Fédération Bancaire Européenne
European Banking Federation
Le Secrétaire Général

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Monday, 11 September 2006

Mr Fabrice DEMARIGNY
Secretary General of CESR
CESR, 11-13 avenue de Friedland
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Subject: FBE Response to CESR Work Programme on MiFID Level 3 Work

Dear Mr Demarigny,

The European Banking Federation (FBE) welcomes the opportunity to comment on CESR's public consultation on the Work Programme on MiFID Level 3 Work.

CESR has made an encouraging start to identifying the priorities for MiFID Level 3. We strongly support CESR's work in this area and hope that CESR finds the comments contained in this response to its public consultation useful.

By way of summary the main conclusions of this response are:

- the FBE has an important role to play in providing CESR with operational input for the development of Level 3 guidance;
- the FBE will also be vigilant in respect of the emergence of super-equivalent practices resulting from the implementation of MiFID in the Member States;
- the work programme appears overly long and CESR could consider removing many of the topics of lesser importance which are included in the lower priority and "3Level3" lists.
- CESR is therefore encouraged to prioritise the substantive issues where there is a pressing market need for common guidance at European level. In particular, the chief priorities for CESR initially, should be:

  1. Seeking to ensure the minimisation of transaction reporting duplication, and clarity for banks to whom they report, and by what means; and

  2. Seeking to ensure clarity about the supervisory arrangements that will be put in place to manage home/host supervision of banks operating cross-border - particularly in regard to branch operations;

- CESR should exercise caution in calling the preparation of advice under MiFID Article 65 “Level 3 work”;

- the FBE supports the creation of implementation *fora*; and

- the FBE especially welcomes the possibility to address new issues at Level 3 as the need arises.

I would be happy to discuss any aspect of this response with CESR in detail and look forward to the Committee taking due account of the recommendations we highlight in this paper. Alternatively, please contact Mr Stephen Fisher, Financial Markets Adviser, (Stephen.Fisher@fbe.be; +32 2 508 37 45).

Yours sincerely,

Guido RAVOET

Enclosures: 1