



European Commission
Mr. Pellé
DG Internal Market – F.2.
Rue de Spa 2
1049 Brussels
Belgium

23 April 2007

**EAPB Opinion on
the Working Document ESC/10/2007 rev. 1 in relation to Directive
2004/109/EG (Transparency Directive)**

Dear Mr Pellé,

The European Association of Public Banks (EAPB) would like to thank the European Commission for giving it the opportunity to comment on the Working Document ESC/10/2007 rev.1 related to the issue of storage of regulated information.

The European Association of Public Banks represents the interests of 25 public banks, funding agencies and associations of public banks throughout Europe, which together represent some 100 public financial institutions with a combined balance sheet total of about EUR 3500 billion and with about 190,000 employees, i.e. representing a European market share of approximately 15%.

We would like to welcome the adoption of minimum quality standards for the central storage mechanism as put forward in Part A of the working document. The proposed storage system aims at becoming a key tool in the integration of EU financial markets. The issue of how regulated information is stored plays therefore a crucial role for the development of EU financial markets. In this respect, the EAPB would like to emphasise that the electronic network should be developed in a way which is as close as possible to the Model C – as advocated by CESR in its technical advice. We are concerned that some characteristics outlined in the Commission's proposal seems to be based on Models A or B.

Furthermore we explicitly support the definition of minimum quality standards of general nature. This should allow proven and well established national ways of storing regulated information to be maintained while defining common quality standards at European level. In this context, we believe that these minimum quality standards should leave sufficient

flexibility to Member States in how to provide for the filing of regulated information. In the certain aspects, the proposals do not allow the needed room for manoeuvre at national level and improvements are necessary in this respect as outlined hereinafter.

Part A

7. Certainty as to the source of information and authenticity of origin

We would like to stress that any double or even triple filing obligation which would be detrimental for issuers should be avoided.

Par. 7.1 provides that the storage mechanism must verify that any regulated information it receives directly originates from the person or entity that has the filing obligation or from a service provider authorised to act on its behalf. In this respect, it must be ensured that where the information is filed to another government storage mechanism which then forwards it to the officially appointed mechanism under the Transparency Directive (in accordance with national law), authentication of origin of these items shall be ensured by these other mechanisms. This is especially important for Member States which have already storage mechanisms in place prior to the Transparency Directive and where a system of transfer of the received information from the storage mechanisms to the officially appointed central mechanism is foreseen.

In order to allow the authenticity of origin in such cases of “indirect” filing, it would be necessary

- that the mechanism receiving the items of regulated information directly from the originator adhere to the same minimum quality standards provided in Par. 7
- or that the intermediate mechanisms that forward the information is considered as being authorised by way of a statutory provision

We would appreciate to receive a clarification on this issue which should allow to reduce the burden on market participants.

8. User authentication

The variety of measures that storage mechanisms may impose to ensure adequate user authentication is highly welcomed. We would plead for maintaining this flexibility.

10. Electronic docketing and Date and time stamp

We would greatly support the introduction of templates that should be easily accessible and should be aligned with those used for filing the same regulated information with the competent authority of the respective Member State (as provided in Par. 10.2.). Such an

approach would allow to reduce costs for market participants since they would be able to use the same templates when fulfilling their filing obligations.

Part B

3.2.1. Governance

As previously expressed, we would clearly favour Model C for devising the electronic network – as proposed by CESR in its technical advise of June 2006. Nevertheless we have the feeling that some proposals go beyond the technical solutions offered by this Model C and tend to follow other models (i.e. Model A and B).

This is especially true with regard to the single access point (see Par. 3.2.1. (2)). We consider that it would be sufficient when the central application server names to the end user the websites of the national storage mechanisms where the needed information about an issuer can be found. It could even provide for a link to such websites. In any event, the further search for information about the respective issuer can be easily done on the website of the relevant national storage mechanisms. Of course such an approach would lead to manifold interfaces which would not necessarily be available in every EU language – a situation which is not problematic if the end-user can be expected to use an interface in the language of the state where the storage mechanism is located and, in accordance with Par. 12.2. of Part A, additionally in a language customary to the sphere of international finance (i.e. English).

We also have similar concerns with respect to the harmonised searching facilities at centralised level – as described in Par. 3.2.1. (3). This would also lead to giving preference to Model A or B which would induce higher costs for all involved stakeholders. Since the different ways to categorise regulated information are not so numerous, we would prefer that national storage mechanisms remain free to decide on how to categorise the regulated information stored by them – and eventually that they agree to voluntarily align their ways of categorisation and searching facilities. This solution could lead to similar interfaces but not to one single access point with one interface.

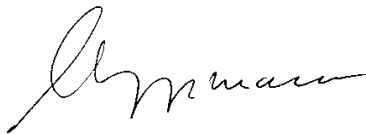
3.2.2. Funding and pricing of access to information

The question of funding and pricing of access to information remains a very important issue for the industry so that we would strongly plead for clarifications in this regard. We take note that CESR and the Working Document suggest that certain information stored in the mechanism shall be available free of charge to users. As a matter of principle, we believe in such a situation that the costs for the network should be distributed between all issuers that disclose the required information on such network, based on the amount

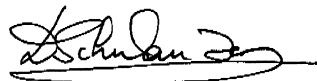
of information disclosed by each issues. We would therefore ask the EU Commission to develop a concept of funding in line with this principle. It should be avoided that supervisors which in certain countries are funded mainly by credit institutions, would bear the costs of such a system since it would lead to a situation where only a part of the issuers (namely credit institutions) would indirectly contribute to the funding of the network.

Should you wish to discuss any of the above mentioned points in further detail, please do not hesitate to contact us.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Schoppmann', written in a cursive style.

Henning Schoppmann
EAPB

A handwritten signature in black ink, appearing to read 'Schwander', written in a cursive style.

David Schwander
EAPB