



The Investor Relations Society

Policy Paper 8:

Transparency Obligations Directive

Attention M. Fabrice Demarigny
Secretary General
Committee of European Securities Regulators
11-13 Avenue de Friedland
Paris

31 August 2005

Dear Sirs

Re Transparency Obligations Directive

The Investor Relations Society would like to thank CESR for this opportunity to provide its input to CESR's Call for Evidence in respect of the storage and filing of regulated information. This letter expresses the views of the members of the Investor Relations Society.

About The Investor Relations Society

The Investor Relations Society is the UK's professional body for investor relations practitioners. Formed in 1980, it has over 600 members drawn both from the UK and overseas, including the majority of the FTSE 100 and much of the FTSE 250. Members' disciplines include finance, treasury, corporate affairs, company secretariat as well as investor relations.

The Society's primary objectives are to:

- Promote good relations between listed companies, their shareholders and potential investors.
- Provide education and training.
- Support high ethical and professional standards in the practice of investor relations.
- Increase awareness of investor relations techniques and best practice.
- Represent the views of members to regulatory bodies, the investment community and government.
- Carry out research and publish information.
- Provide a forum for members to exchange views and share experiences.

The Investor Relations Society's members are often responsible for the practical effects of any new compliance requirements placed on issuers by the Transparency Obligations Directive. The Society supports the principles driving the Transparency Obligations Directive, and broadly the underlying principles of creating a common European standard for the storage and filing of regulated information.

The Society notes that CESR's Call for Evidence and the Mandate is at a very early stage, and we anticipate that in the future more specific proposals will be published. At this stage, therefore, we limit our comments to two broad principles.

First: ease of use of any storage and filing system

Recent years have seen a huge expansion in the compliance obligations of public companies. This has led in turn to an administrative burden of ensuring compliance. New requirements frequently lead to the development and incorporation of new processes.

We would very strongly encourage CESR to consider focusing on the means by which regulated information should be transmitted to the central storage mechanism. Wherever possible, CESR should allow public companies the flexibility to outsource this task or to fulfil it in-house, as they see fit. In either case, CESR should avoid excessive impositions of formats and structures which add complexity.

Second: concern about the costs of operation

We note that CESR is mandated to consider particularly the costs and funding of the system. We would argue strongly that the benefits of a Europe-wide network of accessible regulated information are beneficial to the whole of the capital markets system. We would therefore encourage CESR to examine every form of potential financial support for the system, whether it be from the information industry, from financial services firms, investors and indeed from national regulators. Imaginative models must be found that do not simply load further cost on to issuers.

We look forward to seeing further output from your work, and remain as always ready to clarify anything necessary in our remarks.

Yours sincerely,



Richard Davies

Deputy Chairman, The Investor Relations Society