

Rome, 19 February 2004
MT
Prot. no. 58/04

Mr Fabrice Demarigny
Secretary General of
CESR
11-13 avenue de Friedland
75008 Paris
FRANCE

**Subject: European Commission mandates relative to implementation measures
for the directive on markets in financial instruments.**

Assoreti – National Association of Financial Products and Investment Services Placing Firms – complying with the Committee’s invitation to formulate observations on the modalities of implementing the mandates in question, wishes first and foremost to express its sincere appreciation for the intense body of work carried out by CESR in accelerating the process of harmonisation of Member State regulations within the financial sector.

In particular, we agree with the energies directed at achieving a uniform set of regulations within Member States, as a premise for the elimination of regulatory arbitration phenomena and for the creation of a market that is effectively competitive, in which all intermediaries are subject to the same regulatory standards, regardless of the country in which their head office is located. In this sense, the acceleration achieved by the Committee, albeit in regard to the so-called soft law, has to date proved to be fundamental in providing a common platform of secondary level rules, achieved with the contribution of the operators (see documents CESR/01-014d and CESR/02-098b) and the assimilation of the said rules within the legal framework of individual member states. The latter will therefore be substantially updated in order to incorporate the new body of regulations, both primary and secondary, which will be produced by the modified FIM directive.

Moreover, new regulatory structures imposed upon companies will be translated, for the same, in new updating costs as regards their organisational models and especially in relation to the category of door-to-door distributors, including their customer contact structures.

Assoreti therefore expects that implementation of the European Commission’s mandates will occur in line with the objective pursued to date of achieving a competitive market that is translated into organisation and conduct rules which, on the one hand, do not compromise entrepreneurial decision-making and, on the other,

involve new costs for companies solely in response to real benefits for savers i.e. in the final analysis, in rules aimed at effectively correcting the informational asymmetry which characterises the current relationship between investors and brokers.

Of course, the primary objective to be pursued is the diffusion of a strong market culture, the predisposition of adequate preventive control instruments and the creation of an effective sanctions system, rather than merely increasing formal burdens which, often, do not provide any significant benefits for savers. In this regard, Assoreti hereby declares that it is willing to place its experience in the sector at the disposition of the Committee.

In thanking, therefore, this Committee for the attention given to the present letter, we also look forward to the dissemination of the announced consultation document on the said mandate implementation measures in order to be able to formulate, where appropriate, more specific observations on individual aspects and, in regard to the latter, we feel that the allocation of a period of 3 months is appropriate in allowing the Industry Association to gather the observations and views of its Associate Members and thereby make an effective and informed contribution.

Please do not hesitate to contact me if our Association can in any way be of help.

Yours faithfully,

THE SECRETARY GENERAL
Marco Tofanelli