

4 October 2004

By email to CESR at www.cesr-eu.org

Dear Sirs

Re: CESR's Advice on possible implementing measures on the Directive on Markets in Financial Instruments, Article 21 on best execution

The Association of Private Client Investment Managers and Stockbrokers (APCIMS) is the organisation that represents those firms who act for the private investor and who offer them services that range from no advice or 'execution only' trading through to portfolio management for the high net worth individual. Our 217 member firms operate on more than 500 sites in the UK, Ireland, Isle of Man and Channel Islands and following the merger of the European Association of Securities Dealers into APCIMS, increasingly in other European countries as well. APCIMS members have under management €500 billion for the private investor and undertake some 13 million trades for them annually.

We welcome the opportunity to provide the views of our members on Article 21 of the MiFID. We support CESR's detailed consideration of this concept and note that CESR's invitation for comments is presented as a concept paper with preliminary ideas so as to be the basis for discussion with market participants. We believe that now that markets are increasingly moving from monopoly positions to a situation of competitive execution venues, that it is opportune to debate the concept of best execution and the issues surrounding it.

The concept of 'best execution' is long established in the UK and has been a required market practice for many years for those who act for the individual investor. In most other countries, the concept of best execution is not well known or understood as a result of mandated market structures. As MiFID and competition lead markets to move away from being monopolies, we believe that our UK experience in this area is very relevant. Indeed, we would respectfully point out that the UK, alone among European markets, has this long history and extensive experience of best execution. There are over 40,000 trades every day carried out for private clients in the UK, and each and every one of these trades is transacted according to the current rules on best execution. We therefore present our remarks with this experience in mind and hope that CESR will draw on our detailed knowledge when formulating its advice.

We also recognise that market practices have developed very differently in different markets according to local cultural and different tax and legal structures. For example, the specialist market makers known as Retail Service Providers (RSPs) are a feature which is unique to the UK market and indeed, they have developed as a response to broker demand partly because brokers were required to obtain and evidence best execution. For this reason we provide in our general comments some detail on RSPs, the practical ways whereby best execution is achieved by private client brokers in the UK, and what information is provided to clients.

We recognise that in those many countries where a concentration rule has applied requiring all transactions to be carried out on a particular Stock Exchange, the introduction of requirements on best execution will inevitably mean major change and indeed bring significant costs. All markets will have to introduce new rules from where they are now and according to their current market structures and culture. For these reasons and also because it is a fundamental driver for all firms acting for private clients (whether banks, brokers, investment managers etc) to obtain the best outcome for their clients, we hope that whatever new implementing measures are introduced by CESR they will be presented as general and principled requirements rather than very detailed prescriptive rules.

Our response is structured under the following headings:

- a. Section 1 Description of best execution by APCIMS member firms
 - Annex A Diagram of RSP structure
 - Annex B Broker screen showing how best execution is obtained
- b. Section 2 Comments on questions raised in CESR paper
- c. Section 3 List of APCIMS member firms

We hope this response is helpful, and we would be pleased to provide clarification or further information on any point raised.

Yours sincerely

A handwritten signature in black ink that reads "Catriona Shaw". Below the signature is a long, slightly curved horizontal line.

Catriona Shaw
Head of European Affairs

SECTION 1 - DESCRIPTION OF BEST EXECUTION BY APCIMS MEMBERS

Our general comments focus on three aspects of best execution, firstly on the specialist market makers providing services to private client brokers in the UK which are called Retail Service Providers (RSPs), secondly on how best execution works in practice in the UK, and thirdly on what information should be provided to clients.

APCIMS member firms which are based in the UK have been undertaking best execution in a multi-venue environment for many years. These requirements are policed and enforced if necessary by the FSA. However it is important to note that there are obviously strong commercial reasons for giving best execution. If a firm does not, then in an open competitive environment it will lose business to another competitor firm. Experience in the UK has shown that the number of complaints regarding best execution are extremely small, even though all UK firms are required to tell clients (frequently) how to complain if they are not satisfied (first to the firm and then to a free ombudsman service).

Markets are developing and will change as a result of implementing the FSAP. Concentrating on the required end results means that the use of principles rather than detailed requirements will lead to best execution being put in place at reasonable cost to firms, while still delivering the requisite client protections.

In the following sections we explain the role of our members on the London Stock Exchange (LSE). The LSE has three relevant systems:

- SETS (the London Stock Exchange's Electronic Trading System) which covers the top 200 or so most liquid stocks including all FTSE 100 securities and reserves;
- SETSmm which covers all FTSE 250 securities not already traded on SETS, some leading Irish and other securities; and
- SEAQ (Stock Exchange Automatic Quote) which covers all other securities.

Whilst SETS and SEAQ have been available as execution venues for some time, SETSmm is an example of continuing innovation in markets and the fact that market models often merge what was previously seen as separate models. SETSmm is a continuous order book offering automated execution, price monitoring and opening and closing auctions with market makers providing continuous bid and offer prices within the book using committed principal orders. Trading is supported by a central counterparty facility and settlement in Euroclear and CREST.

1. Retail Service Providers (RSPs) in the UK

- all UK APCIMS member firms operate under the UK's best execution requirements;
- they carry out the majority of trades on the LSE using both RSPs and SETS;
- RSPs are market makers and members of the LSE. They are authorised and regulated by the FSA and also have to operate within the rules and requirements of the LSE. They are not an execution venue themselves;
- RSPs do not provide services directly to the private client or consumers; they address the market in an institutional capacity and the requirement to obtain best execution lies with the broker who has the direct relationship with the private client. These brokers are known as agency brokers;
- 95% or more of private client and agency broker business does not use SETS directly, but goes through an RSP. This is because the costs associated with mandatory use of a central counterparty (CCP) increases the cost of the trade by at least 30% as an agency broker cannot be a member of a CCP and must use a 3rd party general clearing member;

- there are still a large number of shareholders in the UK (several million) who hold physical share certificates (“a certificated holding”). A trade in a certificated holding cannot go through SETS as it cannot meet standard settlement timings (currently set at trade date + 3);
- both brokers and RSPs maintain records of transactions and provide trade and transaction data which forms part of the price feed data and is reviewed for regulatory purposes by the LSE, the Takeover Panel and the FSA. But the requirement to demonstrate that best execution has been achieved rests with the broker.
- where RSPs provide prices, they are at least as good if not better than the prices quoted on SETS or other LSE execution venues.

Some of the key services provided by RSPs include the following:

- they will make a price and size in stocks in which they are registered, both for standard and for extended settlement periods. (Extended settlement is a fundamental requirement because of the extent of certificated holdings in the UK; settlement ranges from T+10 and exceptionally up to a maximum of 25 business days.)
- in SETS stocks, there are no market makers. RSP prices are available through various information vendors, alongside the SETS order book in each stock.
- as brokers, RSPs will either electronically or on the telephone offer to agency brokers (who are their clients) a price that is equal to or better than that on the LSE. RSPs also interact with the SETS order board.
- on SETSmm and SEAQ, RSPs that are registered as a market maker in a particular stock, must make a 2-way price in the quote driven stocks in a size set by the LSE. They are obliged to deal at these firm prices, so risking their own capital.
- RSPs make money both by taking a turn on the spread of their quotes, by getting their trading positions right, and by offering a range of specialist services to a range of clients including agency brokers.

RSPs carry out some 40,000 trades every day thus providing a substantial amount of liquidity in London’s markets. As a comparison, the average number of daily trades on SETS as a whole is around 90,000.

Annexes A and B to this section provide diagrams of how best execution works in the UK. Annex A is a picture of a typical broker screen showing how a private client broker can obtain best execution in BAA plc. It shows how a broker can compare the prices on SETS with those of four RSPs, namely Winner (Winterfloods), Best (DKW), ML-Direct (Merrill Lynch), and Aitken Campbell, each of whom is offering prices for various settlement periods.

Annex B shows the process from private client to a broker. The broker is linked to several information vendors – in this case Thomson, Pershing and Proquote – and is linked to a polling platform which in turn accesses a number of RSPs.

2. How best execution works in the UK

There are various ways in which APCIMS firms use RSPs to obtain best execution. The following examples are from five specific APCIMS firms and provide background on how they obtain and evidence best execution.

1. A large stockbroking firm: this firm has about 150,000 clients and provides a full range of advisory and discretionary business. It has no minimum size for which it will deal for a private client and the average size of a client order is €6,000. The firm is a member of the London Stock Exchange and has an automated polling system with 4 RSPs.

The firm will transact an order by inputting a transaction request which specifies the stock to be bought or sold, the size of the bargain, and the settlement period. The polling system will look at the 4 RSP prices in comparison to the LSE SETS order book for the stock, and it will automatically pick the best available price. This firm occasionally trades on its own account, i.e. it acts in a principal capacity on the London Stock Exchange. It is not a member of any other Exchange, but accesses virt-x through another broker on an infrequent basis for specialist trades. When buying non-UK equities, this firm will typically check the price concerned with at least two or three brokers who deal in the relevant stock (either in the country where the stock is domiciled, or to brokers in the UK who are known to deal in these securities) to obtain the best price for a particular transaction. Relevant records on best execution are retained for a period of over 3 years.

2. A medium sized portfolio management firm: this firm has 8,000 clients and provides mainly discretionary business to private clients, charities and trusts. It has a minimum portfolio size of €5million, and an average transaction size of €200,000. The firm is not a member of the LSE or any other Stock Exchange but it has the responsibility for giving its clients best execution.

The firm uses a range of market counterparties to transact its business. Each of these market counterparties guarantees that it will provide best execution and this is set out on a contractual basis. The firm monitors its execution performance on a daily basis by taking a sample of completed transactions, and checking each price against one of the main information vendors. When conducting a large basket or programme trade, this firm goes directly to two or three market makers in order to get best execution, and monitors the price against the current market prices being traded. The firm informs its clients in its client agreements that it will obtain best execution on all transactions. Relevant records on best execution are retained for a period of over 3 years.

3. A small discretionary investment firm: this firm has about 2,000 clients and has over €1 billion under management for private clients, their trusts, charities, companies and pension funds. It has a minimum portfolio size of €500,000 per family group e.g. husband and wife. Where possible the firm deals in bulk for several clients at the same time, and the average size of a client order is €750,000. This firm is not a member of the London Stock Exchange, and transacts its client orders using telephone contact with a number of approved brokers. It maintains a list of 'approved brokers' which it reviews on a regular basis, and includes specialist brokers in e.g. Swiss bonds or in offshore collective funds. It allows its dealers to transact up to a specified limit with its approved brokers. The firm obtains best execution for each order by checking against whichever venue is the main market for its order. It keeps a record of the order by printing off the main market screen at the time of its order with a specialist broker, and if the price is not within the main market, the dealer must make a record of the reasons why; for example, possible reasons might include the size of order or that it must be for an unusually long settlement period. Relevant records on best execution are retained for a period of over 3 years.

4. An execution-only firm: this firm has 200,000 clients and offers an execution only service for private investors by internet, telephone or post. Clients can also deal in person at any branch of this firm, and these offer a service both in certificated holdings and in nominee accounts. There is no minimum amount for which the firm is willing to deal, and charges are set according to which service (certificated or nominee) is chosen, the frequency of dealing and the size of the order. The firm is a member of the London Stock Exchange, and has an extensive branch network overseas and is a member of most major Stock Exchanges in Europe, the Far East, the USA and in Australia. In the UK, the firm has access to several information vendors, and is directly linked to 9 RSPs.

The firm obtains best execution by its automated system which polls each RSP and checks against the main execution venues where the security is traded. It is unusual for the firm to conduct telephone or manual trading for any of its retail orders, and the average value of an order is €4,000.

5. An advisory and discretionary firm: this firm has 20,000 clients, and offers discretionary and advisory portfolio management for individuals, families, charities and trusts. They have a minimum portfolio of €320,000 and will offer collective investments if only smaller sums are available. The average size of a portfolio is €550,000. The firm provides professional pensions planning and has its own pension product. It has an average size of advisory trade of €28,000 and an average size of discretionary trade is €15,000. The firm is a member of the London Stock Exchange, has access to various information vendors and is directly linked to 5 RSPs. As in the example 4 above, the firm obtains best execution by its automated system, and keeps relevant records for a period of over 3 years.

3. What information should be provided to clients about execution venues and policy

The current requirements in the UK mean that firms provide clients with information about their execution policy in the initial client agreement and subsequently through contract notes. Other information is also provided in marketing literature, and on firms' websites and is updated whenever changes or new information require. Firms inform their clients of membership of Stock Exchanges, provide details of the UK regulator and the procedures on how to make a complaint.

There is already a very large amount of information which firms are required to provide to clients. Such information includes Terms of Business and Conditions, quarterly statements, contract notes, specific service information, Key Features of Product documentation, and Risk Warning agreements. We are aware that there are many instances where this information is not useful to clients or not understood by clients or simply not relevant to their instructions to the firm. While firms are obviously happy to provide information to clients, we believe that in the area of best execution it needs to be meaningful, whether as general information about execution policies and the services that firms offer in its opening Terms of Business or by identifying the specific execution venue in a trade confirmation.

The main point here is that the provision of even more information may well not be understood by the customer, what is important is the purpose of providing such information and that it either informs customers in a way that gives them more choice, or enables them to review their arrangements or instructions to a firm.

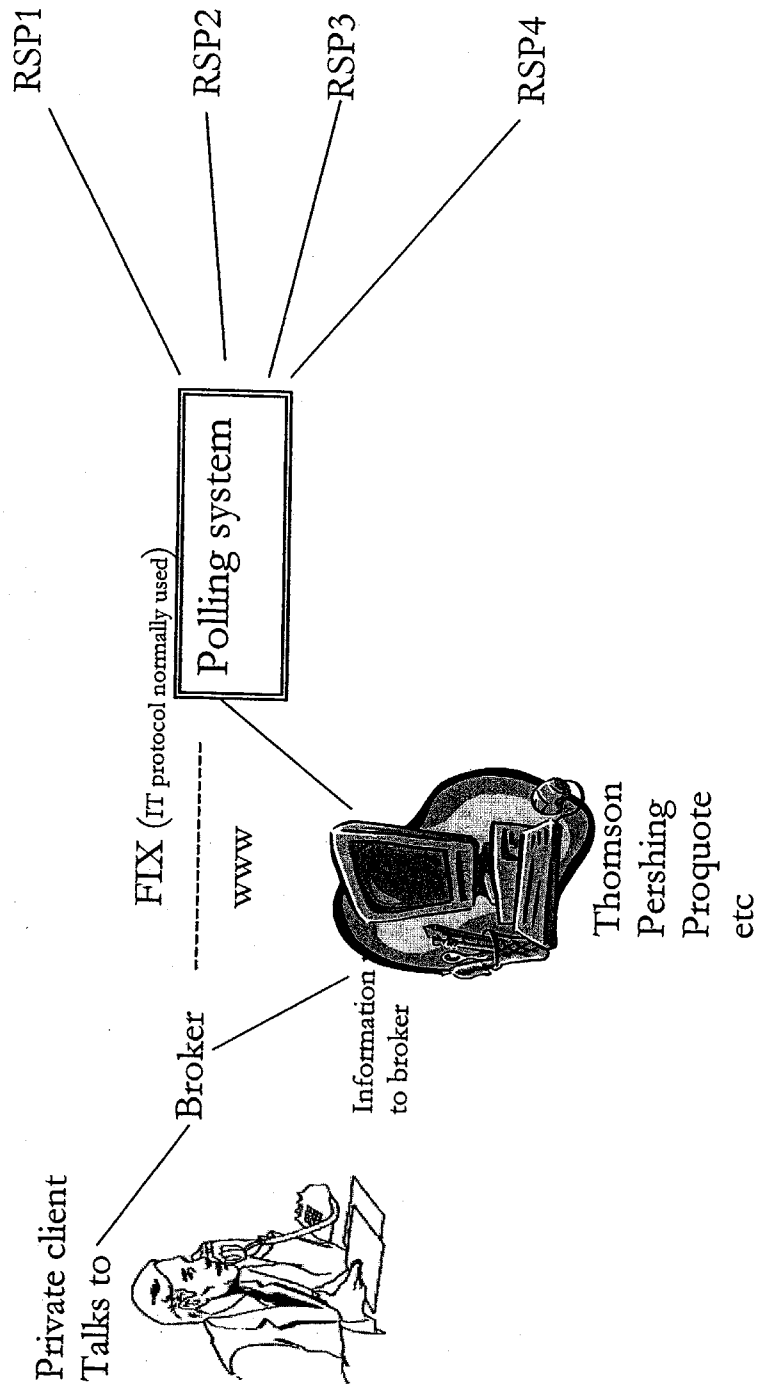
SECTION 1 ANNEX A

Annex A is a picture of a typical broker screen showing how a private client broker can obtain best execution in BAA plc. It shows how a broker can compare the prices of four RSPs, namely Winner (Winterfloods), Best (DKW), ML-Direct (Merrill Lynch), and Aitken Campbell, each of whom is offering prices for various settlement periods.



SECTION 1 ANNEX B

Annex B shows the process from private client to a broker. The broker is linked to several information vendors – in this case Thomson, Pershing and Proquote – and is linked to a polling platform which in turn accesses a number of RSPs.



SECTION 2 - Questions raised in CESR's 'concept paper' on best execution

Level 1 text: Article 21 obliges investment firms to obtain, when executing orders, the best possible result for their clients, following always the specific clients' instructions. To this end, they will establish an order execution policy; they will inform about it to the clients and obtain their prior consent. Investment firms are also obliged to monitor the effectiveness of their order execution policy and correct any deficiencies. CESR should bear in mind that there is a need for a comprehensible and realistic set of criteria to be put in place to allow firms to determine whether they are complying with their obligations as well as to allow clients to understand execution policies.

DG Internal Market requests CESR to provide technical advice on possible implementing measures by 31 January 2005 on the criteria that the investment firm should take into account when executing clients' orders for determining the relative importance of the factors such as price, costs, speed, likelihood of execution and settlement, size and nature of the order and any other relevant consideration. Those criteria should take into account the retail or professional nature of the client.

Please note that we have commented only on those questions not already covered by the points we have made in our general comments.

Part 1

Question 1: Are the criteria described above relevant in determining the relative importance of the factors in Article 21(1)? How do you think the advice should determine the relative importance of the factors included under Article 21(1)?

APCIMS comment: we believe that all of the criteria described are relevant, and we would add that the timing of settlement is also important. The majority of trades undertaken on SETS are on a T+3 basis. Approximately 25% of all private client trades involve a paper share certificate and settle on either T+10, T+15 or T+25 basis.

The relative importance depends on the client. For some clients, the most important criterion will be speed of trading. For other clients, the most important criterion may be extended settlement.

Question 2: Are there other criteria that firms might wish to consider in determining the relative importance of the factors? Do you think that the explanatory text clearly explains the meaning of all the different factors in respect of the different financial instruments?

APCIMS comment: we believe that CESR has identified the main criteria. We hope that when drawing up its final advice in this area, that CESR will confine itself to high-level principled measures so that firms can retain flexibility in how they achieve best execution and the best overall results for their clients. We believe that an overly prescriptive approach by CESR could lead to firms being required to stick to rigid processes in a way that will inhibit firms and customer choice. Firms have a strong business reason for giving best execution as in an open transparent market, customers will move from a firm whose execution is not good enough.

Question 3: How might appropriate criteria for determining the relative importance of the factors in Article 21(1) differ depending on the services, clients, instruments and markets in question? Please provide specific examples.

APCIMS comment: we hope that the information we outlined giving examples of the different ways that best execution is obtained goes some way to answering this question. In essence, we believe that it unlikely that drawing up detailed criteria for every single type of market, equity, client and service is

neither possible nor advisable. A high-level best execution requirement is most appropriate particularly where it enables firms to adapt quickly to changing market practices or advances in technology.

Question 4: Please provide specific examples of how firms apply the factors in Article 21(1) to determine the best possible result for their clients.

APCIMS comment: our firms monitor execution quality on a regular basis, and apply the factors according to the features of a particular trade e.g. if a price is less good, best execution may still have been achieved because of an abnormally lengthy settlement period required. Clients select firms because of the level and the type of service a firm is able to offer. Best execution is also reinforced by the daily monitoring of trade reports by the regulators and exchanges.

Part 2

It will be helpful in formulating our Level 2 advice on these issues to have the following information from firms:

Question 1 What investment services does your firm provide?

APCIMS comment: we have already noted that our firms are involved in almost all types of investment services which involve both services and a range of products and trading strategies. The main activities are the following:

- advisory services
- discretionary services
- execution-only services
- private banking
- currency trading
- unit trusts, self select ISAs and PEPs
- derivatives
- fund management for charities and pension funds
- hedge funds
- property funds
- investment trust services
- nominee facilities
- comprehensive financial services and tax planning, including pensions
- mortgages, life assurance, critical illness and income protection
- offshore services
- corporate finance
- institutional dealing services

Question 2: How many venues does your firm access now? Does your firm expect to access more venues after the Directive becomes effective?

We have already commented on the fact that RSPs are not execution venues as such but are part of the regulated market structure. As members of the LSE they are specialist market makers offering agency brokers a specialist service.

Our firms review the access they have to a variety of venues. They note that the key factor for accessing trading venues is the liquidity available. But clearly costs, ease of access and availability of recourse will also be relevant.

Question 3: What factors does your firm consider in selecting and reviewing venues?

As above.

Question 4: Please provide specific examples of costs you consider in evaluating venues

Our firms run their businesses on a professional basis, and all factors affecting the performance of the business are managed on a regular basis. Costs are an important part of the business, and firms will review all costs on a weekly if not a daily basis. Firms are aware of new service providers such as information vendors which may provide access to venues and will compare costs with factors such as likely performance, and access to new information.

There are fixed costs such as membership fees required to join a venue, and there are likely to be costs attached to maintaining systems links for reporting purposes and costs associated with clearing and settlement. Firms will evaluate whatever costs present themselves.

One firm (quoted as number 5 in the examples above on page 6) provided some specific information on their costs as being the following:

€20,000 per year to the LSE for maintenance of codes for each security traded (SEDOL codes)
€50,000 per year to the LSE for real time feed of UK equity markets
€120,000 per year to another information vendor for real time feeds from international markets, bond markets, UK gilts and fixed interest markets, plus an additional €15,000 for each terminal for this feed.

Question 5: How do costs affect your decisions about venue selection?

Costs are an important part of the decision making process in many firms but the key factor for venue selection is generally liquidity. Firms must be able to access the venue where there is most liquidity.

Many of our firms are not members of any Stock Exchange outside the UK. If, for example, a UK client wishes to buy or sell shares in continental Europe, the normal route is for the client to talk to his broker who will then seek quotes from a number of brokers in that continental European country. This process is less costly for most UK brokers than joining for example Euronext and having direct access to continental stocks.

Question 6: Do you take account of implicit costs such as market impact? Is the question of implicit costs only relevant to firms that act as portfolio managers?

Where appropriate market impact would be considered, generally for the size of trades in question this is not a significant cost. Brokers, investment managers and portfolio managers are not necessarily distinct and separate businesses. Some firms provide all of these services and more. Where they are distinct businesses, the areas in which investment management costs may differ to that of a broker are (a) transaction costs; (b) choice of execution venue, and (c) conflicts of interest.

Question 7: What specific events have led your firm to re-evaluate venues in the past? Please provide examples of how your firm has changed the venues that it accesses as the firm, its clients, or markets have changed.

Specific events that lead firms to re-evaluate venues include the introduction of new trading systems, the launch of new exchanges and consolidation in market makers by takeovers.

Such events include the introduction of SETS by the LSE in 1997. This was the most significant change in the London market since the removal of the trading floor and what was known as “Big Bang” in the mid 1980s. The introduction of SETS was the move from quote to order book trading, and the LSE at that time took the decision to allow trades only above a certain size (representing about €7,500) to be traded on SETS. This meant that firms routinely trading small sized trades were effectively excluded. While many smaller brokers took the decision at that time to continue to be members of the LSE, they continue to evaluate the service they receive from the LSE and other execution venues.

The arrival of virt-x and Jiway Limited were also events that required evaluation of existing services. The purchase of market makers by competitors are also events that require re-evaluations to occur.

Part 3

Question: What kinds of monitoring arrangements do firms use now?

Firms use a variety of monitoring arrangements from daily monitoring of a selected random sample of orders to automatic system monitoring on a real time basis. It is a matter both of regulatory compliance and good business practice for firms to carry out this monitoring, and firms are required to keep records demonstrating that they have obtained best execution for a period of 3 years.

Question: What data is available to aid firms in their monitoring obligations? What does the data cost?

There is a large amount of data available to firms which they can use for their monitoring obligations (examples were noted in the diagram at Annex B in section 1). There is no simple answer to the question on the cost of data since in some cases this will be bound up with other services from data vendors and service providers. See question 4 in Part 2 above.

Question: Do venues make firms aware of material changes in their business?

There is a statutory obligation in the UK for Recognised Investment Exchanges to notify market participants of material changes in their business.

SECTION 3 – List of APCIMS Members

Ordinary Members

Abbey National – City Deal
 Aberdeen Private Investors Ltd
 ADM Securities
 American Express Financial Services Europe Ltd
 Andrew Gwynne & Associates
 S P Angel & Co Ltd
 Ansbacher & Co Ltd
 Arbuthnot Fund Managers
 Arnold Stansby
 Ashburton (Jersey) Ltd
 Astaire & Partners
 Attorneys at Law Borenus & Kemppinen
 Barratt & Cooke
 Berry Asset Management Plc
 Blankstone Sington Ltd
 Brewin Dolphin Securities Ltd
 Brook Partners Ltd
 Brown Brothers Harriman Ltd
 Brown Shipley & Co Ltd
 Cambridge Investments Ltd
 Campbell O'Connor & Co
 Capita Trust Company Ltd
 Cardale Stockbrokers Ltd
 Carr Sheppards Crosthwaite Cave & Sons Ltd
 Cazenove Fund Management
 Charles Stanley & Co Ltd
 Cheviot Capital Ltd
 Chiswell Associates Ltd
 C Hoare & Co
 Christows Limited
 City Asset Management Plc
 Close Fund Management Ltd
 Close Private Asset Management Ltd
 Collins Stewart
 Comdirect Ltd
 Cripps Portfolio Ltd
 Direct Sharedeal Ltd
 Douglas Deakin Young Ltd
 Dryden Wealth Management Ltd
 Edward Jones
 E*Trade Securities Ltd
 Everys Solicitors
 Farley & Thompson
 Fiske Plc
 Generali Portfolio Management Ltd
 Gerrard Ltd
 Gibraltar Asset Management Ltd
 Goy Harris Cartwright & Co Ltd
 Halifax Share Dealing Ltd
 Hargreave Hale Ltd
 Hargreaves Lansdown Stockbrokers Ltd
 Harris Allday
 Hedley & Co
 Hichens Harrison & Co Plc
 Hill Martin (Asset Management) Ltd
 Hoodless Brennan & Partners Plc
 HSBC Investment Management
 Iain Nicholson Investment Mgmt Ltd
 iimia Plc
 Insinger Townsley
 Irwin Mitchell Solicitors
 James Brearley & Sons

James Sharp & Co
 J & E Davy
 JHC Securities LLP
 J M Finn & Co
 J O Hambro Investment Mgmt Ltd
 John Scott & Partners Ltd
 J P Jenkins Ltd
 Kas Bank N.V.
 KBC Peel Hunt
 Killik & Co
 Leopold Joseph & Sons
 Lloyds TSB Stockbrokers
 London York Group of Companies
 M D Barnard & Co Ltd
 Morgan Stanley Quilter
 Murray Beith Murray
 NatWest Stockbrokers
 NCL Smith & Williamson
 Noble Asset Managers Ltd
 Norwich & Peterborough Building Society
 ODL Securities Ltd
 Pershing Limited
 Philip J. Milton and Company Plc
 Pilling & Co
 Principal Investment Management Ltd
 Pritchard Stockbrokers Ltd
 Ramsey Crookall & Co Ltd
 Rathbone Investment Management Ltd
 Raymond James Investment Services Ltd
 Redmayne Bentley
 Rensburg Investment Management
 Reyker Securities
 Rothschild Private Management Ltd
 Rowan Dartington & Co Ltd
 Royal Bank of Canada Investment Mgmt (UK) Ltd
 Ruffer LLP
 Russell Wood Ltd
 SAGA Investment Direct Ltd
 Savoy Investment Mgmt Ltd
 Seymour Pierce Ltd
 The Share Centre
 Shore Capital Stockbrokers
 Speirs & Jeffrey Ltd
 Standard Bank Jersey Ltd
 Taylor Young Investment Mgmt Ltd
 T D Waterhouse
 Teather & Greenwood
 Thesis Asset Management Plc
 Thornhill Investment Management Ltd
 Tilly Bailey & Irvine – Solicitors & Notaries
 Tilman Asset Management
 Tilney Investment Management
 Travers Smith Braithwaite
 Truro Stockbrokers
 UBS Laing & Cruickshank
 Vartan & Son
 Walker, Crips Stockbrokers
 W H Ireland Ltd
 Williams de Broe Plc
 Yorkshire Investment Group Asset Mgmt

Associate Members

ABC Clearing Limited
 ADP Brokerage Services Group
 Advent Europe Ltd
 Aitken Campbell & Co Ltd
 Archipelago Europe Ltd
 Bank of Scotland
 Barlow Lyde & Gilbert
 Bristol & West Plc
 BT Syntegra
 Business Architects International
 Cantor Index Ltd
 City Consultants Ltd
 City Index
 ComPeer
 CRESTCo Ltd
 Deloitte & Touche
 Depository Trust & Clearing Corporation
 Dresdner Kleinwort Wasserstein
 Exact Technical Services Ltd
 Exchange Data International Ltd
 HSBC Bank Plc
 I G Markets Ltd
 Instinet Europe Ltd
 Investit
 Investmaster Ltd
 Investment Sciences Ltd
 Knight Equity Markets International Ltd
 Knowledge Technology Solutions Plc
 KPMG LLP
 Lawshare Ltd
 London Stock Exchange
 MBA Systems Ltd
 Merrill Lynch International
 Monument Securities
 OFEX Plc
 OM
 Penson Worldwide Settlements Ltd
 Performa
 Peter Evans & Associates
 Pulse Software Systems Ltd
 Proquote Ltd
 R A McLean & Co Ltd
 Reuters Ltd
 Rhyme Systems Ltd
 Royal Bank of Scotland – Financial Institutions Group
 SAM Systems Ltd
 S J Berwin
 Speechly Bircham
 State Street Bank & Trust Co
 Summerson Goodacre
 SunGard Investment Systems
 SWIFTsc
 Talos Securities Ltd
 Telekurs Financial
 Thomson Financial Ltd
 Verband unabhängiger Vermögensverwatter
 Winterflood Securities
 Virt-x Exchange Limited