

Asociación de Mercados Financieros AMF
Association Française des Entreprises d'Investissement
Association of Foreign Banks
Association of Private Client Investment Managers and Stockbrokers
Associazione Italiana Intermediari Mobiliari (ASSOSIM)
Bundesverband der Wertpapierfirmen an den deutschen Börsen e.V.
Danish Securities Dealers Association
EURIBOR ACI European Commission Working Group
Finnish Association of Securities Associations
Icelandic Financial Services Association
London Investment Banking Association
Norwegian Securities Dealers Association
Securities Industry and Financial Markets Association
Swedish Securities Dealers Association

Response to CESR's Consultation Paper on improving the functioning of the MIFID database

21st January 2008

The Associations listed at the head of this response welcome the opportunity to comment on CESR's proposals to improve the MIFID database.

Q1. Do you agree with the proposed amendments?

Amendment 1:

CESR proposes to add the following new data fields to the database:

- i. Exchange rate for non-Euro countries, which would indicate the rate which was used for calculating the respective information.
- ii. Date of update, which would indicate when the information regarding a given share was last updated
- iii. Information indicating the date when the information becomes applicable. This is to facilitate the presentation of two sets of information as necessary in relation to annual updates and new admissions. The new data field would indicate future information which will be come applicable at certain point of time.

We agree with proposed Amendment 1, which is sensible and helpful. Some firms have commented that as a practical matter it would be helpful if CESR could add the new columns on the right hand side of the web page, as this would minimise disruptions to firms' systems.

Amendment 2:

CESR proposes to add the following function to the database:

- possibility to extract only liquid shares from the database.

We agree with proposed Amendment 2, which is sensible and helpful.

Q2. Is it necessary to add other information or other search functions? If so, please explain what you would like to add and the reasons for your proposal?

We very much appreciate that CESR offers automatic access to the data in XML format, and published a document explaining how to implement it. For firms which, for whatever reason, do not wish to handle the data through the XML feed, the website provides the ability to download the database in its entirety to firms' systems as a CSV. Because the URL of the CSV changes daily, it is a complicated process, prone to error, for these firms to download programmatically, on a daily basis, the latest database to use in their systems. It would therefore be very helpful if CESR could additionally make the database available for download as a single daily file at a known constant URL location (e.g. via FTP), updated at the same time each day, so that firms can download the latest data programmatically each day, thereby minimising the possibility of error and the need for manual intervention. We would expect that it ought to be possible to introduce such a facility at minimal cost.

Q3. Do you agree with the proposal to identify investment firm acting as systematic internaliser?

CESR intends to identify in the database the investment firms acting as systematic internalisers and, depending on the business model of the firm, the branches in other Member States where the firm has its own internalisation activity.

Essentially the MIFID requirement is to identify the firm that is the systematic internaliser, on a legal entity basis. It is important that CESR separately identifies branches only where the business model of the firm means that the branch's systematic internalisation "engine" operates separately from the systematic internalisation "engine" of the head office or another branch, in a way which gives rise to the need for separate notification of the branch's systematic internalisation activity by the branch competent authority. We assume that this is what CESR means when it refers to the separate identification as "depending on the business model of the firm".

CESR says that in addition to Questions 1 to 3, it would welcome comments and suggestions on all aspects of the database.

CESR says that it will strive to accommodate requests made at this point, but that requests and/or comments which are made after the consultation period will be difficult to take into account in the short or medium term. We understand that CESR needs to apply appropriate project management disciplines to the development of the databases. However, it is also important to bear in mind that we are still at a fairly early stage of the MIFID implementation process, and that as firms obtain more experience of using the databases, new points may continue to emerge. We therefore suggest that CESR should hold open the possibility of a medium term review of the database to enable any further points that emerge over the coming few months to be accommodated.

CESR relies on its members to update the database. Firms obtain information about shares admitted to trading on regulated markets from commercial vendors as well as from the CESR database. In some cases, timing differences may mean that the CESR database does not reflect recent changes to information about which shares are or are not admitted to trading on regulated markets, or about changes to their ISINs, when commercial sources have picked up this information. We are not aware of any

particular problems that have arisen from these discrepancies, but it might be appropriate to consider whether any practical problems might arise for firms from such timing differences. It would also be helpful if CESR could consider how best to ensure that the database is updated as promptly as possible by its Members.

As a separate point, it would be helpful if CESR could help to make the national registers of authorised firms, which national authorities are required to maintain under Article 5(3) of MIFID, more prominent than they are at present. It is important for firms, counterparties, and clients to be able to have quick and user-friendly access to the national registers. To this end, it would be helpful if the members' directory on the CESR website could include not just links to CESR members' home pages, but also direct links to their registers of investment firms.