

Rome, February 7, 2003

Dear Mr. Demarigny,

Please find below our comments on the consultation paper “CESR's Advice on possible Level 2 Implementing Measures for the Proposed Prospectus Directive: Addendum (02.185b)”. I understand that the consultation date has expired, but I hope that you will nonetheless take them into consideration.

A general aspect that deserves attention is coordination between the new prospectus directive and the related directives on market abuse and investment services. To the extent that admission to listing and admission to trading will be effectively separated, it is important to ensure that no costs or additional burdens of any type be imposed on issuers by markets where their securities are traded without their consent.

**Item 15:**

Disclosing information about an issuer’s principal future investments in the wholesale debt registration document (r.d.) can help institutional investors to evaluate financial instruments. At the same time, the market abuse directive prescribes that issuers should disclose only information of a “precise nature” and CESR has specified in the implementing measures that an information is precise when “the underlying matter or event is true or could reasonably be expected to become true in the future”.

Therefore it would follow that the disclosure obligations should be limited to principal future investments “already approved by the Board of Directors of the Issuer”. This remark also applies to the core r.d. discussed in the main consultation paper (annex A, III.B.3).

**Items 20, 21, 22, 23**

As to profit forecasts:

- a) any disclosure should be voluntary in both content and presentation form are concerned (obviously, while maintaining the highest care in the preparation of such information);

- b) when there is no profit forecast, there should be accordingly no obligation to provide the information to external auditors. This applies both to securities offering aimed to wholesale investors (as requested in item 22 of the addendum) and to point 79 of the main consultation paper concerning the core registration document;
- c) in the wholesale debt building-block schedule (items IV.B.2 and n. 21 of the addendum) the requirement of trend information may be made conditional to a materiality condition: in other words the disclosure obligation should apply only when the provisional information about the current financial year is “material to the investor’s decision to invest”.

#### **Item 25**

Given the legal protection enjoyed by debt-holders (compared to equity holders) and to the quality of investors participating in the wholesale debt markets, the disclosure of Board practices should be simplified for issuers of these securities. As an alternative, it may be worthwhile to separate issuers of investment-grade debt and issuers of non investment-grade debt, placing full disclosure requirements only on the latter.

Thanking you for your kind attention we remain at your disposal for any further information you may require.

Sincerely,

Stefano Micossi

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