

CESR

**Response of the Danish Bankers Association and the Danish Securities Dealers Association on CESR's Advice on Possible Implementing Measures of the Transparency Directive Part 1: Dissemination and Storage of Regulated Information (Ref.: CESR/04-511)**

28. januar 2005

Finansrådets Hus  
Amaliegade 7  
DK-1256 Copenhagen K

**Introduction**

The Danish Bankers Association and the Danish Securities Dealers Association welcome the opportunity to comment on CESR's consultation paper with CESR's advice on implementing measures in the Transparency Directive.

Phone +45 3370 1000

Fax +45 3393 0260

mail@finansraadet.dk

www.finansraadet.dk

The Danish Bankers Association - Finansrådet - is the trade organisation for Danish banks, covering the entire banking sector. Members include banks, savings banks and Danish branches of foreign banks. We would like to express the following general and specific remarks to the consultation paper.

File no. 514/08

Doc. no. 117782-v2A

Danish Securities Dealers Association - Børsmæglerforeningen - represents about 20 Danish/Nordic banks and investment banks with activities in the Danish wholesale market covering equities, fixed income instruments and derivatives.

We also welcome CESR's initiative to separate into two parts the requests from the European Commission for advice on implementing measures due to the complexity and extension of the issues.

In the following we have responded to the most relevant questions.

**B. Dissemination of regulated information by issuers and on conditions for keeping periodic financial reports available**

**Question 1:**

*What are your views on the minimum standards for dissemination? Are there any other standards that CESR should consider?*

**Answer:**

In general, we support the minimum standards for dissemination suggested by CESR. However, it is important that the minimum standards such as "access on a non-discriminatory basis" and "effective dissemination through-

out the EU" are not applied in a way that it places an unreasonable burden on issuers. It is important that the rules strike the right balance between transparency and cost efficiency.

Page 2

**Question 2:**

*What are your views on the standards for dissemination by issuer? Are there any other standards or related issues that CESR should consider?*

File no. 514/08

Doc. no. 117782-v2A

**Answer:**

It is important that issuers will still be able to undertake the dissemination of the regulated information itself, and therefore the rules should be kept as simple and operational as possible and not designed especially for the so-called professional operators.

**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 an operator? Please explain reasons for your answer.*

**Answer:**

It is our view that issuers should be able to satisfy the entire directive's requirements to disclose regulated information by sending the information to an operator. This would allow issuers to use a one-stop-shop in terms of dissemination of regulated information to investors on a Pan European basis and to ensure regulated information is made available on a central storage mechanism as well as the fulfillment of its filing obligations with a competent authority. We believe that the use of an operator would be an efficient arrangement to fulfill the obligations in the directive.

The suggested operator function seems to be very similar to the function that the Copenhagen Stock Exchange (CSE) fulfills by receiving and disseminating regulated information on the Danish market. We believe that the CSE with their systems also would be able to fulfill the task of a storage mechanism, as they already do today via the system StockWise which stores all relevant information that CSE receives. The Stock Exchange would also be able to send the relevant information to the competent authority. Therefore it is our conclusion that the CSE could be a "one-stop-shop" on the Danish market. In this light - and to the question of the role of stock exchanges - we see stock exchanges as a possible solution as regards the operator function, as well as sending information for filing and for storage.

**Question 5:**

*Should operators be subject to approval and ongoing monitoring by competent authorities or not? Please set out reasons for your answer.*

**Answer:**

We believe that issuer should be able to fulfill the requirements in the Directive by sending the information to an operator, and that the operator from the point of receiving the information (or the point where issuer receive a confirmation from the operator) is responsible for the dissemination of the information. Therefore, operators could be subject to initial approval and appropriate ongoing monitoring by the competent authorities. However, we also believe that it should be possible with a multiple system where operators provide dissemination services without initial approval and ongoing supervision. In these cases the responsibility for the dissemination may remain at the issuer.

File no. 514/08

Doc. no. 117782-v2A

**Question 9:**

*Do you consider it necessary to attempt to address the risk that regulated information may not reach every actual and potential investor throughout the EU? Please set out reasons for your answer.*

**Answer:**

As a matter of principle, we are not pleased with the term "potential investor". It is a very broad term, which – combined with the obligation for issuers to disseminate information – may impose an unreasonable burden on issuers. As a matter of definition, "potential investor" could be regarded as each and every citizen in the EU irrespective of the individual holds a security or not. Therefore, we suggest that CESR finds a more precise and narrow terminology.

**C. Progress report on the role of the officially appointed mechanism and the setting up of an European electronic network of information about issuers and electronic filing**

To this section the we would like to provide some general comments in preference to answering the questions asked by CESR.

Regarding selection of storage mechanism we believe that it is important to strike the right balance between the availability of information for end-users and the functionality of the mechanism for issuers. We think that more than one storage mechanism could be reason to confusion to investors and that competing storage mechanisms would lead to unnecessary complexity, for instance due to difference in ways of storage and communicating to the investor. Furthermore, we believe that multiple storage mechanisms could lead to uncertainties for investors about where, when and with whom to file regulated information. Moreover, multiple storage mechanisms would increase the risk for the investor of receiving asymmetrical information.

We believe that multiple storage mechanisms would mean duplication of the costs of storage and not lower costs due to competition between the different storage mechanisms. We therefore believe that one single storage mechanism appointed by the competent authority would be the most efficient and appropriate solution.

Furthermore, we consider the point at which an issuer receives confirmation that the regulated information has been received by the central storage mechanism to be the point at which the issuer's responsibility is fulfilled.

Regarding deadlines for the central storage mechanism to make regulated information available we believe that price sensitive information should be made available as soon as possible and no later than one hour after receipt. Non-price sensitive information should be made available as soon as possible and no later than within one trading day.

File no. 514/08  
Doc. no. 117782-v2A

Concerning the question of funding the operation of a central storage mechanism we support CESR's view in § 127 as far as issuers, investors and the public could all make contributions to operating costs.

Finally, we – on the grounds of costs effectiveness and ease of flow information – fully support that a central storage should be in electronic format.

If there should be any questions to our response, please do not hesitate to contact me.

Kind regards

Sidsel Nordengaard

Direct 3370 1064  
sin@finansraadet.dk