

POSITION PAPER



ESBG response to CESR proposal to extend major shareholding notifications to instruments of similar economic effect to holding shares and entitlements to acquire shares

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The European Savings Banks Group (ESBG) welcomes the opportunity to comment on the CESR proposal to extend major shareholding notifications to instruments of similar economic effect to holding shares and entitlements to acquire shares.

In general terms, ESBG supports CESR's proposal to extend the scope of the Transparency Directive (response to question 1). ESBG appreciates CESR's efforts to coordinate national efforts in this area but believes that a revision of the Transparency Directive is absolutely necessary to ensure a Europe-wide harmonised approach and legal certainty (response to question 2).

With view to this review ESBG notes that on Level 1 a general rule should be established and on Level 2 implementing measures should contain an extensive list of financial instruments which fall under the scope of the notification requirement. The general rule (on Level 1) should be more precise than the broad definition of "financial instruments of similar economic effect to holding shares and entitlements to acquire shares without giving direct access to voting rights" used by CESR (response to question 3). It should at least also include the aim to reach a decisive influence in an issuing company. Another element of the definition should be, in ESBG's view, the clarification that the term "financial instrument" is used in line with the MiFID definition of this term (response to question 4). Looking at the list of financial instruments (Level 2), as presented in paragraph 48 of the consultation document, ESBG affirms that it should be an extensive list and that the content needs to be reassessed. For example, baskets clearly cannot be used to gain a decisive influence and should thus not fall under the scope (additional response to question 3).

ESBG agrees that there is a need to apply existing TD exemptions to instruments of similar economic effect to holding shares and entitlements to acquire shares (response to question 8). ESBG is also in favour of including additional exemptions mentioned in paragraphs 66 and 67 of the CESR consultation document (response to question 9).

In conclusion, ESBG in principle supports CESR's proposal to extend the notification requirement. ESBG expects that such changes would result in improved market transparency, while the extent of compliance costs is not yet calculable, as costs depend on the exact scope and detailed provisions and requirements (response to question 10 and 11).



About ESBG (European Savings Banks Group)

ESBG (European Savings Banks Group) is an international banking association that represents one of the largest European retail banking networks, comprising about one third of the retail banking market in Europe, with total assets of € 5967 billion (1 January 2008). It represents the interest of its Members vis-à-vis the EU Institutions and generates, facilitates and manages high quality cross-border banking projects.

ESBG Members are typically savings and retail banks or associations thereof. They are often organized in decentralized networks and offer their services throughout their region. ESBG Member banks have reinvested responsibly in their region for many decades and are one distinct benchmark for corporate social responsibility activities throughout Europe and the world.



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