account of the different requirements for protection of various categories of investors and of their level of professional expertise*”.

Article 11 stipulates that “*Member States shall draw up rules of conduct which investment firms*

shall observe at all times ... Without prejudice to any decisions to be taken in the context of the harmonisation of the rules of conduct, their implementation and the supervision of compliance with them shall remain the responsibility of the Member State in which a service is provided ... Where an investment firm executes an order ... the professional nature of the investor shall be assessed with respect to the investor from whom the order originates, regardless of whether the order was placed directly by the investor himself or indirectly through an investment firm”

The principles mentioned cover the relationship between the investment firm and its client, and are essentially aimed at fair dealing and ensuring that investors are not invited to acquire investments that are unsuitable to their needs. The rules are not co-ordinated in any detail and are applied on a host Member State basis (in the territory of the Member State where the branch is situated or the service is provided). This regulation of securities firms is shared between supervisors in the home Member State and those in the host Member State. The directive requires both sets of supervisors to collaborate closely in their respective areas of responsibility.

The application of conduct of business rules must respect the jurisprudence of the Court of Justice. In particular they should not go further than is necessary to achieve the objective of investor protection. The sophisticated (or professional) investor needs less protection from conduct of business rules than the ordinary non-professional investor. Existing wholesale business need not therefore be hampered by the imposition of new and burdensome conduct of business rules.

The forthcoming Communication will distinguish between “sophisticated” investors from retail investors. The Communication is a horizontal exercise that it will go beyond the needs of Article 11.

Market experts are invited to comment, in general terms, on their experience with conduct of business rules. Of special interest will be their experiences in cross-border activities, particularly in wholesale business. Is the current wording of Article 11 a real barrier to wholesale activities ? If so, is the only solution to change Article 11 in order to have, in case of wholesale business, home country conduct of business rules and home country supervision of compliance with conduct of business rules ?

SCOPE

A number of recitals and Article 2 of the ISD define the list of exclusions from the scope of the ISD, drawing the boundary between the investment firms that do and do not now enjoy the benefits of the “European passport”. On the other hand the scope of services, instruments, and non-core services falling into the directive is defined in the annex to the directive. Since the ISD was adopted, the Commission has been asked to review the directive in order to include both commodity related firms and the provision of services as counterparty of the state or state-related bodies. The issue is complex.

Recital 18 indicates that *“Whereas the purpose of this Directive is to cover undertakings the normal business of which is to provide third parties with investment services on a professional basis ; whereas its scope should not therefore cover any person with a different professional activity ... who provides investment services only on an incidental basis in the course of that other professional activity ... whereas it is also necessary for the same reason to exclude from the scope of this Directive persons who provide investment services only for producers or users of commodities to the extent necessary for transactions in such products where such transactions constitute their main business;”* Article 2.2. (i) states that *“persons whose main business is trading in commodities amongst themselves or with producers or professional users of such products and who provide investment service sonly for such producers and professional users to the extent necessary for their main business ;”*. This exempts from the ISD commodity dealers who provide investment services under the ISD merely as an ancillary activity to their commodity business.

On the other hand, recital 20 indicates that *“Whereas it is necessary to exclude from the scope of this Directive central banks and other bodies performing similar functions as well as public bodies charged with or intervening in the management of the public debt, which concept covers the investment thereof ; whereas, in particular this exclusion does not cover bodies that are partly or wholly State-owned the role of which is commercial or linked to the acquisition of holdings ;”* Article 2.4 states that *“The rights conferred by this Directive shall not extend to the provision of services as counterparty to the State, the central bank or other Member States national bodies performing similar functions in the pursuit of the monetary, exchange-rate, public-debt and reserves management policies of the Member State concerned”*. It has been reported that, pursuant this Article, certain Member States impose strict requirements on primary dealers for the issuance of Treasury bonds, including the establishment of subsidiaries. Other Member States have taken a more flexible approach and already allow to become market-maker for government bond, without being established in that Member State.

Market experts are invited to comment, in general terms, on the current boundaries of the ISD in terms of investment firms, types of investment or financial instruments.

Market experts with experience in the commodities business or in dealing with the state or state-related bodies are invited to comment on any particular experience. Is the current framework a real barrier to operate cross-border ? Which is the degree of flexibility shown by host competent authorities ? Is there a trend towards more flexibility or less flexibility ?

SEGREGATION OF ASSETS

For prudential reasons, in particular in the event of failure or bankruptcy of an investment firm, Recital 29 of the ISD indicates that : *“Whereas in order to protect investors an investor’s ownership and other similar rights in respect of securities and his rights in respect of funds entrusted to a firm should in particular be protected by being kept distinct from those of the firm ; whereas this principle does not, however, prevent a firm from doing business in its name but on behalf of the investor, where that is required by the very nature of the transaction and the investor is in agreement, for example stock lending ;”*. On the other hand, Article 10, indents 2 and 3, stipulates that : *“Each home Member State shall draw up prudential rules which investment firms shall observe at all times. In particular, such rules shall require that each investment firm :*

- *Make adequate arrangements for instruments belonging to investors with a view to safeguarding the latter’s ownership rights, especially in the event of the investment firm’s insolvency and to preventing the investment firm using investors instruments for its own account except with the investors’ express consent.*
- *Make adequate arrangements for funds belonging to investors with a view to safeguarding the latter’s rights and, except in the case of credit institutions, preventing the investment firm’s using investor’s funds for its own account.*

The ISD thus imposes certain obligations on investment firms (including banks) as regards safekeeping of “instruments” and “funds” belonging to customers. In the case of instruments, arrangements must be made to protect investors “ownership rights”, and in the case of funds, to protect investors’ “rights” (the word “ownership” does not appear). When the directive was first proposed a stricter requirement was envisaged. Securities belonging to investors were to be “kept separately” from the firm’s own securities. Non-bank investment firms were to be required to place money belonging to investors in a bank account which was separate and distinct from the firm’s own account. In the course of the negotiations the “strict segregation” approach was discarded. The wording that was finally retained reflects the objective of protecting investors, but leaves greater flexibility to Member States as to the means by which that objective should be realised.

Several options seem to be available. The simplest is to have the investment firm’s securities and those of the investors kept together in a CSD (Central Security Depository) and then to have an internal record of who owns what. A further possibility is to have two accounts in the CSD, one for the securities of the investment firm and the other for the customers as a whole. A third possibility is to have each client with a distinct account at the CSD level (provided the CSD allows for that). The same logic would apply for funds (replacing banks for CSDs).

Market experts are invited to comment on their experience with segregation of assets in both physical and dematerialised environments. Do current systems achieve the prudential objectives imposed by the directive ? Which is the most cost-effective system ? Which is the safest ? Should be the role of CSDs to keep accounts at individual level ? Is this practical in a fast-moving trading environment ? Could new technologies help to create a safer environment for keeping financial assets ?

STANDARDS FOR REGULATED MARKETS

Article 1.13 of the ISD states that “*regulated market shall mean a market for the instruments listed in Section B of the Annex which :*

- *Appears on the list provided for in Article 16 drawn up by the Member State which is the home Member State,*
- *Functions regularly,*
- *Is characterised by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and, where Directive 79/279/EEC is applicable, the conditions governing admission to listing imposed in that Directive and, where that Directive is not applicable, the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market,*
- *Requires compliance with all the reporting and transparency requirements laid down pursuant to Article 20 and 21.*

Accordingly, both traditional stock exchanges and financial futures and option markets can be regulated markets. The conditions to be satisfied to obtain regulated market status are that the directive’s transparency rules must be complied with, and that membership must be opened up both to banks and to non-banks. It is not obligatory for all markets to become regulated markets. The rules on transparency require that figures be made available to investors concerning the price and volume of trades which have taken place on the market. This part of the directive was very difficult to negotiate because the rules have to be applied to two very different types of market, that is to say order-driven markets on the one hand and quote driven markets on the other.

What are the advantages of being a regulated market ? First, regulated markets from any Member State can attract orders from any EU investor even where Member States apply a concentration rule. Second, where the regulated market operates without a physical floor, investment firms and banks situated in other Member States may have remote access to membership.

It has been argued very often that the conditions in the ISD to become a regulated market are not detailed enough (i.e. too much is left to the Member States) and that therefore the family of regulated markets in Europe is not sufficiently homogeneous. FESCO, the Forum of European Securities Commissions, is also working in this field and on 9 July 1999 has launched a consultative paper requesting comments on a number of standards for regulated markets. These standards relate to condition for operations (governance ; management, systems and resources ; trading process ; performance of transactions ; monitoring and enforcement), conditions for access (membership, technical arrangements) and conditions for listing/admission to trading.

Market experts are invited to comment on the quality of the standards in place in the different regulated markets (for both stock and derivatives) in Europe. Are there many differences between different markets ? Are the existing standards equivalent to those applicable to the markets of third countries such as the USA ? In view of the importance of becoming a regulating market, should community regulation be more precise in this regard ?

CLEARING AND SETTLEMENT SYSTEMS

Recital 35 of the ISD indicates that *“Whereas in certain Member States clearing and settlement functions may be performed by bodies separate from the markets on which transactions are effected ; whereas, accordingly, any reference in this Directive to access to and membership of regulated markets should be read as including references to access to and membership of bodies performing clearing and settlement functions for regulated markets ;”*. On the other hand, Article 15.1 stipulates that *“... host Member States shall ensure that investment firms which are authorised by the competent authorities of their home Member States to provide the services referred to in Section A (1) (b) and (2) of the Annex can, either directly or indirectly, become members of or have access to the regulated markets in their host Member States where similar services are provided and also become members of or have access to the clearing and settlement systems which are provided for the members of such regulated markets there.”*

The objective of Article 15 is to permit investment firms and banks to have the possibility of becoming members of regulated markets in host Member States. The references to a securities settlement system are designed to ensure that the incoming investment firm or bank could be fully operational once admitted to membership in the host Member State, and could use the settlement facilities even where provided by an entity separate and distinct from the stock exchange. This means that, for instance, the question of becoming a member of a separate securities settlement system, without being a member of the regulated market, is not dealt with by the directive.

Article 15.4 of the ISD refers only to remote access to a regulated market (see next page). Nothing is said about the procedure to become member of the corresponding clearing and settlement system. It is very likely that CSDs (Central Securities Depositories) would require the presence of a local agent (branch, subsidiary or other institution already member of the clearing and settlement system) mainly for the payment side which is very often made through the domestic central bank. The existence of remote access to CSDs may be important to ensure a minimum level of competition between CSDs or networks of CSDs.

As discussed in the previous page, the ISD contains (Article 1.13) a number of conditions to become a regulated market. However, nothing similar is required regarding clearing and settlement systems. It has been argued very often that in order to ensure a minimum level of protection to investors, community legislation should also stipulate minimum standards for clearing and settlement organisations. Something along these lines has already been done by the ECB (the European Central Bank) as a user of these systems. Their standards refer to matters such as legal soundness, use of central bank money, supervision, and risk management procedures.

Market experts are invited to comment, in general terms, on their experience with cross-border clearing and settlement for transactions related to either stock or derivative contracts. Is remote access allowed ? Are special conditions to be complied with ? Should Community legislation be redrafted in order to give explicitly the right to broker/dealers to become remote members of CSDs ? What about minimum standards for clearing and settlement systems ? Are current standards more or less similar ? What about comparing with those of the USA ?

REMOTE MEMBERSHIP

Recital 36 of the ISD indicates that *“Whereas each Member State must ensure that within its territory, treatment of all investment firms authorised in any Member State and likewise all financial instruments listed on the Member States’ regulated markets is non-discriminatory ; whereas investment firms must all have the same opportunities of joining or having access to regulated markets ...”*. On the other hand, Article 15.4 stipulates that *“... Where the regulated market of the host Member State operates without any requirement for a physical presence the investment firms may become members of or have access to it on the same basis without having to be established in the host Member State. In order to enable their investment firms to become members of or have access to host Member States’ regulated markets ... home Member States shall allow those host Members States’ regulated markets to provide appropriate facilities within the home Member States’ territories.”*

The wording in Article 15.4 “without any requirement for a physical presence” is intended to be synonymous with “electronic market”. This can be seen from the text of the Explanatory Memorandum accompanying the Commission’s amended proposal of 23.1.1990. It is also important to bear in mind that the “remote access” provision of Article 15.4 does not strictly speaking give the European passport to regulated markets to operate in other Member States.

The most common interpretation of Article 15.4 is that regulated markets are not obliged to provide the trading facilities allowing an intermediary to become a remote member. The markets may refuse to provide trading facilities claiming that it would be e.g. too costly. From this perspective Article 15.4 gives a privilege to the regulated markets. In other words, it would be up to the exchanges to decide from a practical/commercial perspective whether it is in their exclusive interest to locate trading facilities in a particular country in order to provide for remote (direct) membership. The main problem with this interpretation is that it could be used in a discriminatory way.

This interpretation of the provision related to remote membership would become even more relevant in case of consolidation/rationalisation of trading systems. If agreements under discussion (e.g. the pan-European trading platform for “blue chips” to be built around the London-Frankfurt accord) either for stock (whether large companies or fast-growing SMEs) or for derivatives products crystallises, the new platforms would be in a very strong market position. The same reasoning could be applied to consolidation/rationalisation of CSDs.

It seems clear that any future EU platform (or whichever large organised market) should not deny remote access on the ground of purely economic convenience. Any behaviour of this nature could also be considered as abuse of a dominant position. Equal possibilities of access, at reasonable costs and conditions, should be granted to all EU authorised intermediaries, wherever established, within the territory of the Union. This measure would allow investors and broker/dealers in all Member States to profit from the benefits of such platforms/networks.

Market experts are invited to comment, in general terms, on their experience with remote access to regulated markets dealing with stock or derivative contracts. Are special conditions to be complied with ? Should broker/dealers have the right to become remote members of regulated markets, specially in the case of pan-European platforms/networks (including CSDs) ?

ALTERNATIVE TRADING SYSTEMS

Commonly known as alternative trading systems (ATSs), proprietary trading systems (PTSs), electronic communication networks (ECNs), market services providers (MSPs), automated trading systems (ATSs) or simply electronic trading platforms, they are systems generally considered to play a more sophisticated role than the traditional broker/dealer but less than the traditional securities exchanges. These quasi-exchanges are screen-based automated systems, run by broker/dealers as for-profit businesses, which produce in-house matching of buying and selling orders in either exchange-listed or OTC (over-the-counter) securities (e.g. equity, government and corporate bonds, options). Participation is usually limited to institutional investors, brokers/dealers, and other market professionals. By combining technology with other attractive features such as anonymity and reduction of market impact of large trades, these systems are capturing an increasing share of trading volume, specially in the USA.

The ISD does not contain any explicit reference to alternative trading systems. It only deals with investment firms and exchanges. Even in the case of exchanges it is not fully defined what we mean by that. The only reference to the type of activity carried out by ATSs (in-house matching) is made in recital 13 "... *the business of reception and transmission of orders also includes bringing together two or more investors thereby bringing about a transaction between those investors*". This obviously was conceived for small scale operations and not for the massive volumes present in ATSs which require a more exchange-like treatment. The ATSs are authorised as broker/dealers and therefore they should comply with the ISD in areas such as availability of adequate internal controls, appropriate record keeping of transactions (Article 10), and conduct of business rules (Article 11). The main differences with regulated markets are in the area of access, transparency, and market abuse (e.g. insider trading).

The increasing market share of ATSs raises the question of unfair competition (lower cost of their technology and lighter regulatory regime) vis-à-vis regulated markets. If we want to ensure a level playing field in securities trading a re-evaluation of the status of these systems seems warranted. Questions such as systemic risk and supervision would also be important. On the other hand, the emergence of new competitors on the European scene should be welcome. This would be particularly important in case pan-European trading platforms are finally set up.

The ATSs may prevent the existence of quasi-monopolistic entities in securities trading. In the US, the ATSs now account for about 20 % of transactions in NASDAQ securities and 4 % of transactions in listed securities. In view of their increasing market share and considering that by being regulated as traditional broker/dealers, but acting as markets, there are regulatory gaps, the US-SEC has adopted on 8.12.98 new rules and has amended others in order to allow ATSs whether to register as broker-dealers (and comply with additional requirements) or as national securities exchanges, depending on their activity and trading volume.

Market experts are invited to comment on their experience with ATSs. Is the current regulatory framework appropriate ? Should we expect market shares in Europe similar to those in the US ? Should we follow the same approach as the US-SEC ? How the ATSs are going to evolve (e.g. access to retail investors) ?