

**CLIFF's comments on CESR's public consultation
Market Abuse Directive**

**« Level 3 – second set of CESR guidance and information on the common operation of
the Directive to the market »**

I. WHAT CONSTITUTES “INSIDE INFORMATION” UNDER THE MARKET ABUSE DIRECTIVE ?

Paragraph 1.5 Page 5

"Issuers are under no obligation to respond to market rumours". CLIFF finds that this statement should be given more importance.

Paragraph 1.14 Page 6

CESR lists indicators of price effect among which "information which has in the past had a significant effect on prices." CLIFF considers that if something has been significant in the past doesn't mean that it will always produce the same effects on prices. CLIFF would not like to see this become a rule (or jurisprudence !). Informations have to be studied on a case by case basis and not just in the past.

Paragraph 1.15 Page 7

CESR lists a non-exhaustive list of inside information. CLIFF considers that these are valid examples nothing more and that these examples may or may not be inside information. The caveat in the opening paragraph is fine but the list should not then become the compliance list.

Paragraph 1.16 Page 8

"The disclosure requirement in article 6 applies to the disclosure of the consequences, which directly concern the issuer, resulting from the examples like the ones listed below, provided these consequences constitute inside information". CLIFF considers that this cannot become a rule. This information is publicly driven information and is covered by the risk factors in company documents. CLIFF finds, for example, that the impact of central government's decisions on a corporate cannot be a reason to make a press release.