



Representing the entire bank and insurance industry the section bank and finance of the Austrian Federal Economic Chamber would like to comment the consultation paper as follows:

Comments on CESR's Advice on Level 2 Implementing Measures for the Proposed Prospectus Directive (Ref: CESR/03-162)<sup>1</sup>

### **Base prospectuses**

Para 90 - 101

We agree with the generic rule as well with the clarification as stated in para 94.

Para 102 lit b

In case of a two-document base prospectus it remains unclear how security information is to be split between the Retail Debt and the Securities Notes.

Para 110 - 112

We support the approach as stated in para 110, as it corresponds best to the Directive's target to facilitate issues offered under a program. In case of additional translation requirements, the use of base prospectuses would prove even more cumbersome than the use of "regular" prospectuses.

Para 116 - 122

As a rule the final terms should concentrate on information from the Securities Note. Nevertheless, there should be no restriction against issuers giving additional information. We agree with CESR's suggestion to include a reference to the base prospectus as stated in para 121.

Para 123 - 125

The Directive neither restricts nor does it even regulate how issuers are to provide investors with the final terms; neither does it provide a legal basis for such restrictions on Level 2 (cp Art 5 para 4 of the Directive). Moreover,

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<sup>1</sup>Comments related to specific paragraphs of the Advice

there is no need for any restriction in terms of the publication of final terms, as both issuers and invertors are similarly interested in communicating the final terms and investors never buy issues without being provided with final terms.

Para 127

See Comments on Para 123 - 125.

Para 131

We do not agree with additional cumbersome disclosure requirements, particularly, for example, the way final terms are to be published.

Para 136

We do agree with the different types of base prospectuses.

### **Wholesale dept Securities Note**

Para 140 - 145

We agree with the drawing up of a particular wholesale Securities Note, which is included as Annex F.

### **Format of the prospectus**

Para 169 - 172

We propose to distinguish between wholesale and retail markets. We support option 1 (schedules in order of disclosure requirements) in connection with issues directed to retail markets and option 3 (free choice at the issuer's discretion) regarding issues directed to wholesale markets. Qualified investors are able to handle different formats of prospectuses properly.

Para 173 - 176

With reference to the answer above we believe that a distinction should be made between prospectuses used for wholesale markets (option 2 should apply) and retail markets (option 1 should apply).

Para 178 - 182

We support option 2, as we believe that both the issuer and the investor benefit from a supplement to the summary. Significant new factors can be easily identified by producing separate documents.