

## **Contribution of the Budapest Stock Exchange (BSE) to the Consultation on CESR's advice on Transparency Directive Part I: Dissemination and storage of regulated information**

The consultation paper is based on a thorough and professional analysis and review of future requirements of the information dissemination. We believe, however, that there are feasible alternatives to the arrangement proposed by the paper.

We suggest the consideration of the following simple model for the European Union wide dissemination and storage of regulated information. This suggestion is based on interconnected dissemination and storage systems of the member states.

Our cornerstone is that the **information disclosure must be electronic**; the publication on paper and by the media must be left to the market.

The **operators** playing an important role in information dissemination have been **developed by the market** and we trust that the demand for information and the profit-oriented activity of these companies ensure that their service will be even more efficient and wide-ranging in the future. The role of the national competent authorities is to assure that the market is properly regulated and supervised.

In our opinion **all periodical and ongoing information** of the issuers should be published

- on the **website of the issuer**, and
- on the specialized **website of the regulated market operator** (stock exchange) appointed/authorised by the competent authority of the issuer's home market. The competent authority may have the right to operate the website itself instead of assigning the task to a stock exchange.

In this model companies do fulfil their obligation of information dissemination by sending the information electronically to these two places.

**Storage service** has to be provided by the same regulated market operator (stock exchange) which was appointed by the competent authority of the issuer's home market to publish the information. The storage service should store all information sent for dissemination. Information stored should be primarily categorised by issuers but the storage system must be enhanced by a strong search mode.

This model would make the question of timing the newly stored information redundant.

Issuers also must store and make available their historic information for five years.

Regarding the **costs and fees**, issuers should be a small fee to cover the costs of the operation of the website managed by the stock exchange assigned to be in charge of dissemination. (This would be a fraction of the amount paid by the issuers to publish their announcements in newspapers today). An option is that stock exchanges could set their issuer's annual maintenance fees to incorporate the dissemination costs as well. The member state competent authorities should contribute to the establishment of the information storage system, while operational costs to be covered by the stock exchange operating the storage and

from fees payable by users. Information less than one or two years old should be available free but older information for a fee.

**Historic information**, especially information older than two-three years, is very important for lawyers, law enforcement, academic researchers etc. and from time to time for securities analysts and investors, the latter group primarily using such information when setting up their own database.

Keeping information for five years is a minimum; long-term storage should also be established, even if access to information more than five years old may be slower.

The development of a **European dissemination and storage system** is absolutely necessary; but this should be a longer-term objective. We feel that a decision on this matter at this stage would be premature, more time has to be given to the organic development of the markets.

At this stage, however, CESR or a Europe-wide market institution could set up a website from where the official dissemination of all member states could be easily accessible.

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