

THE ASSOCIATION OF GLOBAL CUSTODIANS

THE BANK OF NEW YORK
BROWN BROTHERS HARRIMAN
CITIBANK, N.A.
INVESTORS BANK & TRUST COMPANY
JPMORGAN CHASE BANK
MELLON FINANCIAL
THE NORTHERN TRUST COMPANY
RBC GLOBAL SERVICES
STATE STREET BANK AND TRUST COMPANY

COUNSEL AND SECRETARIAT TO THE ASSOCIATION:
BAKER & MCKENZIE
815 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20006

TELEPHONE: 202/452-7000
FACSIMILE: 202/452-7074

WWW.THEAGC.COM

April 16, 2004

Mr. Jean-Michel Godeffroy
Director General
Payments Systems
European Central Bank
Kaiserstrasse 29
D-60311 Frankfurt am Main
Germany

Mr. Eddy Wymeersch
Chairman
Banking and Finance Commission
Avenue Louise, 99
B-1050 Brussels
Belgium

**Re: Fair Opportunity to Prepare Commentary and Organize Presentations
in Connection with the Issuance of Revised Standards or the
Scheduling of Consultative Hearings**

Dear Messrs Godeffroy and Wymeersch:

As you will recall, the Association of Global Custodians (the "Association") submitted comments in respect of the "Standards for securities clearing and settlement systems in the European Union" (the "Standards") and "The Scope of Application of the ESCB-CESR Standards" that were prepared by the European System of Central Banks and the Committee of European Securities Regulators (together, "ESCB-CESR"), dated August 1, 2003.¹ In addition, subsequent to submitting our comments, representatives of members of the Association have periodically met with you, have participated in the

¹ Letters, dated October 1, 2003 and October 31, 2003, to Jean-Michel Godeffroy, Director General, Payment Systems, European Central Bank and Eddy Wymeersch, Chairman, Banking and Finance Commission, Regarding Request for Comment on Consultative Report -- Standards for Securities Clearing and Settlement Systems in the European Union. In addition, letter, dated November 19, 2003, to Elias Kazarian, Secretariat, European Central Bank, and letter, dated February 23, 2004, to Jean-Michel Godeffroy, Director General, Payment Systems, European Central Bank.

THE ASSOCIATION OF GLOBAL CUSTODIANS

Jean-Michel Godeffroy
Eddy Wymeersch
April 16, 2004
Page 2

one open hearing, and have been involved in industry meetings in which the proposed Standards and potential revisions have been discussed. The Association's active participation in all those processes underscores members' substantial concerns about the proposed Standards and the regulatory, market structure, and policy issues they raise.

We recognize that ESCB-CESR and the working group have been giving careful and extended attention to revising the Standards, and we commend those involved for taking the time and effort to ensure that the needed revisions are made. We also understand that the working group has had prolonged and extensive discussions in an effort to find common ground for the needed revisions, and those efforts have pushed back the schedule for issuing potential revisions and gaining further comment. As a related consequence, the schedule for possible hearings on proposed or potential revisions has also been extended.

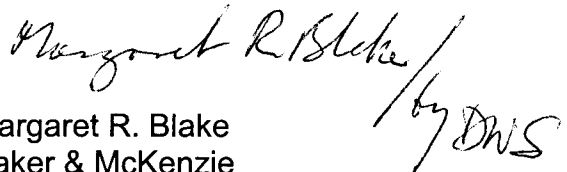
In view of those exigencies, we continue to urge ESCB-CESR and the working group to structure prospective consultations so as to allow all constituents ample lead time to prepare and file comments on any revised Standards document and to develop presentations for any open hearings. As you appreciate, thoughtful consultations between regulators and those affected by regulatory proposals are critical to the development of sound regulations, particularly where matters involving broad regulatory issues are at stake, and, for such consultations to work, commenters require fair lead time to assess proposals and prepare analyses. In our view, the issues raised by the proposed Standards and the need to achieve suitably fundamental revisions require zealous attention to matters of timing and procedure. In this regard, we recommend that commenters be given 30 to 60 days lead time for the preparation of comments and for the development of presentations at hearings and, in addition, that presenters at hearings be given an express opportunity to file written remarks.

Thank you for the opportunity again to express our views. If you have questions concerning the foregoing, please contact the undersigned.

Sincerely,



Dan W. Schneider
Baker & McKenzie
Counsel to the Association



Margaret R. Blake
Baker & McKenzie
Counsel to the Association