The Editor  
Handelsblatt  
Kasernenstr. 67,  
40213 Düsseldorf,  
Germany

Dear Sir,

Re: Exchange mergers

The reported proposals to merge European and North American stock exchanges deserve cautious support from the financial sector and its customers. Consolidation among exchanges comes as no surprise and is a pragmatic response to market conditions, including the rise of the Asian markets and the increased competition from other trading platforms. However, any assessment of the benefits or otherwise of proposed mergers must take into account the impact on all stakeholders rather than merely the exchanges themselves.

As the organisation representing the leading participants in the European wholesale markets, AFME wishes to see competition driving improvements in the costs and quality of service provided. The test of the mergers that have been proposed and any further consolidation of exchanges will be whether or not they bring benefits to the exchanges' customers, whether they be listed companies, individual and institutional investors or market participants. If costs are driven down through efficiencies and shared systems development and liquidity is improved, through dual listing capacity, for example, the outcome will be positive for our members and their customers.

It is also important that mergers of exchanges do not inadvertently lead to excessive risk consolidation in these systemically important services or result in the barriers to entry becoming too high and stifling competition and innovation. At a time when, in Europe at least, regulators are increasingly leaning towards mandatory trading platforms for some securities, we need to see that choice and competition are not reduced and that any technical development required to link systems does not hamper execution. Stable, competitive exchanges are essential to the capital markets and so to the wider economy but no exchange should be allowed to become "too big to fail".

Yours faithfully,

Simon Lewis  
Chief Executive