



EUROPEAN CENTRAL BANK

STRICTLY CONFIDENTIAL

ANNEX III

to the report on legal aspects of euro area short-term securities

Medium-term notes

8 February 2002

First Draft

ANNEX III

Medium Term Notes

1	Legal basis
BELGIUM	
GERMANY	The general rules within the Civil Code (Bürgerliches Gesetzbuch), in particular sections 793 seq. of the Civil Code, and in supervisory law apply. Specific definitions are to be found in section 1(11)Nr.2(3) of the Banking Act (Kreditwesengesetz) of 1998, section 2 (1a) of the Securities Trading Act (Wertpapierhandelsgesetz), section 7a(2) of the UCITS-Act (Kapitalanlagegesellschaftsgesetz) ('money market instruments').
GREECE	
SPAIN	Law 24/1998 of 28 July on the Securities Market (Ley del Mercado de Valores, "the Law"), and implementing legislation including Royal Decree 291/1992 of 27 March on Issue and Public Offerings of Securities (Real Decreto sobre Emisiones y Ofertas Publicas de Venta de Valores, "the Decree"). Law of Private Corporations (as published by Royal-Decree 1564/1989 of 22 December).
FRANCE	Article L 213-1 of the French Financial and Monetary Code defines negotiable debt securities ("Titres de Créances Négociables" -TCN-) as "titres émis au gré de l'émetteur, négociables sur un marché réglementé ou de gré à gré, qui représentent chacun un droit de créance pour une durée déterminée". This definition covers in particular "certificats de dépôt" (certificates of deposit), "billets de trésorerie" (commercial paper) and "bons à moyen terme négociables" (Medium-Term Notes). Conditions of issuance are defined in Articles L.213-2 to Article L.213-4 of the Code and by Decrees and CRBF Regulations (See Decree n°92-137 of 13 February 1992 regarding TCN and amended by Decree n°98-1316 of 31 December 1998 and Regulation of CRBF n°98-08 of 7 December 1998 and Arrêté of 31 December 1998). Decree n°98-1316 defines general principles applicable to all kinds of TCN. The CRBF Regulation n°98-08 defines the rules applicable to the issuance by credit institutions and investment firms, of certificates of deposit and of commercial paper respectively as well as the issuance of MTN by these two categories of issuers. Arrêté of 31 December 1998 defines the rules applicable to securities issued by non-financial entities (commercial paper and MTN of industrial and commercial undertakings).
IRELAND	The concept of a medium-term note is not, as such, known to Irish law. A medium-term note would therefore be classified in the same manner as a negotiable instrument that constitutes a debt security (which would include bonds, debentures, notes, etc.).
ITALY	MTN are not regulated by Italian law and they can be considered as an "atypical instrument".

1	Legal basis	
LUXEMBOURG	There is no specific procedure dealing with the issuance. It is generally and in practice considered that certificates of deposit can be issued by banks on an individual and private basis whilst commercial paper (billets de trésorerie) and MTNs (bons à moyen terme négociables) will generally be issued in series and placed either privately or publicly.	
THE NETHERLANDS	The Act on the Supervision of Credit Institutions 1992 (<i>Wet toezicht kredietwezen</i>) and implementing rules and regulations, the Act on the Supervision of Securities Trade (<i>Wet toezicht effectenverkeer</i>) and implementing rules and regulations.	
AUSTRIA	The general legal basis is the commercial certificate of obligation according to section 363 Commercial Code and the principle of freedom of contract.	
PORTUGAL	The concept of MTNs is not foreseen under Portuguese law. However, according to the criteria of maturity applied to the concept of MTNs, a medium-term security called <i>obrigações de caixa</i> (OCs) was originally introduced by Decree-Law No. 117/83 of 25 February 1983. Currently, OCs are regulated by Decree-Law No. 408/91 of 17 October 1991, as amended by Decree-Law No. 343/98 of 6 November 1998 and by Decree-Law No. 181/2000 of 10 August 2000.	
FINLAND	The Securities Markets Act (495/1989) contains a broad definition of financial instruments. Medium-term notes would, as a form of commercial paper, seemingly fall under the definition in Chapter 1, Section 2(3).	

2	Legal definitions
BELGIUM	There is no legal definition for MTN in Belgium. They may be categorized as long term CP.
GERMANY	Debt security (section 793 seq. of the Civil Code), no specific definition used in statutory law.
GREECE	
SPAIN	MTNs as such are not recognized by Spanish legislation. MTNs may be categorised as long-term commercial paper, known as “bonos de empresa” or simply “bonos”. There is a specific legal definition of “bonos” are simply qualified as being “titles that recognize or create a debt” by Art. 282 of the Law of Corporations.
FRANCE	Article L 213-1 of the French Financial and Monetary Code defines "Titres de Créances Négociables" (TCN) (see 1). MTN ("Bons à Moyen Terme Négociables") are covered by this definition. No specific definition of MTN (See however 3.)).
IRELAND	The concept of a medium-term note is not, as such, known to Irish law. A medium-term note would therefore be classified in the same manner as a negotiable instrument that constitutes a debt security within the meaning of the Irish Regulations implementing the the Listing Particulars and Prospectus Directives. A medium-term note would also fall within the definition of a debenture under section 2(1) of the Companies Act, 1963, which defines a debenture as including “debenture stock, bonds and any other securities of a company whether constituting a charge on the assets of the company or not”. In terms of the maturity of a debt security, the Central Bank of Ireland’s Notice BSD CP 1/98 draws a distinction between ‘commercial paper’, which is defined as paper or other securities which have an original maturity of less than one year, and securities or other paper with an original maturity of one year or longer. A medium-term note would appear to fall into this more generic category of debt securities.
ITALY	No definition of MTN is provided in Italian law.
LUXEMBOURG	
THE NETHERLANDS	There is no legal definition for MTN in the Netherlands. They may be categorized as long term CP.

2	Legal definitions	
AUSTRIA	<p>Under Austrian law a MTN is a security. There are no special legal definitions. More generally, bonds and other securities are mentioned in several Austrian laws (e.g. the Banking Act, the Securities Deposit Act, the Capital Market Act, the Stock Exchange Act, the Capital transaction Tax Act). However, these acts also do not contain express definitions. For the purposes of banking supervision the Banking Act contains a definition of money market papers in its liquidity provisions (section 25 (4) 3. last sentence). According to this provision, money market certificates are credit institution bonds which may only be traded between those credit institutions which have committed themselves to selling such certificates only to credit institutions.</p>	
PORTUGAL	<p>Pursuant to Article 1 of Decree-Law No. 408/91, OCs are debt securities with a maturity of not less than two years.</p>	
FINLAND	<p>No specific legal definition of “medium-term note” is laid down in the relevant provision of the Securities Markets Act (Chapter 1, Section 2 of the Act). In practice such papers are securities issued by Government, local governments, companies, banks and other financial institutions.</p>	

3	Issuance	
BELGIUM	The “quasi” medium term notes that are issued with maturities exceeding one year are issued in a similar way as the short term TBT with the exception that their tenor exceeds one year and the panel of terms and conditions is wider.	
GERMANY	Corporates, banks and public sector may be issuer. Technique of issue could be flexible. Maturity could be up to 30 years, normally 1 to 5 years.	
GREECE		
SPAIN	<p>By definition, issued by corporations, although there are no restrictions on credit institutions to issue “bonos” (debt securities issued by the Government are bonos del Estado, or more generally deuda pública, i.e. public debt).</p> <p>There is no minimum or maximum maturity limits, although titles issued with a maturity lower than 21 months would be generally consider as commercial paper. Typically, MTNs (bonos) would have a maturity of more than 3 years. These are guidelines of the CNMV (soft law) and established market practice.</p> <p>Corporations may not issue MTNs (bonos) for a total value higher than their subscribed capital plus reserves (Law of Corporations, Art. 282). The law establishes no other limits on the value of MTNs (bonos).</p> <p>Issue can be dematerialised, but the issue must be certified by a public notary in public document. The public document must be inscribed in the Registry prior to the placing of the titles. (Law of Corporations, Art. 285).</p> <p>Notice of the issue must be published in the Official Bulletin of the Commercial Registry.</p> <p>Issue may include guarantees (mortgage credit, collateral in a credit institution, etc).</p> <p>The Law and Decree apply to securities issued in Spanish territory, meaning addressed to investors resident in Spain (Decree, Art. 3).</p>	
FRANCE	<p>Article L 213-3 of the French Monetary and Financial enumerates the legal entities who may issue TCN, i.e. credit institutions, investment firms, Caisse des Dépôts et Consignations, companies making public offerings, EIG, Community institutions and international organisations to which France belongs. MTN can be issued by all these entities. Since the law "NRE" (New Economic Regulations) of 15 May 2001, local public bodies are also authorised to issue commercial paper and MTN (see Decree n° 2001-930 of 9 October 2001 amending the Decree n° 92-137 of 13 February 1992 regarding TCN, French OJ of 12 October 2001, p 16023).</p> <p>Dematerialisation is compulsory since 1993. According to CRBF Regulation 98-08 of 7 December 1998 and Arrêté of 31 December 1998, MTN must have a fixed maturity date, an initial maturity in excess of one year and a unit value equivalent to at least EUR 150,000.</p>	
IRELAND	The primary issuer of debt securities in Ireland is the Irish Government. The National Treasury Management Agency (NTMA) manages the Irish national debt on behalf of the Irish Government, and in particular manages the issuance and redemption of Irish Government debt securities. Irish issuers of corporate bonds issue debt securities offshore in the international capital markets, including the UK and the US, and there is no purely domestic corporate bond market as such.	

3	Issuance	
ITALY	<p>According to the Delibera of CICR, 3 March 1994, fund raising from the “public” can be performed by non-bank entities only by issuing “cambiali finanziarie” and “certificati di investimento”.</p> <p>Banks can raise funds from the public with any kind of instrument. However, the atypical instruments should at least contain the information prescribed by the “Istruzioni di vigilanza” of Banca d'Italia (title V, chapter 3, sez. IV): name and address of the bank, the existing capital, nominal value of the instrument, ways of redemption, remuneration, guarantees.</p> <p>All the debt instruments bound to diffusion with the public are dematerialised.</p>	
LUXEMBOURG		
THE NETHERLANDS	<p>Issuance is generally regulated by the Act on the Supervision of Securities Trade 1995 (<i>Wte 1995</i>)</p>	
AUSTRIA	<p>In practice, MTNs have been issued under English or German law as bearer securities. However, issuance under Austrian law is possible according to the principle of freedom of contract.</p>	
PORTUGAL	<p>According to Article 2 of Decree-Law No. 408/91, only credit institutions with net assets of not less than €2.5 million are entitled to issue OCs. The issuance and the public offer for subscription of OCs does not require any administrative authorisation and is not subject to commercial register, as flows respectively from Article 4 and Article 5(3) of Decree-Law No. 408/91.</p>	
FINLAND	<p>In practice minimum €100 000. Also by local authorities and banks. Dematerialised.</p>	

4	Rating
BELGIUM	Rating (not compulsory).
GERMANY	Frequent. Normally, rated corporates would issue. Other issuer would use credit support techniques.
GREECE	
SPAIN	No provisions on rating
FRANCE	Rating is not compulsory. This rating is obtained from a rating agency which is mentioned in the list established by the French Ministry of Economy and Finance. Rated issuers are exempted from the application for a visa to the COB (simplified information procedure).
IRELAND	No relevant provisions.
ITALY	In Italy not compulsory for any issuance of securities.
LUXEMBOURG	
THE NETHERLANDS	Rating (not compulsory).
AUSTRIA	No provisions on rating. MTNs issued by Austrian banks under foreign law have been rated.
PORTUGAL	No rating.
FINLAND	Pursuant to Chapter 3, Section 11 of the Securities Markets Act, the Stock Exchange may list an instrument such as e.g. a medium-term note/commercial paper that has been issued to the public, if the issuer is a member of the Stock Exchange and applies for such listing.

5	Investors and prospectuses
BELGIUM	
GERMANY	Prospectus is required under section 7 of the Prospectus Act (Verkaufsprospektgesetz) of 1998. In practice, exemptions apply in case of restricted subscribers, minimum tradable lots beyond 80.000 DM or maturities below 1 year. Prospectuses have to be deposited with the Federal Securities Office (BAWe).
GREECE	
SPAIN	<p>Under the Law, Art. 26(d)), before issue, a prospectus must be presented to and registered (with some exceptions) with the CNMV (Comisión Nacional del Mercado de Valores: Spanish securities supervision agency). The prospectus must contain enough information for investor to make a judgment on the proposed investment. It must reproduce the conclusion of the mandatory audits as per Art. 27 of the Law, the obligations derived from the securities, and the procedure for placing the security on the market. The prospectus must follow the models approved by the CNMV (see CNMV Circular 2/1999) and fulfil a series of minimum formal requirements. Correction of mistakes or relevant ex-post information must be included in a supplement. (Decree, Art. 15-23)</p> <p>The public offer must take place within a month of the registry of the prospectus with the CNMV (Decree, Art. 25).</p> <p>In the case of international offers (i.e., including non-Spanish residents) the prospectus must include all information provided to foreign investors, even if not required by Spanish legislation. All information must be translated into Spanish (Decree, Art. 26).</p> <p>In the case of issuers not resident in Spain, the required audit must comply with the legislation of the place of residence of the issuer. If this is outside the EU, the CNMV may require additional clarification re. the applicable norms</p> <p>The issue of MTNs (bonos) triggers the constitution of a 'syndicate of holders' (sindicato de obligacionistas), composed by the holders of the titles, managed by a commissioner and acting in defense of the interests of the holders.</p>
FRANCE	Pursuant to Article L.213-4 of the French Financial and Monetary Code, the issuers of TCN are under an obligation to fulfil certain information obligations concerning their economic and financial situation and their issuing programme. A Decree specifies the content of these obligations and the conditions of publicity. The COB is in charge of the control of the fulfillment of these obligations (especially when issuers do not provide any rating, application for a visa). The information document to be presented by issuers to Banque de France is called "Dossier de présentation financière".
IRELAND	The Irish Companies Act 1963 contains detailed provisions designed to ensure that the prospectus of a company offering debentures to the public for subscription contains adequate information about the company's business and are not misleading. Ireland has also implemented the Listing Particulars Directive (80/390/EEC) + (94/18EC), the Prospectus Directive (89/298EEC) and the Directive on admission of securities to official stock exchange listing (79/279/EEC) by means of the European Communities (Stock Exchange and Transferable Securities 1984 and 1992 (S.I. No. 282 of 1984, as amended by S.I. No. 18 of 1991, S.I. No. 202 of 1992 and S.I. No. 234 of 1994, and S.I. No. 202 of 1992). These Regulations contain requirements applicable to (a) debt securities admitted to official listing or subject to an application for admission to official listing on a stock exchange and (b) certain transferable debt securities having a maturity of at least one year and which are offered to the public for the first time and are not already listed on a stock exchange.

5	Investors and prospectuses	
ITALY	No prospectuses would be required (see commercial papers).	
LUXEMBOURG	A prospectus is only required if the instruments are either offered to the public in Luxembourg or listed on the Luxembourg Stock Exchange. To the extent that the instruments are issued under a public programme, then an annual update of the prospectus is required. An update is also required if major events occur that could affect the creditworthiness of the issuer.	
THE NETHERLANDS	The Act on the Supervision of Securities Trade 1995 (and further rules and regulations) stipulates the requirements to the prospectus, which must be published unless securities are offered only to professionals, to a select group or only outside the Netherlands.	
AUSTRIA	Article 2 of the Austrian Capital Market Act provides for the requirement of a prospectus when securities are offered to the public. No prospectus has to be drawn up, when securities are only offered to limited number of professional investors or in case of continuous issues by credit institutions.	
PORTUGAL	Pursuant to Article 5(1) of Decree-Law No. 408/91, a prospectus must be published before the placement of OCs starts. The prospectus must contain information about the main features, as listed in the legal provision at stake, regarding the issuance and the public offer for subscription of OCs. According to Article 5(2) of Decree-Law No. 408/91, the prospectus must be sent to the Banco de Portugal before the placement of OCs initiates.	
FINLAND	All issuers of financial instruments, other than shares in companies, which fall within the scope of the Securities Markets Act, are subject to the information requirements laid down in Chapter 2, Section 2 of the Act. Pursuant to this provision, anyone who issues securities (e.g. commercial paper/medium-term notes) to the public must provide sufficient information on any circumstances that may substantially affect the value of the securities in question.	

6	Trading
BELGIUM	
GERMANY	OTC market, stock exchange admission is possible.
GREECE	
SPAIN	<p>The admission of securities to trading in official markets requires prior verification (but no authorization) by the CNMV (Law, Art. 32.1) and the agreement of the authority of the secondary market concerned.</p> <p>MTNs (bonos) are traded in the stock exchange and mostly in the official secondary market AIAF (Asociación de Intermediarios de Activos Financieros). The AIAF is a price market (i.e., not blind) for fixed-return titles without participation from the public.</p> <p>If traded outside an official secondary market, the transaction requires intervention by public notary, or a certified securities agent (sociedad o agencia de valores).</p> <p>Buy-back possible if (1) so provided for in a public document documenting the issue, (2) in agreement with the syndicate of holders, or (3) by purchase in the stock exchange.</p>
FRANCE	<p>TCN can be traded on a regulated or an OTC market (Article L213-1 of the Financial and Monetary Code). Disposal and trading open to any authorised credit institution, investment firm or the Caisse des Dépôts et Consignations.</p> <p>Buy-back possible: reporting obligation to Banque de France.</p>
IRELAND	<p>The Irish Government bond market is the primary domestic market for debt securities in Ireland. Irish Government bonds are quoted on the Irish Stock Exchange. In contrast to the market for government bonds, Irish issuers of corporate bonds primarily issue debt securities offshore in the international capital markets, including the UK and the US, and there is no purely domestic corporate bond market as such.</p>
ITALY	Not compulsory in regulated markets.
LUXEMBOURG	The holder of the instrument has a contractual claim against the issuer of the instrument and a right in rem against the depository of such instruments.
THE NETHERLANDS	
AUSTRIA	OTC. In principle, MTNs can be (4) 3. last sentence admitted to trading at the Stock Exchange provided the requirements set out in the Stock Exchange Act are met.

6	Trading	
PORTUGAL	<p>Pursuant to Article 10 of Decree-Law No. 408/91, OCs can be traded on a regulated market, as foreseen by Articles 199 and 200 of the Securities Code.</p> <p>The possibility of buy-back is established in Article 7 of Decree-Law No. 408/91. Pursuant to this legal provision, the issuing credit institutions can only buy-back after twelve months from the date of the issue.</p>	
FINLAND	<p>Buy-back possible by issuer but unusual, due to practice, but not because of Finnish Law</p>	

7	Nature of rights
BELGIUM	
GERMANY	Normally, issued as securitised debt instruments (Schuldverschreibung, sections 793 seq. Civil Code), whereby the general securities and safe custody laws apply.
GREECE	
SPAIN	<p>Proprietary rights of dematerialized titles are established by their inscription in the relevant registry (Law, Art. 8). For securities not admitted to negotiation in official secondary markets, the register is chosen by the issuer among those authorized for this activity (i.e., credit institutions). For securities admitted to negotiation in secondary markets, the registry is that of the relevant market, in this case the registry within any of the stock exchanges or the AIAF.</p> <p>Registered securities are fungible. The transfer of rights takes place by account transfer, whereby the inscription of the transfer has the same effects that a transfer of title, and has force vis-à-vis third parties from the moment of the inscription. A third party acquiring the title from the person identified by the registry as able to transfer the title, cannot be re-vindicated (Law, Art. 9).</p> <p>The system of the representation of securities in accounts is further regulated by Royal-Decree 116/1992, of 14 February.</p>
FRANCE	According to the nature of the issuer, MTNs can be guaranteed according to the rules respectively applicable to CDs and CPs.
IRELAND	Insofar as a debt security is a negotiable instrument, proprietary rights attach to the holder of such a negotiable instrument.
ITALY	See commercial papers.
LUXEMBOURG	The public offering of securities requires the issuance of a prospectus and a number of publications in Luxembourg which are subject to the approval of the Commission de Surveillance du Secteur Financier. Luxembourg entities that issue on regular basis these types of instruments may be considered, depending on the circumstances, as carrying out an activity of taking of deposits from the public and may thus need a banking license. Issuers of securities do not need to report these issues to the supervisory authority.
THE NETHERLANDS	There are no specific rules or regulations in this regard. General Dutch civil/commercial law applies.
AUSTRIA	General civil law rules apply.

7	Nature of rights	
PORTUGAL	According to Article 6(2) of Decree-Law No. 408/91, OCs can be dematerialised. Registration of OCs into an account is constitutive of holder's rights. Pursuant to Article 6(3) of Decree-Law No. 408/91, the transfer of rights associated to OCs is only effective regarding the issuing credit institution upon communication by the transferee.	
FINLAND	The right of the holder of the commercial papers arises from Section 1 of the Law on Promissory Notes (622/1947), wherein the obligation to repay debts under promissory notes is explicitly stated.	

8	Procedures for clearing and settlement (terms and conditions of securities clearing and settlement systems)
BELGIUM	There are no specific rules or regulations in this regard.
GERMANY	Usually, the settlement takes place through Clearstream Frankfurt or its affiliates. Normally, CPs are held in immobilised with a global note.
GREECE	
SPAIN	If traded in an official secondary market, MTNs (bonos) must be registered with the SCLV (or a subsidiary agency) with the exception of singular titles. The SCLV has exclusive rights for the registry, clearing and settlement of securities traded in the stock exchanges and other official secondary markets. The clearing and settlement agency for the AIAF is Espaclear, Agencia de Valores, dependent of the SCLV. The regulation of clearing and settlement of securities in Spain will be subject to substantial regulatory changes before the end of this year.
FRANCE	Compulsory domiciliation in a credit institution or an investment firm established in France or Caisse des Dépôts. Possibility, on request of the issuer, to be managed in Euroclear France.
IRELAND	Debt securities issued by the Irish Government are issued through a register maintained by the Central Bank of Ireland, acting as fiscal agent for the Irish Government. The vast majority of Irish Government bonds are cleared and settled offshore, through the Euroclear System. Irish issuers of corporate bonds primarily issue debt securities offshore in the international capital markets, including the UK and the US, and these bonds are cleared and settled through clearing and settlement systems located outside Ireland.
ITALY	According to CONSOB Resolution n. 12479 and the Decree of the Ministry of Treasury of 23 August 2000, all securities normally traded on the money market are eligible for deposit at Monte Titoli and can be transferred through it.
LUXEMBOURG	
THE NETHERLANDS	There are no specific rules or regulations in this regard.
AUSTRIA	Settlement through the national CSD as well as an international CSD is possible.
PORTUGAL	The are no specific rules or regulations in this regard.

8	Procedures for clearing and settlement (terms and conditions of securities clearing and settlement systems)	
FINLAND	Domestic settlement through the Central Securities Depository (APK). The parties would both be bound by the Rules of the APK.	

9	Taxation and stamp duty
BELGIUM	
GERMANY	No stamp duty. The capital gains tax (Kapitalertragssteuer) is levied by banks (usually 30%) having safe custody accounts for investors.
GREECE	
SPAIN	Securities with a maturity of more than one year are subject to special controls by the Tax Authority (Agencia Tributaria). Applicable legislation: Ley de Activos Financieros y de Control de Cambios.
FRANCE	Principles applicable to the fiscal treatment of TCN are defined in the administrative instruction of 24 February 1987, CBOI 4 A-4-87 concerning taxation of TCN held by companies.
IRELAND	No available information to date.
ITALY	No specific rules for MTNs.
LUXEMBOURG	
THE NETHERLANDS	No stamp duty, as regards income tax: proceeds cumulate with normal revenues of the company, no withholding tax is applied.
AUSTRIA	There is no securities transaction tax. Austrian residents are subject to a withholding tax on interests.
PORTUGAL	
FINLAND	

10	Supervisory and regulatory aspects
BELGIUM	
GERMANY	The Federal Securities Supervisory Office (BAWe) is entrusted with ensuring the proper functioning of the financial markets. The solvency of financial intermediaries issuing or purchasing CDs is subject to supervision by the Federal banking Supervisory Office (BAKred).
GREECE	
SPAIN	<p>The CNMV, Spanish securities supervision agency is in charge of supervision of the issue and trading of MTNs (bonos), as with other securities. There are no specific supervisory provisions applicable to MTNs (bonos). The CNMV may suspend issue or trading of any securities under its supervision.</p> <p>Generally, there is no prior authorization required for issue, with the exception of securities with an interest linked to price indexes (Ministerial Order of 28 May 1999). Nevertheless, the issue must be communicated to the CNMV, together with the submission and registry of documentation regarding the characteristics of the emission, issuer's audit reports and annual accounts, and prospectus. The requirements to register audit reports, annual accounts and the prospectus do not apply to issues addressed to public institutions, to less than 50 investors, to the staff of the institution, or to those whose total value is less than ESP 1,000.00.</p>
FRANCE	Banque de France is in charge of the surveillance of the MTN market. BdF ensures the smooth functioning of the market. It may suspend or prohibit the issuance in case of infringement of the applicable rules.
IRELAND	The National Treasury Management Agency (NTMA) is responsible for the management of the Irish Government's debt issues, and in particular, following consultation of the Central Bank of Ireland, for the recognition of primary dealers required to act as market-makers in Irish Government bonds. The Stock Exchange Act 1995 confers statutory authority on the Central Bank of Ireland to administer the system of regulation and supervision of approved stock exchanges and their member firms. The Irish Stock Exchange is the competent authority in Ireland for purposes of the scrutiny/approval of public offer prospectuses under the Irish Regulations implementing the Prospectus Directive.
ITALY	The issuance of securities with non standard characteristics is subject to prior notification to Banca d'Italia following the procedure laid down by article 129 of the Consolidated Banking law.
LUXEMBOURG	
THE NETHERLANDS	Securities Commission in charge of supervision as per the Act on the Supervision of the Securities Trade 1995.

10	Supervisory and regulatory aspects	
AUSTRIA	The Austrian Securities Authority is responsible for investigations and the oversight of market participants' activities (credit institutions, issuers, investment services providers, securities exchange).	
PORTUGAL	Since the issuers can only be credit institutions, the issuance of OCs is always subject to the supervisory and regulatory authority of the Banco de Portugal. In case OCs are traded on a regulated market, supervisory and regulatory powers are also exercised by the <i>Comissão de Mercado de Valores Mobiliários</i> .	
FINLAND	The Finnish Financial Supervision Authority (FSA) operates in connection with the Bank of Finland but is a functionally independent body. It supervises the financial markets and the participants therein. The Capital Markets Department of the FSA, in particular, monitors securities markets practices and issuers' compliance with disclosure requirements.	