

Carlos Corcostegui
CEBS Secretariat
Tower 42 (level 18)
25 Old Broad Street
London EC2N1HQ

1st October 2010

Dear Mr Corcostegui

Response to CEBS CP40 Consultation Paper on Guidelines to Article 122a of the Capital Requirements Directive.

The Loan Market Association echoes many of the concerns raised in the letter issued today by the joint associations AFME, BBA, ISDA and EBF concerning the above.

We are particularly concerned about the impact on the CLO market, specifically managed CLOs, and about the lack of an apparent entity/function to satisfy the retention requirement. Without a resolution to this issue, this market could be severely affected, which would lead to a reduction in liquidity and an increase in concentration risk, neither of which we believe to be the aims of Article 122a.

Therefore we look forward to engaging in a dialogue with you and other industry representatives to find a solution to this issue, and allow this important part of the market to function and yet respect the spirit of Article 122a.

In the meantime, if I can be of any further assistance I can be contacted via email at clare.dawson@lma.eu.com or by telephone on 00 44 20 7006 2216. Alternatively my colleague Nicholas Voisey can be contacted by email nicholas.voisey@lma.eu.com or by telephone 00 44 20 7006 5364.

Yours sincerely

A handwritten signature in black ink that reads "Clare Dawson". The signature is written in a cursive, flowing style.

Managing Director

Loan Market Association