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**SUBMITTED VIA EMAIL AT**
consultation-03-2017@iosco.org

Basel Committee on Banking Supervision
c/o Bank for International Settlements
Centralbahnplatz 2
4051 Basel
Switzerland

Board of the International Organization of Securities Commissions (IOSCO)
C/ Oquendo 12
28006 Madrid
Spain

Dear Sir/Madam

Thank you for the opportunity to respond to the consultation on "Criteria for identifying simple, transparent and comparable (STC) short-term securitisations (July 2017)". We are supportive of the committee's proposals to extend the STC framework to short-term securitisations.

We have contributed to the industry response submitted by the Global Financial Markets Association (GFMA) and the Institute of International Finance (IIF) on the above proposals and are supportive of the comments and recommendations made therein. In particular, we support adoption of Alternative Approach 2, under which compliance with the STC criteria for obtaining favourable risk-based capital treatment would be measured transaction by transaction instead of conduit-wide.

Additionally, we wanted to express our concerns about the criteria requiring provision of full credit support at the conduit level for a program to be considered STC compliant.

As mentioned in the industry response submitted by GFMA and IIF, it will be quite difficult for programs to comply with STC criteria at the conduit level, and as a result there are not many comments directed at the criteria applying on the conduit level. From our perspective, one of the more unworkable barriers to conduit level STC compliance is the requirement for full credit support at the conduit level.

There are several negative implications to requiring ABCP Sponsors to provide full credit support to the programs that they administer. The provision of a full credit backstop to the ABCP program effectively converts the exposure from a securitisation of cash-flow producing assets to a bank exposure. Many institutional investors though view the risk in a partially-supported ABCP program to be separate from the exposure to the sponsoring bank. This frees credit lines which allows investors to allocate more investment to ABCP, which in turn improves liquidity for the program and by extension, the banks themselves. This is one reason that four of the five largest global ABCP sponsors, including Barclays, maintain partial-credit support in their programs. If full-support is required, it is likely that many institutional investors will be forced to reduce the ABCP exposures, which reduces liquidity

In addition, a full support guarantee may incentivise investors to undertake less due diligence on the underlying assets that are going into the ABCP program.

We recommend that the conduit-level criteria be modified to require a sponsor to provide full liquidity support to address the tenor mismatch, but only partial credit support. Credit support should be sufficient to fully cover total exposure of any single transaction.

We also note that the programs with partial credit support are typically conservatively run and have been in continuous operation since the 1980s/90s.

If you have any questions on the content of this response, please do not hesitate to contact Samad Sayyed (samad.sayyed@barclays.com ).

Yours faithfully,

Dipal Patel
Managing Director
Head of Policy, Barclays Finance