

## **IBF RESPONSE TO CESR CONSULTATION ON THE DRAFT WORKPLAN FOR Q 4/2007 - 2008**

**CESR REF: [07-704]**

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Irish Banking Federation (IBF) is the leading representative body for the banking and financial services sector in Ireland, representing over 60 member institutions, including licensed domestic and foreign banks and institutions operating in the financial marketplace here.

1. IBF welcomes the opportunity to comment upon CESR's draft workplan for Q4/2007-2008. Allowing stakeholders to input at a formative stage in CESR's work process is a valuable consultative exercise. In general, the level of stakeholder interaction undertaken by CESR in the Level 3 work on MiFID is commendable.

### **General Considerations**

2. We believe that it is important that CESR respond swiftly and effectively to any immediate issues for firms that may emerge in the practical operation of the MiFID regime. CESR needs to ensure that any operational MiFID issues that occur are given priority.

3. We also propose that a period of 12 months is allowed for the MiFID regime to 'bed in' before CESR goes about considering guidance on issues that may improve the operation of the MiFID regime. After one year, it would be prudent to assess the need for further guidelines, and it would be easier to differentiate between substantial issues that require guidance at a European level, and teething operational issues.

4. Overall, we believe that CESR's overarching priorities for Q4 2007-2008 should be to ensure a smooth implementation of MiFID across Europe. To this end, initiatives which promote convergence and consistency should be given a high priority. IBF will continue to monitor the practical implementation of MiFID in Ireland and will highlight any significant issues regarding divergence with CESR where appropriate.

5. IBF contend that it would be inappropriate for CESR to issue guidance in areas of MiFID where the implementation plans of firms have crystallised. Given its broad scope and the depth of its impact upon investment services and activities, any divergent guidance would result in costly review and adjustment of implementation plans for firms.

6. IBF concurs that prioritisation is necessary for an efficient work process. However, in the workplan, CESR has given all but 1 issue 'high priority' and it is unclear how so many priorities can be reconciled. We would suggest that CESR mark around 5 topics as 'high priority.'

7. We would also consider that any requirements from CESR in terms of telephone recording would be unnecessary- we believe that this would be an onerous requirement for industry to implement that adds little value in terms of investor protection.

8. It is also important that whatever guidance CESR issues on new topics that this is consistent with the existing guidance and interpretations being taken on MiFID, particularly where understandings with industry have already been agreed.

#### **Proposed CESR Q&A Document**

9. The Q&A document planned by CESR needs to be consistent with the European Commission's Q&A document. Both parties should be vigilant against any overlap or duplication, and any conflict on issues where agreement with industry has already been reached. The CESR Q&A document should also be consistent with national guidance that has already been issued, i.e. feedback on discussions of the conduct of business workstream from the Irish Financial Regulator.