REALKREDITRÅDET

CESR
Mr Fabrice Demarigny
Secretary General

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CESR's Consultation Paper on Possible Implementing Measures Concerning the Transparency Directive – Storage of Regulated Information and Filing of Regulated Information

The Association of Danish Mortgage Banks welcomes the opportunity to comment on CESR´s Consultation Paper on Possible Implementing Measures Concerning the Transparency Directive.

General Comments

The Association of Danish Mortgage Banks finds that a central aspect of the possible implementing measures is how to handle costs and funding issues and we would strongly encourage CESR to also take into consideration the cost/benefit of the requirements set out in this document and the costs inflicted on issuers.

We have noted that it is not the intention to set out requirement for forms or formats of the regulated information made public or submitted to filing or storage. However the document reflects discussions on the subject and moreover contains paragraphs which could be understood as requirements on form or formats i.e. par. 57, which sets out that "the OAM could provide that the information be structured into a specific template text for the purpose of fast processing". As we understand that CESR have not intended forms and formats to be a subject to regulation we suggest that these paragraphs are deleted or that the document further clarifies that forms or formats are not subject to regulation.

In paragraph 24 CESR mentions that information to be stored in an OAM should include prospectuses. The Association of Danish Credit Mortgage Banks would like to take the opportunity to point out that the Transparency Directive only regulates the information defined in article 2 par. 1(K) which does not include prospectuses. The information issues concerning prospectuses are regulated in the Prospectuses Directive.

Specific Remarks

The Association of Danish Mortgage Banks has the following comments on the questions put forward in the consultation document.

Q1. We fully agree that the specific needs of particular investors or users should be managed by the OAM itself.

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Q2. We fully agree that the information needed to be stored and accessible from the OAM is the regulated information as produced and disseminated by the issuer. Other types of information must depend on supply and the possibility to offer these services on market conditions should be given to other market players.

Q3. We can support the approach to "easy access" set out in the document. Other facilities should not be determined in advance but should be offered on market conditions if requested.

Q 6 and Q 7. Please se general comments on the subject forms and formats.

Q 8. Par. 59- 61 set out that the information submitted to an OAM cannot be corrected other than by a separate correction or addendum. Stored information cannot be taken out. We find that there should be a possibility to take out incorrect information if so approved by the competent authority. Even if it could be argued that keeping all information provided by the issuer would facilitate transparency this approach would on the other hand not facilitate "easy access" for i.e. private investors. Information taken out should of course be combined with the possibility to track the information taken out (audit trail).

Par 62-65 regulates validation of information. We believe that clarification of what "validation" implies is needed. What are the actual validation responsibilities of the OAM and the competent authorities?

Par 66 sets out that the OAM should provide recovery tools that allow the issuer to use other mechanisms of filing if the prescribed mechanisms are out of order. Once the main mechanism is recovered it is the issuer's obligation to submit the information again to the main mechanism. We cannot support this approach. As it is the responsibility of the OAM to operate the systems it must be the OAM´s responsibility to retile the information itself once the main mechanism is restored. The OAM and not the issuers must take the consequences of the mechanism being out of order.

Q 14. Par. 88 states that end-users should be able to access naked regulated information on the OAM's website and have the option of availing of additional value added services if required. The paragraph could be read as if the OAM's are *obligated* to offer additional value added services and as we understand that is not the case we would suggest is clarified.

Q 30 and 31. CESR should not require specific forms and formats to be used by filers to file information with the competent authority. Harmonizing forms and formats would lead to unnecessary bureaucracy as standardization it not called for.

Q 33. The directive set out requirements on dissemination, filing and storage of regulated information. However we find that it is not a requirement that these obligations should be carried out separately. Moreover we find that the obligation on dissemination has no meaning by itself as storage with the OAM combined with a European network should fulfil the need for information. We therefore find that it should be possible to meet the requirement on dissemination by making the information available to the OAM both for storage and for dissemination. Investors seeking information would be likely to seek the information at the OAM network and additional dissemination of information would most likely not pass a cost/benefit analysis. If called for OAM's could provide services updating investors on new regulated information through the OAM network. In order to limit costs and bureaucracy the regulation should allow filing of information to be outsourced to the OAM's. This concept would allow not only alignment of filing and storage but also an alignment of dissemination. By aligning both dissemination, filing and storage unnecessary bureaucracy would be avoided and costs associated to the use of service providers would be limited.

Q 34 We find that the meaning of par. 309 and 310 in unclear and that clarification is called for.

Yours sincerely

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