

September 2010

CESR consultation on Development of Pan-European Access to Financial Information Disclosed by Listed Companies

(Ref: CESR/10-719c)

Reply from NASDAQ OMX

The NASDAQ OMX Group, Inc. delivers trading, exchange technology, listings and other public company services and post-trading services across six continents. It lists approximately 3,700 companies from 50 countries and from all industry sectors. NASDAQ OMX offers various capital raising and trading solutions to companies around the globe, including its U.S. listings market, NASDAQ OMX Nordic, NASDAQ OMX Baltic, First North, U.S. 144A, NordPool and N2EX. NASDAQ OMX Nordic and Baltic include exchanges in Helsinki, Copenhagen, Stockholm, Iceland, Tallinn, Riga and Vilnius. NASDAQ OMX offers trading across multiple asset classes including equities, derivatives, debt, commodities, structured products and ETFs. NASDAQ OMX also offers post-trading services in the form of central counterparty derivatives clearing. NASDAQ OMX Group technology supports the operations of about 70 exchanges, clearing organizations and central securities depositories in more than 50 countries.

NASDAQ OMX appreciates the opportunity to comment on CESR's considerations for the next steps in developing the pan-European access to financial information from listed issuers. Please find below our answers to the questions.

Q1. What in your view is the reason for the apparent lack of widespread use of OAMs by end users?

There are already efficient information channels nationally. Users of information seem to continue to prefer using such information channels. Cross-border, the lack of harmonization of OAMs and the lack of one single access point is probably the most significant explanation for the lack of widespread use of OAMs.

Q2. Do you agree that the visibility of OAMs could be enhanced through developing the search facilities at the level of OAMs and the OAM network?

Yes, there is the possibility that the visibility of information from listed issuers will be enhanced, thus supporting the access of financing for issuers across borders. The benefit of such enhanced visibility is of important value for the growth of European companies.

Q3. Do you have any other proposals for improving the visibility and/or use of OAMs?

One condition for making the OAM concept useful across borders in practice is the wider use by issuers of English. Unless the information in the OAMs is available in a language understood by others than the local market, there is a weak case for developing a pan-European network.

We do not agree that the TD language regime should be fully maintained. We believe the TD should allow any company to produce regulated information in English only. If the visions for an OAM network are realized, information from any issuer listed in Europe will be equally accessible for investors in any country. It will no longer make sense for local regulators to maintain a requirement for issuers to produce information in the local language for the sake of local investor protection. Local investors will anyway have equally easy access to information from international issuers in other languages. Translation is a cost. For those issuers that will be under a requirement to produce information in a local language, there will be an additional translation cost if those issuers also seek to access capital from outside the local market, as compared to those issuers that are not under such a requirement. In order to place all issuers at an equal footing, and in order to in practice realize the aims of the OAM network, the TD should allow (but not require) any issuer to produce information in English only.

Q4. Which of the search facilities in subsections 5.1.1 – 5.1.3 below would you consider important?

The search facilities mentioned are relevant. The one on industry sector would be useful to develop, as the possibility to make sectoral searches and comparisons is likely be of great value for end users. Multiple country searches should be possible, otherwise the case for developing the network is weak.

Q5. Are there any additional search facilities that CESR should consider?

-

Q6. Which standard would you prefer for industry / branch categorisation?

-

Q7. Do you see need for mandating dynamic or chain searches at the OAM or CAP level?

The system must provide for state of the art search functions and search functions.

Q8. Would you consider it necessary to have common input formats and standards for any other type of regulated information than periodic financial information? If yes, which formats and standards and for which type of regulated information?

There should be as much standardization as possible going forward. Financial information should be the priority, then press releases that are considered regulated information.

Q9. Do you agree with the proposed common list of types of regulated information presented in Annex 3?

Yes. Even if the filing of prospectuses into the OAM is not mandatory in national law, there should be room for issuers to file prospectuses voluntarily, as the availability of prospectuses will increase the usefulness of the OAMs.

Q10. Do you have any proposals for further types of regulated information that should be included?

Financial information should be the priority, the other types of regulated information.

Q11. What are your views on the interconnection of OAMs with business registers?

It could possibly be useful for OAM users to also access information from the business registers from the OAM search point, but it could be pursued in a longer perspective.

Q12. What in your view would be the benefits of an integrated pan-European OAM network (with a central access point) for issuers or end users (retail investors, professional investors, analysts, other users of financial information)?

The biggest benefit for issuers would be the improved access to finance. For investors it would mean better diversification opportunities and more efficient analyzing. It would support the realization of the European internal market.

Q13. Do you see any specific pros and/or cons for option 1 or option 2?

We agree with CESR's analysis of the two options and we support option 1.

We agree with CESR's reasoning for preferring option 1. Option 1 would achieve pan-European access to the information stored in the OAMs, without a need for major changes to the set-ups of each national OAM. As the OAMs have developed a bit differently so far, transforming the whole system into one single OAM would require significant changes to the storage of the information, which would entail costs not least for issuers and for the OAMs. Most of these costs would be unnecessary with option 1 and the national OAMs can also maintain their respective storage structures. With option 1, CESR can define a feed format and national OAMs can send the locally stored data to the CAP, where a central search function can be set up.

Q14. Do you agree with CESR's analysis of the supervision of the network and the need for binding technical standards for OAMs?

Yes.