

Translation of 2008 registration documents: SBF 120 companies need to reduce publication times

On 2 April 2009, the French High Counsel of Statutory Auditors (*Haut Conseil du Commissariat aux Comptes*) issued an opinion stating that statutory auditors are not authorized to translate the registration documents (or annual reports) of companies whose accounts they audit. In light of this decision, which may lead to changes in the organisation of certain companies, and in addition to European transparency requirements, notably concerning the simultaneous publication of information for all market players, Labrador conducted a survey of current practices in the translation of registration documents into English.

The translations of registration documents have at least as many readers today as documents written in the original language. However, a survey* conducted by Labrador on the 2008 registration documents of SBF120 and Dow Jones Stoxx50 companies found that French companies have progress to make in this area, especially concerning the interval between the publication of their French document and the English translation.

■ At the end of May 2009, all Dow Jones Stoxx 50 companies had published the English translation of their registration document. However, this was the case for only 79% of SBF 120 companies (95% CAC 40, 70% SBF 80). Only 37% had published both documents simultaneously – on the same day, 29 March on average, or less than a week later. This interval ranged between two and seven weeks for the other companies. “Therefore, companies should ask themselves whether such a publication is relevant, as its English-speaking readership will have already accessed the information elsewhere...” underlines Laurent Rouyrès, Labrador’s President and Managing Director.

■ Another stumbling block concerns the comparability of French and English documents. The two documents contain identical information for only 54% of CAC 40 and 40% of SBF 80 companies (same pagination, same table of contents). In the case of 31% of CAC 40 and 44% of SBF 80 companies, documents have the same table of contents but not the same number of pages, which does not facilitate exchanges between French-speaking and non-French speaking readers. These discrepancies, among others, were also noted in the interactive electronic versions of the documents. Indeed, 15% of CAC 40 and 16% of SBF 80 companies publish entirely different documents. Adding to the confusion are the different titles given to these translations: whereas CAC 40 companies most often use *Registration document* (31%) – as recommended by the Official Journal of the European Union and the English translation of the General Regulation of the AMF, the French Financial Markets’ Authority – SBF 80 companies tend to use *Reference document* (34%), while equivalent documents in the Dow Jones Stoxx 50 are entitled *Annual report* (57%) and *20F* (33%).

* Labrador’s survey focused on 2008 registration documents, available on 31 May 2009, i.e. 108 documents in French and 85 corresponding English translations, in addition to 42 documents in English published by Dow Jones Stoxx 50 companies (excluding CAC 40). The response rate of the survey was 23% for SBF 120 companies (including 1 out of 3 CAC 40 companies); 4 Dow Jones Stoxx 50 companies also responded.



“Although the publication of registration documents is governed by a strict legal framework, practices are far from standardised. However, companies that publish their French and English documents simultaneously tend to produce similar documents. Therefore standardisation seems to facilitate the comparability of information, its accessibility and the rapidity of its publication”, analyses Laurent Rouyrès.

Companies are aware that progress needs to be made: even if almost all companies claim to be satisfied with the English translation of their registration document, they would nonetheless like to improve the translation process in order to speed up publication.

About Labrador:

Founded in 1992 by Laurent Rouyrès, Labrador is the only company in France which has made regulated information its core competence. Labrador’s success has been driven by public companies’ requirement for greater transparency.

Labrador publishes and translates all types of periodic financial documents, including those specific to securities offerings for public companies. Labrador’s expertise lies in enhancing the accessibility of relevant information, the clarity of this information, its coherence and the comparability of information between companies and between countries.

Media contact:

Matthieu Roquet Montégon
MRM Consulting
Tel.: +33 (0)6.16.92.80.65