

Brussels, 05.03.2007 D/000522

Mr E. Wymeersch
Chairman of the Committee of European Securities Regulators
Av. Friedland 11-13,
F-75008 Paris

Dear Mr Wymeersch,

I am writing to you with regard to the transparency in financial markets, which is an issue of capital importance for their well functioning. In this context, Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (so called "*Transparency Directive*") maintains the long-standing requirement for investors to notify to the issuer and to the authorities their holdings of voting rights above certain thresholds in certain circumstances. The Transparency Directive also foresees that the Commission establishes a standard form to be used throughout the Community when making this notification.

The use of a standard form throughout the Community by those who have a notification obligation will provide the issuer and ultimately the public with the required information in a standardised format. This will in particular simplify the notification process for those issuers who may receive notifications from several voting rights or financial instrument holders located in different Member States. Additionally, it will simplify the notification obligations for voting right or financial instrument holders which may need to make notifications to several issuers located in different Member States.

In addition to this notification obligation, the upcoming Commission implementing measures to the Transparency Directive also foresee that the market maker seeking to benefit from a particular derogation in the Directive should make known to the relevant competent authority that it is acting or intends to act as market maker and for which shares or financial instruments. This notification should facilitate the monitoring tasks of competent authorities. The use of a standard form throughout the Community by market makers for this purpose should also simplify the notification process for those market makers operating in different Member States, on the one hand, and the supervisory task of competent authorities in so far as they would receive the information in a standardised format, on the other hand.

Commission's DG Internal Market and Services has prepared two standard forms (so called forms TR-1 and TR-2, respectively), in cooperation with CESR and following consultations with the European Securities Committee as well as with market participants. The English versions of the forms are attached to this letter.

It is my firm opinion, however, that making the use of the form compulsory through EU legislation without having performed a market test first is not an appropriate way forward. Therefore, it is necessary to provide first for a testing period of the two forms, to iron out any possible deficiencies in the forms. This option does not preclude imposing the use of these forms in the future, should this be desirable in light of the experience gained.

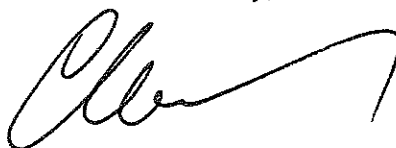
I would therefore be grateful if CESR could assist the Commission in making this trial period possible by asking CESR members to make the forms available to market participants during such period. Since the use of electronic means should be the preferred method for both filing in and sending the standard form to the issuer and the relevant competent authority, it would be desirable in my view that the competent authorities make sure that either in their websites or in any other appointed website the standard forms TR-1 and TR-2 are available to users in electronic format. DG Internal Market and Services will be shortly sending CESR secretariat the other linguistic versions of the forms.

In order for the Commission to monitor closely the situation and, on this basis, to assess the need for further measures, I would also be grateful if CESR or its members could inform the Commission of any problem encountered concerning the use of these forms during this trial period. I propose that this period ends on 30 June 2008.

I sincerely hope that CESR could provide this assistance to the Commission in order to improve the market transparency, a goal that both CESR and the Commission share.

For transparency purposes, a copy of this letter will be sent to Ms Berès, Chairperson of the ECON Committee of the European Parliament and will be disclosed in the Commission's website.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Charlie McCreevy', with a long, sweeping horizontal stroke extending to the right.

Charlie McCreevy