

UNICE

THE VOICE OF BUSINESS IN EUROPE

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THE SECRETARY GENERAL

Dear Ambassador,

Let me first of all thank you very much for your very interesting presentation at UNICE on 25 June. Besides all the other issues we have to follow during the Danish presidency, I would welcome the opportunity for UNICE to engage constructively with you on financial services matters during the next six months of the Danish Presidency.

Back in March 2002, UNICE produced a paper on the Financial Services Action Plan. Due to the large number of measures to be implemented and to the clear need for better-quality legislation, UNICE urged that the solution would be to focus efforts on getting right a smaller, more targeted number of proposals. UNICE therefore set out what we considered to be the priority areas. Taking the latest developments into account, these are:

- IORP (Institutions for Occupational Retirement Provision with accompanying measures for the elimination of tax obstacles to the cross-border provision of occupational pensions)
- International Accounting Standards
- Single company prospectus

I set out briefly below UNICE's position on each of these proposals:

1. On IORP, although we are still consulting members on the detail, UNICE welcomes in principle the fact that political agreement has been reached in the Council. Liberalised EU legislation for occupational pension institutions is a key measure in the FSAP for achieving an integrated European capital market, lower capital costs and increased competitiveness of European companies. It is vital for the Council and the Parliament to adopt the directive during the autumn and to avoid a watering-down in any conciliation process. However, for the directive to have its full intended effect, elimination of tax obstacles to pension portability is necessary. Today, these constitute a significant impediment to cross-border labour mobility in Europe. UNICE urges the Danish Presidency to strive vigorously for an agreement in this area.

2. On IAS, we welcome adoption of the Regulation. It will be important, however, not to lose momentum to ensure that the screening of IAS is achieved before 2005. A close watch is needed on this.
3. On single company prospectus, we understand that the Commission is to bring out a revised proposal over the summer. UNICE gave evidence to the European Parliament criticising the original proposals and strongly supported the Huhne report. We would like to make it clear that the key concerns for European industry are: issuer choice, where we cannot support the home-state principle for equity or debt, and voluntary shelf registration.

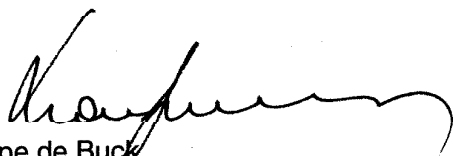
Another important issue is the on-going work of the Basel Committee on the new capital accord proposals, which will be global in application. Representing both the users and the providers of financial services, UNICE is ready to discuss the problems arising from Basel II, including specific SMEs issues, with the Presidency.

UNICE would be happy to expand on any of these points (please feel free to contact either Anna Jarosz-Friis or Jérôme Chauvin in the UNICE Secretariat).

In the meantime, allow me to wish you all the best in the coming months. Vi glæder os til at se Danmark i formandskabstol i de kommende måneder.

Yours sincerely,

best regards,



Philippe de Buck

Cc: Permanent Representatives of Members States to the European Union