

Secretariat of the Basel Committee on Banking Supervision
Bank for International Settlements
CH-4002 Basel
Switzerland.

2nd July 2013

Re: Supervisory Framework for Measuring and Controlling Large Exposures

Dear Sir or Madam:

We refer to the above and to the letter from the Committee on Securities Lending of the Risk Management Association (the 'RMA Committee') dated 28th June 2013 addressed to the Basel Committee on Banking Supervision (the 'BCBS'). The letter to the BCBS was written on behalf of certain members of the RMA Committee including The Bank of New York Mellon, Citigroup, Credit Suisse, Northern Trust, State Street Corporation and other financial institutions that participate in the securities lending industry as securities lending agents ('Agent Banks').

The International Securities Lending Association (ISLA) is a trade association established in 1989 to represent the common interests of participants in the securities lending industry. It has approximately 100 full and associate members comprising insurance companies, pension funds, asset managers, banks, securities dealers and service providers representing more than 4,000 clients. While based in London, ISLA represents members from more than sixteen countries in Europe, and the rest of the world. For more information please visit the ISLA website www.isla.co.uk.

ISLA shares the concerns raised by the RMA Committee as outlined in their aforementioned letter and agree that the BCBS proposals for measuring and controlling large exposures would significantly reduce the ability of our members to lend securities. We would stress that a reduction in the supply of securities available for lending by long term investors will not only make markets less efficient and liquid, it will exacerbate the expected scarcity of high quality collateral in the global financial system.

We urge the BCBS to consider the alternative approaches suggested by the RMA Committee which we consider to be prudent and consistent with the policy objectives.



Andrew Dyson, Chief Operating Officer