

Mr. Lee Piller
Director for Financial Information
Committee of European Securities Regulators
11 – 13 Avenue De Friedland
75008 Paris
France

December 7th 2009

By email

Re: Call for Evidence - The Use of a Standard Reporting Format for Financial Reporting of Issuers Having Securities Admitted to Trading on Regulated Markets

Dear Lee,

The International Capital Market Association (“ICMA”) is a self-regulatory organisation representing a broad range of capital market interests including global investment banks and smaller regional banks, as well as asset managers, exchanges, central banks, law firms, and other professional advisers amongst its 360 member firms. Over the past 40 years, ICMA has contributed significantly to the development of the international capital market. Promoting “best practices” and standards, contributing to education, helping supervisory authorities and furthering the links between its members, was and is ICMA’s mission. ICMA’s market conventions and standards have been the pillars of the international debt market, providing the self regulatory framework of rules governing market practice which have facilitated the orderly functioning and impressive growth of the market.

ICMA warmly welcomes CESR’s efforts to advance the development of a European network of officially appointment mechanisms and is pleased to respond to CESR’s Call for Evidence on “The Use of a Standard Reporting Format for Financial Reporting of Issuers Having Securities Admitted to Trading on Regulated Markets”.

We feel that there should be a standard reporting format for financial reports of issuers having securities admitted to trading on a regulated market. This would allow for greater comparability of issuers, which would in turn facilitate better and cheaper analysis of financial information, ultimately benefiting investors and the market in general. XBRL could potentially be an appropriate format to use as the standard for reporting. We recognise that there could be significant one-off costs for issuers to switch to the XBRL format, though this could be offset by the gains to be achieved in the reduction of analysis costs for investors. If the global trend is for greater use of XBRL, then it would be sensible to adopt XBRL as the standard reporting format. However, at the same time, there may be advantages to delaying the roll-out of XBRL in order to allow for (1) further development of XBRL itself; and (2) a more developed read-across from XBRL to the IFRS Taxonomy.

We note that consideration of whether to use a standard reporting format is just one of the many issues still to be considered in mapping out the future development of the network of OAMs across Europe. However, there are a host of other issues that are equally, if not more, important to the development of a European network. For example, there are issues concerning:

- a. Document classification – Member States are not agreed on what constitutes “regulated information”. For example, prospectuses are not included in the TD definition of “regulated information”, though some Member States would classify them as such. Therefore, an OAM would not be obliged to include documents falling outside the national parameters of “regulated information”. We feel that there needs to be harmonisation across Europe on the types of information to be stored in the national OAMs, and thus accessible via the European network. From an investor protection perspective, it would be advantageous for the OAMs to store more information rather than less and would thus recommend a more encompassing model.
- b. Language - national OAMs only provide information in the national language or a language “common in the sphere of international finance” as there is no TD requirement for issuers to provide information in other languages. Therefore, an investor in France wanting information on a German company would likely view documents written in German. The European network would need to resolve the language issue so that documents are in an accessible language across the network.
- c. Ease of use – an ideal system would allow an investor in e.g. France, to pull up the financial or other information of all companies in a particular sector, irrespective of the location of the company’s home state with a single click of a mouse button, as it were. This is in contrast to CESR’s current system where clicking on a company name merely brings up a further link to where information can be found. Adoption of XBRL only makes sense if there is a seamless interface between all the national OAMs – i.e. the ideal system.

We would urge CESR to consider engaging fully with market participants when considering these wider issues surrounding the development of a European OAM network and would be happy to work with CESR in this regard.

Please do not hesitate to contact me if you have any questions, comments or concerns.

Yours sincerely,



Lalitha Colaco-Henry
Legal Advisor – ICMA Regulatory Policy
Lalitha.Colaco-Henry@icmagroup.org