

Dear Sir,

Please find below our answers to the list of questions raised on the transparency provisions of the MiFID in relation to transactions in financial instruments other than shares.

Question 1. No comments on the proposed scope of the Report. We believe it is appropriate for the purposes of the review.

Question 2. We find this classification scheme sufficient for the aim of this report; although it might be convenient to differentiate those instruments which entail higher risks and/or more complexity for retail investors.

Question 3. We fully agree with the policy rationales behind the implementation of the mandatory transparency.

Question 4. All agreed.

Question 5.

- a. None.
- b. Not applicable.

Question 6.

- a. Highly technologically developed markets should contribute to a less expensive mandatory transparency; which will be a key factor in the achievement of the purposes of this review.
- b. Despite all the foreseeable technical improvements affecting the financial instruments object of this report, the levels of transparency that might be reached will be far from those pursued in this review. Specially, as regards the retail investors. Therefore we cannot see how the mandatory transparency could become redundant.

Question 7. In our opinion, there are not any reasons which justify such difference in terms of transparency. This is particularly relevant to those markets such as cash government, investment-grade and high-yield corporate bonds.

Question 8. Not applicable.

Question 14. We do not see any problems, other than the natural difficulties derived from the implementation of a new legal frame-work. However, we believed that these difficulties could be mitigated by the close cooperation between regulators and the industry.

Question 15. The suggested four options seem to be appropriate.

Question 16. A mandatory MiFID-like system of pre-trade transparency, but without an equivalent of Article 27; and a mandatory TRACE-like system of post-trade transparency, reported with a minimal delay, would be our preferred combination.

