

MEMO# 14587

April 2, 2002

RECENT CHANGES TO THE GERMAN SECURITIES TRADING ACT THAT MAY REQUIRE DISCLOSURE OF SECURITIES OWNERSHIP BY APRIL 8, 2002

URGENT [14587] April 2, 2002 TO: INTERNATIONAL COMMITTEE No. 24-02 RE: RECENT CHANGES TO THE GERMAN SECURITIES TRADING ACT THAT MAY REQUIRE DISCLOSURE OF SECURITIES OWNERSHIP BY APRIL 8, 2002 Attached is a memorandum from German counsel explaining recent changes to the German Securities Trading Act ("Act") that would require holders of German issuers as of April 1, 2002 to file ownership reports no later than April 8, 2002. Additional information about the changes also has been incorporated into the chapter on Germany in the Institute's Foreign Investing Guide which is available on-line at <http://members.ici.org>.¹ The amendments to the Act expand the definition of "German listed companies" and the aggregation rules that would broaden the scope of the filing obligation. As a result, an investor whose holdings were below the threshold level for reporting under the old rules may now be obligated to file a report under the revised rules by April 8, 2002. If a significant shareholder does not file the required reports before April 8, 2002, it will not be able to exercise any of its shareholder rights. Jennifer S. Choi Associate Counsel Attachment Attachment (in .pdf format) 1 Hard copy revisions to the Foreign Investing Guide are being mailed to Institute members.

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