

Irish Stock Exchange Response to the CESR Consultation Paper on the Development of Pan-European Access to Financial Information Disclosed by Listed Companies

The Irish Stock Exchange (ISE) welcomes the opportunity to comment on the Committee of European Securities Regulators' (CESR) consultation on the development of pan-European access to financial information disclosed by listed companies.

By way of background, the ISE operates the regulated market (Main Securities Market) in Ireland on which equity securities, government bonds, collective investment undertakings and debt securities are admitted. In addition, the ISE operates two multi-lateral trading facilities, the Enterprise Securities Market and the Global Exchange Market. At the end of August 2010, the ISE had 62 quoted equities admitted to trading, over 3,000 funds and sub-funds, as well as over 23,200 debt securities, many of which originate from non-EU issuers.

The ISE is the designated Officially Appointed Mechanism (OAM) for the storage of regulated information in Ireland.

General comments

In considering how to enhance the capabilities of the OAM network and integrate the network, we believe that it is very important for CESR to have a detailed understanding of what the end-users actually want/need from the OAM network. It is not clear to us from the consultation paper that sufficient consideration has been given to this area. The ISE believes that a lot more analysis needs to be done to demonstrate that the benefits of enhancing the OAM network for end users justify the significant developmental costs that are likely to be incurred.

I. The role of OAMs and the OAM network in the future

Question 1

What in your view is the reason for the apparent lack of widespread use of OAMs by end users?

We believe that the lack of widespread use of OAMs by investors is largely the result of two factors:

1. The primary focus of investors is on real time information, rather than older information available on OAMs. Therefore, the national information dissemination mechanisms are of far more concern than OAMs.
2. OAMs currently do not deliver anything of value that investors cannot already receive by accessing an issuer's website directly. As a result, there is no incentive for investors to access the OAM instead of the issuer's website.

Question 2

Do you agree that the visibility of OAMs could be enhanced through developing the search facilities at the level of OAMs and the OAM network?

We believe that enhancing the search capabilities of OAMs and further integrating the network would go some way to enhancing the visibility of OAMs, particularly if the OAMs can deliver valuable services/functionality that are not available on the websites of issuers. As outlined in our general comments, understanding the requirements of end users is a critical step in ensuring that the development of OAMs delivers to the their needs.

Question 3

Do you have any other proposals for improving the visibility and/or use of OAMs?

No comments.

II. Enhancing the capabilities of the OAM network**Question 4**

Which of the search facilities in subsections 5.1.1 – 5.1.3 below would you consider important?

In our view, any of the search facilities outlined in the consultation paper could be of value to end users. The key point is that the development of the OAMs should be guided by:

1. what the end users actually require; and
2. that the benefits of enhancing functionality exceed the costs of developing and delivering it to end users.

Question 5

Are there any additional search facilities that CESR should consider?

We believe that robust research into the end user requirements should be carried out.

Question 6

Which standard would you prefer for industry / branch categorisation?

Again, this should be driven by the standard that end users consider best meets their needs.

Question 7

Do you see need for mandating dynamic or chain searches at the OAM or CAP level?

We believe that although dynamic or chain search functionality would be desirable at the OAM level, it should not be mandated. Instead, this functionality is likely to be more critical at the CAP level where the number of issuers subject to a search is likely to be far greater than that of any

individual OAM. In our view, dynamic and chain search functionality should be available at CAP level.

Question 8

Would you consider it necessary to have common input formats and standards for any other type of regulated information than periodic financial information? If yes, which formats and standards and for which type of regulated information?

We do not consider it necessary at this point to have common input formats and standards for any type of regulated information, including periodic financial information. The cost/benefit analysis and consultation to be undertaken by CESR in 2011 should shed further light on whether the use of XBRL for filings of financial information under the Transparency Directive should be introduced.

Question 9

Do you agree with the proposed common list of types of regulated information presented in Annex 3?

We consider the list of types of regulated information in Annex 3 to be sensible starting point in developing a common classification for use by all OAMs.

Question 10

Do you have any proposals for further types of regulated information that should be included?

We believe that the comprehensive list of headline types of information used by the UK OAM (Hemscott Group Limited) could be considered by CESR for establishing additional common regulated information classifications.

Question 11

What are your views on the interconnection of OAMs with business registers?

We do not believe that there is a market need to have OAMs connected with business registers and would therefore agree with CESR that this is not a priority area.

III. Integration of the OAM network

Question 12

What in your view would be the benefits of an integrated pan-European OAM network (with a central access point) for issuers or end users (retail investors, professional investors, analysts, other users of financial information)?

In our view, the main benefits of an integrated pan-European OAM network are outlined in section 5.1 of the consultation paper. As outlined in our general comments, it will be important to

understand the specific requirements of the end users, issuers and regulators before commencing development work in this area.

Question 13

Do you see any specific pros and/or cons for option 1 or option 2?

We have a preference for option 1 for the following reasons:

- It builds on the existing OAM network rather than developing a new single European OAM, and therefore should be achievable at a lower cost and within a shorter timeframe.
- The phased approach to development means that refinements can be made at each stage to address issues/requirements that come to light along the way.
- It has a closer connection to local markets and provides for greater flexibility, thereby allowing national OAMs to tailor functionality to address specific requirements in their markets.

Question 14

Do you agree with CESR's analysis of the supervision of the network and the need for binding technical standards for OAMs?

It is not clear from the consultation paper what objectives are to be achieved from supervising the OAM operators and the CAP operator, or which entity should carry out the supervision. We believe that further analysis needs to be carried out on the supervision of the network.

We believe that binding technical standards for OAMs are important so that:

- all OAMs, irrespective of the operator type, adhere to a base set of technical and operating standards; and
- efficient and cost effective integration of national OAMs can be facilitated in the future.