

第二届中法金融论坛

2nd SINO-FRENCH FINANCIAL FORUM

How to deal with information and prospectus ?

Influence of European Rules and Guidelines

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Introductory words

- **Stakes of Financial Information in Equities Markets**
 - Investor protection
 - Financial markets security, liquidity and attractiveness
- **Need for a Sophisticated Environment**
 - Investment services providers
 - Accountants, Auditors
 - Lawyers
 - Investor relations specialists ...

Diapositive 2

JFA1

Jean-François Adelle; 08/10/2008

Ébauche uniquement

Panellists and Topics

- **Jean-François Adelle, Lawyer specialised in financial law, Partner of JeantetAssociés : Influence of European rules and guidelines**
- **Christine Lambert-Goué, Managing Director China of Invest Securities : The viewpoint of an investment firm and listing sponsor**
- **Anne Guimard, President of Fineo Investor Relations : Leveraging investor relations and financial communication**
- **Frank Martin-Laprade, Lawyer specialised in securities laws, Partner of JeantetAssociés : Legal environment and management**
- **Benoît de Juvigny, General Manager of the French Financial Markets Authority (AMF) Corporate Finance Division : The viewpoint of the French Regulator**
- **Zhao Lixin, Chinese Securities Regulation Commission (CSRC) : The viewpoint of the Chinese Regulator**

An European Union Legislation Implemented into French Law (1/4)

I. A process driven by the European Commission 1999 Financial Markets Action Plan (FMAP) aiming to integrate financial markets by 2005

- **Consolidated wholesale markets**
 - **Strengthen investor protection**
 - **Remove barriers to raising capital on an EU wide basis**
 - **Foster the international competitiveness of the EU financial markets**

- **Three sets of rules in connection with financial information**
 - **Financial information obligations in connection with the main securities offer operations : prospectus**
 - **Periodic and on-going information obligations bearing on issuers whose securities are admitted to trading on a regulated market**
 - **Protection of market integrity against wrongful information : combating insider dealing and market manipulation**

JF,

Diapositive 4

JFA2

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An European Union Legislation Implemented into French Law (2/4)

II. A New Decision Making Process

- Co-decision European Council – European Parliament
- The “4 - Level Approach” (Lamfalussy process)
 - **Level 1 : Rules/framework principles - Directives**
 - **Level 2 : Implementing measures - Cooperation with European committees – Regulations**
 - **Level 3 : Monitoring of effective and homogenous implementation: Cooperation among national regulators – Recommendations**
 - **Level 4 : Control of effective implementation of rules and regulations**
- The Lamfalussy Committees
 - **Committee of Securities Regulator (CESR)**
 - **European Securities Committee (ESC)**

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An European Union Legislation Implemented into French Law (3/4)

III. The European Legislation on Financial information

- Principles

- **Detailed rules**

- **Avoids competition distortions among European marketplaces on the levels of financial information standards**
 - **EU legislation has precedence over member states laws – uniform interpretation of the European Court of Justice**

- **Guidelines to facilitate implementation by member states**

- The “Level 1” Directives

- **Prospectus Directive (2003/371/CE)**
 - **Transparency Obligations Directive (2004/109/CE)**
 - **Market Abuse Directive (2004/109/CE)**

An European Union Legislation Implemented into French Law (3/4)

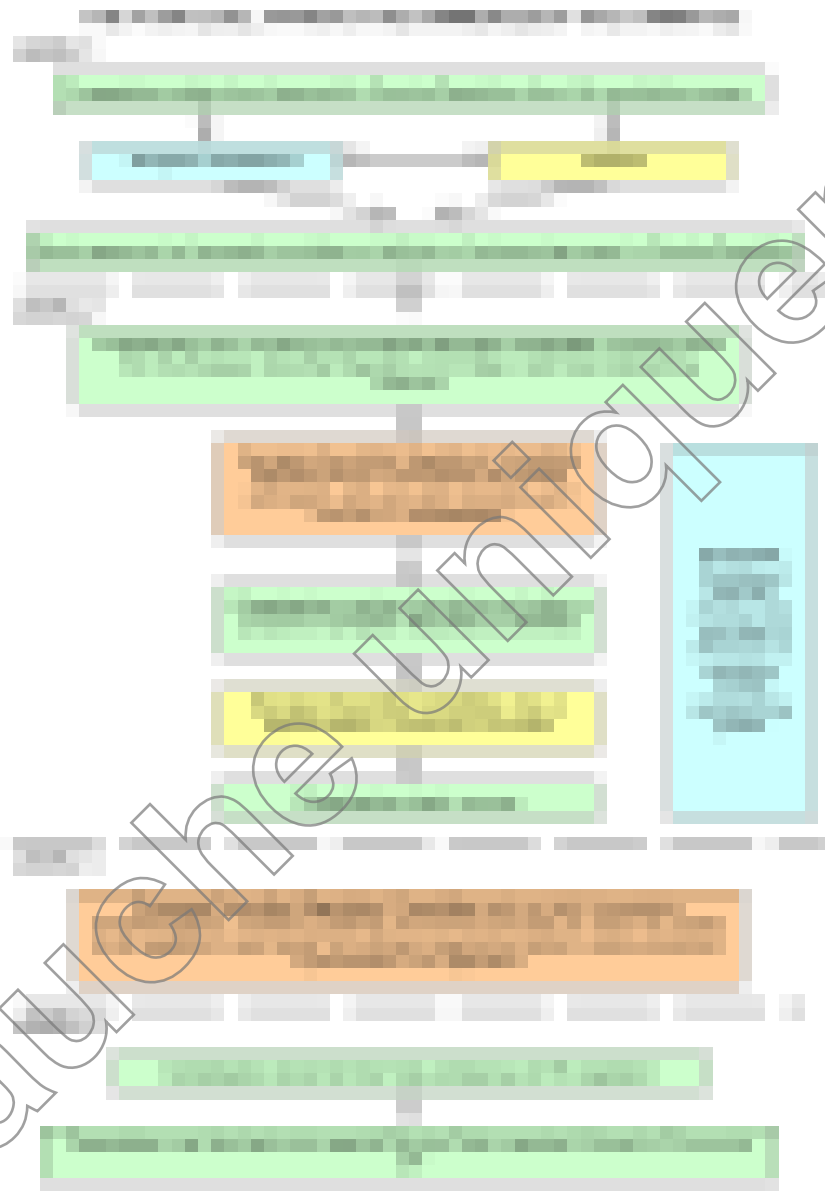
III. The European Legislation on Financial information (continued)

- Other relevant Directives
 - **Directive 85/611/EEC sets prospectus requirement for transferable securities issued by collective investment undertakings**
 - **MifID introduces a truly effective passport for investment firms, along with a new common framework for investor protection**

IV. Receipt into French Law

- **Statutes (Directives only)**
- **AMF General Regulation**
- **AMF Instructions**

Annex (1/4)



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Annex (2/4) Prospectus: Frame and Implementing Rules

Level 1

1. Prospectus Directive 2003/371/CE – implementation by 1st July 2005)

- **Principles for the drawing up, approval and distribution of prospectus**
- **Scope of prospectus requirement:**
 - offer of securities to the public
 - admission to trading of securities on a regulated market
- **Securities : exclusion of shares of collective investment undertakings other than closed-end type**
- **Exemptions from prospectus requirement for**
 - (i) certain offers (e.g. qualified investors or less than 100 investors) and
 - (ii) certain securities (e.g already listed securities)
- **State of origin visa - passport**

Level 2

1. Prospectus : Regulation 809/2004

- **Detailed provisions on specific information to be included in the prospectus**

Annex (3/4) Transparency and Market Abuse: Frame and Implementing Rules

Level 1

2. Transparency Directive 2004/109/CE – implementation by 20 January 2007

- *Harmonises and strengthens requirements for disclosure of periodic and on-going information required from issuers whose securities are already admitted to trading on a regulated market or operating within a member state*
- *Applies to all equity transferable (and debt) securities except units in collective investment undertakings*
- *Control of single authority in the state of origin*

3. Market Abuse Directive 2003/6/CE implementation 12 October 2004

- *Frame directive setting principles to fight insider dealing and market manipulation.*

Level 2

2. Transparency *none*

3. Market Abuse

- *Directive 2003/124/CE implementing Directive 2003/6/CE detailing definition of privileged information*
- *Directive 2003/125/CE detailing obligations of analysts and financial journalists*
- *Directive 2003/72/CE detailing prevention of market abuse measures*
- *Regulation 2273/2003 concerning repurchase of securities*

Annex (4/4) Level 3 and Level 4

- **Level 3** : CESR interpretative guidance and information

- ***Matters not covered by Level 2 rules***
- ***Assessment of member states regulation***

e.g. Level 3 first set of CESR guidance and information on the common operation of the Market Abuse of the Directive

CESR' Recommendations for a consistent implementation of the European Commission's Regulation on Prospectuses n°809/2004 (February 2005)

- **Level 4** : European Commission Control of effective implementation

- ***The EU Commission can file an action against non complying states***

Thank you for your attention

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