

February 12, 2007

The Committee of European Securities Regulators
11-13 avenue de Friedland
Paris, FRANCE 75008

RE: Public Consultation, The Passport under MiFID (December 2006), Ref. 06-669

Ladies and Gentlemen:

Bloomberg L.P. welcomes the opportunity to respond to CESR's request for comment on the section of the above-referenced public consultation paper concerning the cross-border activities of a multi-lateral trading facility (an "MTF"). We hope that our comments will be helpful to CESR.

We agree that different interpretations of the passporting provision by competent authorities will not contribute to a level playing field within the European Union. This is true of all activities and not just the cross-border activities of an MTF.

We agree with CESR that the operator of an MTF would be rendering cross-border services/activities where it provides direct access to the MTF in the territory of a Member State other than its home Member State. We think it would be advisable to clarify that, in this context, "direct access" means that the user in the Member State is itself an investor participating in the MTF as opposed to an investment firm that is a participant in an MTF but is acting on behalf of its clients that are sending orders in the investment firm's name to the MTF. In such a case, we respectfully suggest, the MTF operator is not providing the access at all to the investors; it is being provided by their investment firm that is a participant in the MTF. We believe this is implicit in CESR's paper and, from our discussions with various regulators, we believe this to be the generally accepted interpretation. The point could, however, usefully be clarified in the final advice.

It is important that, however the passporting right of the MTF operator is construed, CESR also take into account the importance for investment firms of being able to access third country MTFs and exchanges. If they are not able to do so, they will not in all cases be able to fulfil their best execution duty, or indeed execute certain transactions at all. We respectfully suggest that the interpretation of access should be done in a way that permits European investors to freely transact through their brokers on non-E.U. markets and that the interpretation not discriminate on the basis of the means of access, whether electronic or by telephone or other means..

Respectfully submitted,

Alexander Clode by R.D.B.