



Table of Contents

● CTQAB	1
● Lobbying Activities – Position Papers submitted by EFFAS since January 2005	3
● IOSCO Annual Conference 2005	4
● Changes in the boards of the National Societies	5
● Calendar of Events	8

April in Paris

As a mark of appreciation for the significant contributions that CTQAB has made to the development of EFFAS in the education and training area, a dinner for all involved in the CTQAB was organised in Paris in April this year. Therewith we have concluded the CTQAB and made the transition to the CIIA era.

The European idea

Robert Schuman, the French founder of the European Community, said in the 1950s that “Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements, which first achieve a de facto solidarity”. The CEFA was the concrete achievement, the de facto solidarity and the mutual trust to build upon.

What was the CTQAB?

A set of academics who identified the necessity of setting higher standards for the investment professionals. They have build up the solid base for the today’s training and qualification for professionals.

The task of the CTQAB

In the spirit of an economically unified Europe, the CTQAB was given a rather difficult task: to develop a single European training programme for investment professionals, thus overcoming national frontiers and forcing the participating Europeans to effect compromises – which was not always easy, as we all know. The difficulty in reaching compromises is somehow linked to a natural and profound aversion among Europeans to being forced to do something which a central power wants them to do – the result of this characteristic feature is the introduction of the subsidiarity principle in the European Union.

The solution: CEFA

The corresponding consequence for the CTQAB was: not a centrally-defined training programme had to be developed, but a general framework, which means a common general syllabus, still leaving enough freedom for the national societies to structure their individual programmes according to the local market needs. Of course, it was clear rather soon that in the end we needed a common European diploma which was accepted by market participants all over Europe. The idea of an accreditation process for the national programmes was born.

Globalisation asking for change

But, naturally, in the nineties the financial markets had developed further, and they had been doing one thing in particular: they have been globalising – and till today, the markets have been globalising intensely. In addition, when you think you are settled in one way or the other, new challenges arise in general. In our case, the challenge was strong competition from the US.

Due to decreasing growth in the US itself, the CFA has been aggressively marketed worldwide over the last years, and especially in Europe. As usual, when the Americans decide to roll out a seemingly international global product, they market a genuine American product in other parts of the world. And I believe this situation describes the niche for a designation which is different from the CFA and creates potential for the CIIA in the markets.

CIIA – a truly global product

In order for the CEFA to stand its ground in Europe compared to the CFA, we were forced at the end of the nineties to meet the requirements of the market and globalise our CEFA programme.

And we designed a truly global product. A new training programme for investment professionals was designed in global cooperation between Europeans, Asians, Australians and Latin Americans.

The CTQAB as the “mother” of the CIIA

We know, and we strongly believe, that without a CEFA, a CIIA couldn't have been developed. In other words: The CEFA laid the foundation for the development of the CIIA diploma. And consequently, the CTQAB, as the “mother” of the CEFA, played an important role in the development process of the CIIA. The CIIA does not replace the CEFA. Rather, the CIIA has consistently further developed the idea underlying the CEFA.

Thank you CTQAB!

EFFAS would like to thank all members of the CTQAB for their extraordinary commitment and their dedication in the interest of the investment professionals and the European financial markets.

Prof. André Bender (CH)

Prof. Luís Cachudo Nunes (PT)

Gerhard Edelmann (AU)

Prof. Helmut Uhlir (AU)

Mr. A. Hartmann (DE)

Prof. Udo Hielscher (DE)

Jacques Ittensohn (CH)

Prof. Thore Johnson (NO)

Harri Lautjarvi (SE)

Jacques Lereboullet (FR)

Prof. Otto Loistl (AU)

Javier Mendez Llera (ES)

Prof. Johannes Mouritsen (DK)

Anthony Newman (GB)

Prof. Juan Palacios (ES)

Lucio Ramella (IT)

David Revie (GB)

Ronan Smith (IE)

Bernard Soetens (LU)

Dr. Philippe Sormani (CH)

Dr. Peter Stephan (NL)

Mrs Maria Pia Stratley

Ulf Strömsten (SE)

Prof. Michael Theobald (GB)

Prof. C. van Dam (NL)

Prof. André van den Berg (BE)

Prof. Mattheus van der Nat (NL)

Charles Vandeveldel (LU)

Gunnar Winther (NO)

Lobbying Activities – Position Papers submitted by EFFAS since January 2005

Body	Date Submitted	Title
CESR	27 May 2005	CESR's revised draft Technical Advice on Possible Implementing Measures of the Transparency Directive Ref CESR 05-267
CESR	4 April 2005	Draft Technical Advice on Possible Implementing Measures of the Directive 2004/39/EC on Markets in Financial Instruments CESR 05-164
CESR	21 February 2005	CESR's Draft Technical Advice on Possible Implementing Measures of the Directive 2004/39/EC on Markets in Financial Instruments – Professional Client Agreements – Call for Opinions. Document CESR 04-689
CESR	1 February 2005	Consultation on CESR's technical advice on possible measures concerning Credit Rating Agencies. Document CESR 04-612b; 04-638 ¹⁾
CESR	31 January 2005	Consultation on Market Abuse, Level 3 – preliminary CESR guidance and information on the common operation of the Directive Document CESR 04-505; CESR 04-545
CESR	21 January 2005	Consultation on CESR's draft advice on the second set of mandates from the European Commission on the Markets in Financial Instruments Directive (MiFID) Document: CESR 04-562

Joint Forum's consultation on its principles on outsourcing published its final report "Outsourcing in Financial Services" in February 2005.

1) Credit Rating Agencies – CESR will submit its Technical Advice to the European Commission by April 2005

IOSCO Annual Conference 2005

The world's securities and futures regulators as well as other members of the international financial community met in Colombo, Sri Lanka, from 4 to 7 April 2005, on the occasion of the XXXth Annual Conference of the International Organization of Securities Commissions IOSCO.

This year's conference, which attracted more than 400 delegates from around the world and included representatives from more than 100 jurisdictions, was hosted by the Securities and Exchange Commission of Sri Lanka.

EFFAS was represented by Mr. Giampaolo Trasi, the chairman of AIAF, the Italian Society. Giampaolo participated in the panel dealing with "the hot issues" in the regulators' agendas world-wide: Credit Rating Agencies; Emerging markets; Regulation of Financial Analysts; Hedge Funds.

The panels were chaired by the IOSCO representatives and market practitioners were invited to participate. The panel on Financial Analysts was chaired by Mr Michel Prada and moderated by Jane Diplock (chairwoman of New Zealand SE and member of the 5-person EMC of IOSCO).

The panel discussions were very open and provided elements for discussion to the regulators. From the French regulator AMF Mr Prada, made an introductory speech raising a number of open questions. Giampaolo Trasi made a presentation entitled "Financial Analysts: Independence and Professionalism", followed by Mr. Michael Spencer, Head of Global Markets Research Deutsche Bank, who talked about the practical issues such as separation of analysts and investment banking. Finally, Mr. Ram highlighted the importance of local issues in the training of financial analysts.

Giampaolo Trasi underlined the need for a compulsory registration/minimum qualification level for financial analysts with an authority. Analysts needs to possess a suitable qualification in order to be able to perform their tasks. Regulators seem very much oriented towards a registration/qualification of the financial analyst. Answering a question from the audience, Giampaolo gave the example of going to a doctor: you certainly appreciate knowing that the person in front of you has a qualification and a specialisation, although this is not a guarantee that you will recover from your disease, it is a guarantee that he will cure you according to the best practice in the profession. Of course, there are good and not so good doctors, depending on knowledge, attitude, experience, etc, but at end of the day they all have a basic knowledge. We would like to think the same about financial analysts.

For further information on the Conference please visit the IOSCO website: www.iosco.org

Changes in the boards of the National Societies

Finland – FSFA – Thank you all, from Kia!

Letter from Kia Aejmelaeus, the past Secretary General of FSFA

Dear All,

Following my decision to accept a new role as head of Investor Relations at Huhtamäki, my sixth year as a sell-side equity analyst at Carnegie Investment Bank came to an end on 15 April 2005.

Also, I have recently left behind board memberships in two organisations that I have been proud to be a part of, the Carnegie Social Initiative and the Finnish Society of Financial Analysts.

For me the past years have included a lot of hard work offset by participation in many very interesting projects and getting to know a lot of great people.

THANK YOU!

Please feel free to stay in touch.

All the best,

Kia

Now Jutta Rahikainen is taking up the task as the FSFA Secretary General. Jutta works closely with Matti Ahokas, the chairman of the Finnish association.

France – SFAF – Les Equipes SFAF

Renaud Vieux-Rochas is the name of the new SFAF Secretary General who is replacing Jean-François Balmay. Jean-François has taken up the position of Director General International Relations and Politics. Since October 2004, Jean-François is the deputy-chairman of ACIIA.

We wish both of them every success in managing their future projects and challenges.

Hungary – HCMPS – New Chairman and Secretary General

The Annual General Meeting of the Hungarian Capital Market Professionals' Society, held on April 6, 2005, elected the following Board representatives for a two-year period:

Chairman: Mr. Péter Kazár, PhD, Deputy CEO and CFO, Hungarian Post Office

Secretary General: Dr Margit Schütt, Managing Director, Hungarian Post Office

Training and Qualification: Mr. Levente Zsembery, PhD, Director of Capital Market Transactions, State Motorway Management Company

George Mohai, PhD, assured us that the Hungarian Society remains in good in fact, "even better" hands he added. At present George Mohai is Deputy CEO of the Budapest Stock Exchange and hopes therefore to meet you all in the future at various capital market events.

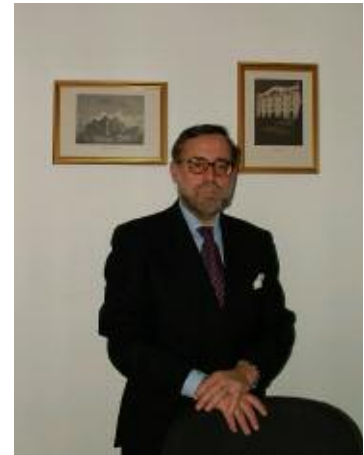
On behalf of EFFAS and the ACIIA® we would like to take this opportunity to thank György Mohai once again for his commitment, effort, and personal contribution to the development of EFFAS and ACIIA®. We are looking forward to welcoming and continuing our work with Dr. Peter Kazar towards further intensifying our co-operation in the interests of the investment professionals.

Italy – Nuovo Segretario Generale dell’AIAF

Franco Biscaretti di Ruffia has been appointed as the new Secretary General of AIAF replacing Luigi Piona, at the end of his 12 years mandate.

Since his AIAF membership in 1982, Franco Biscaretti di Ruffia played an active role in the Association, taking part in several initiatives in the areas of accounting and regulation. He had already held the Secretary General position from 1986 – 1992 period, being also a member of the board of directors, from 1992 till 1995.

Franco has been in charge of the AIAF training commission. In the market regulation and ethical standard area he not only co-ordinated the work of the commission, but also lectured at the AIAF courses.



Franco Biscaretti di Ruffia, AIAF

Franco Biscaretti di Ruffia has taken up the task to further develop new services for the AIAF members, enhancing the “associations spirit”, and to further increase the prestige and visibility of the association as an outstanding and professional stakeholder in the financial markets, both in Italy and abroad.

Our sincere and deep gratitude goes to Luigi Piona, who managed the association with strong personal commitment and ability over a period of intense changes on the domestic and international financial markets.

Norway – The Oracle from Norway!

Ask anything related to EFFAS – and Gunnar can give you the answer!

Mr. Gunnar Winther (62), resigned 3 March after a period of 18 years as Secretary General of the Norwegian Society of Financial Analysts. He graduated as “Diplom Kaufmann” at the Universität Erlangen-Nürnberg 1971 and his previous engagements had been with Siemens Norway 1972-1976 (Accounting Department), CFO Svelvik Paper Mill 1977, CFO Norwegian Automobile Club 1978-1986. He also founded and managed a family company 1974-1997.



Gunnar Winther, NFF

He will still join the Society as Advisor (50%) for a period of two years (March 2007), mainly working on training and qualification programmes, ethical questions, different kinds of seminars and conferences.

Gunnar has been involved with EFFAS matters since 1987 within TQC – in the beginning together with Mr. David Revie and later with Mr. Jacques Ittensohn. The Norwegian AFA-programme of 1988 became a model for the Swiss Training Programme and later on the EFFAS CEFA Accreditation Guide adopted the same structure.

He has always believed in developing strong international relations, that a “strong and efficient EFFAS” has to be developed through “strong” National Societies, and that EFFAS should serve the Societies and not vice versa. During the first EFFAS crisis in 1993/1994 Gunnar intensively worked together with the EFFAS Secretariat in Paris to avoid potential financial problems, and in the EFFAS transition period in 2000 he participated with great dedication within the working group of the “New EFFAS”.

We are happy that Gunnar will continue to remain involved!

The new Secretary General of NFF is Mr Johan Solbu Braaten. Managing Director of the society is Mrs Guri Angell-Hansen. Erik Mamelund was re-elected as chairman of the board for two more years.

Ukraine – USFA Ukrainian Society of Financial Analysts

Yuriy Prozorov, is the new elected president of the Ukrainian Society of Financial Analysts. He also holds the position of Banking Coordinator with Ukrainian Municipal Development Fund (World Bank Project). Mr. Prozorov has been working in the banking sector since 1994, and in 2001-2004 he served as Chief Advisor of the Advisory Centre of the Council of the National Bank of Ukraine on Monetary Policy. He is the author of over 50 publications on monetary policy, banking system development and the bond market, and has ICMQ from the Securities Institute (London, UK).

Olga Nosova, National Secretary of the Ukrainian Society of Financial Analysts, with a background in Economics and an MPhil from Cambridge University (UK). Her experiences include analysts’ work for Oxford Economic Forecasting (UK) and UkrSibbank (Ukraine). She also worked for the UN Development Programme (Kiev) and in the NGO sector and authored 7 publications on theoretical issues related to the performance of the financial sector and the NGO sector.

Dr. Sergey Moskvina, ex-MP of Ukraine, now Development Director of “Avtoaliyans” Financial Group, who earlier served as the USFA President, became Chairman of the Board of Trustees of the USFA and continues to remain involved with the association.

Calendar of Events

EFFAS

Scheduled EFFAS EMC Meetings in 2005

- September, in Geneva
- December, in Athens

EFFAS Annual General Meeting 2005

- June 30, in Spain

Scheduled EFFAS TQC Meetings in 2005

- October, Bülach

ACIIA® – Association of Certified International Investment Analysts

Examinations Dates 2005

- September 2005
Friday 16, in Europe, New York and South America;
Saturday 17, in Asia

ACIIA Annual General Meeting 2005

- June 29, Spain

ACIIA International Seminar in Belgium

- September 1-3, 2005

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