

Securities: issuers trading on a regulated market, transparency requirements

2003/0045(COD) - 17/02/2004

The committee adopted the report by Peter SKINNER (PES, UK) amending the proposal under the 1st reading of the codecision procedure. It deleted Article 6 of the directive, which requires all issuers of shares admitted to trading on a regulated market to disclose financial information on a quarterly basis. MEPs argued that this would impose an unnecessary burden on companies and encourage management to focus on short-term profitability. They believed that what investors value above all is the provision of quality information when it is available rather than mere frequency of provision of information. The committee also said that annual reports should include information on remuneration and benefits granted to members of the management and supervisory bodies, senior management and key personnel. In addition, it wanted to encourage, albeit on a voluntary basis, disclosure in annual financial reports of any payments made to governments, whether inside or outside the EU. The rapporteur emphasised the importance of transparency in any payments made to governments by companies, in particular by the mining industries, so as to discourage corruption. Regarding the media used for dissemination of regulated information, one amendment allowed Member States to require publication in a newspaper. MEPs also clarified that, with regard to the information to be drawn up and disclosed to the public by the issuer in line with the provisions of the directive, it is the liability laws of the home Member State that should be applied, to ensure that an issuer is not liable in many different Member States. Lastly, although the committee supported the Commission proposal to extend the obligation of half-yearly reporting for issuers of "only debt securities", it wanted an exemption for small issuers.