



THE INSTITUTE
OF CHARTERED
ACCOUNTANTS
IN ENGLAND AND WALES

20 September 2007

Our ref: ICAEW Rep 87/07

Your ref:

The Committee of European Securities Regulators
11-13 Avenue de Friedland
75008 Paris
France

Dear Sirs

CESR CALL FOR EVIDENCE ON THE TOD

The Institute of Chartered Accountants in England and Wales (the Institute) welcomes the opportunity to comment on the Call for Evidence on the possible CESR Level Three Work on the Transparency Directive published by CESR in July 2007.

The Institute operates under a Royal Charter, working in the public interest. Its regulation of its members, in particular its responsibilities in respect of auditors, is overseen by the Financial Reporting Council. As a world leading professional accountancy body, the Institute provides leadership and practical support to over 128,000 members in more than 140 countries, working with governments, regulators and industry in order to ensure the highest standards are maintained. The Institute is a founding member of the Global Accounting Alliance with over 700,000 members worldwide.

We note that in paragraph 6 of the Call for Evidence, CESR identifies the 'consistency and quality' of interim management statements (IMS) as one area in which further guidance might be produced. We understand the underlying concern, but would urge CESR not to embark on such a course until there is further experience of applying the new regime. In our view, the best arbiter of what is sufficient information should be the market, not regulators, in this case. Good practice and common understandings emerge over time, through discussions between companies and their stakeholders and advisors and through the good example of innovative reporters. Further guidance, even if presented as non-mandatory in nature, could hamper this evolutionary process.

We recognise that the success of this approach should be kept under review, and that it has

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to be reflected fully in the day-to-day activities of enforcers: professional judgement may lead to reports that vary in style and content, whilst still complying with the spirit of the requirements. We would urge CESR to encourage its members to avoid unnecessary prescription in this area, pending a review of the adequacy of IMS, perhaps in 2009.

Please contact me should you wish to discuss any of the points raised in this response.

Yours sincerely



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