



## **Response to the consultation on CESR's advice on possible implementing measures of the Transparency Directive – Part 1: Dissemination and storage of regulated information**

27 January 2005

### **1. General**

TLX S.p.A. is the management company of an Italian Regulated Market called TLX. TLX S.p.A. also runs an MTF called EuroTLX. Both markets are *retail investor oriented* and would like to offer a broad range of financial instruments together with the widest satisfaction of their specific needs in terms of liquidity, transparency, information and trading protection.

Issuers or other persons without the issuer's consent (i.e. Market Makers) can apply for admission to trading of securities on TLX regulated Market.

Please refer to the corporate website ([www.eurotlx.com](http://www.eurotlx.com)) for more info.

TLX S.p.A. welcomes this consultation and would like to submit its comments.

With regard to preliminary remarks, TLX S.p.A. definitely supports market transparency objectives set out in the Directive and CESR Paper. The European perspective is the only key driver for achieving a real integration of the European capital markets. A wide, ease, fast, simple and non-costly/viable access to regulated information throughout all EU is therefore of vital importance. With regard to dissemination and storage issues, TLX SpA definitely believes that only solutions really consistent with such objectives should be pursued, without any sort of preconceived idea. Each solution and its effects should be assessed through a sort of *adequacy and consistency test* with parameters mentioned above.

The wide, ease, fast, simple and non-costly/viable access objective requires solutions that avoid information fragmentation and allow investors to access information related to all securities traded in EU from one or a very restricted number of sources or providers.

At the same time, regulated information should not be doubled if not necessary. At level 2 it would be better to pay high attention for properly managing disclosure and transparency requirements up to persons who applied for a second admission to trading on a EU regulated market without the issuer's consent when the same securities are already admitted in another EU regulated market and the issuer is already subjected to dissemination and storage obligations. In such a case, a duplication of obligations is not useful for investors and can potentially create a bulk of communications for the same information and, consequently, undue confusion. In order to properly assess these potential negative effects, it should be considered that, under the Prospectus Directive and in a competitive scenario between different Trading venues, second admissions to trading on a EU regulated market without the issuer's consent could be used widely and be a very important mean for fostering EU market integration. If such a scheme of second admission to trading on a EU regulated market without the issuer's consent is really used widely, without a proper



exception regime, the actual requirements will lead to a lot of unnecessary information duplication.

## **2. Dissemination**

TLX SpA definitely supports solutions that foster information access organised at an European level and effectively put on an equal footing investors situated in the issuer's home Member State.

As mentioned above, TLX Spa considers very important to avoid fragmentation of information streams that may compromise the goal of fast access. This objective can be pursued through the promotion of solutions that limit the needs for multiple sources in order to have a wide and complete access to information on issuers securities traded in EU.

TLX SpA agrees with minimum standards pointed out in CESR paper and believes that operators who manage dissemination system should be approved and supervised by the competent authority.

Finally TLX SpA definitely supports non-costly solutions that allow small and retail investors to access regulated information in full text and on real-time basis.

## **3. Storage**

If in case of dissemination the main interest is the promotion of a fast and wide access on a non discriminatory basis and if this interest justifies solutions that foster competition between different operators, in case of storage the main interest is different – an ease and complete availability of information in all EU - and needs for a different approach.

A unique EU storage mechanism, even realized through links between national mechanisms, is more consistent with transparency objectives than multiple mechanisms.

If multiple mechanisms are chosen, it will be important to avoid that an investor has to access and pay for more than one storage mechanism to have complete information on all EU issuers and securities. If the main objective is the EU market integration, in order to achieve this end it is fundamental that the ease, wide and non-costly access to regulated information prevails on any other interest. Any barrier or disincentive for investors, even economic, should be avoided. In case investors had to access more than one storage mechanism (and pay more than one fee) in order to have complete information on all EU issuers and securities, this would be a big disincentive, at least with regard to smaller issuers, and it could facilitate smaller issuers and their securities to remain at a level of regional or local interest.

In case free access or very low-cost options - at least for non professional investors – led to a lack of commercial incentive, such a lack should be offset by other incentives.

In any case, operators who manage storage mechanisms should be approved and supervised by the competent authority, if different from the latter. At the same time high-level minimum standards should be set.

Finally, TLX SpA believes that all regulated information should made be available timely by the storage mechanism.