QUESTIONS FOR RETAIL INVESTORS ON THE CONSULTATION PAPER ON "NON EQUITY MARKETS TRANSPARENCY"

Commission Epargnants PROXINVEST RESPONSES

Preliminary remarks

La régulation au détail de la sphère financière privé est un triste détournement administratif devenu collectivement très coûteux : de Sarbanes Oxley - LSI à la reglementation des OPCVM, des codes de gouvernance à la folie des déontologiques des murailles de chine, des prospectus d'émissions primaires à l'information permanente des investisseurs, l'activité économique est ralentie par une paperasse parasitaire, phénomène chronophage regrettable qui est dû au laxisme fondamental que constitue le concept même de banque universelle. Le monopole de banque universelle autorise, entretient et multiplie ses conflits d'intérêts internes négligeant son métier de base, le crédit … puis il demande à la société d'imposer et financer les contrôles qu'il eut dû soit réaliser lui-même, soit s'économiser pas sa sagesse.

Un exemple actuel : la consultation du régulateur Européen des marchés, CESR intitulée"NON EQUITY MARKETS TRANSPARENCY". Ce texte consacre Si le marché des obligations - capté par le système bancaire notamment pour ses OPCVM au détriment des particuliers - **appartient encore à la compétence légitime du CESR, il ne devrait pas en être de même des produits de finance structurés, des CDS et dérivés de crédit purement interbancaires, options de gré à gré, montages de titrisation, ou multiples autres produits créatifs, utiles certes, mais qu'il convient de laisser aux risques, à la responsabilité et à l'administration de la réglementation bancaire et des seuls opérateurs professionnels.**

1. To what extent can corporate bond markets be characterised as wholesale or retail markets? How would you distinguish between wholesale and retail markets? What are the differences across the EU? (Question 22 of the consultation paper)

The bond markets have become wholesale, not retail (except in Italy). A retail market is a market where individual investors play a significant role , even if it is much smaller than other participants'. Contrary to regulated equity markets in the EU, it is extremely difficult for individual investors to buy and sell bonds.

2. What would be the potential benefits and downsides of a harmonised pan-European transparency regime for the retail market? Would greater post-trade transparency for example attract retail investors more?)

Individual investors would come to this market if it provided the same transparency as the equities markets, which are trading much more risky assets, and where they are active participants.

Another benefit of direct access to the bond markets (this includes the biggest one – the government and public agencies market as pointed out in our preliminary remarks) would be a potential for better performance than indirect access. Currently this indirect access is provided mainly by bond investment funds. Also, fixed income markets failures, should be addressed especially in the money market funds area. This means individual investors are penalized by the inaccessibility of bond markets, mainly due to their lack of transparency.

3. Do you believe that better post-trade transparency could improve the efficiency of the price discovery process, reducing bid-ask spreads and search costs for investors and fostering competition among dealers? (Question 13 of the consultation paper)

Yes

Would additional post-trade transparency help investment firms to comply with MiFID requirements intended to enhance investor protection, such as information disclosure to clients, suitability assessments and providing best execution to investors? (Question 13 of the consultation paper)

Yes

4. Do you think that greater post-trade transparency could have a negative impact on liquidity? Or do you think that it could have any other drawbacks which CESR needs to consider? (Questions 13 and 14 of the consultation paper).

None

5. Please provide information on your experience, if any, in terms of timing, content and access to information of the market-led solutions such as those of ICMA or SIFMA. What is your assessment of the effectiveness of the present self-regulatory initiatives? (Question 18 of the consultation paper)

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6. What would be the most cost-effective way of delivering additional transparency for the retail market: an industry-led solution, possibly based on a road map set by regulators, or mandatory regulatory post-trade transparency requirements? (Question 26 of the consultation paper)

Mandatory regulation is needed quickly and again not only on post trade transparency, but also on pre-trade transparency.

7. Do you think that the introduction of additional post-trade information on prices could help restore market confidence and maintain market liquidity in times of future crisis? (Question 20 of the consultation paper)

On clear reason is the transparency of the equity markets operations, and their retail investor-friendly features, which are missing for fixed income.

8. Regarding structured finance products and credit derivatives, what post-trade information should be published? In addition to information about the price at which the transaction was executed, the volume and the time of the transaction, would there be any benefit in publishing information about portfolio composition, asset class, the initial interest (seller or buyer)? Is there any other information which would be relevant? When should post-trade information be published? Should it be published immediately after a trade has been concluded? (Questions 35 , 36, 44 and 45 of the consultation paper)

These markets are not accessible to individual investors. These markets should remain in the hands of professional participants, but at their own risk and responsibility, not to unload them to individual investors through investment funds (UCITS) or other retail collective instruments.

Do not unload them to individuals, protect individual investors but do not spend time and energy to protect banks against banks.

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10 February 2009