

E-mail
CESR
Mr. Fabrice Demarigny
Secretary General

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CESR's revised draft Technical Advice on Possible Implementing Measures of the Transparency Directive

Realkreditrådet (The Association of Danish Mortgage Banks) has been studying the CESR revised draft technical advice on possible implementing measures of the transparency directive; the comments of the Association are stated in the following.

Dissemination

Q1

CESR is of the opinion that a proper balance between practicability and the objective of dissemination throughout Europe needs to be achieved.

CESR expects all interested media to be able to receive access, on a non-discriminatory basis to all regulated information. CESR also intends to propose that the connections with media should include mandatory connections with at least the key national and European newspapers, specialist news providers, news agencies with national and European coverage and financial websites accessible to investors.

The Association is not in agreement with this. We seem to lack further justification as to the way in which the proposed demands would create the proper balance. It therefore remains the position of the Association that the proposed level exceeds what is necessary to achieve the proper balance.

The minimum demands are very high, particularly in view of the fact that they are minimum demands.

The arguments are primarily that the proposed demands lack a reasonable purpose. The dissemination to a number of newspapers and other news providers is no guarantee that the information will subsequently be available to investors, since the media are under no obligation to publish the information.

On the contrary, we see a considerable risk that much information will not be published at all for the very reason that for the media in question the amount of information received will be overwhelming. E. g. the number of key European newspapers can be counted by hand, and according to the proposal they are expected to receive information from all issuers in Europe. In addition to this comes the fact that the information to be received can be in the language of any Member State.

On this background we need documentation for the reason behind CESR's expectations that the information will be distributed to (potential) investors based on the fact that according to the proposal the information will in future be distributed direct from issuer to media and not like today when the information is sent to a stock exchange, where the interested media may then subscribe to the specific information that they take an interest in.

As the Association sees it, there is a considerable risk that the additional burden on issuers will not amend investors access to information.

Q2

We hold the opinion that less comprehensive demands, which proviso that the information is made available to all on the issuer's own website, would be sufficient to fulfil the intentions behind the Directive.

On this background and in continuation of our reply to Q1, we still find that the minimum demand may very well be formulated as publication to a stock exchange and on the website of the issuer.

Q3 and 4

The Association finds that no demands should be made regarding the use of dedicated lines, nor should any specific method be made mandatory throughout Europe. It should be possible to set up a framework that will in an appropriate way allow for the application of already existing solutions and areas with special needs when the information requirements are to be met.

Common demands of certain procedures would be unreasonably cost-heavy and could also form a barrier to the access to information. We therefore see a risk that the effect of such a demand could have the opposite effect of what was intended.

Q5-8

The Association supports the considerations behind the proposal for a precise definition of an issuer when the issuer submits/publishes information. We hold the opinion that it would be a reasonable idea to use the identification registered with the national Companies Register – that would provide a precise identification of the company in question. At the same time, it is also being used in other connections that require the identification of the company, just as it is suitable as identification in connection with the implementation of other Directives in the area of securities transactions.

It would be expedient – also with a view to the cost level – to use the codes that exist in the Member States today as a starting point.

In regard to a single and unique number of identifying each announcement an issuer makes, we would propose that it be linked to codes in the existing reporting systems in Member States in order to keep costs at a reasonable level. For example, a unique identification number is already today being given to all notifications submitted to the Copenhagen Stock Exchange.

Of course this method means that the notification does not have the proposed unique number throughout the EU, but here we find that the consideration of the costs involved should weight heavier than the advantages that a unique number system might have. Besides, we seem to find no justification or documentation of advantages of such a system.

Q9 - 15

In regard to service providers, the Association is still of the opinion that it is of great importance that the issuers can be said to have met their obligations when the information has been submitted to the stock exchange where the issuer's securities are listed. This solution could be linked to a possibility for Member States to set up an approval scheme for service providers.

CESR asks whether it would be possible on a commercial basis to define rules stating that the media do not need to pay a service provider for regulated information. The Association sees no commercial justification why service providers should not charge the media for access to regulated information. If a service provider cannot charge for the dissemination of information, the costs involved would directly or indirectly have to be borne by the issuer, who provides the information. The reasonableness behind this needs to be justified.

The Association therefore finds that it should be possible to service providers to differentiate between information and/or clients. Today for instance we know of solutions where delayed information is free of charge and publicly available, while those who need or wish to have the information in real time are charged for this service.

We see no commercial reason why a service provider should place the information at the disposal of the media free of charge. The information already reaches both media and investors by being accessible at the stock exchange where the securities in question are listed.

Best regards,

Tinna Larsen