

**FINANCIAL MARKETS LAW COMMITTEE**

*LORD BROWNE-WILKINSON*  
*CHAIRMAN*

**c/o BANK OF ENGLAND**  
**Threadneedle Street**  
**London**  
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25 July 2003

Ms D Livingston  
Chair, CLLS Financial Law Sub-Committee  
Herbert Smith  
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*Dear Dorothy,*

**FINANCIAL MARKETS LAW COMMITTEE**  
**ISSUE 1: IMPLEMENTATION OF FINANCIAL COLLATERAL DIRECTIVE 2002/47/EC**

The need to ensure sound implementation into English law of the EU Financial Collateral Directive (2002/47/EC) (FMLC), the subject matter being unusually technical, was raised with the Financial Markets Law Committee last Summer. In September 2002 a working party of the City of London Law Society Financial Law Sub-committee, chaired by Robin Parsons, was established to give views to the Treasury on the implementation of the directive. In my letter to you 17 September I welcomed the establishment of the working party.

Since then the CLLS working party has given its views to the Treasury on the implementation of the Directive, in the form of a paper dated 2 May 2003 setting out replies to questions raised by the Treasury in their note of April 2003.

At its meeting on 16 July the FMLC considered the views so expressed and, agreeing with them, resolved to endorse them. One FMLC member, Phil Wynn Owen, was not involved in this part of the FMLC's discussions, as he has an official future role in the implementation of the directive.

As draft regulations proposed to implement the directive become available there may be a need for further input from the working party. I hope that it will therefore remain active until the implementation process is complete and will continue to allow the FMLC to monitor the contribution its work makes to the resolution of the issue.

I have arranged with your permission for the paper of the working party of the City of London Law Society Financial Law Sub-committee, dated 2 May 2003, to be made available on the FMLC website at [www.fmlc.org](http://www.fmlc.org).

Yours sincerely

*Nicola Brown Wilkinson*

**Nicolas Browne-Wilkinson**  
**Chairman**

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