

**CESR'S Advice on Level 2 Implementing Measures for the
Prospectus Directive**

Consultation Paper

30. Yes, we agree with this approach.
32. Yes, we agree with the list. However the full list should be used for cross border issues. For the others the information given in the Section 3.4.(a), (b), 3.5. and 4 would not be needed.
33. i) Historical financial information (balance sheets, income statements, cash flow statements) can be included in Annex D.
- ii) Use of proceeds can be included (to give information on how the firm will use the funds that are raised).
35. Yes. If the investor will be informed about "public finance and trade" of the related country the selected indicators are relevant for the investment decision.
40. Yes, investment and development plans should be included since they are essential to make an investment decision.
42. Yes, potential conflicts of interest should be disclosed. However, in order to be clear, "any conflicts of interest" could be used instead of "any conflicts" in the text of this disclosure requirement.
56. We agree with the argument that work required to perform reconciliation is only marginally less than a full restatement. In terms of investors reconciliation is difficult to follow.
57. Option I or Option II can be used.
Option I requires IAS to be presented for three years whereas Option II gives information about two most recent years.
Option I enables investors to analyze trends in a 3 years perspective, however if the cost is deterrent than Option II can be chosen.
58. Comparability within the audited historical track record and within the reporting standards that are adopted is a "must".

59. Restatement of historical financial statements in respect of IAS would enable comparability.
60. Yes, we agree with the approach given in #55.
69. If the aim is to have a set of rules that are parallel for EU issuers and non EU issuers this treatment can be extended for the EU issuers. Actually, the characteristic of the "issue" is important so similar set of rules should be applied to similar securities or "issues" .
70. Guaranteed issues can be subjected to different requirements.
84. Yes, we agree.
85. No. Dissemination of advertisements before the prospectus has been made available can be accepted as long as the "rules" are respected. A successful advertisement campaign is of crucial importance for a successful issue. Therefore as long as the remaining rules are respected the issuer should not be restricted. In fact, the ads do not allways give technical, financial information. Even the "image ads" giving only a basic idea about the firm to the investors may be used by the issuer. Even if blackout periods will be imposed, ads can be categorized and the issuer may have an opportunity to use some form of ads. Because of these reasons, we are agree with CESR and believe that a common understanding of advertisement shall be determined and only restricted types of advertisement shall be prohibited before the prospectus has been made available.
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