

8 January 2016

Oliver Guersent
Director General, DG Financial Stability, Financial
Services and Capital Markets Union
European Commission
1049 Brussels
Belgium

Dear Mr Guersent,

**Regulation (EU) 2015/2365 of the European Parliament and of the Council on
transparency of securities financing transactions and of reuse and amending Regulation
(EU) No 648/2012**

As you may be aware, the role of the Financial Markets Law Committee (the "FMLC" or the "Committee") 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.

On 10 February 2015, the FMLC wrote to the European Commission to express a concern that restrictions on rights of rehypothecation introduced in Article 15 of the Commission's Proposal for a Regulation on the reporting and transparency of securities financing transactions were inconsistent with the legal nature of a title transfer financial collateral arrangement.¹

The FMLC therefore greatly welcomes the amendments to the proposed Article 15 which appear in Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse (now published in the Official Journal) and which have been introduced better to reflect the nature of title transfer collateral arrangements.

On behalf of the members of the FMLC I would like to thank the Commission for its consideration of the FMLC's comments on this issue.

Yours sincerely,


Joanna Perkins

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¹ The letter to the European Commission on a Proposal for a Regulation on Reporting and Transparency of Securities Financing Transactions is available here:
http://www.fmlc.org/uploads/2/6/5/8/26584807/fmlc_up_11455326_v1_letter_to_mr_jonathan_faull_on_the_proposed_regulation_on_securities_financing_transactions.pdf