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Mr Fabrice Demarigny
Secretary General
Committee of European Securities Regulators (CESR)
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03 September 2004

Consultation paper: Guidance for implementation of co-ordination of enforcement of financial information

Dear Mr Demarigny,

Thank you for the opportunity to express our views on CESR`s consultative paper *"Guidance for implementation of enforcement of financial information"*. We are pleased to do so as follows:

The creation of an appropriate mechanism to co-ordinate enforcement within Europe is essential in our view to achieve uniform application of accounting standards. Regulation (EC) 1606/2002, which requires publicly traded companies in Europe to prepare their consolidated accounts in conformity with IFRS/IAS, laid the foundation for comparable corporate financial information. Of crucial importance for the acceptance of accounting standards is, however, their institutional enforcement.

We believe that, as proposed by CESR, regular meetings of all national enforcers and the development of a database containing all important enforcement decisions are suitable measures to ensure largely uniform procedures and decisions by national enforcers.

Concerning the proposed minimum information in the standardised input form for the database, we recommend that it should not include the name of a company. First because co-ordination of enforcement by CESR is aimed at achieving uniform, European enforcement of accounting standards, company names are no relevant information. Secondly for confidentiality reasons, company names should not be disclosed. Otherwise, particularly in view of the fact that the database contains all important enforcement decisions, i.e. also those where a company was not found to have done anything wrong, it cannot be ruled out that a company's reputation may suffer as a result. For the proposed mandatory information on market capitalisation, we suggest a categorisation into, for example, small, medium-sized and large companies. This would make it impossible to draw any conclusions about an individual company.

Only the national enforcers affiliated to EECS should be given unrestricted access to all the information contained in the database. The parties entitled to access the database should be defined within the consultation paper.

In addition companies subject to enforcement and their auditors have a natural interest to receive information on cases examined and decided by the enforcement institutions. For this purpose, we suggest establishing a register of cases that merely contains an explanation of the cases examined and the accompanying enforcement decisions without providing any company details and without allowing any conclusions about individual companies.

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

Yours sincerely,

Burkhardt Schütte

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