

LIBA

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ISDA

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Herr Alexander Radwan
European Parliament
Bât. Altiero Spinelli 15E218
60, rue Wiertz / Wiertzstraat 60

B-1047 Bruxelles/Brussel

24 March 2005

Dear Herr Radwan,

DIRECTIVE ON CAPITAL REQUIREMENTS

The London Investment Banking Association (LIBA) is the principal trade association in the United Kingdom for firms in the investment banking and securities industry which base their European activities in London. The International Swaps and Derivatives Association (ISDA) is the global trade association representing leading participants in the privately negotiated derivatives industry.


The Economic and Monetary Affairs Committee of the European Parliament will shortly be debating its report on the EU legislation drafted to revise the EU framework of capital adequacy requirements for banks and investment firms in the Community.

Our firms support the overall proposal and are grateful for the work of all three European Institutions for their efforts in progressing this important dossier. We wish to take this opportunity to draw to your attention, a small number of amendments which we would like you to take into consideration. These amendments, in our view, represent the small number of fundamental issues which we regard as key priorities for attention, and will add to the technical efficiency of the final framework. We hope that our suggestions are clearly explained, but would of course be very ready to explain our thinking in greater depth if that would be of any assistance.

As you are aware, the membership of our associations regard the Trading Book Review as the natural step in the continued necessary evolution of the capital framework. We are looking forward to the consultation paper expected shortly from the European Commission. We hope that we will be able to welcome this work, and would be very glad to discuss the implications of the proposals when they are issued.

Please contact Emmanuelle Sebton (esebton@isda.org) or Katharine Seal (Katharine.seal@liba.org.uk) if you would like more information.

Yours sincerely,



Katharine Seal
Director, LIBA



Emmanuelle Sebton
Senior Policy Director, ISDA