



WARSAW STOCK EXCHANGE

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Response of the Warsaw Stock Exchange (WSE) regarding consultations concerning CESR's revised draft Technical Advice on Possible Implementing Measures of the Transparency Directive (ref: CESR/05-267)

The Warsaw Stock Exchange hereby presents its position on selected issues addressed in the document

Chapter I Dissemination of regulated information by issuers

Dissemination standards & dissemination methods

Question 1-2, page 10

As the document states, CESR intends to propose that in order to meet the requirements of Article 21 of the Directive (access to information), among others, distribution channels for regulated information have an obligatory connection with the media, specialised data vendors, information agencies, internet financial web sites. Further to the above, we would like to point out, that in Poland it is already mandatory for an issuer, which has its securities traded on the regulated market, to be connected to an Electronic System for Information Transfer – the ESPI (Elektroniczny System Przekazywania Informacji), which among others also transfers issuers' periodical reports to the media. In our opinion creation by issuers of information distribution channels other than the ESPI should take place only on voluntary basis.

Also, in order to avoid construing cumbersome regulations regarding the matter, one should strive to reach a balance between the ideal situation where "every investor in every place in Europe is provided with all regulated information on all issuers", and the actual practicability of this objective. Only under such the assumption the media are allowed to make business decisions regarding the scope, format and mode of information distribution on their own.



Question 3, page 10

We agree with CESR's proposal to have the issuers transfer information via electronic systems. It seems to be the most practical method allowing fast access to information, its effective storage and subsequent processing. Electronic data transfers by issuers should take place via specially dedicated and secure information channels (lines), in order to avoid unauthorised access and in order to guarantee relevant credibility of the data being transferred.

However, mandating a specific method (particular technical means) to be used towards this end does not seem necessary (such decision should be left to the interested parties themselves).

Question 5 and 6, page 11

We would like to point out, that in a single European market errors may occur as far as identification of particular issuers is concerned. Thus, we would like to propose distinguishing particular issuers with an additional symbol, which would indicate the issuer's country of origin, e.g. "PL" for Poland. Use of the ISIN code seems optimal for providing supplementary information along with the issuer's name.

Question 7 and 8

In our opinion a suitable method for identifying issuers' reports should be giving them subsequent numbers, starting anew from the beginning of each calendar year.

a) Separation functions when service providers provide other services or perform other functions

Question 9, 10 and 11, page 13

We fully support the need for keeping different functions performed by a single entity separate, in particular when combination of particular functions may result in limiting competition on the market. Manners of conduct proposed for the operators seem well grounded. In the case when one entity fulfils more than one function it is crucial to ensure that it does not use its position to market disadvantage.

b) Charges

Question 12-13, page 14

Operators should have a possibility to charge the media (if they choose such a business model) and the issuers. A situation when the media receive information from service providers free of charge could in our opinion have negative effect on the quality of the services rendered by the providers.

Furthermore, in order to meet relevant requirements (prompt publication of data even that received in paper form, availability/accessibility to issuers and the media 7 days a weeks/24 hours a day) operators incur relevant costs.



Mandating service providers to transfer data to the media free of charge could negatively affect the service providers' commercial/business operations. In such a model, all the costs related to their functioning would have to be borne by the issuers. Should operators derive profits from both of the above mentioned sources and there be competition among them, in our opinion the danger, that the media would have to pay too high of a charge and thus would in turn charge their subscribers too much, will be eliminated.

Approval of service providers

Question 14, page 15

Should CESR decide to abandon recommendation on licensing of service providers, the requirement that operators produce a document which shows that they meet all the necessary dissemination standards and requirements is justified, as it will allow the issuers and the media to evaluate and compare the operators' offers.

Chapter II Notification of major holdings of voting rights

Section 7 Standard form to be used by an investor throughout the community when notifying the required information.

Question 22, page 63

In our opinion, a 5% threshold concerning voting rights at a General Meeting seems sufficient for making the investor disclose his identity. We do not see a need for establishing a different threshold for disclosing such information.

Question 23, page 64

We do not see a need for an investor to disclose the specific number of securities that remain in his possession following the information that it is below 5% of the voting rights at a General Meeting.

We would like to point out that a decline in the number of votes held below the 5% threshold frees the investor from the obligation to provide details on further sales.

Thus, the information disclosed that a holding (number of shares held) falls below the 5% threshold is not subject to any further notifications (updates), and as a result, a shareholder who has already disposed of all the shares previously held may, based on the historical data, be still considered the owner of relevant stocks.

Question 24 and 25, page 64

In our opinion, a procedure similar to the one proposed in the answers to Questions 5 and 6 should be applied here. Denominating issuers with an additional symbol, which indicates the issuer's country of origin (e.g. "PL" for Poland) would ease the identification of the issuer. Also, transfer of information regarding the number of securities held and the total number of voting rights to which an investor is entitled should be provided for.

