



7th September 2012

Norah Barger
Alan Adkins
Co-Chairs, Trading Book Group
Basel Committee on Banking Supervision
Bank for International Settlements
Centralbahnplatz 2, CH-4002 Basel, SWITZERLAND

Sent by email to: baselcommittee@bis.org

Consultative Document: Fundamental review of the trading book¹

Dear Ms. Barger and Mr. Adkins,

This letter contains the response of the International Swaps and Derivatives Association, Inc.² (“ISDA”), the Global Financial Markets Association³ (“GFMA”), the Institute of International Finance⁴ (“IIF”) and the International Banking Federation⁵ (“IBFed” together “the Associations), to the Basel

¹ Basel Committee on Banking Supervision, May 2012

² Since 1985, ISDA has worked to make the global over-the-counter (OTC) derivatives markets safer and more efficient. Today, ISDA is one of the world’s largest global financial trade associations, with over 840 member institutions from 59 countries on six continents. These members include a broad range of OTC derivatives market participants: global, international and regional banks, asset managers, energy and commodities firms, government and supranational entities, insurers and diversified financial institutions, corporations, law firms, exchanges, clearinghouses and other service providers. Information about ISDA and its activities is available on the Association's web site: www.isda.org.

³ The Global Financial Markets Association (GFMA) brings together three of the world’s leading financial trade associations to address the increasingly important global regulatory agenda and to promote coordinated advocacy efforts. The Association for Financial Markets in Europe (AFME) in London and Brussels, the Asia Securities Industry & Financial Markets Association (ASIFMA) in Hong Kong and the Securities Industry and Financial Markets Association (SIFMA) in New York and Washington are, respectively, the European, Asian and North American members of GFMA. For more information, please visit <http://www.gfma.org>.

⁴ The Institute of International Finance, Inc. (IIF) is a global association created in 1983 in response to the international debt crisis. The IIF has evolved to meet the changing needs of the international financial community. The IIF’s purpose is to support the financial industry in prudently managing risks, including sovereign risk; in disseminating sound practices and standards; and in advocating regulatory, financial, and economic policies in the broad interest of members and foster global financial stability. Members include the world’s largest commercial banks and investment banks, as well as a growing number of insurance companies and investment management firms. Among the IIF’s Associate members are multinational corporations, consultancies and law firms, trading companies, export credit agencies, and multilateral agencies. All of the major markets are represented and participation from the leading financial institutions in emerging market countries is also increasing steadily. Today the IIF has more than 450 members headquartered in more than 70 countries.

⁵ The International Banking Federation was formed in March 2004 to represent the combined views of a group of national banking associations. Please see 'IBFed Members' for the list of member banking associations.

Committee on Banking Supervision (“BCBS”) Consultative Document *Fundamental Review of the Trading Book* dated May 2012 (“Fundamental Review” or “FTRB”).

The Associations very much appreciate the opportunity to comment on the Fundamental Review and to meet with the BCBS Trading Book Group (“TBG”) in Washington in June 2012 and in Frankfurt in August 2012.

We understand that this Consultative Paper will be followed up in the coming months by more specific proposals on the issues discussed. The Associations very much look forward to continuing this productive dialogue and are committed to support the BCBS in its efforts to strengthen and improve the regulatory treatment of the Trading Book.

Yours faithfully,



Peter Sime, Simon Lewis, Andrés Portilla, Sally Scutt

cc: Wayne Byres, Secretary General, Basel Committee on Banking Supervision

The countries represented by the Federation collectively represent more than 18,000 banks with 275,000 branches, including around 700 of the world’s top 1000 banks which alone manage worldwide assets of over \$31 trillion. The Federation represents every major financial centre and its members’ activities take place in every time zone. This worldwide reach enables the Federation to function as the key international forum for considering legislative, regulatory and other issues of interest to the global banking industry.
<http://www.ibfed.org/about-ibfed>