PART ONE - MINIMUM INFORMATION

A. Registration Document

EQUITY SECURITIES

44. The Committee broadly agreed with the disclosure obligations set out in Annex A for equity securities.

47. The Committee felt that the approach of CESR of having a disclosure requirement for risk factors rather than a list of specific risk factors was the most appropriate.

53. Providing a threshold figure in the context of requiring pro forma information was considered giving a certain level of comfort to the parties involved. Nevertheless, the threshold figure should not be below 25%.

55. The Committee agreed on the provision that the competent authority should be able to insist on pro forma information being included where this would be material to investors.

73. The Committee commented that in the determination process of the period covered by profit forecasts, due consideration should be given to the activity of the issuer.

85. On the basis that preparation of profit forecasts is voluntary, the Committee considered that issuers should be required to update outstanding profit forecasts in the prospectus.

89. While some information about the history of directors is considered to be material for investors, the information required here is considered by the Committee to go beyond the scope of the information required in prospectuses. The required information does not form part of criminal records of individuals, is not material and even may breach privacy laws.

91. The Committee considered simple disclosure of the situation sufficient. No additional disclosures of any limiting measures should be required.

93. Reference to documents in the prospectus should not automatically require issuers to put on display these documents. The consequence would otherwise be that these documents would simply not be mentioned in the prospectus. The need to make publicly available specific documents should be assessed in relation with the materiality of the information contained in these documents to investors as well as eventual damages caused to the issuer by publication of the information. As a consequence, only material documents and contracts or

material extracts of these documents and contracts should be required to be on display.

96. In order not to make the issue too difficult for issuers and other parties involved in the preparation of the prospectus, the Committee believes that there should be a restricted number of building blocks. Nevertheless, there is an obvious necessity to have a specialist building block for credit institutions.

101. The Committee felt that additional disclosure requirements should be required for start-up companies. As an example, the Committee referred to a requirement for disclosure of a business plan provided or reviewed by independent experts.

102. The Committee considered that disclosure of restrictions regarding holdings by directors and senior management etc should be applied to all companies. In addition, a negative statement should be required where there are no such restrictions.

105-107. From a point of view of investor protection, the Committee considered the information required for SME's should be the same as the information required for other issuers.

112. While the Committee considered it appropriate to require that the date of valuation must not be more that 42 days prior to the date of publication in the case of a single property, it was reluctant to expand this requirement to cases of multiple properties.

120. The Committee agreed with the disclosure requirements in registration documents for investment companies set out in Annex G.

DEBT SECURITIES

129. The investor needs of information are quite different for debt securities as they are for equity. Investors will be less interested in shareholdings, dividends, corporate governance issues etc. and more interested in insolvency risks.

134 & 135. Both disclosures about bankers and legal advisers were considered not to be relevant for the investment decision.

137 & 138. Both disclosures about a company's past investments in other undertakings and about a company's current investments in other undertakings were considered to be material for an investor to make an investment decision about investing in the company's debt.

139. With the exception of the description of the use of proceeds relating to the specific issue, disclosure about a company's future investments in other undertakings was not considered to be material for an investor to make an investment decision about investing in the company's debt.

142. The Committee agreed on reflecting the different interests that investors in the company as shareholders have from those of investors in debt securities issued by the company, in different disclosure standards.

145. In order to facilitate cross border offerings, the Committee considered it necessary to stipulate the form and content of interim financial statements.

145 & 146. The Committee considered it appropriate to follow IAS standards in this respect.

148-150. Please refer to the Committee's answer to question 93.

DERIVATIVE SECURITIES

160. The Committee agreed on having specific disclosure requirements for derivative registration documents on the condition that equity registration documents as well as debt registration documents may be also be used for issuing derivatives without any additional registration document disclosure requirements on the issuer.

170-173. The Committee preferred a wide definition of derivatives but stressed that the definition must be precise enough to allow to separate the "real" derivatives from issues with a non material derivative component as for example a debt issue of a steel company with a small Nikkei linked component.

179 & 180. The Committee noted that, even if, in practice, this broad sub-categorisation of derivative products exists, there is no need of having two distinct registration document building blocks reflecting this sub-categorisation.

190. The Committee did not consider disclosure about the issuer's senior management to be relevant for these procucts.

192. The Committee considered only disclosure about the issuer's legal adviser for the specific issue to be relevant for investors.

199. The Committee considered the level of detail set out in IOSCO disclosure standard IV A. "History and Development of the Company" to be too detailed and not material in the context of an investor investment decision relating to derivatives.

202-205. The Committee considered that a general description of the issuer's business and organisational structure is sufficient for this category of product.

207-228. The Committee pointed out that from its point of view, the actual disclosure requirements as foreseen by Luxembourg legislation have adequately taken into account the specific needs of an investor in derivative issues. These disclosure requirements basically provide for a summary description of the capital and financial position of the issuer of derivatives showing significant data for the past two financial years, supplemented with interim financial data. In addition, the latest annual report is incorporated by reference.

225. Reference here should be to section X.D of IOSCO instead of section X.C.

B. Securities Note

244. As the Committee considered that a convertible obligation is different by nature of a debt security and in order to prevent any confusion on the terms used in the directive, it recommended that if CESR uses this kind of definitions, it should be clarified that these definitions apply only for the use of this document.

252. Advisors should only be mentioned if they could be held liable by an investor in relation with the information given in the prospectus.

253. Auditors reports should be disclosed in the prospectus.

254. Responsibility may be assumed by different persons involved in the issue as for example in cases where the offeror is not the issuer of the securities.

255. The Committee felt it necessary to include a statement of capitalization and indebtedness for derivatives.

256. Disclosure of the reasons for the offer and the use of proceeds, while relevant for debt and equity issues, is not considered relevant for derivatives by the Committee.

257. The Committee was in favour of the inclusion of a worked example arguing that this kind of information is simple and meaningful for investors.

258. Disclosure of experts who have a material, direct or indirect economic interest in the company was considered to be necessary.

259. Disclosure of item b) "Court competent in the event of litigation" seemed to be a difficult issue in the opinion of the Committee. In fact, the court may not always be determined in advance and this kind of disclosure may even be counterproductive, restricting the choice of an investor to one court in the event of litigation. Furthermore, regarding the two wordings proposed for the rating disclosure, the first one was preferred by the Committee.

260. A statement concerning the past performance of the underlying and its volatility is considered to be necessary. This requirement should not vary depending upon whether the underlying instrument is admitted to trading on a regulated market and the nature of the market, nor upon the nature of the underlying instrument.

PART TWO - INCORPORATION BY REFERENCE

281. The Committee stressed out that specific care should be taken of incorporation by reference of memorandum and articles of association. In fact, these are voluminous documents, normally set up in the language of the country of origin of the issuer, subject to a permanent process of change and are only relevant if updated. Taking these factors into account, the Committee would prefer not to allow incorporation by reference of this kind of document.

287. The Committee pointed out that the period of time for which the documents incorporated by reference should be made available at no cost should be indicated here.

PART THREE - AVAIBILITY OF THE PROSPECTUS

322. When the prospectus is published, there should also be a possibility to publish the notice in the official gazette of the stock exchange.

326. The Committee considered that there is no necessity to determine the minimum content of the notice.

328. Indication on the website of the competent authority should be considered enough.

334 & 334. The Committee considered that the duty to deliver a paper copy to the investor should apply to intermediaries next to the marketplace and / or investors as financial intermediaries involved in the issue, regulated markets etc. instead of applying to the issuer who may be located at a certain distance from the investor.

Please note that these comments have been made by the members of the Committee during two meetings specially organized to examine the consultative paper. No written comments of the experts were received.