

September 14, 2007

**By electronic mail: [www.cesr.eu](http://www.cesr.eu)**

The Committee of European Securities Regulators (CESR)  
11-13 Avenue de Friedland  
Paris, France 75008

**RE: CESR Call For Evidence on the Possible CESR Level 3 Work on the  
Transparency Directive dated July 13, 2007, Ref: 07-487**

Ladies and Gentlemen:

Bloomberg L.P. ("Bloomberg") welcomes and appreciates the opportunity to comment on CESR's Call for Evidence dated July 13, 2007 regarding possible Level 3 work on Directive 2004/109/EC on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (the "Transparency Directive"), as well as Level 2 implementing Directive 2007/14/EC of March 8, 2007 (the "Level 2 Directive" and, together with the Transparency Directive, the "Directives"). We address each of CESR's questions in turn.

**Do you consider that CESR should start working in its Level 3 capacity in order to promote a consistent application of the Transparency Directive and the Level 2 Directive?**

We support CESR's interest in the implementation of the Directives and we recommend that CESR begin work in its Level 3 capacity to promote a consistent implementation of the Transparency Directive and the Level 2 Directive. As CESR notes, there is a potential for inconsistent application of the Transparency Directive by CESR members. We believe that CESR's involvement in the Transparency Directive's implementation would mitigate potential disparate applications of the Transparency Directive and therefore welcome its consideration of the issues outlined in the Call for Evidence.

CESR has demonstrated its effectiveness in streamlining and harmonizing other directives issued by the European Commission and remains a critical stakeholder in the implementation of any European legislative framework. CESR has proven to be an invaluable participant in effecting a pan-European application of the Markets in Financial Information Directive 2004/39/EC ("MiFID"), and we commend CESR on its commitment to the MiFID implementation process which has dominated the European regulatory landscape for some time. CESR has provided clear guidance through its Level 3 work with respect to MiFID's

requirements of best execution, inducements, transaction reporting and passporting, among other areas.<sup>1</sup> We believe that the Transparency Directive similarly implicates issues that should be considered from a pan-European perspective and that CESR is well-situated to provide guidance on the Transparency Directive in a manner that would provide the most uniform and consistent application among CESR's members.

We call CESR's attention to the challenges faced during the implementing phase of MiFID and believe that CESR can use its expertise in dealing with those challenges to play an essential role in facilitating the introduction of the Transparency Directive and Level 2 Directive among its member states. We are sensitive to the interplay of implementing multiple pan-European directives at the same time, particularly until the introduction of MiFID at all local levels has been significantly effected. We respectfully request that CESR evaluate this aspect carefully when considering the timeframe for its work on the Directives.

**If yes, which areas do you think CESR's work should cover? Could you prioritize them?**

We respectfully suggest that any Level 3 work CESR commences with respect to the Transparency Directive have as a primary goal the creation of a pan-European storage facility that would necessitate avoiding a "patchwork" of different transparency requirements and disparate standards for storage mechanisms. To promote integration and efficiency of the European securities markets, we encourage CESR to ensure the uniform implementation of its members of sufficient minimum standards to be observed by storage mechanisms. We believe it is essential that CESR articulate the objectives it has in connection with providing guidance on the Directives prior to issuing specific enunciations of rules and regulations. Once such objectives are set forth, we respectfully emphasize the importance of common guidance to follow on (1) the requirements for creation of one pan-European storage repository, (2) if more than one repository will be used, the pan-European registration requirements for these storage mechanisms, (3) seamless coordination and communication between and among the European Union member states and these mechanisms and (4) the technical requirements and standard protocols for operating storage mechanisms in each of its members. Bloomberg would welcome the opportunity to participate on a more significant level in this work, and we request that CESR foster open consultations and presentations with market participants.

In this regard, Bloomberg has significant experience as a nationally recognized storage mechanism for municipal securities information in the United States as an NRMSIR (Nationally Recognized Municipal Securities Information Repository). Bloomberg has served as one of four nationally recognized NRMSIRs designated by the U.S. Securities and Exchange Commission since 1990. Bloomberg's NRMSIR service currently makes municipal material event notices, official statements, financial filings and other public municipal documents

---

<sup>1</sup> See, e.g. Best Execution under MiFID, May 2007, Ref: CESR/07-321; CESR Level 3 Guidelines on MiFID transaction reporting, May 2007, Ref: CESR/07-301; CESR Level 3 Recommendations on Inducements and MiFID, May 2007, Ref: CESR/07-310

available to both BLOOMBERG SERVICE subscribers and nonsubscribers for a fee. As evidenced by Bloomberg's long-standing participation in, and provision of, this service, Bloomberg is committed to the principles of increasing transparency in the marketplace.

We note, however, that this is a non-exclusive list of items we would like to see CESR address. Several substantive areas have yet to be fully explored by the European Commission. Further guidance is still needed on the types of fees that may be imposed in connection with offering the services of storage mechanisms as well as accommodating multiple languages with respect to a pan-European storage mechanism. Indeed, it is unclear at this point whether the implementation of the Directives will result in a centralized storage repository or a pan-European network of national storage facilities. While we believe CESR's guidance would be useful in refining the scope of the Directives, we respectfully submit that any such guidance should allow for and comport with additional rules or regulations that the European Commission may introduce with respect to the Directives as well as any additional consensus that may develop regarding the implementation of storage facilities.

**Do you think CESR's work to harmonize should be published in the form of a Q&A section of its website (in a similar way as CESR is currently doing in the prospectus area)?**

We would welcome the publication of CESR's work to harmonize the Transparency Directive in a Q&A section on its website. CESR has previously provided guidance in Q&A format not only in the context of the prospectus area, but in best execution and other MiFID areas as well. We appreciate this format as it provides concrete examples that assist us in fashioning our operations in accordance with CESR's guidance.

We are of the opinion that the various Q&A formats, public solicitations of advice and deliberative proceedings open to the public are the optimal channels to develop the policies considered herein. Inviting all market participants to proffer their opinion engenders a collaborative means of identifying strengths and issues in the rule-making process and we urge CESR to keep its deliberations and calls for advice within the public forum.

**Do you think CESR should facilitate the establishment of an E.U. network of national storage mechanisms.**

We encourage an E.U. network of national storage mechanisms. We note the interrelation between and among the Transparency Directive and Directive 2003/71/EC *on the prospectus to be published when securities are offered to the public or admitted to trading* ("Prospectus Directive"), Directive 2004/25/EC *on takeover bids* ("Take-over Directive") and other securities markets law in the European Union, in providing additional regulated information that could be stored in a pan-European storage mechanism. We respectfully recommend that CESR, through its Level 3 work, establish uniform standards and protocol for storage mechanisms to maintain all regulated information required under the respective E.U. Directives and securities markets law. If the initiative is to be successful common guidance should be coordinated with each of the CESR members in respect of the types of regulated and

other information that are to be contributed to, and maintained by, a pan-European storage mechanism.

We respectfully suggest that any Level 3 guidance CESR issues should address (a) the scope of regulated information that will be required of issuers and other market participants to be stored in a storage mechanism, (b) whether such scope will be flexible enough to allow for inclusion of new categories of financial instruments and securities which require documentation, e.g., loans, derivatives, structured notes, collateralized private securities and, (c) the timing of this determination within the consultation process, (d) whether entities that act as storage mechanisms could add a disclaimer excluding them from any liability related to technical problems in transferring regulated information and (e) the possibility that access to information via storage mechanisms may render redundant the requirement under the Prospectus Directive to publish an annual document containing all relevant information published or made available to the public over the preceding twelve months. The creation of a pan-European repository for all investor-related information required under various Directives would facilitate the regulatory goals of “one-stop shopping” for investors and other end users, and provide a necessary transparency tool in the European Union securities markets. We also believe that CESR should recommend that issuers submit documentation in electronic format as this would facilitate transparency and standardization across the European Union.

Currently there is no consensus on the scope and breadth of documents that should be stored or the duration of such storage. Therefore we respectfully request that any guidance or facilitation CESR issues with respect to the establishment of a pan-European network of storage mechanisms include a discussion addressing the parameters of what documents would need to be recorded.

We suggest that a competitive, pan-European storage mechanism model derived from the private sector would best suit the interests and needs of competent authorities, issuers and investors to provide end users with “easy access” to the regulated information required under the Transparency Directive and other relevant European Union directives. Reliance on the private sector, and on market forces, would facilitate innovation and efficiency. The provider of a pan-European system could offer both a local Official Appointed Mechanism solution to individual Member States and provide a common pan-European hub. Member States could then be given the freedom to appoint the appropriate market players to provide the relevant storage systems.

\* \* \*

We appreciate the opportunity to make our views known to CESR.

Respectfully submitted,

*Amy Staveley* by R.D.B.

3911747