

## STATEMENT

30 October 2003

**To the Committee of European Securities Regulators**

**CESR'S ADVICE ON LEVEL 2 IMPLEMENTING MEASURES FOR THE PROSPECTUS DIRECTIVE**

The Finnish Bankers' Association (FBA) respectfully submits the following comments on CESR's Advice on Level 2 Implementing Measures for the Prospectus Directive.

*Question 30*

The FBA considers justified the approach according to which the Annex should be restricted to Member States, EU States and to their regional and local authorities.

*Question 32*

In paragraph 31, there is a list of items that should be included in the prospectus. In this context, it should be considered whether the Annex should differ between EU States and non-EU States to enable in some respects more moderate requirements for EU States than for non-EU States.

*Question 33*

As concerns Annex D, the FBA does not consider it justified to increase the requirements set for EU Member States and their regional and local authorities.

*Question 35*

Disclosure of financial indicators listed in Annex D makes it easier for investors to collect information. Therefore, the FBA considers that the disclosure requirement is appropriate.

*Question 40*

As far as states are concerned, investment and development plans should not be included in the Annex. Instead, it might be justified to include these plans in the Annex to be applied to regional and local authorities.

*Question 42*

It is justified to disclose potential conflicts of interest in case they are remarkable. In practice, these kinds of conflicts will probably happen very seldom, particularly as far as states are concerned.

*Questions 56-60*

The FBA considers that the regulation, according to which the prospectus should include audit reports covering the last two years and be prepared according to IAS standards, is basically justified. However, the regulation should not be applied during the introduction period of IAS standards. During the transitional period, there will be no information available covering the previous two years. It would cause an unreasonable amount of work to collect this information.

The FBA does not find the option 3 desirable, as the benefits of reconciliation would be insignificant compared with the work required.

The risks and judicial nature of debt instruments differ essentially from those of equity capital instruments. The FBA does not consider it justified to set the same requirements for debt instruments as for equity capital instruments.

*Question 69*

Facilities concerning disclosure of financial information should be extended to apply to EU issuers, too.

*Question 70*

It might be justified to apply different requirements also to credit institutions under public supervision, such as banks. However, because of the strict regulation and supervision applied to banks, their position differs significantly from other companies. Therefore, it should be considered whether the requirements for economical information to be provided on banks, could also be moderated.

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