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PRESS RELEASE

CESR consults on options for the storage and easy access of regulated information

CESR issues today a consultation paper (Ref: CESR/06-025) which focuses on the provisions of the Transparency Directive relating to the storage and filing of regulated information by issuers admitted to trading on regulated markets (such information includes price sensitive information, regular financial reports and notifications for major holdings). More specifically, the Commission's Mandate (received July 2005) requires CESR to provide advice by June 2006 in relation to both the development of national storage mechanisms and the creation of an EU network of these national mechanisms.

The issue of storage is crucial for the EU financial markets. For the first time, there is a legal requirement to ensure that EU investors have easy access to information about all EU issuers on a pan EU basis, irrespective of where they are located. This will enable investors to better evaluate investment opportunities and make informed assessments of an issuer's business performance and assets. The storage system is intended to become a key tool in the integration of EU financial markets, fostering investor confidence.

The consultation paper contains three parts, the main issues of which are analysed below:

The minimum quality standards of the national storage systems

The first part of the consultation paper relates to the national storage mechanisms called Officially Appointed Mechanisms (the "OAM"). CESR sets out some minimum 'quality standards' that such mechanisms would need to meet. The main standards include for example:

- assurance of adequate security of the IT systems such as, an effective validation procedure, availability of the stored information, acceptance of waivers and recovery and back-up systems;
- certainty as to the information source and authenticity of origin of the information stored (authentication procedures);
- easy access by end-users.

The agreement of interoperability amongst national storage systems

The second part of the mandate, deals with the architecture of the EU network of national storage systems (national OAMs). CESR presents four possible network models as a basis for its work on developing a system which can link the national OAMs, these models range from the most centralized of systems to the least centralised and can be summarised as follows:

- o **Model A : A Central Access Point (CAP)** which is based on a central application server, which collects the search requests coming from a web page available to the users and dispatches these requests to the OAM(s) of each Member State;
- o **Model B ; A De-centralised system** under which an application server is located in each OAM;
- o **Model C: A Central list of issuers option** which would operate as if there is a central server hosting an application, containing a complete list of issuers and the links to each OAM holding information on that issuer;
- o **Model D - Basic Access Model** which would require every national competent authority to publish on its website a list of hyperlinks to every OAM in the EU.



In the consultation paper, CESR also considers the practical understandings which would underpin the implementation of the final network model which is adopted. To this end, CESR describes three alternative approaches. The first and preferred approach is based on the development of a binding provision, by which Member States shall be required to ensure that OAMs abide by an interoperability agreement, the model of network will be defined and co-ordination will be ensured. According to the second approach, interoperability could be achieved with agreements among Member States alone. The third approach proposed consists of ensuring interoperability by establishing an agreement between the OAMs themselves.

CESR also presents the possible content of the interoperability agreements, which for the more advanced network models would need to contain common reference data items, common interface and communication standards and common search keys.

CESR is currently considering separately, the various parameters that it will take into account in order to provide an opinion on the cost of both setting up and operating a national OAM and the cost of developing a network between the various national OAMs. CESR intends to deliver its analysis on the cost aspects of national OAMs to the European Commission in early May; and will report on costs aspects of establishing the network separately.

Technical issues in relation to the role of the competent authority

Finally, the consultation paper also addresses a number of technical issues regarding the role of the national competent authority and the filing of the regulated information with the competent authority.

The consultation paper is open for a two months comment period as parts of the document have already been the subject of consultation in the context of the 'Progress Report' (Ref: CESR/05-150b) which CESR delivered to the European Commission on 30 March 2005.

CESR is therefore inviting all interested parties to submit their comments **by 31 March 2006** to Mr Fabrice Demarigny, Secretary General, in the section Consultations on CESR website (www.cesr-eu.org). A hearing will also take place. As soon as a date is scheduled, this will be announced on CESR's website under the section 'hearings'.

