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PRESS RELEASE

A EUROPEAN PASSPORT FOR ISSUERS - A REPORT FOR THE EU COMMISSION (FESCO/00-138B)

Under the terms of the EU's Financial Services Action Plan, FESCO was asked to prepare a paper for the Commission on how to facilitate cross-border offerings while at the same time ensuring high standards of information disclosure. This paper was forwarded to the Commission at the beginning of January and is now being made public through this press release. The paper is available on the FESCO website (<http://www.eurofefesco.org>, section "Recent publications and speeches).

The work in FESCO has been done in two stages. The first stage was to develop an option for issuers to shelf register and then just issue a securities note for each capital raising exercise in whichever jurisdiction(s) in the EU. In the summer of last year, FESCO consulted on this approach and received many responses. While broadly supportive of the principle of shelf registration, an overwhelming number of respondents wanted a more ambitious approach that removed the responsibilities of the host state for the vetting of prospectuses. The second stage of the work therefore, was to develop this more ambitious approach.

On this paper, that is now being made public and combine both stages of work, Mr Georg Wittich, Chairman of FESCO, said that:

"The proposals in this paper would deliver the objective of home state control of the prospectus for cross-border offerings, while at the same time maintaining appropriate protection for investors.

The paper achieved this by setting out:

- An automatic procedure of notification to the host jurisdictions;
- Adoption of enhanced European disclosure standards;
- A reduction in the quantity of information that needs to be translated;
- A proposal to ensure the consistent application of standards.

There are additional proposals in the paper to facilitate capital raising cross-border. These include a call for development of a single format for the prospectus, the ability to incorporate documents by reference and the option for issuers to shelf register.

Overall, I believe that the proposals made in this paper will go a long way to facilitating the cross-border raising of capital."

FESCO welcomes comments on all its papers. Comments on this paper, can be forwarded to the Secretary General of FESCO. All comments will be forwarded to the members of FESCO and to the European Commission unless respondents state otherwise.



NOTE FOR THE EDITORS

1. FESCO is composed of 17 national statutory securities regulators - one from each of the EU Member States, together with one from Norway and Iceland. FESCO's objectives are:
 - (i) sharing experiences and working together to facilitate the fair and efficient realisation of the Single Market for financial services;
 - (ii) uniting efforts in order to develop common regulatory standards in respect of the supervision of financial activities or markets concerning aspects that are not harmonised by existing EU Directives and where a common approach is appropriate;
 - (iii) providing the broadest possible mutual assistance and strengthening cross border co-operation so as to enhance market surveillance and effective enforcement against market abuse.
2. The EU Commission participates in FESCO as an observer.
3. FESCO sets up expert groups to work on common standards. The Expert Group on European Public Offers that drafted this paper was chaired by Mr Salvatore Bragantini, a Commissioner at the Italian Securities Regulator, the CONSOB. The group included experts from each of the FESCO members together with an observer from the European Commission.
4. The work was undertaken under the auspices of the EU's Financial Services Action Plan (COM(1999)232, 11.05.99).
5. The members of FESCO are: Bundes-Wertpapieraufsicht (Austria); Commission bancaire et financière/Commissie voor het Bank- en Financiewezen/ Kommission für das Bank- und Finanzwesen (Belgium); Finanstilsynet (Denmark); Rahoitustarkastus (Finland); Commission des opérations de bourse (France); Bundesaufsichtsamt für den Wertpapierhandel (Germany); ΕΠΙΤΡΟΠΗ ΚΕΦΑΛΑΙΑΓΟΡΑΣ / Capital Market Commission (Greece); Financial Supervisory Authority (Iceland); Central Bank of Ireland; Commissione Nazionale per le Società e la Borsa (Italy); Commission de surveillance du secteur financier (Luxembourg); Stichting Toezicht Effectenverkeer (Netherlands); Kredittilsynet (Norway); Comissão do Mercado de Valores Mobiliários (Portugal); Comisión Nacional del Mercado de Valores (Spain); Finansinspektionen (Sweden); Financial Services Authority (United Kingdom).
6. FESCO is chaired by Georg Wittich, Chairman of the Bundesaufsichtsamt für den Wertpapierhandel (Germany).
7. For additional information, please contact:

Mr. Fabrice Demarigny
Secretary General
FESCO
17 place de la Bourse
75082 PARIS
France
Tel.: +33.(0)1.53.45.63.61
Fax: +33. (0)1.53.45.63.60
E-mail: fdemarigny@europefesco.org
Web site: www.europefesco.org