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## Comments regarding Ministry of Finance Memorandum Ds 2012:1 on new rules regarding prospectuses.

The Swedish Corporate Governance Board was invited to comment on this memorandum and would like to express the following opinions. The Board's comments confine themselves to the issue of the language of prospectuses and to the duration of the right of withdrawal in connection with supplementary prospectuses/supplementary offer documents.

The Board shares the opinion expressed on pages 56-57 of the memorandum, which states that it is vital that Swedish investors are able to read and understand the information in a prospectus issued in Swedish. The main rule should therefore continue to be that prospectuses are issued in Swedish. Allowing the Swedish Financial Supervisory Authority (the SFSA), to issue rules regarding on when prospectuses do not need to be available in Swedish must not lead to greater possibilities for prospectuses to be available only in other languages than Swedish than the SFSA allows today. There is a risk that the SFSA formulates rules with unnecessarily broad applicability, compared to the current rule that states that the SFSA may grant exemptions on a case by case basis.

Whenever a supplementary prospectus is published, the target group of the offer is to be allowed the opportunity to withdraw its enrolment or to confirm its subscription. The memorandum proposes reducing the time period for shareholders to withdraw or confirm from five working days to two. This regulation would also apply to supplementary offer documents in connection with public takeover bids on the stock market. A duration of two working days for withdrawals is altogether too short a period for investors to digest the new information, and in many cases too short for the investor to actually implement a withdrawal. If, for example, a shareholder in the target company of a public takeover bid has shares registered through a fund manager, the fund manager will not have time to acquire instructions from the target company shareholder and, if applicable, carry out a withdrawal during the specified time period. Relying on the good will of issuers to volunteer a longer period for withdrawal, as is proposed, is insufficient. There should therefore be a separate investigation into whether it is possible to deviate from Article 16 of the European Commission's Prospectus Directive. If this is possible, the existing five-working-day period should be preserved.

The Board has no further comments on the proposed legislation.

Stockholm, 9 March 2012

THE SWEDISH CORPORATE GOVERNANCE BOARD

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