1. Should the ICSD scope be extended to all investment firms providing investment services, although their authorization would not allow them to hold clients’ assets? The Commission states that currently under the ICSD investment firms not authorized to hold clients’ assets might be outside the scope of the Directive.   
   We do not think that ICSD scope should be extended to firms providing investment services without being allowed to hold clients’ assets. Not holding clients’ assets, infact, should mean to provide clients with advices. Under an advisory agreement, the client would definitely be the only one entitled to decide and to act/not to act accordingly with the advices received from the investment firm. The investment decision, therefore, is left only with the client.   
   Moreover, extending the scope of ICSD to these investments firms would definitely imply to take into consideration “business conduct”. Should the scope of ICSD be extended, advisory would seriously be threatened. Please also refer to issue # 4.
2. Should the ICSD scope be extended to firms providing services only to non-retail clients (where the national schemes would not cover such losses)?   
   On the one hand, if “non-retail clients” means institutional clients, i.e. qualified investors whose understanding of investment issues is by far better than investment knowledge peculiar to retail clients, protection level granted to them should be lower than that awarded to “retail clients”, or simply should not be granted. Current minimum level of compensation for retail-clients is 90% of debt and € 20.000. With regard to “non retail clients”, it would be difficult to assess compensation standards since their invested capital is, by definition, much higher. The introduction of such a capital protection could therefore lead to potential heavy burdens for investment firms.  
   On the other hand, as far as fraud/default is concerned, We do believe that protection should be granted to “non-retail clients” as well. When fraud/default is taken into consideration, there should not be any differences between non homogeneous categories of investors.
3. Failure of third parties (Madoff). Should investors be able to claim compensation in case of default of the third party where their assets had been deposited? In particular, should UCITS investors be able to claim compensation under the ICSD “where the UCITS depositary or the institution which has been mandated to safe keep the assets fail to perform its duty”?   
   Yes. We do believe that fiduciary duty extends to rigorous selection of third parties where to deposit clients’ assets.
4. Violation of conduct of business rules. Should also losses suffered by retail investors as a consequence of “violation of conduct of business rules” be in scope? Examples given are unsuitable advice, inappropriate investments, conduct of business rules as a decisive factor in the investor choice.   
   We definitely do not think “violation of conduct of business rules” should be in scope. Should it be the case, it would seriously threaten investment scope and willingness to take risk on to managed portfolios and would open up lots of litigations and legal actions against investment services firms. Infact, it would be easy to assimilate and mix up losses occurred as a result of market movements with wrong investment decisions.  
   We strongly recommend to stay with the current Directive approach, therefore not taking into consideration “conduct of business”.