

June 11, 2013

Sent by email to: EBA-CP-2013-02@eba.europa.eu

European Banking Authority
Tower 42
25 Old Broad Street
London EC2N 1HQ

Dear Sir or Madam,

Re: Consultation Paper on Draft Regulatory Technical Standards ('RTS') on "the conditions for assessing the materiality of extensions and changes of internal approaches when calculating own funds requirements for credit, market and operational risk under articles 138(5), 301(3)(a) and 352(3)(a) of Regulation (EU) XX/XXXX of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms [CRR]" (EBA/CP/2013/02)

This letter contains the response of the International Swaps and Derivatives Association, Inc. ("ISDA") and the Association for Financial Markets in Europe ("AFME") to the European Banking Authority's ("EBA") Consultation Paper on Draft RTS on "the conditions for assessing the materiality of extensions and changes of internal approaches when calculating own funds requirements for credit, market and operational risk under articles 138(5), 301(3)(a) and 352(3)(a) of Regulation (EU) XX/XXXX of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms [CRR]" of March 2013. This response is the result of a thorough three month process involving a wide range of industry representatives. It is reflective of the industry consensus on this topic and aims at being as constructive as possible in seeking a proportionate outcome. This letter is accompanied by a submission and an edited and commented version of the RTS emphasizing articles for which the industry thinks changes are needed.

ISDA's mission is to foster safe and efficient derivatives markets to facilitate effective risk management for all users of derivative products. ISDA has more than 800 members from 58 countries on six continents. These members include a broad range of OTC derivatives market participants: global, international and regional banks, asset managers, energy and commodities firms, government and supranational entities, insurers and diversified financial institutions, corporations, law firms, exchanges, clearinghouses and other service providers. For more information, visit www.isda.org.

AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) through the GFMA (Global Financial Markets Association). AFME is listed on the EU Register of Interest Representatives, registration number 65110063986-76. For more information, visit www.afme.eu.

We look forward to working with the EBA to continue developing an approach that will ensure consistent assessment of materiality of extensions and changes to internal approaches across the industry.

Yours faithfully,



Olivier Miart
Assistant Director, Risk & Capital
ISDA



Michael Percival
Director, Prudential Regulation
AFME