



23 September 2010

The Committee of European Securities Regulators

Dear Sirs

**Consultation on the Development of Pan-European Access to Financial Information Disclosed by Listed Companies**

Thank you for the opportunity to comment on the Consultation on the Development of Pan-European Access to Financial Information Disclosed by Listed Companies. The Investor Relations Society's mission is to promote best practice in investor relations; to support the professional development of its members; to represent their views to regulatory bodies, the investment community and government; and to act as a forum for issuers and the investment community. The Investor Relations Society represents members working for public companies and consultancies to assist them in the development of effective two way communication with the markets and to create a level playing field for all investors. It has nearly 600 members drawn both from the UK and overseas, including the majority of the FTSE 100 and much of the FTSE 250.

**GENERAL OBSERVATIONS**

We are supportive of a more integrated mechanism at EU level but believe this should only be done by recognising the initiatives already existing at national level and taking into account the most cost effective solution.

Of the two options to develop a more integrated network set out by CESR in the consultation paper we favour a network model approach which would support the supervision of regulated information in the home member state. Our view is that a search mechanism linking back to the national network of 'officially appointed mechanisms' (OAMs) would be the best solution at EU level rather than to create a new system designed to operate only at EU level.

The creation of a single European OAM would unnecessarily duplicate many initiatives already in place and working well. In addition, the creation of a single European OAM will be costly to implement and add considerably to administration costs and would presumably have to be centrally funded. It would be disproportionate to have any additional costs borne by the issuer community.

## RESPONSES TO CONSULTATION QUESTIONS

Q1. What in your view is the reason for the apparent lack of widespread use of OAMs by end users?

First, the markets are global, and investors seek global solutions. A system that generates only single member state – or indeed EU-level information - provides a limited need. As a consequence a highly evolved information industry has been created over many years, which is highly tuned to the needs of the market. It adopts new technologies, new types of information, and greater breadth and depth very quickly. We note that many markets rely on the commercial disseminators for compliance with the simultaneous dissemination obligations of the Transparency Directive.

In addition, issuers have designed their websites with their shareholders in mind, combining both regulated and non regulated information. With information always being readily available on corporate websites this point of access is the quickest, cost effective and most expedient way to access such information rather than to go via a gateway, central access point, mechanism.

Q2. Do you agree that the visibility of OAMs could be enhanced through developing the search facilities at the level of OAMs and the OAM network?

We agree that enhanced search facilities would be extremely useful at EU level. With a powerful search mechanism the existing OAMs at national level could be fully accessed and this would help with publicising the OAM at national level.

Q3. Do you have any other proposals for improving the visibility and/or use of OAMs?

A search facility at EU level would do much to improve the visibility of national OAMs. It would be useful in this regard if the list of the types of regulated information used at national OAM level were harmonised.

Q4. Which of the search facilities in subsections 5.1.1 -5.1.3 below would you consider more important?

We consider the International Securities Identification Number (ISIN) to be important as the use of the ISIN could allow for the interlinking of existing databases of securities with the OAM network and thus increase transparency and flexibility.

We are not convinced that multiple country searches with a single request is demanded by the market and believe that further research on the demand for this is undertaken. The searches undertaken by investors and analysts are far more complex than those suggested.

**Q5. Are there any additional search facilities that CESR should consider?**

One area CESR could consider is in regard to collection of major shareholding notifications. When the current review of the obligations of major shareholding notification regime is under way, a system that supports the inputting of major shareholding information by investors would help greatly. Presently, these are carried over news dissemination networks, which can lead to market moving news being hidden.

**Q6. Which standard would you prefer for industry/branch categorisation?**

We have no preference. However, our only thought on this is that the standard chosen should not entail excessive cost.

**Q7. Do you see the need for mandating dynamic or chain searches at the OAM or CAP level?**

We do not immediately see the need for mandating dynamic or chain searches at either OAM or CAP level. We are of the view that basic search facilities of key data already held by national OAMs is sufficient.

**Q8. Would you consider it necessary to have common input formats and standards for any other type of regulated information than periodic financial information? If yes, which formats and standards and for which type of regulated information?**

No.

**Q9. Do you agree with the proposed common list of types of regulated information presented in Annex 3?**

Yes, we agree that the proposed list covers most types of regulated information.

**Q10. Do you have any proposals for further types of regulated information that should be included?**

It would be useful to include regulatory announcements on change of directors and perhaps certain directors' dealings in shares.

**Q11. What are your views on the interconnection of OAMs with business registers?**

We do not consider that the link to national business registers is a priority as it seems to us that the information available at business registries is of more relevance in terms of non-listed companies.

**Q12. What in your view would be the benefits of an integrated pan-European OAM network (with a central access point) for issuers or end users (retail investors, professional investors, analysts, other users of financial information)?**

Frankly, few. Given the existence of a fully working commercial information network, which moves swiftly to meet those needs that investors want, we do not see the need

for this. The national OAM's are sufficient for the purposes laid out in the Transparency Directive.

Q13. Do you see any specific pros and/or cons for option 1 or option 2?

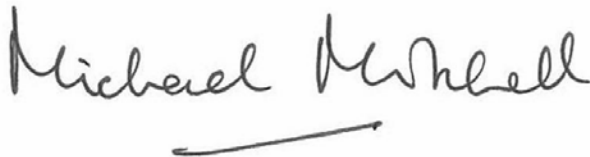
The main benefit of option 1 is that there would be a gradual transition based on national OAMs as they currently exist and therefore more cost effective. The three stage approach offers flexibility to deal with situations as they arise and for implementation to be refined or restated as and when necessary. We believe that a gradual approach to implementation is to be preferred and to work from a base of existing OAMs that are tried and tested is to be preferred over and above a higher risk, and higher cost, strategy of creating a single European OAM.

Q14. Do you agree with CESR's analysis of the supervision of the network and the need for binding technical standards for OAMs?

We agree with the analysis set out in the consultation paper.

Thank you again for the opportunity to comment; we remain as always open to discussions on the issues we have raised.

Yours faithfully,

A handwritten signature in dark ink, reading "Michael Mitchell". The signature is written in a cursive style with a long horizontal stroke at the end.

Michael Mitchell

General Manager

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