



EUROPEAN COMMISSION  
HEALTH AND CONSUMERS DIRECTORATE-GENERAL

Director-General

SANCO

16. 11. 2009

Brussels,  
SANCO/B4/SS/ym (2009) D/240380

Dear Ms. Fransens, Dear Mr. Schraven,

**Subject: Your letter of 23 October on bank fees for custody and asset servicing**

Thank you for taking interest in the issue of transparency of bank fees, discussed in the Commission Staff Working Document on the Follow up in Retail Financial Services to the Consumer Markets Scoreboard<sup>1</sup> and for drawing our attention to potential problems concerning the scope and price transparency of banking services related to securities accounts. Considering your concerns regarding the improvement of conditions for investors' cross border securities holdings, we would like to note that the Commission is currently working on a number of initiatives which will ensure a more effective exercise of investors' rights flowing from securities.

In our view, the issues you have brought up reveal two aspects relevant for investor protection: first, the scope and components of the service of securities account provision and second, the price transparency for this service. The current Commission initiatives and existing Community legislation address both aspects of the issues you have brought to our attention. First, the questions regarding the scope and components of the service of securities account provision will be addressed by the Commission in the framework of its forthcoming proposal for a legislative instrument on an EU-wide legal framework for securities holdings and disposition. In addition, the Commission is encouraging the development of market standards, which will be complementary to this future legal instrument. We understand that your organisation is actively involved in the relevant expert groups managed by DG Internal Market and Services.

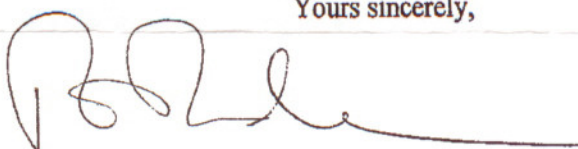
Ms Fransens,  
Secretary General,  
Mr Schraven,  
Chairman  
EuropeanIssuers aisbl-ivzw  
Rue Belliard, 4-6  
1040 Brussels

<sup>1</sup> Staff Working Document on the Follow up in Retail Financial Services to the Consumer Markets Scoreboard, Brussels, 22.09.2009, SEC (2009) 1251 final

Second, the question relating to the transparency of prices for the provision of the ancillary service of "safekeeping and administration of financial instruments for the account of clients" falls within the scope of the Markets in Financial Instrument Directive 2004/39/EC (MIFID). MIFID contains specific requirements including the provision of appropriate information to clients, especially retail clients, about the services provided to them and their costs and associated charges.

I understand that following your letter to us, you have written again to my colleague Mr. Jörgen Holmquist, Director General of Internal Market and Services, and that his services are preparing a reply to your letter.

Yours sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a series of loops and a long horizontal stroke extending to the right.

Robert Madelin

Cc: Mrs Maria Velentza, DG MARKT, Head of Unit Securities Markets,  
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