

2 March 2007

By e-mail

European Commission, DG MARKT: David Wright, Mario Nava

Code of Conduct

Dear David, dear Mario,

In response to the call for coordination among market users in the process of implementing and monitoring the European Code of Conduct for Clearing and Settlement we are pleased to inform you that the undersigning securities associations have agreed **to cooperate closely** in this process with a view **to represent the major users of the European securities markets jointly**.

In the coming months **our primary interest will focus on the detailed conditions of access and interoperability** to be worked out by 30th June 2007 although we will present our members' views on the remaining issues of price transparency at the April users' meeting of the MOG. We remain concerned that because of the deadline of 31st December for the delivery of service unbundling and account separation, early and close dialogue between the infrastructures and the users is essential.

We have agreed to give priority to an **approach of cooperation with the infrastructure ex ante** rather than ex post monitoring. We intend to establish an institutionalised dialogue with the infrastructure associations during the period between now and the 30th June 2007 deadline and beyond. We therefore urge EACH, ECSDA and FESE to include our group in their work plan presented at the meeting of the CESAME Group of 12 February and to start this dialogue as soon as practically possible.

We are organising our work in a way which is intended to combine the **efficiency** of an expert group of highly experienced representatives of major market users with a **broad representation**. Therefore we will extend an invitation to participate to all relevant members of the two umbrella organisations European Financial Market Federation (EFMF) and European Forum of Securities Associations (EFSA). Moreover a high level steering committee of the undersigning securities associations will coordinate our work and assume the role of the interlocutor with the infrastructure associations.

At the future meetings of the Monitoring Group of the Code of Conduct with the user community our group expects to be able to present a single view from the involved securities associations and their members. However, the undersigning organisations individually expect to remain members of this high level users group set up by the European Commission, in accordance with the principles of efficiency and broad representation.

We look forward to a fruitful cooperation that will contribute to the successful implementation of the European Code of Conduct for Clearing and Settlement.

Kind regards

AFEI
Association Française
des Entreprises d'Investissement



Pierre de Lauzun

ASSOSIM
Associazione Italiana
Intermediari Mobiliari



Gianluigi Gugliotta

EPDA
European Primary
Dealers Association



Mark Austen

ESF
European Securities
Forum



Werner Frey

ICMA
International Capital
Market Association



Nick Collier

LIBA
London Investment
Banking Association



Jonathan Taylor

cc:

EACH: Ann Flodström

ECSDA: Joël Mérére

FESE: Jukka Ruuska, Judith Hardt

ECSAs: Patrick Poncelet

European Commission: Michael Murray