



c/o Bank of England
Threadneedle Street
London
EC2R 8AH

Fax: (+44) (0)20 7601 5226

Email: fmlc@bankofengland.co.uk

Website: www.fmlc.org

17 March 2012

ICB Implementation Team
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

banking.commission@hmtreasury.gsi.gov.uk

Dear Sirs

ISSUE 167: BAIL-IN – HM GOVERNMENT'S RESPONSE¹ TO THE FINAL REPORT OF THE INDEPENDENT COMMISSION ON BANKING²

The remit of the Financial Markets Law Committee (the "FMLC"), established by the Bank of England, is to identify issues of legal uncertainty, or misunderstanding, present and future, in the framework of the wholesale financial markets which might give rise to material risks, and to consider how such issues should be addressed.

Please find enclosed an FMLC paper which sets out a number of observations regarding legal uncertainties which may arise from the introduction of bail-in powers. The paper was prepared in response to an HM Government paper, The Government response to the Independent Commission on Banking, which invited views on a range of issues.

I would be very happy to discuss the matters raised in the paper with you further. Please do not hesitate to contact me if you would like further information or if you would like to arrange a meeting.

Yours faithfully

A handwritten signature in black ink that reads "Joanna Perkins". The signature is written in a cursive style with a large initial 'J'.

Joanna Perkins
FMLC Director

Enc: FMLC paper

¹ The Government response to the Independent Commission on Banking, December 2011, available at http://cdn.hm-treasury.gov.uk/govt_response_to_icb_191211.pdf (correct as at 15 March 2012).

² Independent Commission on Banking, Final Report: Recommendations, September 2011, available at <http://bankingcommission.s3.amazonaws.com/wp-content/uploads/2010/07/ICB-Final-Report.pdf> (correct as at 15 March 2012).