

SUMMARY OF CONCLUSIONS

Board of Supervisors

Date: 25 & 28 July 2011
Location: Conference calls
Contact: steven.maijoor@esma.europa.eu T: +33 158 36 59 18

Sovereign debt disclosures statement

25 July 2011

The Chair welcomed participants to the conference call, explaining that its purpose was to discuss publication of a statement on disclosure by listed companies of sovereign debt exposures.

The Chair noted that there was consensus at the Board's previous meeting that:

- ESMA should issue a statement that there should be more disclosure by listed companies of their exposure to sovereign debt;
- a conference call should be held to discuss the statement to be prepared by the Corporate Reporting Standing Committee;
- ESMA should liaise with EBA and EIOPA; and
- the statement would take account of prevailing market conditions.

Julie Galbo updated the Board of Supervisors on the work of the Standing Committee in preparing the draft statement circulated on 22 July 2011.

The Board discussed the proposed statement, focusing in particular on:

- the nature and basis of the statement and the monitoring of compliance;
- the proposed reference to stress testing disclosures; and
- the relationship between annual and interim financial statements.

Conclusion: Following a vote it was agreed to prepare an amended draft of the statement, clarifying ESMA's role in relation to financial reporting issues and taking account of wording used in previous



statements, adjusting the reference to stress testing disclosures, and making reference to the requirements of IAS 34 in relation to interim financial statements. It was agreed that the revised statement should be circulated to the Board in the evening with a vote to be taken by written procedure on whether to publish the statement in the form circulated, the deadline for the vote being 15.00 CET on 26 July 2011.

28 July 2011

The Chair welcomed participants to the conference call, explaining that its purpose was to discuss further the proposed statement on disclosure by listed companies of sovereign debt exposures in the light of the vote taken by written procedure.

The Chair summarised as follows the procedure by which ESMA had reached the current text:

- the Corporate Reporting Standing Committee (CRSC) had adopted by consensus a position on disclosure;
- the Board of Supervisors had asked CRSC for a proposed statement which CRSC had adopted by consensus;
- the Board of Supervisors had amended the text in its 25 July conference call; and
- in written procedure the statement had achieved support from the majority of the Board, subject to limited drafting adjustments.

The Chair noted, however, that although the statement had been supported by a majority of the Board, comments made indicated that there was scope to broaden support for it. The Chair noted that the purpose of the call was therefore limited to discussing specific drafting changes to the existing draft, and not to discuss possible alternative statements that some members, in particular Karl-Burkhard Caspari (DE), had proposed.

Some members expressed concern that no consensus had been reached and mentioned that not all proposals for amendments had been taken into account. Jean-Paul Servais (BE) emphasised the importance of consensus on the first ESMA publication on the topic of financial reporting and expressed his support for the higher-level text by Karl-Burkhard Caspari (DE) which had been circulated to members. Given the fact that his proposal for a consensus was not agreed upon, Jean-Paul Servais (BE) maintained his objection to the statement as drafted.

The Board discussed and agreed drafting changes in relation to:

- the role of ESMA;
- the interpretation of IFRS;
- the application of IFRS to interim financial statements; and
- the location in the statement of the references to specific IAS and IFRS requirements.



Jean-Paul Servais (BE), Karl-Burkhard Caspari (DE), Anastassios Gabrielides (EL) and Giuseppe Vegas (IT) noted their continued objection to any statement containing references to specific IAS and IFRS requirements. Karl-Burkhard Caspari (DE) and Giuseppe Vegas (IT) also noted their objection to inclusion of a reference to information concerning stress tests.

Francesco Mazzaferro (ESRB) asked for it to be noted that he did not consider that the concerns he had raised had been discussed. The Chair noted that he had reported at a recent meeting of the ESRB's Steering Committee ESMA's intention to publish the statement under discussion and that the Steering Committee had not raised any objections and some members had, indeed, expressed their support.

Steven Maijoor
Chair



Participant List (25 July 2011)

Voting Members

| Member State | Representative |
|---------------------|-----------------------------|
| Belgium | Jean-Paul Servais |
| Bulgaria | Nina Koltchakova (observer) |
| Czech Republic | Ivan Zahrádka (observer) |
| Denmark | Julie Galbo |
| Germany | Karl-Burkhard Caspari |
| Estonia | Raul Malmstein |
| Ireland | Gareth Murphy |
| Greece | Anastassios Gabrielides |
| Spain | Fernando Restoy |
| France | Jean-Pierre Jouyet |
| Italy | Giuseppe Vegas |
| Cyprus | Liana Ioannidou (alternate) |
| Latvia | - |
| Lithuania | - |
| Luxembourg | Jean Guill |
| Hungary | László Balogh (alternate) |
| Malta | Andre Camilleri |
| Netherlands | Ronald Gerritse |
| Austria | Kurt Pribil |
| Poland | Marek Szuszkiewicz |
| Portugal | Carlos Alves (alternate) |
| Romania | Eugenia Negoită (alternate) |
| Slovenia | - |



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| Slovakia | - |
| Finland | Anneli Tuominen |
| Sweden | Patrick Jacobson (observer) |
| United Kingdom | Alexander Justham |

Non-voting members

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|---------------------|----------------------|
| ESMA Chair | Steven Maijoor |
| European Commission | - |
| ESRB | Francesco Mazzaferro |
| EIOPA | - |
| EBA | Adam Farkas |

Observers

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|---------------|---|
| Iceland | - |
| Liechtenstein | - |
| Norway | - |

ESMA

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|--------------------|--------------------------|
| Executive Director | Verena Ross |
| Chair's adviser | Carlo Comporti |
| Minutes | Jonathan Overett Somnier |



PARTICIPANT LIST (28 JULY 2011)

Voting Members

| Member State | Representative |
|---------------------|---------------------------------|
| Belgium | Jean-Paul Servais |
| Bulgaria | Stoyan Mavrodiev |
| Czech Republic | Petr Staněk (alternate) |
| Denmark | Julie Galbo |
| Germany | Karl-Burkhard Caspari |
| Estonia | Raul Malmstein |
| Ireland | Gareth Murphy |
| Greece | Anastassios Gabrielides |
| Spain | Fernando Restoy |
| France | Arnaud Oseredczuk (observer) |
| Italy | Giuseppe Vegas |
| Cyprus | Liana Ioannidou (alternate) |
| Latvia | - |
| Lithuania | - |
| Luxembourg | - |
| Hungary | László Balogh |
| Malta | - |
| Netherlands | René Maatman |
| Austria | Kurt Pribil |
| Poland | Marek Szuszkiewicz |
| Portugal | Margarida Matos Rosa (observer) |
| Romania | Gabriela Victoria Anghelache |
| Slovenia | - |



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|----------------|------------------------------|
| Slovakia | Slavomir Stastny (observer) |
| Finland | Anneli Tuominen |
| Sweden | Patrick Jacobsson (observer) |
| United Kingdom | Alexander Justham |

Non-voting members

| | |
|---------------------|----------------------|
| ESMA Chair | Steven Maijoor |
| European Commission | - |
| ESRB | Francesco Mazzaferro |
| EIOPA | - |
| EBA | - |

Observers

| | |
|---------------|---|
| Iceland | - |
| Liechtenstein | - |
| Norway | - |

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