PRESS STATEMENT

The International Primary Market Association, the International Securities Market Association and the British Bankers’ Association today issued guidance on policies and procedures for managing conflicts of interest in the context of the allocation and pricing of securities offerings.

The guidance was developed by the Associations and is being issued to assist firms who are subject to the UK’s Financial Services Authority’s Conduct of Business rules. The FSA amended the Conduct of Business Sourcebook with effect from 1 May 2004 inter alia to provide guidance on the management of conflicts of interest in the allocation and pricing of securities issues (Conflicts of Interest (Corporate Finance and Investment Analysts) Instrument 2003).

Although the FSA has not endorsed the Associations’ guidance as a matter of policy, the Associations have discussed their guidance with staff of the FSA and believe the guidance is consistent with the FSA’s Conduct of Business rules. However, the guidance is not FSA guidance and in the event of any conflict the FSA’s Handbook text prevails.

The London Investment Banking Association, which continues to work closely with the other trade associations in developing guidance on managing conflicts of interest in the investment research area, welcomed the guidance.

John Serocold, a director of the London Investment Banking Association, said: “LIBA welcomes the release of trade association guidance in this area. It builds on the joint work that the associations have been doing in giving guidance on other aspects of the management of conflicts of interest.”

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Note for editors:

The British Bankers' Association (BBA) is the leading trade association in the banking and financial services industry representing banks and other financial services firms operating in the UK. It has 250 members, as well as many associate members, which fund its not-for-profit activities. Eighty five per cent of members are involved in providing wholesale banking services and three quarters of the members are of non-UK origin, representing 60 different countries. Our members hold 90% of the UK banking sector's assets and represent 95% of all banking employment in the UK. Given its international membership and position in the world's leading financial centre, the BBA covers a wide variety of European and international issues such as the prudential regulation of firms and the operation of international capital markets. It also means it is closely involved with domestic UK concerns, such as the provision of basic bank accounts and promoting financial inclusion.

ISMA is the self-regulatory organisation and trade association for the international securities market. For over 450 member firms in some 50 countries world wide, ISMA oversees the efficient functioning of the market through the implementation and enforcement of a self-regulatory code covering trading, settlement and good market practice. The Association also provides its member firms - and other users - with a range of services, products and support.

IPMA, the International Primary Market Association, was established in 1984 as the trade association for the leading banks and investment banks of the world in their capacity as underwriters and managers of international issues of debt for the public sector and of debt and equity for the corporate sector. In 2003 approximately US$ 2 trillion was raised as new capital in this market. IPMA’s mandate from its members is to facilitate the operation of the international primary markets. Factors in the smooth functioning of the markets may involve legal or documentation questions, best market practice, clearing and settlement, regulation or other matters.