

CONFEDERATION OF DANISH INDUSTRIES
DANISH SHIPOWNERS' ASSOCIATION

CESR,
11-13 avenue de Friedland
F-75008 Paris
FRANCE

6 September 2004

Dear Sirs,

Co-ordinating enforcement of Financial Information - Guidance for implementation of co-ordination mechanisms

Reference is made to your Public announcement of 25 June 2004 (ref. CESR/04-325) to which the Confederation of Danish Industries and the Danish Shipowners' Association would like to make the following two comments:

- I. We do not find it necessary to give the EECS the task to analyze and discuss decisions taken or to be taken by EU national enforcers on the enforcement of financial information requirements to achieve harmonization and co-ordination of future decisions, viz. paragraph 7, first point of your draft guidance.

We suggest that the role of EECS in this respect should be limited to identifying issues which are not covered by financial reporting standards or which may be affected by conflicting interpretations for referral to standard setting or interpretive bodies such as IASB or IFRIC, viz. your second point under paragraph 7. In practice to ask the EECS to analyze and discuss decisions is tantamount to give the EECS a role of a standard setting nature whereas this should be entirely left to IASB or IFRIC.

Any decision reported should be made anonymous as far as the identity of the person/company is concerned.

Accordingly we suggest that the first point under paragraph 7 is omitted.

- II. We cannot support the inclusion of the first point under paragraph 21 that national enforcers - when deciding whether to make a report to the database - should consider whether a material misstatement in financial information has been detected in line with

that envisaged by principle 16 of CESR Standard No. 1. This point is entirely different in nature from all the other points in paragraph 21 and may have nothing to do with the enforcement of IAS Standards. This is clearly so, because persons/companies which have only violated some special national rules or standards which may even not be relevant at all in any other Member State may also be reported to the database. Furthermore reporting to the database is based purely on a decision by the national financial authority whether a misstatement has taken place, and listing of all such persons/companies may very well infringe general principles on registration of persons/companies. It is also entirely unclear whether the persons/companies reported are to be notified before reporting takes place, whether they have any right to control or comment on what is reported and it is unclear at what stage the reported person/company is taken off the list etc. etc. Certainly persons/companies before being listed should be notified and given an opportunity to comment and rules on de-listing should be introduced.

Accordingly we urge that the first point under suggested paragraph 21 be omitted from the draft.

Yours faithfully,

CONFEDERATION OF DANISH INDUSTRIES

DANISH SHIPOWNERS' ASSOCIATION

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cc: Danish Financial Supervisory Authority