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Response to CESR's consultation on Inducements: Good and Poor practices

The Danish Financial Supervisory Authority (FSA) welcomes the opportunity to comment on CESR's consultation paper on Inducements: Good and poor practices.

The Danish FSA has a specific comment to the fourth heading in the paper:

Payments and non-monetary benefits authorized subject to certain cumulative conditions - Disclosure

Question 14: Do you agree with CESR's views on the documentation through which disclosures are made?

The Danish FSA is concerned with CESR's views on page 38 that it should be considered poor practice, if an investment firm whose main distribution channel is physical offices, discloses in a "welcome information" brochure that payments and non-monetary benefits are available on its web page. The Danish FSA agrees that firms should provide transparent and accessible information on inducements. The Danish FSA supports the use of electronic communication and basically finds that investment firms can disclose information on payments and non-monetary benefits on its web page. However, if a firm discloses all other relevant information in a brochure, the Danish FSA agrees that disclosure of payments and non-monetary benefits should be available in this brochure.

Kind Regards

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