|  |
| --- |
| 15 December 2017 |

|  |
| --- |
| Response form for the Consultation Paper on draft RTS under the new Prospectus Regulation  |
|   |

|  |
| --- |
| Date: 15 December 2017 |

Responding to this paper

ESMA invites responses to the questions set out throughout its Consultation Paper on draft RTS under the new Prospectus Regulation (ESMA31-62-802). Responses are most helpful if they:

* respond to the question stated;
* contain a clear rationale; and
* describe any alternatives ESMA should consider.

ESMA will consider all responses received by 9 March 2018.

Instructions

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

* Insert your responses to the questions in the Consultation Paper in the present response form.
* Please do not remove tags of the type <ESMA\_QUESTION\_PR\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
* If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
* When you have drafted your response, name your response form according to the following convention: ESMA\_PR\_nameofrespondent\_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA\_PR\_ABCD\_RESPONSEFORM.
* Upload the form containing your responses, in Word format, to ESMA’s website ([www.esma.europa.eu](http://www.esma.europa.eu) under the heading “Your input – Open consultations” 🡪 “Consultation on draft RTS under the new Prospectus Regulation”).

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly indicate by ticking the appropriate checkbox on the website submission page if you do not wish your contribution to be publicly disclosed. A confidential response may be requested from us in accordance with ESMA’s rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA’s Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading “Data protection”.

Who should read the Consultation Paper

The Consultation Paper may be of particular interest to investors, issuers, offerors or persons asking for admission to trading on a regulated market as well as to any market participant who is affected by the new Prospectus Regulation (Regulation (EU) 2017/1129).

# General information about respondent

|  |  |
| --- | --- |
| Name of the company / organisation | Association of National Numbering Agencies (ANNA) |
| Activity | Other Financial service providers |
| Are you representing an association? |[x]
| Country/Region | International |

# Introduction

Please make your introductory comments below, if any:

<ESMA\_COMMENT\_ PR\_1>

The Association of National Numbering Agencies (ANNA) appreciates the opportunity to comment on the consultation on the draft RTS under the new Prospectus Regulation. Our response focuses on section 3 pertaining to data and machine readability.

By way of introduction, ANNA and its’ member National Numbering Agencies (NNAs) comprising Stock Exchanges, (I)CSDs, Central Banks, Data Vendors and Regulatory Bodies are active contributors to the development, adoption, promotion and implementation of global financial standards. NNAs allocate International Securities Identification Numbers (ISIN - ISO 6166), Classification of Financial Instruments (CFI - IS0 10962) and Financial Instrument Short Name (FISN - ISO 18774) for more than 120 legal jurisdictions covering all types of financial instruments. Additionally, under the auspices of the International Organization for Standardization (ISO), ANNA is the Registration Authority for the ISIN and the FISN standards. ANNA is also a strong supporter of other ISO financial standards, most notably the Legal Entity Identifier (LEI - ISO 17442).

ISO standards have global recognition and a proven governance framework to ensure they evolve in line with user and market requirements. Within the financial services industry, these standards drive market efficiency, reduce operational risk and contribute to the development and proper functioning of securities markets. The increased use of these standards improves data quality and provide greater data analysis opportunities for both public authorities and other market participants.

Given the role of the NNAs in the financial markets, we are strong proponents for global standardisation as a mechanism to increase efficiency and promote process and data harmonisation. We therefore welcome and strongly support the inclusion of ISO financial standards such as ISIN, CFI, FISN and LEI which provide a uniform, consistent and accurate structure to uniquely identify, classify and describe entities and financial instruments. More specifically, combining LEI, ISIN, CFI and FISN creates reliable mapping of the issuer to their issuances as well as including the security characteristics. Due to this invaluable link, more NNAs are undertaking the effort to capture the issuer LEI as part of their ISIN assignment process.

Another key element of ISO standards is the open accessibility of the data. ANNA fully supports the need to make the data elements outlined in Annex VII publicly available. ANNA recently launched a free [ISIN lookup service](http://www.anna-web.org/) to ensure ISIN, CFI and FISN data are easily accessible and available to market participants. A more comprehensive, subscription service which is also broadly based on ISO standards (e.g. LEI, country and currency codes) is also available through the ANNA Service Bureau (ASB) which offers a consolidated dataset of the NNA ISIN records on a daily basis.

With respect to expansion of the infrastructure for direct machine readability, ANNA supports the proposed approach to enhance the existing IT platform as an interim method to keep costs at a reasonable level for market participants. If the intent is to move to an alternative format in the medium term, we recommend providing market participants with a timeline for transition to assist with planning, associated developments and cost management. As communication standards are core for machine readability, we recommend the use of the ISO 20022 standard; as it has existing broad adoption by the financial industry.

Further to the above, the fact that the ISO standards LEI, ISIN, CFI and FISN have been implemented in other recent regulations and capital market initiatives, such as MiFID II, CSDR and T2S, means there is an existing level of industry readiness and usage of these standards. Further continuation of the adoption, implementation and consistency for which these standards are used can only increase the benefits across all stakeholders.

<ESMA\_COMMENT\_ PR\_1>

# Key financial information in the summary

1. : Do you agree that the KFI extracted from the issuer’s historical financial information should be sign-posted?

<ESMA\_QUESTION\_PR\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_1>

1. : Would you suggest the inclusion of specific templates for other types of issuer? Please specify and explain your reasoning.

<ESMA\_QUESTION\_PR\_2>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_2>

1. : Do you agree that cash flow from operations is the most useful measure of cash flow for non-financial entities issuing equity and that cash flow from financing activities and cash flow from investing activities are not so relevant for investors in equity securities?

<ESMA\_QUESTION\_PR\_3>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_3>

1. : Given the page limit for the summary please provide your views on which items of historical financial information would be most useful for retail investors.

<ESMA\_QUESTION\_PR\_4>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_4>

1. : Do you agree with the proposal to allow the use of footnotes to describe APMs or could this result in lengthy footnotes and complicated explanations?

<ESMA\_QUESTION\_PR\_5>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_5>

1. : Do you agree that issuers should be given flexibility to present pro forma financial information as additional columns to the relevant tables or as a separate table? If not, should a format be mandated, bearing in mind the page limit for the summary as well as the requirement for the summary to be comprehensible?

<ESMA\_QUESTION\_PR\_6>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_6>

1. : Do you agree that complex financial information in the summary should be presented according to its presentation in the prospectus? If not, please specify and provide alternative ways of presentation.

<ESMA\_QUESTION\_PR\_7>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_7>

1. : Which financial measures are most useful for retail investors to determine the health of a credit institution? Do you consider that the CET1 is comprehensible for retail investors? Please specify.

<ESMA\_QUESTION\_PR\_8>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_8>

1. : Do you agree that it should be mandatory for credit institutions to disclose SREP information in relation to Common Tier One Equity, the minimum prudential capital requirements, the Total Capital Ratio and the Leverage Ratio in the summary?

<ESMA\_QUESTION\_PR\_9>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_9>

1. : Do you agree with the choice of measures for insurance companies?

<ESMA\_QUESTION\_PR\_10>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_10>

1. : Do you think it would be useful for retail investors to include a measure of historical performance for closed end funds in the summary?

<ESMA\_QUESTION\_PR\_11>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_11>

1. : Do you think that investment companies which are subject to capital requirements should be required to include regulated capital ratios in their summary?

<ESMA\_QUESTION\_PR\_12>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_12>

1. : Would the issuer, offeror or person asking for admission to trading incur costs if the proposed provisions are adopted? If so, please specify the nature of such costs, including quantifying them.

<ESMA\_QUESTION\_PR\_13>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_13>

# Data and machine readability

1. : Do you believe that the data related to the amount raised should be made mandatory? Please explain your reasons.

<ESMA\_QUESTION\_PR\_14>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_14>

1. : Do you agree with the data items that have been identified as necessary for the purpose of classification as well as to allow for the compilation of the annual report under Article 47 of the Prospectus Regulation? Would you like to propose any additional items or suggest items that should in your view be deleted? Please explain your reasons.

<ESMA\_QUESTION\_PR\_15>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_15>

1. : Do you agree with the ESMA proposal to maintain the current system in place whereby NCAs submit data to ESMA in XML format as the practical arrangement to ensure that such data is machine readable? Do you agree that, by keeping the data submission system unchanged, adaptation costs are minimised for the market at large?

<ESMA\_QUESTION\_PR\_16>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_16>

1. : Do you agree that the proposed amendment to the technical advice on prospectus approval could contribute to provide clarity on the way data referred to in Annex VII are collected by NCAs?

<ESMA\_QUESTION\_PR\_17>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_17>

1. : Do you have suggestions in relation to how the efficiency, accuracy and timeliness of the data compilation and submission process can be further improved? In your experience, is there any specific reporting format or standard that you would deem most appropriate in this context?

<ESMA\_QUESTION\_PR\_18>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_18>

# Advertisements

1. : Do you consider that an advertisement should contain at least a hyperlink to the website where it is published and where available and technically feasible additional information that would facilitate tracing the prospectus? Please provide examples of the additional information that you think would be helpful to include in the advertisement.

<ESMA\_QUESTION\_PR\_19>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_19>

1. : Do you consider that the definition for complex securities set out in para 140 provides clarity to issuers and would be helpful in deciding when the comprehension alert referred to in Article 8(3)(b) of the PRIIPs Regulation should be included in an advertisement?

<ESMA\_QUESTION\_PR\_20>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_20>

1. : Do you agree with the requirements suggested for Article 11 of the RTS? If not, please provide your reasoning.

<ESMA\_QUESTION\_PR\_21>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_21>

1. : In particular, do you agree with the requirement to include warnings in advertisements? Do you consider that the suggested warnings are fit for purpose in terms of investor protection?

<ESMA\_QUESTION\_PR\_22>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_22>

1. : Would the issuer, offeror or person asking for admission to trading incur costs if the aforementioned provisions are adopted? If so, please specify the nature of such costs, including whether they are one-off or ongoing and, quantify them.

<ESMA\_QUESTION\_PR\_23>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_23>

# Supplements

1. : Do you agree that Article 2 of the First Commission Delegated Regulation should be carried over, in its entirety, to Level 2 under the new regime?

<ESMA\_QUESTION\_PR\_24>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_24>

1. : Do you agree that the additional requirements identified from ESMA’s draft technical advice should also be included.

<ESMA\_QUESTION\_PR\_25>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_25>

1. : Do you agree that the publication of audited financial statements by an issuer of retail debt or retail derivative securities should not trigger the requirement to publish a supplementary prospectus?

<ESMA\_QUESTION\_PR\_26>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_26>

1. : Would the issuer, offeror or person asking for admission to trading incur costs if the aforementioned provisions are adopted? If so, please specify the nature of such costs, including quantifying them.

<ESMA\_QUESTION\_PR\_27>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_27>

# Publication

1. : Do you agree that only Article 6(1)(c) and 6(3) of the Second Commission Delegated Regulation need to be carried over to Level 2 under the new regime?

<ESMA\_QUESTION\_PR\_28>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_28>

1. : Do you agree that no other publication provisions of the new Prospectus Regulation need to be specified by way of RTS? If not, please identify the provisions which should be specified.

<ESMA\_QUESTION\_PR\_29>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_29>

1. : Do you believe that the proposed publication provisions will impose additional costs on issuers, offerors or persons asking for admission to trading? If yes, please specify the type and nature of such costs, including whether they are one-off or on-going, and quantify them.

<ESMA\_QUESTION\_PR\_30>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PR\_30>