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Secretary General  
CESR

**CESR's Advise on possible Level 2 Implementing Measures for the proposed Prospectus Directive – Addendum to the Consultation Paper**

Initially we would like to refer to our previous comments to the Consultation Paper and once again express our view that the draft level 2 implementing measures are too specific and detailed. As we pointed out in our previous comments we feel that there is an overwhelming risk with this type of regulation that companies will focus on the actual wording and form of the requirements instead of the purpose of the requirements.

**Part 1 - Registration Document**

Debt Securities

As stated in our comments to the Consultation Paper, we believe that it is excessive to have the same requirements for debt securities as for equity securities, the reason being that debt securities investors' main concern is the credit risk of the issuer. We therefore find that a reduction of the requirements on this type of issuer would be appropriate.

Securities Issued by Banks

We think that a special building block for securities issued by banks can be motivated and our opinion is that it should apply to all banks and not only EU-banks.

Derivative securities

We have basically the same comments as stated above for debt securities.

Depository Receipts

Our opinion is that it is not necessary to have a special building block for depository receipts. We would prefer to include these rules in the standard equity schedule and refer to the blanket clause in the situations when the information is not applicable.

Specialist Building Block for Shipping Companies

We cannot find any reason for including a special building block for Shipping Companies in the level 2 measures. Our opinion is, as we stated in our previous comments, that blocks should not be used for situations which rarely are expected to occur, or which is expected to be of interest to only one or maybe two jurisdictions. Instead the model should facilitate that atypical situations be dealt with on a case-by-case basis or according to national practise, since there simply will not be any harmonisation aspects in those cases.

## **Part 2 – the Securities Note**

### Proposal of a blanket clause

It is our opinion that a blanket clause is necessary in order to avoid imposing inapplicable demands on the issuers. We also believe that the existence of a blanket clause could reduce the number of special building blocks. We do not have any objections with regards to the wording of the blanket clause.

### Additional SN building block for subscription rights

In this case, as in the case with depositary receipts, we believe that it is unnecessary to have a special building block. We would prefer to include these rules in the standard securities note and use the blanket clause.

## **Part 3 – Summary**

Regarding the question whether level 2 implementing measures or not are needed for the contents of the summary, we believe at the outset that the Ecofin Text sufficiently covers most of what should be in the summary. However we are of the opinion that the basic terms of the offering should also be stated in the summary.

In addition, and in line with our general views, we think that the appropriate and most practical approach would be to regulate the summary at level 3 instead of level 2.

Yours sincerely,

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