

OPINION OF THE EUROPEAN MONETARY INSTITUTE

on a consultation from the Danish Ministry of Economic Affairs under Article 109f(6) of the Treaty establishing the European Community and Article 5.3 of the Statute of the EMI

on a draft Law on Securities Trading (Bill No. L 250, Folketinget 1994-1995)

CON/95/9

1. On 9th June 1995 the Danish Ministry of Economic Affairs transmitted a request for consultation to the EMI on the draft Law on Securities Trading (the "Bill"). The Ministry also submitted a summary of that Bill prepared by the Ministry of Trade and Industry, which was the author of the Bill.
2. The Bill aims at modernising Danish securities legislation in a comprehensive way through the establishment of an overall regulative framework for securities markets, e.g. regulation and supervision of security market institutions and market behaviour in general, including inter alia provisions on insider trading. The Bill provides at the same time for the implementation of the Investment Services Directive (93/22/EEC).
3. As the Bill, inter alia, contains provisions on the status and powers of Danmarks Nationalbank in the area of securities trading, the collection of financial statistics, clearing and payment systems whilst it also comprises a number of rules applicable to financial institutions which may influence the stability of financial institutions and markets, the EMI is competent to deal with this request for consultation under Article 1.1, indents 2, 3, 4 and 5, of Council Decision 93/717/EC.

As the Bill contains certain provisions implementing Community legislation on which the Danish authorities under Article 2.2 of the above Council Decision would not necessarily have to consult the EMI, this opinion therefore takes a rather restrictive approach in the assessment of the provisions concerned.

4. The Bill supports the smooth functioning of the financial markets and more in particular securities trading in all its aspects and the EMI therefore welcomes the Bill. The Bill itself does not give rise

to any specific issues which would need to be mentioned from the EMI's point of view. The attribution of tasks, rights and obligations to Danmarks Nationalbank provided for in the Bill is not incompatible with the requirements of the Treaty establishing the European Community. Article 14 (4) of the Statute of the European System of Central Banks and of the European Central Bank does not preclude per se national central banks from performing functions other than those specified in this Statute. In addition, those parts of the bill that relate to statistics, clearing and payment systems and the stability of financial institutions and markets, which are of particular concern to the EMI with a view to its mandate, are elaborated in such a manner in the Bill that they do not need to be further addressed in this opinion.

5. The EMI agrees that this opinion may be made public by the competent Danish authorities at their discretion.

31st July 1995