

Mr Fabrice Demarigny
Secretary General
CESR
11-13, avenue de Friedland

75008 Paris
FRANCE

31 March 2003
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Response to CESR's Second Call for Evidence for Technical Advice on Possible Implementing Measures concerning the Future Directive on the Prospectus to be published when Securities are offered to the Public or admitted to Trading

Dear Mr Demarigny,

The Association of German Banks welcomes the opportunity to respond to CESR's Second Call for Evidence for Technical Advice on Possible Implementing Measures concerning the future Prospectus Directive.

The Association of German Banks represents 258 private commercial banks and eleven regional associations, as well as the special mortgage bank and ship mortgage bank associations. Measured in terms of business volume, these banks hold a share of around 40% of the banking market as a whole. They have a total of over 200,000 employees.

The Association of German Banks is a member of the *Zentraler Kreditausschuss (ZKA)*, the joint committee of the central associations of the German banking industry, which prepared the comments you will be sent separately.

We fully support the views expressed by the ZKA in these comments and would like to highlight one or two points which we consider particularly important.

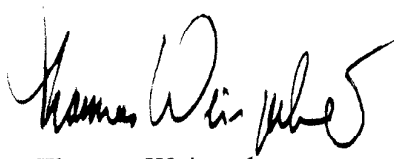
As the Commission's first provisional mandate did not allow for a second consultation, we would like at least to ask for a second hearing on the building blocks which are covered by the Commission's second provisional mandate. In our view, there is a particular need for the building blocks for banks and derivatives which were proposed in the December Addendum to be discussed with the market participants who submitted their comments in February.

We also have major concerns about the base prospectus. As the ZKA mentioned in its last response to the addendum and at the last hearing, the base prospectus is highly important for the banking industry. It will probably be the mainly used prospectus in the future throughout the European banking industry because this sector will use offering programmes for issuing non-equity securities. It is therefore essential to allow issuers to use the base prospectuses as an flexible instrument. The requirements of current market practices must be taken into account.


Finally, we should like to ask CESR also to consider our first comments of December 2002 and February 2003 when reviewing the prospectus models, since many of the points raised there may apply when giving the second advice to the Commission.

Should you require any further information, please do not hesitate to contact us at any time.

Yours sincerely,



Thomas Weisgerber



Oliver Wagner