



London

Stock Exchange Group

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CESR PROPOSAL TO EXTEND MAJOR SHAREHOLDING NOTIFICATIONS TO INSTRUMENTS OF SIMILAR ECONOMIC EFFECT TO HOLDING SHARES AND ENTITLEMENTS TO ACQUIRE SHARES

The London Stock Exchange Group welcomes CESR's initiative to harmonise major shareholding notification regimes across the EU.

As CESR notes, in the UK, the FSA has introduced new rules which extend shareholder notification obligations to holdings of financial instruments with similar economic effect to those financial instruments under Article 13. In Italy, CONSOB is in the process of consulting on extending the regime to cash-settled derivatives.

In general, we support initiatives to coordinate shareholder notification regimes - as complying with up to 27 different regimes across the EU can cause practical challenges for investors.

However, we are also highly conscious of the implementation costs that firms face whenever changes to their systems or procedures are required. We therefore urge CESR and the European Commission to ensure that any changes to the shareholder notification regime - whether to extend to instruments other than shares or to capture short positions - are coordinated and cause as minimal disruption and cost as possible.

Yours sincerely,

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