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PRESS RELEASE

**CESR sets out how a Single Point of Information on
all EU Corporate Issuers might be realised**

The progress report (report, Ref. CESR/05-150b), published today by CESR, presents a clear and concise view of what the role of an officially appointed mechanism for storage of corporate information could be; sets out the options of how such an electronic network of information about issuers could be established in the EU and how issuers might be able to file electronically regulated information with the EU competent authorities.

This report was prepared at the request of the European Commission and formed part of the work conducted by CESR for the Transparency Directive. The final report published today and submitted to the European Commission follows a consultation which began on 28 October 2004 (Ref. CESR/04-511). This consultation also covered the draft advice proposed by CESR on the issues of dissemination of regulated information. The analysis of responses on these latter aspects is still ongoing. Nevertheless, the 48 responses received in relation to storage of information and electronic filing of regulated information by corporate issuers greatly informed the final form of the progress report which was amended to reflect the points raised. The consultation showed clear preferences in a number of areas, which have been indicated in the paper. However, in other areas, a clear orientation was not yet visible and therefore in these areas, CESR retained a more open approach as it did in the initial consultation paper.

The initial deadline for CESR to submit its progress report to the European Commission was extended from 28 February to 30 March 2005.

Key elements covered in the report can be summarised as follows:

- The development of a central storage mechanism

On central storage mechanisms, the progress reports touches on different general and technical question for EU integration.

The most important issues are:

Whether there should be one storage mechanism at each national level: In this area, CESR notes that a number of options exist: this could include the creation of one single storage mechanism or alternatively, multiple storage mechanisms but which are compatible both in IT respects and in content to enable comparability.

Who should operate a central storage mechanism: The progress report indicates that two solutions are broadly possible, i.e. a system operated by the competent authority or by a specifically appointed (commercial) entity. The report indicates that any of these solutions will primarily need to be adapted to the market conditions of each Member State.

How would users gain access to the regulated information: This relates to general access to the central storage mechanism. CESR notes a generic question must first be considered, namely, whether the mechanism should provide strictly the bare essentials of regulated information which is made public under the Transparency Directive, or, whether, this mechanism should be allowed also to provide – at a charge – additional services and/or information (e.g. analyst reports, price and

market data). The progress report therefore sets out the benefits and disadvantages that both of these solutions may provide.

Whether regulated information should be made available free of charge to users (and if so, who should fund the costs of operating a central storage mechanism): On funding of storage mechanisms the report discusses different solutions and some of the pros and cons that might be associated with each alternative. The alternatives range from charging users for the amount of regulated information accessed (which might be a model better suited to a commercial operator maintaining the central storage mechanism); or charging a fee to issuers whose regulated information is made available via the central storage mechanism. Alternatively, charging commercial entities that make use of regulated information. Equally, the storage system could potentially be paid by means of public funding either out of the national governments budgets or, the competent authority responsible for supervision or, potentially via a combination of these options.

When regulated information in the central storage mechanism should be made accessible: CESR made a clear distinction between dissemination and storage of regulated information. The Transparency Directive relies on media for the dissemination of regulated information. However, there are possible interactions between dissemination and storage if storage mechanisms can make price sensitive information available in real-time, as such, this issue is highlighted in the report.

This section also deals with a number of technical issues regarding issuer's responsibility to make regulated information available to a central storage mechanism and how regulated information would be input into to the storage mechanism. Finally, CESR proposes some 'quality' standards that any central storage mechanisms should

- **Electronic networks**

Regarding electronic networks, CESR has adopted a pragmatic approach and provided several proposals for achieving the objectives of an EU network of information about issuers. One of these objectives is to set up a "one stop shop" for users to access regulated information on a pan-European basis. The report explores the different possible alternatives, i.e. an electronic linkage of all the national storage mechanisms, or, the creation of one Pan- European central storage mechanism in which all regulated information of European listed issuers would be stored and accessible.

- **Electronic filing**

The last section of the report deals with the procedure regarding how regulated information is filed with the competent authority using electronic means. In this regard, the progress report explains the reasons why CESR would favour introducing mandatory electronic filing, and sets out the minimum standards that any electronic filings procedures should meet.

- **Timing issues**

The implementation of the Transparency Directive will be critical to the establishment of a central storage mechanism and the development of an EU electronic network. This is expected to be a very demanding and a costly IT project which involves technical difficulties that should not be underestimated. For that reason, CESR believes that finalisation of level 2 measures to establish storage mechanisms and electronic networks should be accelerated in order to allow sufficient time to Member States for a cost effective and proper implementation of the Transparency Directive.

