



Association of Members of the Athens Stock Exchange

Athens, 18 February 2005
Ref. No.: 16397

To
Fabrice Demarigny
Secretary General
CESR
11-13, Avenue de Friedland
75008 Paris
France

Dear Sirs,

The "Association of Members of the Athens Stock Exchange" is a non-profit trade organization, members of which are all brokerage firms and banks that are members of the Athens Exchange. Presently, our Association represents 80 ATHEX members.

Our Association would like to submit in this response comments and observations on the consultation paper concerning CESR's advice on possible level 2 implementing measures of the Directive on Markets in Financial Instruments (MiFID) – Professional Client Agreements.

Yours sincerely,

ALEXANDER MORAITAKIS
PRESIDENT

MICHAEL KARAMANOF
SECRETARY GENERAL



***Comments of the Association of Members of the Athens
Stock Exchange***

***On CESR's Consultation on Possible Implementing Measures
of the Directive on Markets in Financial Instruments (MiFID)
– Professional Client Agreements***

PROFESSIONAL CLIENT AGREEMENTS (MIFID)

Questions:

Q.1: Should a written client agreement be necessary for professional clients of an investment firm?

Q2. If so, should the agreement be limited to certain investment services (portfolio management and investment advice) or should it be requested for other investment and ancillary services?

Q.3: If such a requirement is introduced, do you think that this would create additional costs?

Please provide details of the nature and likely amount of these costs.

Q.4: If you consider that no such requirements should be introduced, please specify the reasons why.



Answer:

We agree that investment firms providing either portfolio management or investment advisory services to professional clients must enter into an 'agreement in writing' setting out the rights and obligations of the parties, within a reasonable time after the first provision of the services, under the condition that this will constitute a *uniform practice* governing the relationship of investment companies and their professional clients in all E.U. member states.

Furthermore, we believe that by derogation from the previous paragraph, the investment firms may provide the terms of the agreement in writing *immediately* after starting to provide the relevant services to the clients if the services have been provided at the clients' request using a means of communication that does not enable the provision of the agreement in writing.

We would like to indicate that, from our experience, professional clients in general prefer not to enter into written agreements especially when they do not use such agreements in their country of origin.

Additionally, we would point out our preference that the above-mentioned clause applies on 'framework agreements' between professional clients and the investment companies regardless of the type of services provided.

This would lead to the establishing of a *cross border framework for all types of agreements* without rendering certain countries (and therefore the investment firms domiciled in them) that do not use written agreements at a competitive advantage versus the rest and would facilitate a uniform Pan European type of treatment for professional clients.