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Mr Stefan Walter  
Secretary General  
Basel Committee on Banking Supervision  
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**Outstanding concerns with the proposed rules regarding the capitalisation of exposures to CCPs**

Dear Secretary General Walter,

The Futures and Options Association (FOA) would like to express support for the recent letter sent to you regarding the above issue on behalf of the European Association of CCP Clearing Houses (EACH), the International Swaps and Derivatives Association (ISDA) and the Institute of International Finance (IIF).

The FOA agrees with the need to amend the regulatory regime and ensure that risks are adequately assessed and capitalised, but questions the value of a proposed regime which appears to penalise, and as a result disincentivise, central clearing of certain contracts, counter to EU regulatory policy and the stated objectives of the G20. The concerns expressed by EACH, ISDA and the IIF are shared by the FOA and have been voiced by many of our own members.

We therefore second the call for robust reassessment of the consequences of the current proposals and recommend that you engage further with the industry to ensure that revised proposals can be adopted which are efficient, effective and meet the requirements of all stakeholders, without encountering the unintended consequences of the initial proposals as identified by the associations listed above.

The FOA, alongside the other associations, remains available to assist in this endeavour in the event that you feel our input, and that of our member firms, would be beneficial in this exercise. Should that be the case, please do not hesitate to contact the undersigned.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Simon Andrews', with a long horizontal flourish extending to the right.

Simon Andrews  
Commodities and Prudential Regulation Manager  
Futures and Options Association