

## **Comments on CESR's Addendum to the Consultation Paper regarding Level 2 implementing measures for the proposed prospectus directive**

### **PART ONE-Registration Document**

**Questions par 15 and par 16: Do you consider that information about an issuer's principal future investments should be disclosed? Please give your reasons. Do you agree that a description of only some of these items should be made? If so, which ones.**

We agree with ref IIIB of Annex 1, that principal and only principal future investments should be disclosed, with the exception of interests to be acquired in other undertakings.

**Question par. 18: Do you consider that information about a company's capital expenditure commitments would be of value to "wholesale market investors"?**

We believe that such information is of value for wholesale market investors.

**Question, par. 22: Should any profit forecast that is included be reported on the company's auditor or reporting accountant?**

If this kind of disclosure is to be included, we believe that it should not be reported by the company's auditor or reporting accountant due to costly and time consuming procedures.

**Question, par. 23: Do you consider that the requirement to disclose an issuer's prospects should be retained, or should this requirement be deleted?**

We believe that such statements are useful in assessing an issuer's ability to fulfil its obligations to investors; therefore we suggest that they should be retained.

**Question par. 25: Do you consider it necessary to continue to require disclosure of Board practices for issuers of such securities?**

In light of the latest events regarding corporate governance structures failures, we consider it necessary to disclose Board practices.

**Questions par.27 and 28: Do you consider that these disclosure obligations should be required- CESR's expectation is that either both**

**would be deleted or both retained. Do you consider that only one of this disclosure obligations is necessary and if so, which?**

We believe that they should both be retained.

**Question par. 30: Do you consider that this disclosure requirement should be retained in relation to this type of issuer?**

Yes, it should be retained.

**Question par. 33: Do you consider this approach to be appropriate?**

We consider that the same approach needs to be followed as with retail corporate debt, which is to require interim financial statements to be disclosed.

**Question par. 35: Are your views or comments different from those in response to the first consultation paper?**

The documents included in reference VIII.C could be put on display as long as this does not result in a time consuming and impractical procedure. In addition, competitive issues may arise from this public display, and this has to be taken seriously into account when deciding which documents to put on display.

**Question par. 43: Having reviewed the disclosure obligations set out in Annex 2, do you believe that a specialist building block for banks is justified?**

Yes, a specialist building block for banks is needed.

**Question par. 44: If so, do you consider that this specialist building block should be applied to non-EU banks that are subject to an equivalent level of prudential and regulatory supervision, or should only EU banks be covered by this specialist building block?**

We believe that the same regime should be applied to all banks irrespective of origin.

**Question par. 45: Other than those disclosures considered separately below, do you agree with the disclosure obligations for banks as set out in Annex 2?**

We do agree with Annex 2 as it is set out.

**Question par.47: Do you consider that information about a bank's principal investments should be disclosed?**

Yes, it should be disclosed.

**Question par. 49: Do you consider that a bank's actual solvency ratio should be disclosed?**

Yes it should be disclosed.

**Question par. 51: Do you consider it necessary to continue to require disclosure of Board practices by banks?**

Given that corporate governance has been in the spotlight lately, we believe that Board practices should be disclosed for banks as well.

**Question par.53: Do you consider that the disclosure obligations [VI.A.1, VI A.2 and VI.A.3] should be required for banks?**

We believe that this kind of disclosure should be retained for banks as well.

**Question par. 55 Do you consider that this disclosure requirement should be retained in relation to this type of issuer?**

Yes, it should be retained.

**Question, par. 57: Do you consider the approach set out in VII.H of the Bank Building Block schedule to be appropriate?**

Yes, we consider it to be appropriate.

**Question par. 59: Are your views or comments in relation to securities issued by banks different from those in response to the Consultation Paper?**

We believe that material contracts should not be on display when securities are issued by banks. However, we would appreciate it if CESR could set a precise criterion as to how materiality is defined in relation to banks and contracts they enter into.

**Question par. 66: Do you consider that issuers of derivative securities should be required to provide a description of their principal future investments? Please give your reasons.**

We agree that the disclosure of such information is not necessary since issuers of derivatives, such as banks, are constantly under regulatory and supervisory control.

**Question par. 69: Do you consider that the information set out in V.A.1 of the Derivatives Building Block should be restricted to the directors of the issuer? Please give your reasons.**

We believe that information about the members of the administration, management or supervisory bodies is relevant for an investor's decision.

**Question par. 71: Do you consider that the information set out in V.B of the Derivatives Building Block to be relevant and necessary disclosure for these products? Please give your reasons.**

Again, we believe that this kind of disclosure is necessary because it enhances transparency.

**Questions par. 73 and 74: Do you consider it necessary to require disclosure of Board practices for issuers of derivative securities? Please give reasons for your answer.- Do you consider it necessary to require disclosure for Board practices for issuers who are banks of securities derivatives.**

Yes it is relevant information for the same reasons as mentioned in previous questions regarding Board practices.

**Question par.76: Do you consider that this disclosure requirement should be retained in relation to derivative securities? Please give your reasons.**

We believe that this disclosure requirement should be retained because it enhances transparency conditions.

**Question par.78: Do you consider the approach set out in VII.H. of the Derivative Building Block schedule to be appropriate?**

We agree with this approach.

**Question par.80: Are your views or comments in relation to derivative securities different from those in response to the Consultation Paper?**

Our views regarding this issue remain the same as in the Consultation Paper.

**Questions par. 87 and 88: After review of the proposed disclosure requirements for banks set out in Annex 2, do you consider it necessary to set out separate disclosure requirements for guaranteed derivative securities issued by banks (including for these purposes SPVs whose obligations are guaranteed by banks), or should all such derivative securities irrespective of their percentage return be treated as all other non-equity securities issued by banks (or SPVs whose obligations are guaranteed by banks)?- If you consider that there should be a difference between the disclosure requirements for a bank (or a SPV whose obligations are guaranteed by a bank) issuing a guaranteed derivative security, and the disclosure requirements for a bank issuing all other types of non-equity securities, please indicate what percentage return should be applied to differentiate between these different disclosure requirements.**

We do not believe that such differentiation is needed as far as disclosure requirements are concerned.

**Question par.89: Having reviewed the disclosure obligations set out in Annex 3 for derivative securities issued by banks or SPVs whose obligations are guaranteed by banks, and the disclosure obligations set out in Annex 2 for all other non-equity securities issued by banks, what if any, additional disclosures do you consider a bank issuer or SPV issuer whose obligations are guaranteed by a bank of a guaranteed derivative security should provide?**

No additional disclosures are needed.

**Questions par. 92 and 93: Do you consider that the disclosure requirements for banks issuing derivative products should also be applied to non-bank issuers of non-guaranteed derivative securities? If you consider that there should be different disclosure requirements for non-bank issuers of derivative securities, on review of the derivatives disclosure requirements set out in Annex 3, and the wholesale debt disclosure requirements set out in Annex 1, please advise.**

We consider that equal treatment of issuers has to be maintained.

**Question par. 96: Do you agree with the disclosure obligations set out in Annex 4 as being appropriate for this type of securities?**

We agree with the layout and requirements set out in Annex 4

**Questions par. 102, and 103: Do you agree with the disclosure obligations set out in Annex 5 as being appropriate for this type of security? In particular, do you consider that any information regarding the depository is required in addition to that set out in IX.A.?**

We consider Annex 5 to be appropriate as it is.

**Question par. 104: If there is recourse to the depository under the terms of the DR issued, what disclosure requirements do you consider would be appropriate in relation to the depository?**

We believe that the investor does not have a right of recourse against the depository under the terms of DR; therefore information about the depository should remain minimal. However, even if such a case occurs, where the investor has a right of recourse against the depository, the only relevant information would be that regarding the issuer of the underlying.

**Question par. 111, 112,113 and 114: Do you believe that a specialist building block for shipping companies is appropriate? Do you agree with the disclosure requirements as set out in Annex 6? Do you agree that valuation reports are required for shipping companies, and that these valuation reports should be not dated more than 90 days prior to the date of publication?**

We agree that a separate building block is required for shipping companies, and we believe that Annex 6 is complete as it is. We also agree with the valuation prerequisite as well as its 90 days maximum validity.

**Question par.115: Do you believe that it would be more appropriate for such valuation reports to be required when securities are being issued by a shipping company and therefore form part of the securities note?**

We agree that it should only be included in the securities note.

## **PART TWO- Securities note**

**Questions par. 122 and 123: Do you agree with this approach? Are you satisfied with the wording of the Blanket Clause?**

We agree with both the approach and the wording of the Blanket Clause.

**Questions par.125 and 126: Do you consider that this disclosure is more appropriate to the securities note or the registration document? - If you consider that this disclosure is more appropriate to the securities note, do you believe that the other disclosures regarding liquidity and capital resources currently in the registration document should be included in the securities note instead?**

We believe that this kind of disclosure should be included only in the registration document.

**Question par. 132: Do you agree with this approach (additional information in the SN equity schedule)?**

Yes, we agree.

**Question par. 136: Do you agree with this approach (additional information in the SN debt schedule)?**

On the whole, we agree with this approach.

**Question par.139: Do you agree with this approach (additional information in the SN derivatives schedule)?**

Yes we agree.

**Question par. 143: Do you consider the disclosure requirements set out in Annex 10 to be appropriate for asset backed securities?**

Generally, we agree with the layout and the requirements set out in Annex 10. However, we would like to see a more concrete description of item B1 of the annex.

**Question par 144: On review of the debt security note disclosure requirements set out in Annex L to the Consultation Paper, please advise what if any of these items of disclosure should not be required for these types of securities?**

We agree with Annex L even for asset backed securities.

**Question par. 149: Do you agree with the proposal to have the disclosure obligations in relation to guarantees in a separate building block so as to allow greater flexibility in structuring the issue of securities?**

Yes, we agree.

**Questions par. 150 and 151: Do you believe that the level of disclosure required by the proposed building block is appropriate?**

**Question par. 155: Do you agree with this approach?**

Yes, we believe that it is appropriate.

**Question par. 159: Which approach do you deem to be more appropriate?**

We agree with the first approach.

### **PART THREE-Summary**

**Question par. 168: Do you believe that there is a need for Level 2 advice on the content and characteristics of the summary and that, in particular, there is need to prepare specific summary schedules?**

There is no need for special schedules for the summary.

### **PART FOUR-Base prospectus/programmes**

**Question par. 175: do you have any comments on the preliminary views expressed in par.174?**

We believe that the information that must be disclosed should be the same irrespectively of whether the issuer uses the normal prospectus procedure or the base prospectus procedure.