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PRESS RELEASE

CESR SENDS TO THE EUROPEAN COMMISSION ITS FINAL ADVICE ON DISCLOSURE OBLIGATIONS FOR LISTED AND ISSUING COMPANIES

CESR releases today its advice on draft technical measures to implement the Directive on Prospectus (Ref. CESR/03-208 and Annexes, available on the CESR website), accompanied by a Feedback Statement on the consultation (Ref. CESR/03-209). The proposed measures would need to be met when securities are offered to the public or admitted to trading and responds to a request from the European Commission for technical advice by 31 July 2003.

Doctors Van Leeuwen, Chairman of CESR, noted:

‘The harmonised information requirements proposed today by CESR will enhance the level of transparency and consistency in the information investors receive and, by so doing, will bring into reality the wider objective of the Prospectus Directive which is to facilitate access by companies to the deeper and more liquid pool of capital of Europe’s combined markets.’

In particular, the advice submitted by CESR will propose the provision of standardised information across the EU for issuing companies to disclose to investors. These disclosure requirements include key financial information, operating results, specific risk factors, a statement on how the company complies with its national corporate governance code, remuneration of key management, as well as potential conflicts of interests. Additionally, to facilitate access to capital for ‘start-up’ companies, the requirement for three years financial information could be limited to the period of the company’s existence.

The measures include:

- Disclosure obligations: schedules regarding equity securities, retail and wholesale debt (in this latter case only the issuer’s disclosure requirements); asset-backed securities; registration document for non-equity securities issued by credit institutions; schedule for depository receipts issued over shares.
- Incorporation by reference of previously published information: for instance, audit reports, financial statements and Articles of association.
- Publication of the prospectus: availability of the prospectus; content of the notice and methods of publication.

These measures were developed by an Expert Group under the chairmanship of Mr Fernando Teixeira dos Santos, Chairman of the Portuguese Securities Commission, and assisted by Ms Silvia Ulissi and by Mr Javier Ruiz from the CESR Secretariat. The group has been assisted by a Consultative Working Group of experts drawn from a broad range of market participants.



Notes for Editors:

1. These measures are being developed on the basis of a provisional mandate given to CESR by the European Commission published on 27 March 2002 and an additional provisional mandate published on 7 February 2003.
2. Under these mandates, CESR has been asked to widely consult all interested parties according to the principles set out in the Final Report of the Committee of Wise Men and to provide its advice to the Commission on the appropriate measures by three different deadlines: 31 July 2003, 30 September 2003 and 31 December 2003.
3. The Prospectus Directive was adopted by the Council of Ministers (on 15 July 2003) and by the European Parliament (on 2 July).
4. CESR is an independent Committee of European Securities Regulators. The role of the Committee is to:
 - Improve co-ordination among securities regulators;
 - Act as an advisory group to assist the EU Commission, in particular in its preparation of draft implementing measures in the field of securities;
 - Work to ensure more consistent and timely day to day implementation of community legislation in the member states.
 - The Committee was established under the terms of the European Commission's decision of 6 June 2001 (2001/1501/EC). It is one of the two committees envisaged in the Final Report of the group of Wise Men on the regulation of European securities markets. Baron Alexandre Lamfalussy chaired this group. The report itself was endorsed by the European Council and the European Parliament. The relevant documents are available on the CESR website.
5. Each Member State of the European Union has one member on the Committee. The members are nominated by the Members States, and are the Heads of the national public authorities competent in the field of securities. The European Commission has nominated the Director General of the DG Market as its representative. Furthermore, the securities authorities of Norway and Iceland are also represented at a senior level. The following eight Authorities of the Candidate Countries joined CESR in 2003 with observer status: the Cyprus Securities and Exchange Commission, the Czech Securities Commission, the Estonian Financial Supervision Authority, the Hungarian Financial Supervisory Authority, the Lithuanian Securities Commission, the Malta Financial Services Authority, the Slovakian Financial Market Authority and the Slovenian Securities Market Agency.
6. 'Implementing measures' form part of the four level approach to European legislation for financial services proposed in the report by the working group chaired by Baron Lamfalussy (available on the CESR website as described in paragraph 5). The four level approach can be summarised very briefly as follows: Level one measures set out the high level objectives that the legislation must achieve. Level two measures set out some of the technical requirements necessary to achieve these objectives. Level three measures are intended to ensure common and uniform implementation by the use of common standards, recommendations or guidance agreed amongst regulators in CESR. Level four measures relate to the enforcement of EU legislation.

Page 8 of the Lamfalussy report illustrates diagrammatically how these four levels of legislation fit together and the procedure to adopt these measures. The Level 2 'implementing measures' including the conditions for their adoption are described in more detail on page 31 of the report.



7. The Members of the Consultative Working Group for this work on Prospectus are:

Ms Ann Fitzgerald, Irish Association of Investment Managers, Secretary General, Ireland
Mr Daniel Hurstel, Willkie, Farr & Gallagher, International Bar Association's Issues and Trading in Securities Committee, France
Mr Jaap Winter, Unilever, Netherlands
Ms Kaarina Stahlberg, Nokia, Finland
Mr Lars Milberg, Shareholder Ombudsman (shareholder association), Sweden
Mr Pierre Lebeau, Petercam, Belgium
Mr Regis Ramseyer, Certified Internal Auditor of the Institute of Internal Auditors, Luxemburg
Mr Stefano Vincenzi, Mediobanca, Italy
Mr Torkild Varran, Avanse Forvaltning (investment-fund), Norway
Mr Victor Pisante, EFG Eurobank-Ergasias, S.A., Greece
Mr Wolfgang Gerhardt, Sal. Oppenheim Jr and Cie, Germany.

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