

8 March 2007

Contact person: Mr M. Svoboda
Tel.: +49 69 1344 6246
E-mail: secretariat@efmlg.org

Dear Colleagues,

EFFICIENCY OF JUDICIAL SYSTEMS IN AREA OF FINANCIAL SERVICES

Please find attached a short questionnaire on the above topic.

We have prepared this questionnaire within the framework of the analytical work of the ECB's internal Committee on financial integration (CFI) on indicators of efficiency of financial markets.

The academic literature acknowledges that the efficiency of court systems in dealing with financial services litigation between market participants ('legal efficiency') is an important determinant and indicator of the efficiency of financial markets overall, thereby also contributing to productivity and aggregate growth.

This was also acknowledged in an ECB research paper "The Role of Financial Markets and Innovation for Productivity and Growth in Europe" prepared upon request of the Finnish Presidency as a background document for a discussion of European Union finance ministers and central bank governors at the Informal ECOFIN Meeting in Helsinki on 8 and 9 September 2006. The report was endorsed by the ECOFIN at its official meeting in October 2006. At that meeting the ECB was asked to continue monitoring indicators of financial markets efficiency, including legal efficiency.

Although several international institutions (Council of Europe's CEPEJ, EU Commission DG JLA, the World Bank "Doing Business" project etc.) have made studies on the efficiency of court systems in the enforcement of claims generally; these do not specifically deal with financial claims. The Commission has also proposed harmonised rules for certain financial instruments, e.g. European small claims procedure,

attachments and payment orders. These initiatives do not however directly address financial services litigation.

In view of this situation, we considered it would be helpful if EFMLG members could answer this questionnaire and provide us with information from their own experience, and any data specifically on the judicial enforcement of (disputed) financial claims.

Many thanks in advance to members for their contribution to this analytical work. We plan to put this item on the agenda for our next meeting on the 27th March, when we will discuss the topic. We would highly appreciate receiving any preliminary answers in writing before that date, if possible. Following the meeting, we would then expect finalised answers to be submitted by 2nd April.

Any suggestions from the EFMLG as to the questionnaire or overall approach to this work are welcome.

Kind regards,

[*signed*]

Antonio Sáinz de Vicuña

Cc: Klaus Löber, secretary to the EFMLG