WM **Datenservice**

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Fabrice Demarigny
Secretary General
CESR
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75008 Paris

WM **Gruppe**

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Call for evidence on Mandate to CESR regarding technical advice on possible implementing measures concerning the Transparency Directive CESR/05-493

Dear Mr Demarigny

Attached please find our solution proposal, developed in consultation with the national regulatory authority, which we would like to expand further in the Consultative Working Group with a view to developing a satisfactory concept for both issuers and customers.

As a central information service provider to the German market, we welcome the opportunity to respond to the call for evidence. Based on our participation in vital committees in the German financial market, as well as our close contact with regulatory agents and associations, we accept the challenge of putting our domestic experience of many years at the service of the European market.

Yours sincerely

Georg Eisel
Managing Director

Steven Kundermann
Product-Development

Herausgebergemeinschaft WERTPAPIER-MITTEILUNGEN
Keppler, Lehmann GmbH & Co. KG
Sitz: Frankfurt am Main
Registergericht: Amtsgericht Frankfurt am Main HRA 15378

Persönlich haftende Gesellschafterin:
Verlagsbeteiligungs- und Verwaltungsgesellschaft mbH
Sitz: Frankfurt am Main
Registergericht: Amtsgericht Frankfurt am Main HRB 9995

Geschäftsführung:
Ernst Padberg

Call for evidence on Mandate to CESR regarding technical advice on possible implementing measures concerning the Transparency Directive
CESR/05-493

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1. Procedure

With this response, we would like to participate in the CESR consultation process for technical advice on the implementation of the Transparency Directive. Until now, this process has concentrated on determining fundamental market demands; to concretise the recommendation, the current Call for Evidence (CESR/05-493) was announced, giving market participants the opportunity participate in the advisory process. The objective of this process is to establish a procedure which takes into account both the intention of the Transparency Directive *and* the restrictions experienced by issuers, supervisory authorities, and investors.

2. Objective of the Transparency Directive

The implementation of the Transparency Directive is meant to maximise transparency in the availability of information. At the same time, issuers should not be expected to engage in complicated or expensive procedures, nor should irrelevant information be provided to investors. The objective of the Transparency Directive is therefore the fulfilment of the following demands:

- *Dissemination of regulated information*
  To ensure the provision of information to investors on an equal basis, information is to be disseminated so that each investor may access all of a company's compulsory notices on a situational and ad hoc basis.

- *Issuer expenses*
  Issuers of securities are to be prevented from having to incur unnecessary and possibly redundant expenses in the administration of their publications.

- *Promotion of unfettered competition*
  Both issuers and investors should profit from unfettered competition among information intermediaries in respect of both publication and research. Existing *de facto* and *de jure* monopolies are to be dissolved, such market structures being prevented from forming in future.

- *Information supply tailored to demands*
  Investors are to have the option of filtering publications as per their individual requirements. The provision of superfluous information is to be prevented.

- *Europe-wide access*
  Every European investor must be in a position to access the desired information on any publicly traded security in Europe with a minimum of expense.

- *Extent of notification: Voting right percentages, directors' dealings, ad hoc announcements, and financial reports*
  Investors should be able to investigate the distribution of a company's voting rights, including whether certain percentages have been exceeded. Ad hoc announcements and information on directors' dealings that could influence prices are also to be provided in a timely manner. Furthermore, all of this information should be accessible along with company financial reports in a one-stop-shop environment.

3. Solution approach

Our extensive experience in cooperating with the issuers of financial instruments, as well as our operation of stable and efficient information exchange processes, has allowed us to develop a procedure for minimising expenses for issuers, investors, and regulators, whilst fulfilling all requirements as per item 2 for maximum transparency and scalability. The procedure we suggest guarantees the fulfilment of the following:

- Complete biography of all relevant publications on/by issuers and issues
- Europe-wide availability of all published documents
- Electronic processing of the documents' core data
- Ability to research by company, issue, and type of publication
- Comprehensive use of established standards

4. Implementation

As a data provider for the financial industry on both the national and international levels, WM Datenservice has developed a comprehensive understanding of trans-company processes, especially corporate actions. With this in mind, and with the intention of facilitating maximum transparency in information and settlement while conserving resources, we recommend the following implementation[1]:

- Issuer

[1] See Appendix 1 (Participants and their relationship)

Issuers shall publish in media of their own choosing — either print or electronic — while communicating information on the type and source of publication to 'their' OAMs in standardised electronic form.

- Officially Appointed Mechanisms (OAMs)
  OAMs are informed by issuers of new publications.
  a) OAMs **acquire** the publications and make them electronically storable. Electronic versions are placed by the OAMs in the electronic, publicly accessible archive of the NCMS (National Central Storage Mechanism) ab.
  b) OAMs produce **bibliographical** core data records[2], which serve to describe and catalogue the publications, and contain the following data elements, among others:
     - *Issuer*
       Standardised issuer name as per ISO 16372 (International Business Entity Identifier)
     - *Instrument*
       Standardised issue description as per ISO 6166 (International Securities Identification Number)
     - *Instrument*
       Standardised issue name as per ISO 18774 (Financial Instruments Short Name/Short Description)
     - *Publication type*
       International standardised reference table of fixed publication types; standardisation procedure in progress
     - *Document*
       Reference to the electronic storage location of the original publication

  One such core data record is produced for each publication, offering manifold electronic processing and research options. This data record shall also contain a link to the electronically stored version of the publication, giving access to the document by way of the core data. OAMs shall provide public electronic access to both the core data and the archive, with the core data being passed on to a national reference data base.

- National reference data base (NCSM)
  National reference data bases shall receive core data records on publications supplied by the OAMs of their respective countries, including references to the respective corresponding OAMs. These core data records are then stored and

[2] See Appendix 2 (Core data record of a publication)

passed on to the EU reference data base but may still be made accessible to investors in order to relay them to the relevant OAMs or documents.

- **EU reference data base (ECSM)**
  The EU reference data base ECSM (European Central Storage Mechanism) shall receive the core data on all publications in its member countries by electronic means, while allowing electronic access to the data with reference to the corresponding OAM and the relevant document.

- **Investors/end-users**
  Investors shall be able to retrieve histories of all publications by certain issuers or in respect of desired issues through public channels (Internet), anytime and anywhere. These historical data shall facilitate access to the corresponding electronic publications in the archive. Investors shall be able to acquire information Europe-wide by searching the EU reference data base, from which they will be referred to the public information offered by the OAMs.

The above mentioned procedure will allow investors to acquire information selectively and on an ad hoc basis, EU-wide, and to document the information in the form of the corresponding publications. The specialisation of OAMs will allow the search to be restricted to particular topics[3], with the option of searching[4] by instrument, company, or publication type allowing the information required by investors to be exactly defined.

5. WM Datenservice profile: Competence and transparency

Through WM Datenservice, the German financial market has access to an internationally recognised, unique spectrum of financial data for a multitude of applications in the securities business. WM Datenservice operates a comprehensive global financial data base with integrated data and information on domestic and foreign financial instruments, and offers custom-tailored products and services for the complete support of process control and for investment and risk management. Its customers include financial service providers along with supervisory authorities, central banks, insurance companies, information providers, software developers, and consultancy companies. WM Datenservice contributes to the harmonisation of standards and business processes through close cooperation with regulatory agencies, national and international committees, and dedicated working groups. For further information on WM Datenservice, see www.wmdaten.com.

[3] For instance, one OAM for ad hoc announcements, another for directors' dealings, and so on
[4] See Appendix 3 (Application example for end users/investors)

6. Conclusion

The application of existing and **established standards** will reduce implementation expenses on the one hand, and have a positive influence on acceptance on the other.

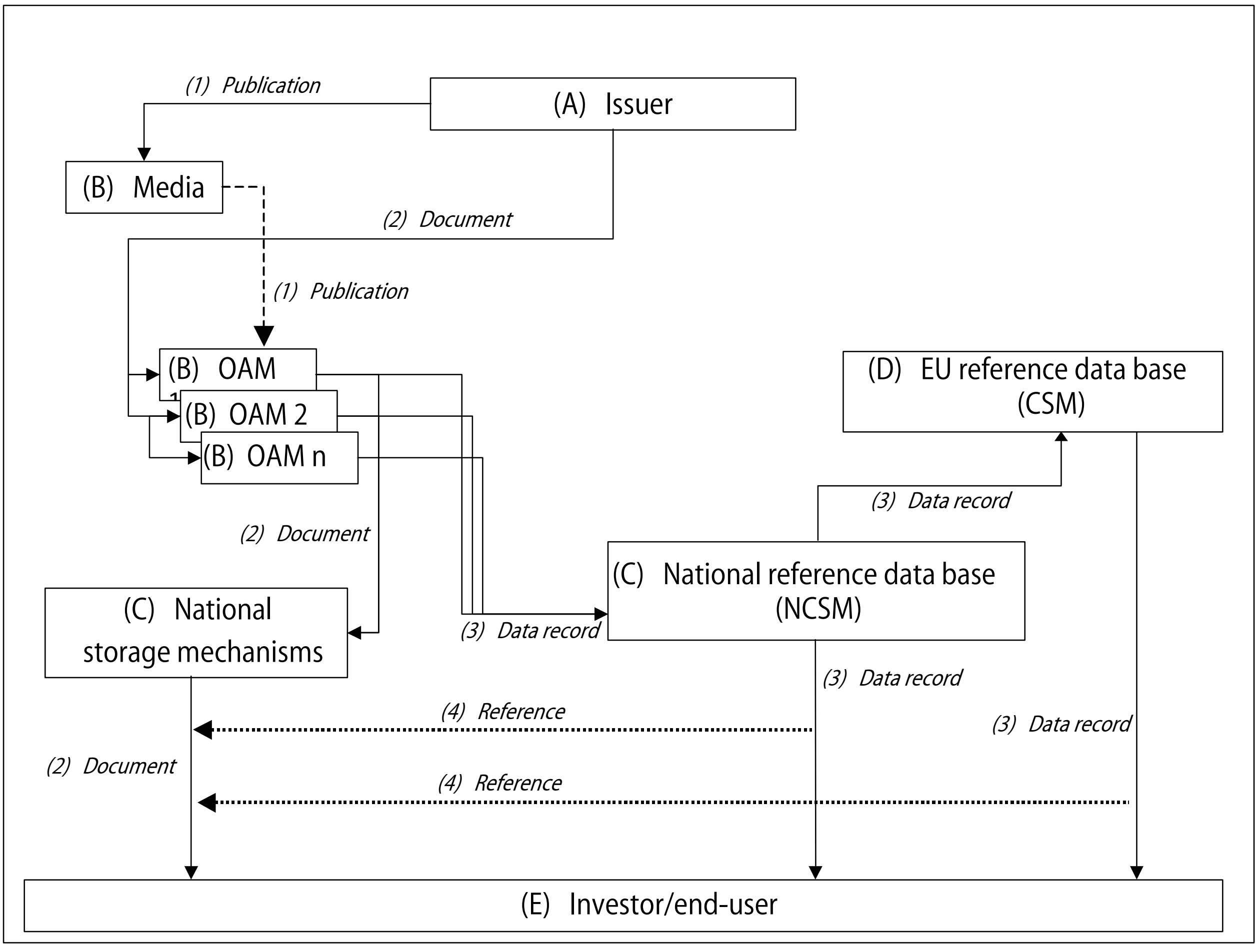
Duality will be created between the **information** in the form of a document in which automated information acquisition is not inherent, and the **core data record** ensuing from the document. Although the data record has limited information content, it may be electronically processed in any volume, thus facilitating the integration of publication events in the value added and operating process of the securities business.

Local custom and competence need not be ignored, as local service providers familiar with their respective markets can provide best practices and proven methods through their activities as OAM.

The **national** responsibility for the processing of publications also contributes to the proximity of regulators to the corresponding market requirements. Unrestricted, EU-wide consolidation allowing investors to gather complete information at minimal expense is possible.

Code and table sorting facilitate quick and flexible adaptation to changing market demands. The expansion of the type spectrum of the registered publications is possible at any time. Step-by-step introduction is supported by the option of initially registering only a portion of the publications, with further types of publications being successively added to the catalogue of registered publications.

Appendix 1 - Participants and their relationship



Processes	
A	Issuer announcement
B	Publication of document and production of core data record
C	Archiving of published document and storing of core data record
D	International storing of core data record
E	Accessing of core data record and document
Objects	
1	Announcement for publication in media
2	Electronically storable display of announcement
3	Core data record of announcement
4	Reference to archived document contained in core data record

Appendix 2 - Core data record of a publication

Issuer (IBEI[5])	Deutsche Börse AG (DEXBC823N0)
Instrument (FISN[6])	Dt Boerse/NA ON
Instrument (ISIN[7])	DE0005810055
Publication type[8]	Voting right percentage above disclosure minimum
Document[9]	http://www.ncsm.de/..../....pdf

This core data record is supplemented by further technical elements, such as the date and time, name of the party entering the data (OAM), the unique core data record identifier, the source, and so on.

[5] ISO 16372 (IBEI - International Business Entity Identifier)
[6] ISO 18774 (FISN - Financial Instruments Short Name)
[7] ISO 6166 (ISIN - International Securities Identification Number)
[8] International, standardised reference table; standardisation in progress
[9] Reference to electronic access to the document through the National Central Storage Mechanism

Appendix 3 - Application example for foreign-language end-users/investors

Émetteur (IBEI[10])	Deutsche Börse AG (DEXBC823N0)
Instrument financier (FISN[11])	Dt Boerse/NA ON
Instrument financier (ISIN[12])	DE0005810055
Façon de publication[13]	Dépassement du pourcentage de droit de vote
Document[14]	http://www.ncsm.de/..../....pdf

Should, for example, a French investor search for information on a German issuer, they would have three options:

- *Research via the EU reference data base (CSM)*
  A search form in the language of the investor's choice would be available. The user interface of this data base would be available in all EU member country languages, along with the corresponding forms. No maintenance expense would be required, as the forms would only need to be translated once. The contents would be neutral as to language, as they would be delivered in coded form, and the full texts would ensue from the respective language tables.

- *Research via the German reference data base*
  The national reference data bases would be structured analogously to the EU reference data base. Operation in all languages would be possible here also.

- *Research via the OAM*
  The OAMs would offer service in their respective native languages, plus English, only.

In all cases, the search would lead to the requested document published by the issuer, usually in the native language of the issuer's home country.

[10] ISO 16372 (IBEI - International Business Entity Identifier)
[11] ISO 18774 (FISN - Financial Instruments Short Name)
[12] ISO 6166 (ISIN - International Securities Identification Number)
[13] International, standardised reference table; standardisation in progress
[14] Reference to electronic access to the document through the National Central Storage Mechanism

Appendix 4 - Complete bibliography of publications

Issuer (IBEI[15])	Deutsche Börse AG (DEXBC823N0)		
Instrument (FISN[16])	Dt Boerse/NA ON		
Instrument (ISIN[17])	DE0005810055		
Publication	**Date**	**Publication type[18]**	**Document**
	17.08.2005	Repurchase of shares	http://www.ncsm.de/..../....pdf
	07.072005	Voting right percentage below disclosure minimum	http://www.ncsm.de/..../....pdf
	15.06.2005	Voting right percentage above disclosure minimum	http://www.ncsm.de/..../....pdf

It would be possible to produce a complete history of all publications by way of a list of all data records on a given issuer or issue. Information only on the source and publication type, plus a reference to the document, would be displayed. The reference would facilitate accessing the original publication directly through the historical list.

[15] ISO 16372 (IBEI - International Business Entity Identifier)
[16] ISO 18774 (FISN - Financial Instruments Short Name)
[17] ISO 6166 (ISIN - International Securities Identification Number)
[18] International, standardised reference table; standardisation in progress