



ДЕРЖАВНА КОМІСІЯ
З ЦІННИХ ПАПЕРІВ
ТА ФОНДОВОГО РИНКУ



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Press Release

SSMSC Press Conference “Implementation of the Electronic Disclosure System by Issuers: Results of the First Stage of the Pilot Project”

Kyiv, Ukraine. 25 July, 2007 – The first stage has been completed successfully of the pilot project to introduce the Electronic Disclosure System, which is being implemented by SSMSC and sponsored by the USAID Capital Markets Project.

This Pilot Project is aimed at the initial testing and improvement of the Electronic Disclosure System (EDS) developed by SSMSC with the USAID Capital Markets Project assistance.

EDS seeks to create a methodological and technical groundwork in Ukraine for preparing, filing and making public information about the operations of securities issuers in keeping with the requirements to disclosure set forth by the Securities and Stock Market Law of Ukraine and in accordance with the international disclosure standards.

EDS is primarily targeted at information disclosure for investors. This system entails filing electronic reporting in a new descriptive format via the Internet, and its simultaneous posting on the SSMSC web site for all users in a real time mode. EDS is intended to facilitate the process of issuers filing their reports and to provide investors with an immediate and free access to information about issuers.

The objective of the first stage of the pilot project was to endure preparation and disclosure of the issuers’ annual reports under the EDS requirements. More than ten listed companies were involved in the first stage of this pilot project that agreed and were prepared to ensure the project’s successful implementation. This stage included free training of the participating company personnel in the preparation and filing of annual reports, both in terms of the new content and the use of new software products.

As a result of the first stage of the pilot project, annual 2006 reports of companies participating in the pilot project were posted on the SSMSC web site <http://www.eds.ssmc.gov.ua> in line with the EDS requirements. Special attention was paid in these annual reports to the description of the companies’ business operations, development and structure, risk factors, governance bodies, and contracts with related persons; their financial statements were disclosed in more details in accordance with the national Regulations (standards) of accounting. The reports are in the descriptive form, which assists investors and market participants to better understand this information.

It is planned that the second stage of the pilot project will involve more listed companies, with an expanded list of report types to be disclosed. The companies participating in the pilot project will be able to take part in workshops and trainings, and to get free consultations on the EDS content requirements and the utilization of the EDS software. The second stage of the pilot project is necessary to fine tune the relevant draft regulation for the purpose of its follow-up approval by SSMSC as a mandatory regulatory act. The implementation of the second stage of the EDS pilot project is expected to start in September 2007.