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Brussels, 4 July 2011

Dear Mr Tofte Nielsen

RE: CBIC European Transparency Standards

On behalf of the European Covered Bond Council, we would like to thank you for the opportunity to contribute to the consultation on European transparency standards for covered bonds launched by the CBIC on 14 April.

The ECBC very much welcomes your initiative aimed at improving the transparency of the asset class. We share the CBIC view on the importance of transparency of the asset class for all market stakeholders. The ECBC, representing over 95% of all covered bonds outstanding, is fully committed to achieving these aims by providing practical and relevant steps forward.

In this respect, the file has been submitted to the Technical Issues Working Group, which is currently undertaking a detailed analysis of your proposal, seeking input from all covered bond jurisdictions. We would welcome the opportunity to discuss this further with you after the summer break.

The ECBC has already developed several tools to enhance the transparency of the asset class that are widely used by the covered bond community. The ECBC European Covered Bond Fact Book provides a description of the legal framework and a market overview in every covered bond jurisdiction. In addition, key themes for the industry are developed and a comprehensive set of statistics on covered bonds are presented. This work is reinforced by the ECBC Comparative Framework Database which provides an overview of the key features of every jurisdiction in a user friendly and comparable format, as well as links to the covered bond section of all issuers' websites. The ECBC's latest step is the practical improvement of issuer information which is designed to serve as an important element to further enhance transparency.

As of today, the primary focus of the ECBC is the establishment and introduction of a label for covered bonds. The main aims of the label are as follows:

- Facilitating access for investors, regulators and other market participants to relevant and comprehensive information.
- Enhancing the overall regulatory recognition and trust in the asset class.
- Maintaining and further developing the existing high standards of the asset class in a changing environment.
- Establishing a perimeter around the essential features characterising this asset class.
- Ultimately, to promote liquidity and strengthen an active secondary market.

In this respect, please note that a key element of the label will be transparency. This will be based on a list of information which national covered bond communities will be invited to use with a view to developing national level guidelines for transparency. This approach is designed to ensure that



European Covered Bond Council

The Covered Bond Voice of the European Mortgage Federation



information provided is appropriate for each jurisdiction by taking into account national specificities and furthermore that the information provided is relevant, useful and deliverable.

The label transparency component is the result of a detailed ongoing reflection conducted by the ECBC that was launched in late 2009. We are looking forward to informing you about the progress achieved at the Plenary meeting to be held in Barcelona on 14 September.

Once again we would like to stress the importance of the ongoing co-operation between investors and the ECBC over the past two years and we look forward to building on this positive co-operation in the future.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Annik Lambert'.

Annik Lambert
EMF/ECBC Secretary General

EMF



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