



REALKREDITRÅDET

CESR
Mr Fabrice Demarigny
Secretary General

27 November 2006
H551 - mhj

Public Consultation – The list of minimum records in Article 51(3) of the MiFID implementing directive.

The Association of Danish Mortgage Banks welcomes the opportunity to comment on CESR's Consultation Paper on the list of minimum records in Article 51(3) of the MiFID implementing directive.

Question 1: Do you agree that a common list of minimum records in all CESR members will benefit investors and industry?

The Association of Danish Mortgage Banks does not find that the regulation on records calls for mandatory common minimum requirements in all CESR members. The recommendation should be a guidance that would render nationally based differences – allowing national competent authorities to both add and omit requirements.

Furthermore it is important to underline that the scope of this guidance would not be to impose requirements on how to organize records as much information today is already organized in separate records.

Danish mortgage banks exclusively offer loans funded through issuance of mortgage bonds and bonds are only issued in connection with the disbursement or refinancing of loans. Danish mortgage banks offer loan customers a limited range of securities trading services, trading securities in connection with mortgage lending. However, these investment services form part as a whole involving the disbursement and/or settlement of customers mortgage loans. Following investment services -as usually understood - are not offered by Danish mortgage banks.

The suggested list of minimum records is drafted with "common" investment services in mind. Consequently some of the record requirements are not useful in connection with the investment services carried out by Danish mortgage banks and are furthermore considered overly burdensome.

In order to take into account such special circumstances the CESR recommendation should be a guidance allowing CESR members to both add and omit requirements.

Question 2: Do you agree with the content of the list elaborated by CESR? If not, which records should be added or deleted and for which reasons?

The Association of Danish Mortgage Banks finds that marketing communications and investment research should not be included in the list. The purpose of this inclusion is unclear and from a cost-benefit perspective not justifiable.

As concerns the requirement on aggregated transaction this is an example of the considerations made under question 1. A number of Danish mortgage loan products are designed so that the interdependent securities trading must be carried out as aggregated trades in order to achieve the best disbursement price or refinancing terms for the individual customer. Once the customer has chosen this specific mortgage loan product the customer has agreed that the interdependent securities trade must be carried out as aggregated trades - together with other customers choosing the same product. Imposing a requirement meaning that mortgage banks should establish a separate list showing for each mortgage customer who the exact other customers are would not only be overly burdensome but also without any meaning or use.

Question 3: Do you consider that a specific requirement for keeping records of the provision of investment advice should be introduced?

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Yours sincerely

Merete Hjetting