

B F I

Bundesverband der Finanzintermediäre an den deutschen Wertpapierbörsen

– Der Justitiar –

European Commission/Internal Market DG
Bundesministerium der Finanzen
Deutsche Bundesbank/Hauptverwaltung Frankfurt und Stuttgart
Bundesanstalt für Finanzdienstleistungsaufsicht
Länderarbeitskreis für Börsen- u. Wertpapierfragen
Baden-Württembergische Börse
EUWAX Broker AG

Hamburg, 12 February 2003

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EU capital adequacy regulations

Dear Sirs,

In this matter, we enclose our comments on the current consultations regarding future EU capital adequacy regulations. If we already sent our comments in advance of the hearing that took place in Brussels at January 28, 2003 to one or more of the above institutions, we would kindly ask you to replace that copy with the copy now enclosed. After the a.m. hearing we made a few minor amendments.

Our requests and detailed supporting reasons are set out in the enclosed comments. At this point, we would merely state that in order to ensure future efficient securities trading and fair competitive conditions in the financial marketplace, it is of paramount importance to take proper account of the special features of national stockbroker trading and national characteristics – namely the entering into of so-called "Aufgabegeschäfte"

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Justitiar: Rechtsanwalt Dr. Hans Mewes

(transactions in which the nomination of the counterparty is deferred). Thus, we consider it absolutely essential that in the future obligations of stockbrokers arising from "Aufgabegeschäfte" be allocated to operational risks instead of the trading book or at least (in particular in exchange trading with securitised financial derivatives) simplified valuations be permitted for the trading book. It should be borne in mind that this issue is all the more significant for the financial marketplace in Germany given that it concerns specific features of *national* stock exchange practice and thus serves in particular the future competitiveness of national trading and market participants.

If you have any questions on our request or require any explanations (also from persons actually involved in exchange trading) please do not hesitate to contact us.

Yours sincerely

Dr. Hans Mewes

Enclosure:

Comments of the BFI

(for the Commission in English and German)