



**International  
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29 November 2013

Dear Mr Andresen,

**Re: Comments on FSB consultation paper on Strengthening Oversight and Regulation of Shadow Banking Policy: Framework for Addressing Shadow Banking Risks in Securities Lending and Repos**

The IBFed welcomes the initiatives undertaken by the Financial Stability Board (FSB) to address the risk of parallel banking activities and the opportunity to contribute to the discussion on how to enhance transparency, strengthen regulation of security financing transactions, and improve market structure, regarding securities lending and repos.

As banks play an active role in the repo and securities markets around the world, the IBFed is very much interested in upholding the integrity and credibility of these market activities.

Whilst there is a growing consensus that supervision and a strengthened regulatory framework are needed to harness the shadow banking system, it is necessary to preserve this useful channel of financial intermediation that can provide benefits to the real economy at a time when bank financing is more constrained.

We note that some IBFed Members will individually submit responses highlighting more detailed concerns, which we urge you to take into full consideration.

However, the IBFed, having carefully reviewed and considered the response jointly prepared by the ICMA-ERC and ISLA, would like to express with this letter its broad support of the content thereof.

We hope you will find their comments useful.

Yours sincerely,

A handwritten signature in black ink that reads "Sally Scutt". The signature is written in a cursive style with a large, sweeping initial 'S'.A handwritten signature in black ink that reads "Marion G. Wrobel". The signature is written in a cursive style with a large, sweeping initial 'M'.

**Sally Scutt**  
Managing Director  
International Banking Federation

**Marion G. Wrobel**  
Chairman  
Prudential Supervision Working Group