

Basel Committee on Banking Supervision
Bank for International Settlements
Centralbahnplatz 2
CH-4002 Basel
Switzerland

22 October 08

Dear Sirs,

Response to the consultative document "Guidelines for Computing Capital for Incremental Risk in the Trading Book"

Standard Chartered Bank would like to make the following comments in relation to the draft proposals for the Incremental Risk Charge ("the IRC").

The consultative document implicitly assumes that all affected firms have achieved specific risk VaR model recognition. There is insufficient consideration of the impact of the proposals for firms seeking VaR model approval for specific risk between now and the date of final implementation of the IRC. To ensure a level playing field, regulators should consider:

1. How to limit the extent of policy uncertainty for firms wishing to achieve VaR model recognition for specific risk in the near term;
2. How to ensure that firms wishing to achieve VaR model recognition are judged against equivalent qualitative standards as peer firms with prior recognition;
3. How to ensure that rulebooks accurately reflect current supervisory policy for VaR model approval so that the policy is clear, certain and applied consistently.

Standard Chartered Bank has also been a participant in the cross-industry response to these proposals developed jointly by ISDA, the IIF and LIBA.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Doris Honold', on a light blue rectangular background.

Doris Honold
Group Head Market Risk