

The Committee of European Securities Regulators CESR

CC: FEE

CALL FOR EVIDENCE ON CESR GUIDELINES FOR THE CONSISTENT IMPLEMENTATION OF THE PROPOSED REGULATION ON PROSPECTUSES

Comments of the Finnish Institute of Authorised Public Accountants

The Finnish Institute of Authorised Public Accountants (later "the Institute") has been given the opportunity to provide you with our thoughts on the issues arising from the proposed Regulation on prospectuses that in our view should be considered in developing further guidance on implementation of the Prospectus Directive. We believe the Prospectus Directive will be of great importance for creating harmony and consistency within the EU for financial information of different kind of issuers and we appreciate this opportunity to share our concerns on the practical implementation of the proposed Regulation.

We are aware that Federation des Experts Comptable Europeens ("FEE") has provided you with a comment letter on this important issue. We have read through their comments and we fully agree with them. The comments raised by FEE have concentrated on the areas where auditors or independent accountants are likely to have direct involvement and these areas are also within the competence of the Institute. We urge you to especially consider the comments relating to profit forecasts or estimates, historical financial information and pro forma financial information, as these issues we believe are the most important and require further guidance.

Regarding the issue of profit forecasts and estimates we would like to recommend that this kind of information would be very limited in nature. Presenting future estimations side by side with the historical financial statements may mislead the investor. We also feel that the auditor's responsibilities regarding this information should be clarified and harmonised.

In our opinion the requirements for financial information in the prospectus should be as much as possible in line with the requirements for already listed companies. The financial statements are already subject to detailed regulation and audit requirements. Restating this historical information and presenting it in the prospectus can be confusing to the investor. Furthermore the restatement can be in conflict with the appropriate transitional provisions in the relevant new IFRS standard.

In addition to issues/comments raised by FEE we would like to share our concern on one issue arising from the harmonisation process in general. The development for harmonised regulation for European listed companies is worthy of support and the progress towards a uniform regulation has progressed as planned. However, as there are several market places within the European union, the diversified rules imposed by the individual market places can threaten the practical implementation of the uniform regulation. We urge you to find additional ways to harmonise these rules.

Helsinki 16 April 2004

KHT-YHDISTYS
(Finnish Institute of Authorised Public Accountants)

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Chairman