

Markets Supervision Department  
Financial Regulator  
PO Box 9138  
College Green  
Dublin 2  
**BY EMAIL [marketsadmin@financialregulator.ie](mailto:marketsadmin@financialregulator.ie)**

Our Ref  
DMCC/FF

Your Ref

22 May 2009

Dear Sirs

## DISCLOSURE OF GRANTS OF SECURITY OVER SHARES

We welcome the consultation process initiated by the Financial Regulator in relation to the question as to whether there are or should be disclosure obligations in respect of grants of security over shareholdings by PDMRs where the shares are issued by the company with respect to which the managerial responsibilities of the PDMR arise.

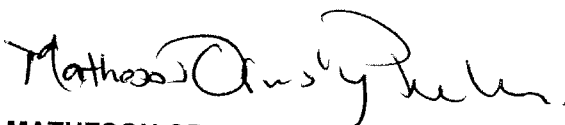
In our view the approach being taken by the Financial Regulator is preferable to that taken by the Financial Services Authority ("FSA") in the UK following the resignation of the deputy chairman of Carphone Warehouse in the UK in December 2008.

Since the Carphone Warehouse director's resignation in December 2008 and the FSA announcement of its interpretation of the rules, there is considerable uncertainty in the market in relation to the necessity or otherwise to disclose share pledges by PDMR's. Prior to that, market practice was to interpret the rules and guidance in the area as meaning that no notification was required in relation to the pledge of a share.

It is our submission that the law should be amended to remove this uncertainty and to provide definitively whether a pledge of shares by a PDMR requires disclosure. If disclosure is to be required the types of security transactions to be disclosed should be specified with some degree of clarity. As a law firm we do not consider it appropriate that we would recommend one option over the other as this is ultimately a policy decision rather than a legal matter.

Clearly a harmonised interpretation of the rules, which implement an EU directive, would be preferable to different approaches being taken in different European markets as is currently happening. We welcome the suggestion that the Financial Regulator will contribute to the development by the European Commission and CESR of a common understanding on the correct position.

Yours faithfully



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