

EALIC

European Association for Listed Companies

CESR

To the att. of Mr. Fabrice DEMARIGNY
112-13 Avenue de Friedland
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FRANCE

Per e-mail to secretariat@cesr-eu.org

Brussels, 10 April 2006

Dear Mr. Demarigny,

Re: CESR's Consultation Paper on Possible Implementing Measures concerning the Transparency Directive (Ref: CESR/06-025)

EALIC, the European Association for Listed Companies, represents European listed companies and promotes their common interests on a European level. EALIC was incorporated in December 2002 as an international non-profit association. Through its current member-base of six national associations of listed companies and some sixty-five public companies from France, Belgium, The Netherlands, Italy, Portugal, Spain and Poland, EALIC represents to date hundreds of leading issuing companies. A document describing who is who in EALIC is enclosed for your convenience. (*Enclosure 1*)

You will find our reply to CESR's consultation of 31 January 2006 attached hereto. (*Enclosure 2*)
We are sorry for not having been able to respect the deadline of 31 March and hope that such will not prevent CESR from taking our comments into account.

We stay at your disposal to discuss the contents of the attached position at your convenience.

Yours sincerely,



Dorien FRANSENS
Secretary General

Enclosures: 2

**EALIC'S REPLY
TO
CESR'S CONSULTATION PAPER ON POSSIBLE IMPLEMENTING MEASURES CONCERNING
THE TRANSPARENCY DIRECTIVE (REF: CESR/06-025)
STORAGE OF REGULATED INFORMATION AND FILING OF REGULATED INFORMATION
7 APRIL 2006**

EALIC welcomes a future European architecture for storage of regulated information offering a possible "one stop shop" for end users and provides hereunder its answers to CESR's questionnaire. As a general remark, EALIC would like to stress that the funding of the system should not entail extra costs for issuers, but should be borne by end-users, for instance by making the access to the system subject to an access fee.

Q1: Do you agree that, taking into consideration the main purposes of the Directive in relation to the OAM, end users of the OAM will be investors seeking information on issuers and that the specific needs of particular investors or users should be tackled by the OAM itself and not require further and more burdensome requirements on issuers or on the OAM itself? Please provide reasons for your answer.

EALIC agrees with CESR's views. As to end users, it should include all types of investors (institutional, retail, professional) plus commercial entities (for example rating agencies, financial analysts) which want to have access to the OAM when seeking information on issuers. EALIC believes that issuers should not be included in the definition of end-users.

Q2: Do you agree that, taking into consideration the main purposes of the Directive in relation to the OAM, what needs to be stored and to be accessed in the OAM is just the regulated information, as produced and disseminated by the issuer or more than that? If so, please provide reasons for your answer and indicate what kind of facilities you would expect and indicate how to cover the costs of such value added facilities.

EALIC believes that the compulsory information to be stored is just the "naked" regulated information as defined in art. 2, par. 1, lett. k) of the Level I Directive.

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Q3: Do you agree with the views above or do you envisage a more ambitious approach to “easy access”? If so, please indicate what facilities you would like to see in place and detail the additional estimated costs of implementing them, how to cover those costs and explain the advantages of such an approach.

EALIC agrees with CESR that easy access means that information can be viewed, downloaded and printed and that searching capabilities are put in place.

Q4: Do you agree with the views above or do you envisage a more developed approach for the network? If so, please detail what additional functionalities you would like to see and if possible, provide your opinion on the implications, namely in terms of costs, of setting up such a network. In considering the above, please take into account the alternative funding implications

Q5: Do you see alternative technical solutions to those envisaged in this consultative document and permitting to reach the same goal, both for the designing of OAM's and for creating an EU “one stop shop”? If yes, please describe those solutions and provide estimates of costs and indications on the best way to cover them.

EALIC agrees with the proposed starting point, namely very simple services and searching capabilities that could be upgraded later on. Any additional functionality will have to be profoundly analyzed moreover since the OAM is performing a regulatory function. It would therefore be preliminary to discuss costs and funding of these extra's.

EALIC agrees with the proposed network model. EALIC believes also that the storage mechanism should rely as much as possible on the issuers' websites through hyperlinks to these websites. Those links would permit a reduction of the number of publications of information and the associated costs.

The Level I Directive provides that the Home Member State shall ensure that there is at least one OAM. One can therefore imagine a system with more than one OAM per Member State. Such situation should in no way result in multiplying the dissemination obligations for issuers who shall provide the regulated information to one of the existing OAM's only. Any other solution would be too burdensome and costly.

On the other hand, if only one OAM will be appointed, due care should be taken to avoid abuse of such monopolistic situation as far as pricing would be concerned. Reference is made in this respect to certain situations existing in the area of post-trading services.

As a matter of fact, EALIC believes that the competent authority's website or the stock exchange's website in Member States where this system has already been implemented should be favored as the OAM. In contrast, the issuer should not be compelled to have recourse to a commercial entity other than a stock exchange (in the case mentioned).

Q6: Do you agree with the above? If not, please provide reasons for your answer.

CESR considers that electronic filing with the OAM and electronic storage are prerequisites for the establishment of the specific quality standards OAM will have to

comply with. CESR considers moreover that: 1) OAM should have a system accessible through internet to end users and issuers; 2) OAM should be able to receive electronic filings; 3) OAM should store the information in electronic format allowing paper format only in exceptional cases.

EALIC agrees with the above mentioned approach but draws the attention to the need to clarify whether the sending by fax would be seen as “electronic filing”.

Q7: Do you agree with the above? Please provide reasons for your answer.

EALIC agrees that issuers should be able to rely on a flexible filing mechanism that is user friendly without incurring excessive costs and that the open e-filing architecture should support several supports.

Q8: Do you agree with the above minimum standards of security?

Q9: Are there any additional standards on security CESR should consider?

EALIC agrees with the security standards proposed (validation, availability of the stored information, acceptance of waivers and recovery as well as back-up systems).

Q10: Do you agree that there is no need for special or additional security standards if an electronic network of national OAMs at EU level is created?

EALIC agrees that there does not seem any need for any additional security standards if an electronic network of national OAMs at EU level is created.

Q11: Do you agree with the above? Please provide reasons if you do not agree.

CESR says that there must be minimum quality standards of certainty as to the information source to be complied with by the OAM and that the OAM must verify that any regulated information it receives directly is from an issuer. In order to reach this goal the OAM can have recourse to different mechanisms (such as systems requiring passwords and ID). EALIC agrees with CESR’s approach.

Q12: Do you agree with the above? Please provide reasons for your answer if you do not agree.

Q13: Are there any additional standards on time recording CESR should consider?

EALIC agrees with the need for specific input standards and templates and the minimum quality standards of time recording.

Q14: Do you agree with the above? Please provide reasons for your answer.

EALIC agrees with CESR that there is no need to differentiate between minimum standards for various types of regulated information.

Q15: Would you require searching capabilities in the language of international finance to be able to have “easy access” to the information stored?

EALIC agrees with CESR that it would be costly for the national OAM to provide translations in all languages of the EU and that therefore it would be enough to have a search mechanism in the official local language and in the language customary in the field of international finance.

Moreover it should be made clear that any translation by the OAM shall be on its own and sole initiative and responsibility.

Q16: Do you agree with the above standards in relation to technical accessibility? Please provide reasons for your answer if you do not agree.

EALIC agrees with the fact that : 1) all the OAMs must communicate with each other; 2) end users should have access to all stored regulated information on a continuous basis, 24 hours a day and 7 days a week; 3) information needs to be accessible in the system within a reasonable timeframe from its receipt by the storage system; 4) end users receive adequate support when accessing and interrogating regulated information.

CESR should clarify whether the service support to end users must operate 24 hours taking in consideration all the costs such option would entail.

Q17: Do you agree with the above in relation to the format of information to be accessed by end users? Please provide reasons for your answer.

EALIC agrees with the fact that regulated information must be held by the OAM in a format that enable users to view, download and print. We also agree with the fact that “easy access means” that there should be the ability to search, order and interrogate regulated information (the list provided by CESR is exhaustive).

Q18: Do you agree with the above? Please provide reasons if you do not agree.

EALIC supports the view that access for end users in the OAM does not need to be free of charge, as recital 25 of the Transparency Directive establishes that access for retail investors must be at affordable prices.

EALIC thinks that, as the concept of affordability could be differently interpreted across the EU, there should be “harmonization” in order not to have different treatments among end users. This could be a problem with reference to the possible network model that will be identified (for example if investors will have access to each singular OAM rather than a central access point). CESR should supply the criteria to determine the above mentioned affordability.

Where the source of funding would be the “users of the system”, it should be clarified that users do not include issuers, as indicated before (a.o in answer to Question 1).

Q19: What are your views in relation to the issues being discussed above?

CESR identifies four possible non exhaustive models: A) Central access point (CAP) used by investors to search the OAM network. The CAP is a central server outside all OAM; B) the investors use the software application of any OAM; C) central list of issuers and links to each OAM holding information on that issuer; D) each national OAM holds a list of all the OAMs and the investor must seek in every appropriate OAM.

EALIC thinks that model A is a long-term goal that would be difficult to reach within the proposed timetable and would probably be too costly and too ambitious. EALIC agrees with CESR that Model D is very far from a “one stop shop” and therefore favors models B or C with a preference for model C. EALIC stresses that the possible costs and the devices that have to be put in place should be taken into account to decide which model will be chosen. Whatever the model chosen, it should not entail extra obligations for issuers and allow them to make regulated information available to the OAM only.

Q20: Do you agree with the above approach? Please provide reasons for your answer if you do not agree.

EALIC agrees with CESR when it says that the competent authority to appoint the mechanism for the central storage of regulated information must have all the powers to ensure compliance with the obligations foreseen by the Level I Directive.

Q21: Do you agree with the above approach? Please provide reasons for your answer if you do not agree.

EALIC agrees with the need for stability in the supervision of an OAM operating in multiple jurisdictions.

Q22: Do you consider that a competent authority can, within the limits set out above, change the standards over time in case of new technological evolution occur?

Q23: Do you agree with the above approach? Please provide reasons for your answer if you do not agree.

We agree that there must be cooperation among competent authorities in relation to the supervision and the technical updating of the European network and that the above mentioned coordination will be better effected at the level of CESR (see also answer to question 33).

Q24: Do you agree with the above interpretation of the purpose of filing and the conclusions made on basis of the interpretation ? Please provide reasons for your answer.

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CESR considers that the purpose of the “filing” foreseen by art. 19 of the Level I Directive is for supervisory purposes solely. This is surely coherent with the name of the heading of the article. EALIC also agrees that we have to consider whether the standards for the OAM’s should be replicated for the filing with the competent authority.

Q25: Do you agree with the above conclusion? Please provide reasons for your answers

EALIC agrees with CESR when it says that the aims of timely availability and adequate control by the competent authority may be best served by a completely electronic environment.

Q26: Do you agree with the above approach? Please provide reasons for your answer.

CESR gave three options for the filing by electronic means with the competent authority. We think that even if the best option is to have only electronic filing, this goal is not easily and timely reachable. EALIC thinks that the above mentioned requirement implies a great coordination between issuers on one side and competent authorities on the other side also with reference to the possible templates to be used by issuers.

Q27: Do you agree with the above? Please provide reasons for your answer Is there a need for an additional level of detail ? Please provide reasons for your answer.

Q30: Do you consider that CESR should require specific forms to be used to file regulated information with the competent authority? Please provide reasons for your answer.

Q31: Do you consider that CESR should require specific inputs standards to be used to file regulated information with competent authorities ? Please provide reasons for your answer.

EALIC thinks that specifying the electronic formats to be used and allowing electronic filing would help speed up the process with the competent authority.

Q32: Do you agree with the above concepts of “alignement”

Q33: Are there additional ways of alignment CESR should consider?

CESR considers the possible meaning and the aim of the term “alignement” of the filing with the storage mechanism pointing out that issuers should not be overburdened with different procedures by which to fulfill their obligations and CESR refers to possible means of bundling the various obligations of issuers under the Directive. CESR considers that the aim of the alignment can be: 1) to facilitate issuers in fulfilling their obligations; 2) to enable issuers to meet the three obligations set forth by the Directive for regulated information (dissemination, filing and the sending to the OAM); 3) the role of the competent Authority also acting as an OAM; 4) the use of a service provider to whom

the issuer would send the regulated information.

EALIC agrees with the fact that the aim of the alignment must be seen from the issuers' point of view. Issuers shall not be overburdened with different procedures in order to meet the obligations set forth by the Directive. It would therefore be important to build up an electronic procedure with which issuers could fulfill - at the same time - the electronic filing with the competent authority and the sending of regulated information to the OAM.

For sure the responsibilities borne by the parties concerned as regards storage should be further clarified. The issuer should be released from its storage obligations at the moment of transmission to the OAM. The operator responsible for storage should be subject to approval.

In order to reach the purpose described above as well as for the creation of all the possible formats and templates to be used, it is necessary to set up a joint workshop with issuers, competent authorities and OAM. As stated in the CESR's Progress Report March 2005 (Ref. 05-150b) methods used by issuers to fulfill obligations set forth by art. 19.4 of the Directive must be considered together with the obligation set forth by art. 21.1. EALIC thinks that this will also simplify the competent authorities' task and help end users who will benefit from such a system since they will be able to access the regulated information almost in real time.

WHO IS WHO IN EALIC ?

Update March 2006

I. MEMBERS

A. LISTED COMPANIES

FRANCE

Alcatel	Lagardère
Atos Origin	Michelin
BNP Paribas	Peugeot
Carbone Lorraine	Saint-Gobain
Essilor International	Sanofi-Aventis
Eurotunnel	Société Générale
France Telecom	Total
Hermès International	Vallourec
L'Air Liquide	Veolia Environnement
L'Oreal	Vinci
Lafarge	Vivendi Universal

NETHERLANDS

Aegon	Philips
Akzo Nobel	Reed Elsevier
CSM	Royal Dutch Shell
DSM	SBM Offshore
Fugro	Stork
Kas Bank	Unilever
Koninklijke Grolsch	Van der Moolen
Koninklijke Vopak	VNU
Océ	Wolters Kluwer
OPG	

BELGIUM

Fortis
Solvay
UCB
Umicore

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ITALY

Assicurazioni Generali
Autostrade
Banca Nazionale del Lavoro
CIR
Davide Campari-Milano
Edison
Enel
Eni
Fiat

Finmeccanica
Indesit Company
Italcementi
Marzotto
Mediobanca
RAS Riunione Adriatica di Sicurtà
Sanpaolo IMI
Telecom Italia
Unicredito Italiano

PORTUGAL

Sonae

SPAIN

Telefonica

B. NATIONAL ASSOCIATIONS OF LISTED COMPANIES

FRANCE

- Association Française des Entreprises Privées – (AFEP)
- Association Nationale des Sociétés par Actions (ANSA)

NETHERLANDS

- Vereniging Effecten Uitgevende Ondernemingen (VEUO)

BELGIUM

- Association Belge des Sociétés Cotées (ASBL) - Belgische Vereniging van Beursgenoteerde Vennootschappen (VZW) – (ABSC – BVBV)

ITALY

- Associazione fra le società italiane per azioni (ASSONIME)

POLAND

- Stowarzyszenie Emitentów Giełdowych (SEG)

II. BOARD

- Alain JOLY, Chairman
Chairman Supervisory Board L'Air Liquide
- Stefano MICOSSI, Vice Chairman
Director General Assonime
- Cees van LEDE, Vice Chairman
Member Supervisory Board Akzo Nobel
- Bertrand COLLOMB, Director
Chairman Lafarge
- Gabriele GALATERI di GENOLA, Director
Chairman Mediobanca
- Rob PIETERSE, Director
Former Chairman Management Board Wolters Kluwer
- Baron Hugo VANDAMME, Director
Chairman Roularta and Chairman Kinopolis
- Dorien FRANSENS,
Secretary General EALIC
- Paul CRONHEIM, Vice Secretary General
Partner De Brauw Blackstone Westbroek
- Robert BACONNIER, Vice Secretary General
Chairman and Managing Director ANSA

III. LEGAL COMMITTEE

- Paul CRONHEIM, Chairman
Partner DE BRAUW BLACKSTONE WESTBROEK
- José Luis AMORIM
Group Controller SONAE
- Robert BACONNIER
Chairman and Managing Director ANSA
- Stephen COWDEN
General Counsel and Company Secretary REED ELSEVIER
- Jaap de KEIJZER
General Secretary VEULO
- Carmine DI NOIA
Deputy Director General and Head Capital Markets and Listed Companies Division ASSONIME
- Tomasz DRĄGOWSKI
Attorney at law GESSEL
- Sven DUMOULIN
Senior Legal Advisor UNILEVER
- Bernard FIELD
General Secretary SAINT-GOBAIN
- Dorien FRANSENS
Secretary General EALIC
- Koen GEENS
Partner EUBELIUS
- Philippe LAMBRECHT
General Secretary FEDERATION OF BELGIAN ENTERPRISES
- Maria Luz MEDRANO
Director Financial and Mergers & Acquisitions TELEFONICA
- Christian SCHRICKE
General Secretary SOCIETE GENERALE
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