CESR's Consultation Paper on Possible Implementation Measures Concerning the Transparency Directive

Storage of Regulated Information and Filing of Regulated Information

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Q 1& 2:
We fully agree on these points.

Q 3:
We agree as to this point as well, and would like to add that in our view, cost-free access to the information by the end-user is vital.

Q 4:
During this phase of the process, we would not see any vital requirements for additional functionality as described. An easy- to-handle searching functionality would be necessary from the start, however. This could be further developed once the network is set up and requirements from users/members

Q 5:
We do not see any alternative technical solution to those envisaged in the CESR document.

We would favour option B as it would be a practicable solution technically: The setup would not be too complex, there would be no need for a „central system/web page/server" which would have to be developed/hosted and maintained by a third body, not massive data exchange between the single systems would be necessary as the queries would be run in the respective systems and search results would only be displayed to the users as lists of hyperlinks providing direct access to the information in the respective OAM's . Such a search functionality would be easy to implement, not as error-prone as in model A and costs would be relatively moderate.

Q 6:

We fully agree with all three points as necessary basic requirements for all OAM's.

Q 7:
We fully agree with the CESR opinion on this point.

Q 8:
We agree on these issues, as well, whereas point 66. remains a little unclear: We do not see what exactly is meant by „waivers for late filings due to IT issues".

Q9:
We do not think any additional security standards are needed. However, we would like to emphasise again the important of high security standards for transmission to and storage with the OAMs.

Q 10:
We agree generally, but the answer to this question of course partly depends on the technical setup of such an EU network. In Model B, as favoured by us, it might be sufficient to have a good firewall system protecting each of the national OAM's and secure communications standards for query postings or possible other data exchange between the respective OAM's.

Q11:
From our perspective telefax and e-mail technology as transmission technologies to submit information to the OAM's are not acceptable.

As to telefax transmission, a secure user authentication is hard to realize – the source identification tag transmitted with each document is editable, that is can be faked if the fax machine is configured wrongly. As a p.r. distribution service provider, we check the source of each telefax or e-mail document received by calling back the client personally – in our experience, that's the only practicable means of securing the identity of the sender.

As to tranmsission via e-mail, it is obvious that even with the usage of modern encryption technologies to prevent manipulation of contents and faking of identity of the sender, it is difficult to monitor the transmission process of message:

In contrast to fax transmission, there is no direct communication with feedback by the receiving party, so that one can never be sure – unless receiving a confirmation report of some kind - that a message has arrived and been accepted as well as correctly relayed by the receiving party's mail server/system. In case of an issuer sending regulated information via e-mail to an OAM directly, this means that the OAM's

would have to deliver an automatic e-mail confirmation report. In case the issuer does not receive this report (which might as well get lost or be manipulated on its way) within a certain amount of time after transmission, there would have to be a kind of „alarm". The issuer would then have to check whether the info has in fact not arrived (possibly by phone or other „manual" methods). Again, this would involve "manual work" and additional personnel.

In addition, the OAM would have to set up separate mechanisms to convert the e-mail message (either plain text in a mail body or pre-formatted attachments) into other formats automatically in order to check compliance with formats and required standard information. In case the sender transmits „unprocessable formats" or information not complying with standards, there would, again, have to be manual intervention or an automated message to the sender, asking for a re-transmission of the message.

With respect to the importance of high security standards as pointed out above and assuming that an OAM, in order to keep costs for the issuers low should not favour deploying additional personnel for such purposes and instead, set up the receiving / filing process as fully automatic, fax formats as well as e-mails should not be accepted.

If the issuer used a service provider for dissemination and storage duties, however (which is practically always the case currently), the service provider could accept such formats and take over the „security guard" function as to identity checking and compliance to standards of and then transmit the original information to the OAM in an appropriate and secure format.

Q 12
We fully agree with this. For later research as to exact submission times, this is vital. Whenever changes are made later on, these should be documented separately, with an additional time stamp.

Q 13
We do not consider necessary any additional standards on time. However, this aspect also plays a role when considering e-mail as a possible means of transmission to the OAM: Time stamping would only be possible after the automated re-formatting done at the OAM's side so that there might be considerable delays – especially if there are problems with the compatibilty of the formats – and an issuer might have to resend a piece of information.

Q 14
We agree with CESR's point of view.

Q 15
As pointed out in our common position paper with DGAP, Hugin and Deutsche Börse, we do consider availability of searching capabilities and search results in the „language of international finance", in additional to the respective local language, as sufficient.

Q 16
We agree with the standards as set out in the document, but would like to point out here that the OAM's should guarantee open access to both issuers and service providers equally. Usage of a service provider for both dissemination and storage duties is and will remain the most practicable way for most issuers. Additionally, level-playing field competition between service providers will guarantee most efficient and low-cost solutions for issuers.

Q 17
We agree on this point.

Q 18
We agree on the possible funding options pointed out in the document, but would like to point out that public funding should only be allowed in case OAM's are run by the respective competent authorities. In any other setup, free market mechanisms will apply. Price transparency will be vital here from our point of view: Any services charged to either the issuer or the end user (including those for value-added services) must be stated clearly and separately so that level-playing field competition as stated above can be established.

Q 19
We mainly agree with CESR's views. The overall costs will depend largely on the technical setup and network model to be chosen. As explained before, we would prefer a model B setup -one of the reasons being that setting up and maintaining a CAP, technical infrastructure and hosting, support etc. would be an additional cost factor and quite complex to jointly administrate – even if the costs were shared by all member states.

Q 20- 24
We agree with the views pointed out in the document.

Q 25
We believe that the security standards for reception and handling of electronic filings need to be identical to those pointed out above in relation to transmission and storage in the OAM. Sender authentication is vital here, as well – consequently, fax technology should not be allowed (reasons as above, described under 11.).

Q 26
We believe that all competent authorities should be required to implement electronic filing as the sole method, as it has multiple advantages (as set out in the document). With an appropriate technical solution, anyone acting on the capital markets today, including individual shareholders or small issuers should be expected to have access to the respective means of communication so we do not even assume that a transition period of more than a few months would be necessary.

Q 27 & Q 28
We fully agree on this point and would like to emphasise the importance of giving third parties as service providers the chance to do the filing on behalf of the filer. The mechanism must therefore support this functionality technically.

Fax and e-mail from our perspective are not acceptable as submission technologies here, either. For explanation we would like to refer to our answer to Q 11.

Q 29
We fully agree with the CESR views here and would like to add that time stamping upon successful receipt / filing of a document is vital as sometimes it's necessary for research later on to know exactly the time chain in which a piece of information was published or stored in the different networks / channels or was sent out to the public.

Q 30 & 31
We do not believe that CESR should require specific forms or input standards to be used to file regulated information with the competent authorities. This will get far too complex to harmonise on a European level and lead to unnecessary bureaucracy, especially with the need to constantly adjust forms to changing requirements. The control of input standards should therefore generally remain with the respective authorities.

Q 32
We agree with CESR's concept of „alignment" as it's not realistic to generally integrate the filing and storage processes. This will depend on the position and nature of the OAM's in the different member states.

„Alignment" of the two processes must therefore be seen from the issuer's / sender's point of view. We consider it vital to provide issuers with an easy-to-handle way to fulfil their different dissemination, filing and storage duties. By using a service provider offering one single interface and an easy-to-handle and at the same time highly secure

way to submit the information, issuers can be sure to fulfil their different duties in compliance with necessary standards, technologies and formats. This is, from our experience, what most issuers are choosing already and will surely remain the same in a „European setup".

The existence of competing service providers guarantees good service and fair prices for issuers as well as low-charge of free-of-charge availability to end users. Also, as pointed out in our former documents, we are strongly convinced that in order to guarantee free competition in this market, dissemination and storage duties must not be fulfilled by the same entity and prices and offerings for all services must – independently of who provides them be stated clearly and separately.

Q 34
We do not see any need for CESR to expand this idea in order to properly address the mandate.

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