


POSITION PAPER



ESBG response to the public consultation on the modernization of the Transparency Directive

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The European Savings Banks Group (ESBG) appreciates the opportunity to comment on the public consultation on the Transparency Directive. As introductory comments, ESBG highlights that the Transparency Directive is overall functioning well. An analysis of the impacts, costs and benefits stemming from the Directive and a reflection on possible changes and additions is yet certainly useful.

I. Attractiveness of regulated capital markets for small listed companies

For small listed companies, the fees for being listed, which have to be paid to the entity managing the market, as well as the costs related to the transparency obligation, are the most important compliance costs in respect of the Transparency Directive. Therefore a less expensive access to markets, less exhaustive disclosure regimes or support for complying with the transparency obligations are valuable steps for raising the attractiveness of regulated capital markets for small companies. Such possibilities are already offered through a number of initiatives, e.g. the entry standard created by Deutsche Börse outside its regulated markets business, the Alternative Investment Market by the London Stock Exchange and MAB, the alternative securities markets created in Spain for small companies which want to be listed.

ESBG members welcome the above mentioned initiatives and encourage the development of these alternative markets, which are clearly distinguishable for investors from organized markets according to MiFID.

ESBG believes that changes in the Directive regarding small listed companies should be only introduced, if a high-quality standard of disclosures can be kept. However, ESBG doubts that the changes to the Directive can help solving the lower visibility problem of some smaller listed companies.

Looking at the proposals included in section 7, ESBG considers that enhanced harmonization regarding reports of a narrative nature would be beneficial from a general perspective (in other words not particularly for small companies); indeed, more coordination on the content of narrative reports via non-mandatory ready-to-use templates is desirable.

II. Information about holdings of voting rights

ESBG has no specific comments on this topic, but in general terms shares the Commission's concerns regarding the storage of and access to regulated information. ESBG would welcome a more centralized storage system.

III. Ineffective application of the Directive because of diverging national measures and/or unclear obligations in the Directive

Regarding the notification of major holdings of voting rights, ESBG is hesitant as regards the proposal to set up a uniform, adapted or upgraded EU regime for such notifications. However, ESBG notes that it is desirable to ensure that Member States are prevented from adopting more stringent notification requirements than those laid down in the Directive.



About ESBG (European Savings Banks Group)

ESBG (European Savings Banks Group) is an international banking association that represents one of the largest European retail banking networks, comprising about one third of the retail banking market in Europe, with total assets of € 5967 billion (1 January 2008). It represents the interest of its Members vis-à-vis the EU Institutions and generates, facilitates and manages high quality cross-border banking projects.

ESBG Members are typically savings and retail banks or associations thereof. They are often organized in decentralized networks and offer their services throughout their region. ESBG Member banks have reinvested responsibly in their region for many decades and are one distinct benchmark for corporate social responsibility activities throughout Europe and the world.



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