



EFFAS THE EUROPEAN FEDERATION OF FINANCIAL ANALYSTS SOCIETIES

Per email

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15 August 2007

Services Directive: Commission consults service providers on codes of conduct

Dear Madam, dear Sir,

The European Federation of Financial Analysts Societies, EFFAS, is the European umbrella organisation of national analysts societies in Europe. It comprises 25 member societies representing more than 14,000 investment professionals in the areas of Equity and Bond Research, Asset and Portfolio Management as well as Investment Advice.

We appreciate the opportunity offered by the Commission to express our opinion on the Code of Conducts in general.

EFFAS' overall aim is to set standards for investment professionals in the fields of communication, ethics, and qualifications, to actively bring our influence to bear on relevant EU guidelines, and to recognise and respect regional market characteristics.

Over 10 years and in view of the fundamental significance of the investment professionals for the operation and development of the capital markets and their responsibility to investors and capital market participants, the EFFAS member societies have put in place professional principles as a voluntary undertaking.

The principle based codes are intended to ensure professional conduct by the investment professionals at the highest ethical level. The ethical conducts are being regularly updated, e.g. in accordance with the EU legislation (MAD, MiFID, etc.).

EFFAS as an umbrella organisation does not impose a unified Code of Ethics for its member societies. All the EFFAS 25 member societies have their own code of conduct. But we would like to point out that all Codes of Conduct of the member societies adhere to similar principles. This is shown by a Benchmarking Grid of the existing codes of ethics.

The German member society DVFA, which has conducted the survey and sent you their Code of Conduct, is a good example for the implementation of the national codes within the EFFAS principles.

The EFFAS Benchmarking Grid is divided into 16 sections, each corresponding to 16 different issues normally addressed in the national Codes of Ethics.

National Societies can examine their own Code in a critical manner and, at the same time, compare their position relative to the other national Codes of Ethics.

For EFFAS the Benchmarking Grid was a first step towards establishing principles of ethical behaviour in compliance with the EU directives.

These principles are also incorporated in the Principles of ACIIA (Principles of Ethical Conduct - ACIIA Association of Certified International Investment Analysts), where EFFAS is a leading member. The CIIA (Certified International Investment Analysts) designation holders are to follow these principles.

We would like to reiterate that it is was not foreseen to impose a unified European Code of Ethics, but rather an accreditation process leaving leeway for different cultural and legal framework specific to each country. Should you find it useful, we can provide you with the Codes of Conduct of each individual society, when available in English language.

We hope that these insights are useful for our work.

It goes without saying that you should feel free to let us know at anytime when there is anything that we can do to be of assistance. We would thus very much appreciate to work with the Commission on the development of codes of conduct at Community level.

Yours sincerely,



Fritz H. Rau
Chairman of EFFAS



Giampaolo Trasi
Chairman of the EFFAS MSG

Attachments

EFFAS Benchmarking Grid

Principles of Ethical Conduct by ACIIA (Association of Certified International Investment Analysts)