



London
STOCK EXCHANGE

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Dear M. Demarigny

**RESPONSE TO CESR'S CONSULTATION ON POSSIBLE IMPLEMENTING
MEASURES OF THE TRANSPARENCY DIRECTIVE – PART 1:
DISSEMINATION AND STORAGE OF REGULATED INFORMATION**

Thank you for the opportunity to comment on proposed implementing measures of the Transparency Directive. We believe these implementing measures, in particular regarding information dissemination, are vital to the creation of a single market.

We are supportive of much of the approach taken by CESR, in particular we are very supportive of the proposals in terms of dissemination of regulatory information. As for storage, it is clear that a lot of work has been done to consider all aspects of the advice in this area. However, further industry discussion will need to take place to decide upon the optimal solution. Once this has been established, further detail can be added as to how it will operate. We agree with paragraph 33 of the paper, which highlights that dissemination and storage are two different processes, with different objectives. We therefore feel it is important that they are not bound to the same timeframe.

We have some comments on areas of CESR's advice, which are set out below. We have also attached an appendix in which we provide answers to CESR's specific questions raised in the Concept Paper. This letter and the appendix jointly constitute the London Stock Exchange's response.

Dissemination

With regards to dissemination, we fully support the proposals outlined in Part B of the consultation paper — we believe that the system of competing operators is the best practice model for Europe. In the UK the system of competing primary information providers (PIPs) - providing real time, electronic 'push' of regulatory information - has worked well since 2001.

In our experience, systems can be created which are highly secure and reliable. In addition, operators with comprehensive dissemination circuits can, and will be able to, provide assurance that there are no “black holes” i.e. that the full text of all announcements by all companies will be made accessible to investors irrespective of company size or type.

Using this method ensures high quality disclosure, which brings with it a number of benefits in terms of orderly markets and efficient price formation, in particular:

- investors will benefit from increased confidence and lower risk;
- better and more transparent disclosure will increase the attractiveness of public equity markets, lowering the cost of capital for users;
- a reduction in the scope for market abuse;
- a strengthening of the share price formation process; and
- retail investors across Europe will receive the same information as market professionals, on all companies, at the time it is released.

We believe that issuers may choose to complement electronic dissemination with other forms of media, such as advertisements in newspapers, however this should be entirely optional.

Storage

We welcome the development of an electronic network for storage. This will enhance transparency of information across the EU and facilitate cross-border investment.

With regards to Part C of the consultation, we believe that CESR’s advice here is very wide ranging. On the whole, we believe that a system operated by competent authorities - along the lines of EDGAR in the United States - is the most preferable, rather than a commercial model. The consultation also discusses whether there should be one single mechanism or multiple mechanisms. We consider that in the long term, one single central storage mechanism is preferable, as this will enable economies of scale and other efficiencies such as ease of use for both issuers and investors. However, the viability of this option will depend on the timeframe that is set — it may not be possible to establish a single pan-European mechanism to begin with but it could be a longer term aim. However, this is clearly an issue which needs to be considered carefully and should be subject to wide industry discussion as well as a full cost benefit analysis.

As stated, we believe that any such single central storage mechanism should be operated by competent authorities. If a commercial provider were to be appointed, by its nature it would be a monopoly. In this situation, CESR would have to be very mindful of the implications this may have and consider carefully how it would manage the situation to ensure that a commercial provider was not able to abuse its position.

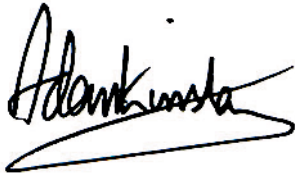
General points

Finally, we have a couple of comments regarding some of the ideas raised in the consultation. Firstly, paragraph 14 of the consultation makes the assumption that retail investors need less information than market professionals and that the media and securities firms play a pivotal role by offering information that is “tailored to the needs of their audience” — however, we are confident that operators can meet the needs of both retail and professional investors.

In addition, in contrast to the sentiments expressed in paragraph 15 (page 6) of the consultation, we assert that the business case does exist for facilitating access for every investor in the EU with information on every issuer - and is most certainly possible.

I hope our views are helpful to CESR’s work. Please do not hesitate to contact me if you wish to discuss any aspect of this letter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Adam Kinsley', with a long horizontal flourish underneath.

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APPENDIX

PART B

SECTION 1: DISSEMINATION OF REGULATED INFORMATION BY ISSUERS

Question 1: What are your views on the minimum standards for dissemination? Are there any other standards that CESR should consider?

We praise CESR's comprehensive approach which we fully support. These standards have been effective in the UK over the past few years. We believe they form the basis for efficient linkages to financial market and investors.

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?

We strongly feel that the best method of dissemination is via independent operators, however if issuers *do* have a choice then it is essential that they are subject to comparable standards, to avoid higher risk of security failure, information leaks and therefore increased likelihood of market abuse. We believe that, in this area, CESR should therefore focus on security, record keeping and preservation of data and disaster recovery provisions.

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?

Yes — disclosure to an operator should fully discharge issuers' obligations under the Directive.

The paper^o does not make clear that the point of certainty for companies on when they have met their obligation to disclose is when they send an announcement to an operator. This is an important point for UK issuers and a key benefit of the operator system that does not exist in jurisdictions which do not have such a system.

We believe operators could provide a channel to^o achieve both real time dissemination and filing of documents to the central storage mechanism.

Question 4: Do you agree with the structure set out in Figure 1? Are there other structures that would be in line with the Transparency Directive requirements? Please set out reasons for your answer.

Yes, as far as it goes. However it should also show connectivity to financial markets (same box as investors) and regulators (some regulators, for example BaFIN, get their feed from competing operators whereas others such as FSA get

their feed from competing media). This model facilitates the orderly dissemination of information to all market participants on a fair and non-discriminatory basis.

Question 5: Should operators be subject to approval and ongoing monitoring by competent authorities or not? Please set out reasons for your answer.

We agree that there should be approval and monitoring of operators, to ensure that highest standards in this important function are maintained at all times.

We also believe it is far more efficient for the operator to obtain approval from the competent authority, as this will allow issuers to fulfil their obligations without worrying about the status of the operator. It should only be necessary for operators to seek approval from *one* competent authority. There should be mutual recognition of this approval by other competent authorities allowing operators to 'passport' the approval across the EU. CESR should consider whether it is necessary to adopt a single set of standards across the EU to achieve this. In addition, we believe it is important that competent authorities require an annual audit review of operators to ensure that they continue to meet the highest standards.

Question 6: What are your views on the proposed minimum standards to be satisfied by operators? Are there any other standards that CESR should consider?

We agree with the proposed minimum standards. In addition, we also believe recovery provisions should include standards on alternate site recovery.

We agree that processing regulatory information must be done in a highly secure manner, for example there should be access controls on computer based systems, operators should ensure that the working environment is free of unauthorised surveillance and external telephone calls that concern regulatory information should be recorded. In addition, there should be appropriate controls for other forms of business communication, such as internal and mobile phones, external e-mail, internet access and facsimile.

CESR may wish to consider the use of a standard list of headlines categories under which announcements must be made, to promote consistency and transparency in the display of regulatory information. Having selected an appropriate category, issuers would be free to use their own free text headline which relates to their announcement. Standard headlines provide investors with a greater understanding of announcement content and assist investors in assessing their potential interest in each announcement.

Question 7: Should issuers be required to use the services of an operator for the dissemination of regulated information?

Use of operators should be preferred option, or at least a strong recommendation — to reduce the possibility of market abuse e.g. hoax announcements. If operators are used then security measures authenticating the information can be applied. Web-based media is far more susceptible to abuse. Examples include the SEC case in 2001 (see www.sec.gov/litigation/litreleases/lr17294.htm).

Furthermore, it is vital to any market abuse investigation to be able to accurately pinpoint the time at which an announcement was made, and the operator system of electronic dissemination enables this to occur. This may be harder to establish if issuers choose to undertake dissemination of regulated information themselves.

Question 8: What are your views concerning the role of competent authorities in disseminating regulated information as operators? Please set out reasons for your answer.

We believe that it is important to separate the function of operator with that of the ‘approver’. In a competitive environment there may be conflict if the competent authority is both provider and regulator.

We also believe that commercial and competing providers will tend to operate more efficient and innovative services.

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.

The goal is to make information readily available — to achieve this it is not necessary to physically deliver regulated information to every actual and potential investor — the key is that the information is available.

We also believe that the ability of media and operators to achieve this is underestimated by CESR. Operators with comprehensive dissemination circuits can provide assurance that there are no “black holes” i.e. that the full text of all announcements by all companies will be distributed to investors irrespective of company size or type. This can be achieved by operators through dissemination on their websites and the many retail investor-focussed financial websites that exist in all EU member states and which in the UK carry the full text of all announcements released by companies.

However, we also believe that this can be complemented on a voluntary basis through use of other media e.g. newspapers where the company has a significant retail investor base.

Question 10: Which of the options presented above would, in your view, minimise this risk? Please set out reasons for your answer.

We believe that market solutions will develop such as retail investor websites or Exchange websites. As such we have a reference for options (a) or (b).

It is worth noting that the London Stock Exchange publishes all information released by the six competing operators in the UK. In addition, investors can register for email alerts or alerts to WAP phones.

Question 11: Do you consider there to be other methods of dissemination that would satisfy the minimum standards for dissemination? If so, please provide a description of such dissemination methods, and how they would work.

We are not aware of any. We believe that competing operator services offer the best solution.

Question 12. Do you agree with this draft Level 2 advice?

Yes.

SECTION 2 — CONDITIONS FOR KEEPING PERIODIC FINANCIAL REPORTS AVAILABLE

Question 13: Do you agree with CESR's advice in relation to this mandate. Please give reasons.

We agree with CESR's advice in this area.

Question 14: Do you consider that it is necessary for CESR to establish a minimum time period for which all regulated information should be made accessible to end-users. If so, please indicate: (a) what you consider this time period should be and (b) why; and whether or not you consider this time period should apply to all regulated information or only certain types. If only to certain types please specify what they are.

We believe it is important that regulated information remains accessible to end-users. With modern mechanisms, the ability to store information electronically makes it easier to store information for long periods. Whilst the directive notes a minimum of five years for the purposes of Article 4 and 5, we would expect that in practice, information would be accessible for longer periods. Having said that, if there is to be a minimum time period then five years is reasonable, and for consistency should apply to all regulated information.

PART C

SECTION 1: CENTRAL STORAGE MECHANISM OPTIONS (ARTICLE 17.1/17.1a)

QUESTION 1: Do you agree with CESR's interpretation of the requirement of Article 17.1.a that central storage does not necessitate physical storage in one place? Please give reasons.

We agree with CESR's interpretation. Physical storage is impractical and would restrict investors' access. We believe that, in the context of the directive, central storage is referring to an electronic system.

(A) Should there be one storage mechanism, or more than one?

(i) storage by type of regulated information or category of issuer

QUESTION 2: Do you consider storage of regulated information by type to be a viable option?

We do not believe that storage by type is viable if it leads to issuers and users having to access different mechanisms depending on type. We believe that this would be a sub-optimal outcome.

QUESTION 3: How do you consider the difficulties set out above could be overcome?

We do not believe that this could be overcome in a cost-efficient manner.

QUESTION 4: Are there any advantages or disadvantages to this option that have not been set out above. If so, please give details.

We do not believe there are any advantages to this option.

In addition to the disadvantages that CESR has already identified, we are very concerned that this would be an overly complicated system for the vast majority of issuers whereby costs would be duplicated and therefore increased.

(ii) Multiple mechanisms storing all regulated information

QUESTION 5: Do you consider a multiple storage mechanism regime to be a viable option? Please give reasons.

We are not convinced that the system as described is viable. We do not believe that the comparison with the competing PIP system is valid when it comes to central storage mechanisms. This model would see a number of mechanisms within each member state. This implies that there would be 50 or 75 systems

across the EU — we do not believe that this is useful to either issuers or end investors.

We disagree that this system would reduce costs as the vast duplication of effort and infrastructure would need to be paid for somehow.

QUESTION 6: Are there any advantages or disadvantages to this option that have not been set out above, that are necessary for CESR to consider? If so, please give details.

We do not believe that sufficient thought has been given to end users who would most likely be keen to use the fewest possible mechanisms (probably just one) for all of their needs.

(iii) One single central storage mechanism

QUESTION 7: Do you consider having one central storage mechanism to be a viable option? Please give reasons.

Yes, we believe this to be viable.

However, the text suggests one central storage mechanism in each member state. We believe that a single EU central system would be far more beneficial to users. We are surprised that CESR has not considered this as an option.

QUESTION 8: Are there any advantages or disadvantages to this option that have not been set out above that are necessary for CESR to consider. If so, please give details.

We agree with the highlighted advantages, but believe that these would all be achieved, and to a greater extent, if a single EU system was created.

We believe that an additional disadvantage is the lack of economies of scale that would be seen by a system in each Member State, rather than one single EU system. Furthermore, EU investors would have to search 25 different systems rather than just a single system.

B) How should investors receive access to regulated information?

(i) Regulated information accessible through a competent authority's website.

(ii) Regulated information available directly via the central storage mechanism

(iii) Basic low cost service available through a Competent Authority's website. "Value added" services offered commercially by the central storage mechanism(s)

QUESTION 9: Which of the above options do you prefer? Please explain the reason(s) for your choice.

We find CESR's analysis of the how investors should access regulated information somewhat confusing.

We believe that access to regulated information will be achieved through the operator / media system outlined in section B of the paper.

In terms of access to stored information, we believe that this should be accessed directly from the central storage mechanism, in other words, option (ii).

We disagree with the disadvantage outlined in paragraph 69 that “...*all regulated information may not be available from one central storage mechanism*”. We believe that it would be available if the central storage system is designed properly and multiple systems are avoided.

We do not see why competent authorities' websites should be considered an access point, unless CESR intends the central storage system itself to be run by competent authorities.

If value added services are developed by commercial operators, then these can be offered in the normal way on a bilateral and contractual relationship. However, we believe that if these emerge, they should do so outside of the advice offered by CESR.

QUESTION 10: Do you consider there to be any disadvantages to regulated information being accessible through a Competent Authority's website. If so, please give details.

We believe that regulated information should be accessible through the central storage mechanisms. Although we do not see a disadvantage if competent authorities wish to add a link to their website facilitating access, the front-end access should be into the storage mechanism itself.

C) How should the RI get to a storage mechanism?

(i) Delivery of information to both dissemination and central storage mechanisms by issuers

(ii) Central storage mechanisms receive a combination of regulated information from issuers and media

(iii) Central storage mechanisms receive combination of regulated information from Document Capture Services and media

(iv) Central storage mechanisms receive all regulated information from operators

QUESTION 11: Which of these options do you prefer? Please explain the reason(s) for your choice. Are options missing? Please explain which ones.

This section discusses how regulated information should get to a storage mechanism. Four options are discussed, but we think that this overcomplicates the issue. For example, paragraph 77 notes the potentially large administrative burden if issuers have to send information to multiple central storage mechanisms. We think that if the right structure is identified for creating a central storage mechanism, then the question of how the information gets to it is relatively straightforward.

CESR should simply require that issuers deliver information to the central storage mechanism. This can be left for issuers to do so directly, with room for market forces to deliver alternative services. This may see either operators or media offer issuers services, but there is no need for CESR to create rules in this area.

We are in preference for option (i) that would see issuers deliver information to both dissemination mechanisms (operators) as required by Article 17.1 and also obliged to make this information available to the central storage mechanism referred to in Article 17.1(a). However, there is no need to stipulate *how* the regulated information should actually get to the central storage mechanism. Whilst we believe that many issuers may wish to ‘outsource’ their obligation to a third party, this should be left to them to decide, and the obligation should be the issuer’s alone.

QUESTION 12: Do you consider it necessary for CESR to prescribe one particular option? Please explain your reasons.

We think that CESR should require the issuer to ensure information is given to the central storage mechanism, but we do not believe that it is necessary for CESR to prescribe any more than this.

D) Issuer’s responsibility to make regulated information available to a central storage mechanism

(i) At the point at which regulated information is actually sent to a central storage mechanism

(ii) At the point when the issuer receives confirmation that the regulated information has been received by the central storage mechanism.

(iii) At the point at which regulated information is accessible by an investor directly from a central storage mechanism or via a Competent Authority’s website.

QUESTION 13: When should an issuer's responsibilities to send information to a central storage mechanism be considered fulfilled? Please explain your reasons.

Option (i). Issuer's responsibilities should be fulfilled at the point at which regulated information is actually sent to a central storage mechanism.

Alternatively, if the issuer makes use of contractual arrangements to outsource their obligation (e.g. to an operator) to deliver information to a central storage mechanism (as set out under question 11) then the issuer's obligation should be considered fulfilled at the point of submission to the operator, who will take on the responsibility for this task.

E) When should regulated information in the central storage mechanism be accessible?

- *Price sensitive regulated information*

QUESTION 14: Should all price sensitive information be made available in real-time by the central storage mechanism to moderate the affect of "black holes" resulting from the dissemination process?

No, since there need not be any black holes resulting from the dissemination process: operators with comprehensive dissemination circuits can provide assurance that the full text of all announcements by all companies will be made accessible to investors irrespective of company size or type.

As central storage mechanisms are not designed for real-time dissemination, the issue of black holes should not be addressed here, but rather in the rules surrounding dissemination.

- *Non price sensitive regulated information*

QUESTION 15: Do you agree that non-price sensitive regulated information does not need to be made accessible by a central storage mechanism to the same deadlines as price sensitive regulated information? Please explain your answer.

The central storage mechanism is not intended to be a real time mechanism, and the information is not price sensitive, so simultaneous and real time dissemination is not an issue.

QUESTION 16: To what time deadlines should a central storage mechanism be required to make regulated information available?

We believe that the mechanism should be able to make information such as large non price sensitive documents available within 24 hours of receipt (although

turnaround for documents in electronic format should be possible on a much shorter timeframe).

*F) Should regulated information be available free of charge to investors?
Who should fund the costs of operating a central storage mechanism?*

- *Investors who use the central storage mechanism.*
- *Issuers whose regulated information is made available via the central storage mechanism*
- *Commercial entities that make use of regulated information*
- *Investors that contract for additional services with the operator;*
- *Public funding of the total operating costs of the storage mechanism.*
- *A combination of the above options*

QUESTION 17: Which of the above options or combination of options do you consider to be most desirable? Please give reasons.

We agree with CESR that the charges should be shared amongst the regulated community and the users of the information.

QUESTION 18: Are there any other options that have not been identified above that you consider to be desirable? If so, please give details.

We are not aware of any other options.

G) Who should operate central storage mechanisms?

- *The Competent Authority*
- *Commercial entities that are appointed*

QUESTION 19: Which of the above do you consider to be the best option? Please give reasons for your answer.

We realise that there are a number of pros and cons for either the competent authority or commercial entities operating the central storage mechanism.

A clear advantage of an appointed commercial provider is that a single provider could do the job and benefit from the economies of scale and ease of use for end users. The most obvious downside would be the monopoly nature of this provider. Therefore, if this route is taken, CESR will have to be mindful of the implications this may have and consider carefully how it would manage the situation to ensure that a commercial provider was not able to abuse its monopoly position.

If competent authorities were tasked with providing the service, the commercial conflicts would fall away. Indeed, we disagree with CESR's concerns in paragraph 133 (iii) regarding the disadvantages of a monopoly provider as we do not think that they would exist if a regulator ran the mechanism.

Therefore, we are inclined to view a system run by the competent authorities as the most preferred option, and that it should operate along the lines of EDGAR in the US.

QUESTION 20: Do you consider there to be any other advantages or disadvantages to a Competent Authority or a commercial taking on the role of the central storage mechanism that have been discussed that are necessary for CESR to consider? If so, please give details.

See question 19.

H) What should the role of the Competent Authority be?

The checking of regulated information should be:

- (i) Before being made available to CSM*
- (ii) After being made available to CSM (and labelled as such)*
- (iii) After (and if there is a need for clarification once checked, a further announcement made to CSM)*

QUESTION 21: Which of the above options do you prefer? Please give reasons.

We agree with CESR's analysis regarding the impracticalities of an ex-ante check of regulated information. We believe that pre-vetting is not necessary and risks slowing down the process — especially since the FSAP directives will encourage much wider disclosure than exists at present.[°] It also undermines companies' primary responsibility for ensuring that the regulated information they disclose is accurate and has been properly reviewed.[°]

We believe that the competent authority should be responsible for ensuring that issuers comply with the directives, and as such believe that ex-post analysis of regulated information would be required, but not in all cases. On this basis, we believe that option (iii) is preferable.

QUESTION 22: Do you think it is necessary to make the status of the stored information as reviewed or not reviewed by the regulator transparent in the storage mechanism? Please give reasons.

We do not believe this is necessary. Investors should have confidence in the system as a whole. There should be an assumption that the system leads to information that is accurate. To differentiate between 'reviewed' and 'unreviewed' information would lead to confusion in the market.

I) What quality standards should be established for central storage mechanisms?

- *Electronic transmission of the regulated information into the storage mechanism and its presentation*

QUESTION 23: Do you consider that it is necessary for CESR to mandate the standard to which all regulated information should to be transmitted? Please give reasons.

We believe that it is more important at this stage that CESR invites views on standards and that the industry comes forward with proposals before moving forward to decide whether these should be mandated or not.

We are therefore inclined to agree with CESR that it would be premature to mandate standards at this stage, as it might constrain the establishment of storage mechanisms.

QUESTION 24: Do you consider that the standard to which all regulated information should to be transmitted is something that should be left to some point in the future, after the Directive has been implemented? Please give reasons.

See question 23.

- **Security**
 - *Processing of unpublished regulated information*
 - *Integrity of stored regulated information*

QUESTION 25: Do you agree that security measures relating to the processing of unpublished regulated information are better dealt within the standards set out for operators than standards set for central storage mechanisms? Please give reasons.

Yes, we agree — for the reasons set out in paragraphs 161-162 of the consultation. However, this is on the basis that the mechanism verifies that what it does publish is from an authentic source.

QUESTION 26: Do you consider that a central storage mechanism should be obliged to ensure that the regulated information it holds is complete and unedited? Please give reasons.

The central storage mechanism must have processes in place to ensure that all regulated information it receives is published.

QUESTION 27: Are there any other issues relating to security that you think CESR should consider? Please give details.

No.

- *Certainty of source*

QUESTION 28: Do you believe that a central storage mechanism should be obliged to ensure that the regulated information it receives is from an authentic source? Please give reasons.

Central storage mechanisms should ensure that the information received is from an authentic source, whether it is from the issuer, an operator or a Document Capture Service. Where receipt isn't directly from the issuer, there is no need for mechanisms to authenticate the actual source (as this will have already been done by either the operator or Document Capture Service).

- *Time recording of the receipt of information*
 - *Measuring the performance of central storage mechanisms*
 - *Time recording for the purposes of investors*

QUESTION 29: Do you believe that a central storage mechanism should be obliged to record the date and time on which it receives regulated information in order that its performance may be measured? Please give reasons.

Yes — it will be helpful to have controls in place which can be used to monitor performance.

QUESTION 30: Do you believe that a central storage mechanism should be obliged to record the date and time on which it receives regulated information for the purposes of investors? Please give reasons.

The central storage mechanism should be searchable by reference to the date of the document and/or the date of its original publication by an operator. This seems more useful than the date of publication by the central storage mechanism.

- *Easy access for end investors*
 - *Format*

QUESTION 31: Do you believe that a central storage mechanism should be obliged to hold all regulated information in an electronic format? Please give reason.

Yes — electronic format is the only practical way that users can access information cross-border.

- *Organisation & categorisation of regulated information*

QUESTION 32: Do you believe that a central storage mechanism should be obliged to record all the above reference data for each piece of regulated information? Please give reasons.

Yes — this is necessary in order for users to extract the information they require in an efficient way. However, we also believe that the date and time of the original publication is relevant. For example, take a piece of regulated information that was published by the mechanism in the morning of 10 January, but had been released in real-time on 7 January. If an investor looked at the mechanism in the afternoon of 10 January, he may believe that the information is ‘new’ information that may not be fully reflected in the share price. In the example, it would be more useful for him to know that the information was first published on 7 January.

- *Language*

QUESTION 33: Do you believe a central storage mechanism should be obliged to offer its internet based services in all native languages of every Member State? Please give reasons.

Yes, we believe that the instructions themselves (i.e. how to use the search facility) should be available in all native languages. The mechanism should also be able to cater for multi-language filings.

However, to clarify, regulated information should not need to be made available in all languages as this would be immensely burdensome on issuers.

- *Operational hours*

QUESTION 34: Do you consider a central storage mechanism should be obliged to offer its services on a continuous basis 24 hours a day 7 days a week? Please give reasons.

Yes — it seems logical that investors will want to access information at any time of day — however we also agree with CESR that brief periods should be allowed for essential maintenance or upgrades to be made.

- *Failures in the transmission of regulated data and alternative methods of receipt*

QUESTION 35: Should central storage mechanisms and/or Document Capture Services be obliged to have systems in place to confirm the receipt of regulated information? Please give reasons for your reply

Yes — this is an important control feature.

- *Alternative methods of submission to a central storage mechanism*

QUESTION 36: Do you believe issuers should be obliged to submit regulated information, in hard copy form, if the electronic services of a central storage mechanism or Document Capture Service for the receipt of regulated information are unavailable? Please give reasons for your reply

No - systems need to be robust and therefore should not encounter this problem.

QUESTION 37: Do you believe that a central storage mechanism should be obliged to provide access to regulated information in hard copy form if its electronic systems are unavailable? Please give reasons for your reply

No - systems need to be robust and therefore should not encounter this problem.

- *Service support (helpdesks)*

QUESTION 38: Do you believe that a central storage mechanism should be obliged to provide technical and customer care service support helpdesks? Please give reasons for your reply

Yes, we believe this will be valuable for helping people who encounter difficulties using the system.

- *Demarcation of “regulated” information*

QUESTION 39: Do you believe that a central storage mechanism should be obliged to clearly distinguish regulated information from other types of information it may hold? Please give reasons for your reply.

Yes, as it will be useful to investors to know which information is “regulated information”.

- *Transparent charges to investors*

QUESTION 40: Do you believe that a central storage mechanism should be obliged to make the amount of its fees transparent to investors? Please give reasons for your reply.

Yes — transparent fees are important for investors, regardless of whether there are competing providers.

SECTION 2: REQUIREMENT FOR AN ELECTRONIC NETWORK (ARTICLE 18)

1st aim of guidelines (expand information that is to be disseminated under Article 17 to include information required under Prospectus Directive)

QUESTION 41: Do you agree with CESR's interpretation of the first aim of this guideline? Please give reasons.

Yes. It is important that CESR attempts to draw together related requirements in the various FSAP directives.

QUESTION 42: Do you agree with CESR's proposal to extend Article 17 to include information disclosable under the Prospectus Directive? Please give reasons.

Yes.

2nd aim of guidelines:

A) The creation of electronic links between national securities regulators and operators of the regulated market

QUESTION 43: In view of the proposals set out for central storage mechanisms, do you consider it either necessary or desirable that electronic links are created between national securities regulators and operators of the regulated market? Please give reasons.

No, we do not see the relevance in creating electronic links between national securities regulators and operators of the regulated market (we therefore agree with CESR that it is not necessary). We understand the motivation behind Article 18 (now Article 22 of Directive 2004/109/EC), however we believe that the combination of the operator / media structure and the central storage mechanism make part of these guidelines redundant.

QUESTION 44: In what circumstances do you think that it is necessary or desirable to create such links? Please give reasons.

None.

B) Links between information produced by issuers who admit securities to trading on a regulated market, and information that is held in national company registers covered by Council Directive 68/151/EEC (Company Law Directive)

QUESTION 45: Do you consider that the overlap between types of information required by the directives justifies the creation of links between these two separate sources of information? Please give reasons.

We do not believe that this is necessary in the short term (and that it is outside the scope of the Financial Services Action Plan).

QUESTION 46: If you consider linkages between these two types of information to be justified, when do you think the creation of such links should be established? Please give reasons.

We believe it may be beneficial in the longer term.

3rd aim of guidelines [is to provide a single electronic network or a platform of electronic networks, across Member States].

How can a “one stop shop” be achieved?

- A) Creation of one single electronic network across Member States*
- B) Creation of a platform of electronic networks across Member States.*
 - (i) Single national central storage mechanism option*
 - (ii) Multiple national central storage mechanism option*

QUESTION 47: Do you agree that a small number of central storage mechanisms operating at a European level would benefit from economies of scale? Please give reasons.

Yes, we absolutely agree that the smaller the number of central storage numbers, the larger the economies of scale. Economies of scale would be maximised with a single pan EU mechanism.

QUESTION 48: Do you agree that economies of scale would also be gained if multiple central storage mechanisms were operated commercially? Please give reasons.

No, we do not believe that economies of scale would be achieved to the same extent.

QUESTION 49: Do you agree that central storage mechanisms could, in part, be publicly funded? Please give reasons.

Yes.

How could central storage mechanisms be operated on a pan-European basis?

- Commercially operated central storage mechanisms*
- Central storage mechanisms operated by Competent Authorities*

QUESTION 50: Do you believe that central storage mechanisms, within a pan-European context, should be operated commercially or by a Competent Authority? Please give reasons?

We believe both options are viable, although we do not believe the concept of multiple storage mechanisms in each member state is an attractive prospect.

QUESTION 51: What risks do you consider are inherent to either option? Please give reasons.

The key risk with the competent authority is that they do not have the experience of dealing with complicated systems design and build. The key risk with a commercial venture is that it would be a monopoly run on a for-profit basis. This may result in higher costs for users. As stated in question 19, if this route is taken, CESR will have to be mindful of the implications this may have and consider carefully how it would manage the situation to ensure that a commercial provider was not able to abuse its monopoly position.

II: ELECTRONIC FILING (ARTICLE 15(4)a)

QUESTION 52: Do you agree that the balance between competent authorities' needs and filers' needs is best achieved through the use of electronic sending methods, rather than non-electronic means, such as mailing of paper documents? Please give reasons.

We agree with CESR that electronic filing is preferable. It leads to far more efficient infrastructure and reduced costs for providers.

QUESTION 53: Do you agree that the e-filing mechanism should be introduced gradually and that it should allow parallel paper treatment for specific situations? Please provide examples of such specific situations.

We support electronic filing from the outset, rather than in parallel with hard copy format, as we believe this will be a much more efficient structure for a central storage mechanism.

QUESTION 54: Do you agree that it does not seem necessary to develop different requirements for occasional filers or small entities? If not, please provide suggestions to address their needs.

Yes.

QUESTION 55: Do you agree that it could be useful to provide specific solutions on the procedures of electronic filing according to the type of the addressed regulated information (i.e. specific templates text, etc.)? Please provide examples of different type of regulated information which need specific solution.

We do not believe this should be a requirement that forms part of CESR's advice. Whilst this may evolve as a system is developed, this level of detail at this stage may constrain the choice of optimal solution.

QUESTION 56: Do you agree with the approach adopted with regards to proposed minimum standards or would you prefer to see more general proposals? In this case, please provide a list of general proposals.

We agree that there should be standards for providers.

QUESTION 57: Do you agree with the minimum standards with which all the competent authorities would have to comply when they put in place the procedure to enable filing by electronic means? If you do not agree, what other standards would be more appropriate?

We believe that the standards should state broad requirements, such as service availability / timescales for document retention.

QUESTION 58: What other issues, if any, should CESR take into account when responding to the Mandate concerning the “filing by electronic means with the competent authority of the home Member State”?

We do not have any further issues to raise.