

Per e-mail only

Euroclear Nederland
Attn. Mr. Hugo Spanjer

Hugo.spanjer@euroclear.com

Amsterdam, 6 October 2009
Our ref: DACSI 09-129

Dear Hugo,

Re: Connecting issuers and shareholders

In its white paper "Connecting Issuers and Shareholders" Euroclear Nederland is presenting how it intends to go along with the situation that will be created if the law proposal re "shareholder identification" is accepted and implemented. We take this opportunity to react on this paper.

The key principles as set out in the white paper are evident and easily subscribed to. The thesis on the other hand, that "an infrastructure solution provides efficient and robust solutions bringing sizable benefits to all stakeholders when they develop Issuer Services" is rather challenging in that we do not recognise this as following from the principles.

We do not disagree that ENL will be able to develop a basic "plain vanilla" product set, which could serve a substantial part of the "new needs", but:

- In many instances the market (especially issuers) will need more complex services than ENL can provide.
- Commercial parties will develop products in the same area, and they are not bound by regulatory constraints in their risk considerations nor fees. Their products will add up to a broad service spectrum in a competitive environment which is beneficial to issuer and investor. The added value of rather basic services provided by ENL will be limited in this environment.
- Development of Issuer Services across ENL and commercial parties could lead to confusion with issuers not sure which entity to address for the various service components of Issuer services.
- Looking at its unique position, we hope that ENL will not affect its current working relationship with participants/agent banks in their daily course of business when they are performing Issuer Services.

*The Dutch Advisory Committee Securities Industry is the principal, not for profit association in The Netherlands for firms active in the securities industry. The Association represents the interests of its members on all aspects of their securities and securities related business - both domestic and international - and positions the Dutch view to the market infrastructures service providers and regulatory authorities in The Netherlands and the European Union.

We realise that our understanding of the ENL position is based on the content of the white paper and the short introduction in the DACSI meeting of 2 July; on balance, the approach as we understand it is rather strategic and we have not seen much operational content. With these reservations we have the feeling that ENL should better concentrate on improving and extending its existing product range, rather than entering into a competition with commercial players who have less restrictions and more resources. In our view the position that ENL envisages will not lead to more efficiencies, benefits and clear advantages for Issuers acting on the Dutch market.

Kind regards,

Dutch Advisory Committee Securities Industry

Ruud Sleenhoff,
Chairman

Bob Folmer,
Coordinator Task Force Issuer Services

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