



*European Association of Co-operative Banks
Groupement Européen des Banques Coopératives
Europäische Vereinigung der Genossenschaftsbanken*

CESR
11-13, Avenue de Friedland

Brussels, 27th January 2005
MR/B16/05/9204

75008 – Paris
FRANCE

E-MAIL

Re: EACB comments on CESR's 1st Consultation Paper on implementing measure to the Transparency Directive

Dear Madam, dear Sir,

The EACB is pleased to submit its comments regarding the first CESR consultation paper on "advice for possible implementing measures of the transparency directive" Part 1 – Dissemination and storage of regulated information.

With regard to questions relating to the Central Storage Mechanism, we underline that it is difficult to give an assessment without being able to refer to concrete examples. We therefore suggest that further consultation would take place in the future on more detailed proposals concerning this particular issue.

We remain at your entire disposal for any further information you might request.

Yours sincerely,

Hervé GUIDER
Secretary General



Brussels, 27th January 2005

**Comments by the EACB regarding
CESR's first consultation on implementing measures
regarding the Transparency Directive**

The European Association of Cooperative Banks (EACB)¹ is pleased to provide CESR with its reactions to some of the questions raised in the first consultation paper regarding CESR's advice on possible implementing measures of the Transparency Directive – Part 1 – Dissemination and storage of regulated information:

DETAILED REMARKS:

Part B - Section 1 - Question 3: Should an issuer be able to satisfy all of this Directive's requirements to disclose regulated information by sending this information only to one operator?

CESR advises to distribute the information by a so called specialised service provider (operator). The issuer fulfils his obligation by transfer of the information to the operator.

We appreciate a publication via an operator in principle, since such a process would simplify and facilitate the distribution of information for the issuer. However, as stated under paragraph 9 of section 1 of the consultation paper, the issuer should not be obliged to disseminate the information via the operator if he can transfer the information to the Competent Authority, the media and the central storage mechanism on his own.

¹ The European Association of Co-operative Banks represents over 4.500 co-operative credit institutions active in all the EU Member states and serving over 100 Million customers. Its member organisations are decentralised national networks of small-sized Co-operative banks' networks, which have a strong presence on a local or regional level. They account for a large part of the SME and private household credit market (17%) and thus play a crucial role within the Internal Market.



Part C – Section 1 – Question 7 (and 9): Do you consider having one central storage mechanism to be a viable option?

At first analysis, it would appear that the establishment of a central storage mechanism should be limited to one national storage system. The central storage mechanism run by multiple entities is likely to cause additional costs for the issuer.

One central storage mechanism also might have the important advantage that establishing a pan-European network of central storage mechanism could be achieved more easily.

However, there is at this point no concrete proposal that could form the basis for a full evaluation of the advantages and disadvantages of respectively multiple or single mechanisms of information storage. It would be preferable that stakeholders could give an opinion on more detailed models.

Part C – Section 1 – Question 13: When should an issuer's responsibilities to send information to a central storage mechanism be considered fulfilled?

It would be most practical for the issuer if he was considered to have fulfilled his obligations "to provide information" from the moment that he can document, that he has sent the required information to the Central Storage Mechanism. However, the second option suggested by CESR, where the issuer has fulfilled this when he receives a confirmation from the central storage mechanism could also be considered.

Part C – Section 1 – Chapter G): Who should operate the central storage mechanism?

It seems functional and efficient that such a central storage mechanism be operated by the Competent Authority, since information which has to be published pursuant to the Prospectus Directive (art. 19 sec. 4 Transparency Directive) has to be lodged at the Competent Authority as well.

The information lodged by the Competent Authority would then be available for the stipulated period in the central storage mechanism (through a Competent Authority's website).

With regard to the funding aspect of the scheme, we believe that, at this point, it is too early to make an assessment. The Competent Authority (as well as possibly private entities) should propose a "business model" as a basis for evaluation. Financing the process would be a side-aspect of choosing one or the other project layout.



Part C – Section 2 – Question 42: Do you agree with CESR’s proposal to extend Article 17 to include information disclosable under the Prospectus Directive?

We do not think that a publication which does not only refer to the information required by the Transparency Directive but also to the Prospectus Directive (n° 214) is covered by Level 2. Such an obligation should have been explicitly mentioned in the Transparency Directive in Level 1 which is not the case.