

UNIDROIT INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE

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EMFLG REPORT ON THE HARMONISATION OF THE LEGAL FRAMEWORK FOR RIGHTS EVIDENCED BY BOOK-ENTRIES

Dear Mr Löber,

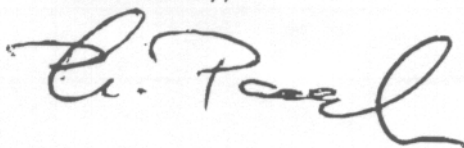
On behalf of our Secretary-General, Herbert Kronke, I should like to thank you for your kind letter dated 17 July 2003 and to congratulate the European Financial Markets Lawyers Group and you personally for having established the most interesting EMFLG Report on the Harmonisation of the legal framework for rights evidenced by book-entries. UNIDROIT always follows the activity and the publications of your group with greatest attention. Indeed, the recent report has - again - to be considered as pinpointing some of the most relevant questions arising from structures of indirect holding of securities.

I should like to take the opportunity to draw your attention to the work of the UNIDROIT Study Group on Harmonised substantive rules regarding securities held with an Intermediary, which aims at reducing legal risk in cross-border securities clearing and settlement on a global level and which is therefore closely linked to the recent EMFLG Report. The first public report of this group is going to be published end of this month. As a matter of course, we will be happy to provide you with a set of hardcopies for the members of the EMFLG.

In this context, I should like to endorse the necessity of international co-operation between the different organisations dealing with harmonisation of the legal framework for securities clearing and settlement. To this end, UNIDROIT stays in contact with the EU Commission. There will also be a seminar held at the UNIDROIT headquarters on 12 November 2003 relating to this issue. This could be a good opportunity to convene the different actors in the field, notably representatives from the EU Commission, the ECB and the UNIDROIT Study Group. You will receive an invitation shortly.

Please do not hesitate to contact me for any further information,

Yours sincerely,



Philipp Paech