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Dear Simon

## **CP07/20\*\*\* Disclosure of Contracts for Difference**

This is the Financial Services Consumer Panel's response to the proposals in CP07/20\*\*\* Disclosure of Contracts for Difference.

The Panel is not in a position to respond to the detailed questions contained in the Paper. There is, however, an important dimension to these proposals for retail investors. As the Paper acknowledges, investors may be disadvantaged by investing in a market where others may have better information, such as who holds significant undisclosed economic interests. It is essential that investors and their advisers have access to all the information they need in order to take informed decisions. Accordingly we believe that the existing disclosure regime must be enhanced to ensure that the disclosure of significant Contracts for Difference contracts takes place at the appropriate time. If this is not achieved, retail investors as well as other interested parties will suffer detriment in a market that fails to meet reasonable expectations of fairness and transparency.

Clearly, there are costs to be met in strengthening the current disclosure regime but the Cost Benefit Analysis included in the Paper indicates that in real terms, these should be minimal. The benefits of the new regime will, as I have indicated, be far more significant.

Yours sincerely,



John Howard  
Chairman