

CEBS Secretariat

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Reference: Barclays' response to CEBS Consultation Paper on the management of operational risks in market-related activities (CP 35)

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Barclays Group and Barclays Capital are pleased to respond to CEBS CP 35 on the management of operational risks in market related activities. We are grateful for the opportunity to participate in the discussion on these matters.

In its principles, we believe the CP raises many important ideas and developments for operational risk as a core risk discipline and, in general, we are supportive of the direction the CEBS proposals are taking.

We support a principles-based approach and we do not believe the inclusion of prescriptive rules and guidance would suit all organisations. It would be best to allow firms to implement practices and approaches that address the principles in accordance with their particular size, scope, governance, control mechanisms, and risk profiles, with the onus on firms to demonstrate how they comply with the principles which would allow a range of practices to emerge. Through the supervisory review process, the national regulators and supervisory authorities could review the steps and actions taken



by firms to implement the principles and, in time and on the basis of experience and observed practices, issue a range of suitable practices guidance.

We would be delighted to discuss our views further with you as appropriate.

Sincerely,

John Whittaker
Group Operational Risk Director
Barclays Plc

Beth Rudofker
Global Head of Operational Risk
Barclays Capital