

Item 3.3

We believe that the distinction between large companies, SMEs or companies with reduced market capitalisation is not relevant. The discrimination regarding the information to be disclosed depends on the nature of the offer. In the offers made in the frame of employee shareholding schemes (whichever they are: issuing new shares with a discount price, share-option plans, or free shares, etc..), the information should cover

- the usual financial information to be disclosed in the Company Annual Report (the “Reference Document”)
- the precise description of the proposed operation (number of shares, price, subscription period, possible vesting period, specific performance conditions- if any-, etc...)
- a detailed presentation of the associated risks: the company must point out that a share cannot have a predetermined value, and that the beneficiaries of the offer should consider that they are taking some risk when they enter such a scheme.
- a particular focus on what could happen in case of a restructuring (merger, take over, etc...)

Item 3.4

No objection.



**International Association
for Financial Participation**

24, av. de la Porte d'Asnières
75017 Paris - France
Tél. : 01 46 22 00 02
Fax : 01 46 22 01 61
Email : iafp.aipf@gmail.com
www.iafp.eu.com

Association Internationale
pour la Participation Financière

esma
ARRIVE
ON: 4/3/11
N°: 11-397

Mr. Carlos Tavares
Vice-Chairman
European Securities and Markets
Authority (ESMA)
11-13 avenue de Friedland
75008 Paris

Paris, 02 03 2011

Subject: Call for evidence on the request for technical advice on possible delegated acts concerning the Prospectus Directive as amended by the Directive 2010/73/EU.

Dear Sir,

As a complement of the submission that I made on line last Friday on ESMA's website, I wanted to address to you a statement supporting the Submission made by Ifs ProShare a few days ago on the same subject.

Would you please find hereafter this document and the attached Ifs Proshare Submission.

Sincerely yours,

Jean-Michel Content
General Secretary



**International Association
for Financial Participation**

SUBMISSION TO ESMA

Call for evidence on the request for technical advice on possible delegated acts concerning the Prospectus Directive (2003/71/EC) as amended by the Directive 2010/73/EU.

The International Association for Financial Participation (IAFP/AIPF) fully supports the Submission made by Ifs ProShare, and which is attached to the present one.

IAFP is an international Association which promotes throughout the world the principles of Financial Participation in all its forms (employee shareholding, profit sharing, etc.). Founded in 1986, with its Headquarters in Paris, the Association which has some twenty members from seventeen countries, mainly European, could benefit of the financial support of the European Commission (DG Employment, Social Affairs and Inclusion) for three Projects, in 2000, 2005 (a Model Plan for Financial Participation in the European Union) and in 2009/2010 (Financial Participation: a tool for better social dialogue and better corporate governance).

In the frame of those Projects, and in its ongoing activities, it appeared that life would be easier for multinational enterprises if some of the obstacles pointed out in the Report issued in 2004 by the International Group of High Level Experts could be suppressed.

It is clear that the Prospectus Directive in its original form introduced a new barrier, because the specificity of the employee shareholding schemes was not taken into account and that the application of the Directive proved very costly for enterprises which intended to launch a worldwide plan.

The main two changes introduced by the Directive 2010/73/EU:

- the exemption of Prospectus for employee shareholding plans
- the possibility for third-country (not EU) exchanges to be considered as equivalent to the European ones

are of the greatest interest for the development of Financial Participation throughout the Union.

It is urgent that those changes can be implemented as soon as possible.

The main contact in IAFP is Jean-Michel Content, General Secretary:

T° 33 1 46 22 00 02

e-mail : jean-michel.content@laposte.net

iafp.aipf@gmail.com

Paris, March 02, 2011

SUBMISSION TO ESMA

Call for evidence on the request for technical advice on possible delegated acts concerning the Prospectus Directive (2003/71/EC) as amended by the Directive 2010/73/EU

ifs ProShare is a not-for-profit membership led organisation that acts as the voice of the employee share ownership industry in the UK. *ifs ProShare* was established by the Treasury, London Stock Exchange and a number of FTSE 100 companies in 1992. *ifs ProShare* has approximately 100 members. Our members include a wide range of enterprises; larger companies such as Asda, BP, BT, HSBC, Lloyds Banking Group and Marks & Spencer as well as share plan administrators and advisers such as Equiniti, Killik, Linklaters and PwC.

ifs ProShare is an essential point of liaison between employee share ownership industry professionals, service providers and companies committed to and involved in employee share plans and other employee share ownership schemes. *ifs ProShare* provides a forum for members to come together and share knowledge, ideas and expertise.

ifs ProShare provides information on share plans, encourages sharing of best practice, commissions research and engages in dialogue with relevant industry bodies. We represent the employee share ownership industry to policymakers, the media, the European Union and other regulatory and statutory bodies. We have worked closely with the EU Commission and EU Regulatory Authorities in the past, specifically in respect to the EU Prospectus Directive.

ifs ProShare has been instrumental in calling for changes to the EU Prospectus Directive ("the EUPD") in respect to its impact on employee share ownership. In particular, concerns have been raised regarding the need for a reasonable and fair approach in the manner in which the EUPD impacts the offer of employee share plans. Evidence has been produced as to the adverse impact the costs involved in producing a prospectus can have on the offer of employee share plans to employees based within the EU Member States. As a result, *ifs ProShare* has lobbied for a widening of the employee share plan exemption.

1. *ifs ProShare* would like to see the employee share plan exemption changes (in relation to both EU companies and companies established outside the EU which are listed on third-country markets), introduced by the amending Directive 2010/73/EU ("the Amending Directive"), implemented as quickly as possible into the laws of Member States. We understand from our members that the delay on implementation is causing companies frustration and additional costs which are having a related detrimental effect on employees. Each month that goes by either means that a company has to prepare a prospectus unnecessarily or some employees do not participate in a global share

plan due to the expense of a prospectus outweighing the benefits to employees.

2. *ifs ProShare* consider that the criteria set out in the Amending Directive for determining which third-country exchanges can be considered to be 'equivalent exchanges' is sufficient. We do not see the necessity to impose additional requirements over and above the requirement that an exchange should be governed by equivalent requirements to those imposed by an EU regulated exchange, which would result in further delay and require further work.
3. *ifs ProShare* would like to see speedy agreement to the main global exchanges outside the EU being treated as 'equivalent exchanges' in priority to other exchanges but other exchanges should follow shortly behind.

The main global stock exchanges for equivalency treatment by ESMA (in alphabetical order):

- *Australian Stock Exchange
- *Hong Kong Exchange
- *Johannesburg Stock Exchange
- *New York Stock Exchange
- **NASDAQ
- *Tokyo Stock Exchange
- *Toronto Stock Exchange
- **SIX Swiss Exchange

*is on the FSA's list of Designated Investment Exchanges

** is on the list of Recognised Overseas Investment Exchanges

Please feel free to contact us if we can be of any assistance in your submissions and review process. Our Head of Employee Share Ownership, Alexy Armitage, has attended EU Commission and EU Regulatory Authority meetings in the past and would be interested in being further involved in this process. Alexy Armitage can be contacted at *ifs ProShare* by email at aarmitage@ifslearning.ac.uk , by telephone on 44(0)2074447104 or at our address in London; 8th Floor, Peninsular House, 36 Monument Street, London EC3R 8LJ, United Kingdom.