

June 4, 2015

ONLINE SUBMISSION:

European Banking Authority
One Canada Square (Floor 46)
Canary Wharf
London E14 5AA| UK

Re: Endorsement of FIA EPTA's response to the EBA consultation on Draft Guidelines on sound remuneration policies under Article 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013

Flow Traders would like to thank the EBA for the invitation to respond to its proposals on sound remuneration in the **Consultation Paper EBA/CP/2015/03**.

Flow Traders is a member of the European Principal Traders Association (EPTA), which is affiliated with the Futures Industry Association (FIA) and is comprised of 26 EU-based proprietary trading firms that deal on own account on trading venues across Europe.

Flow Traders has been involved in the FIA EPTA Working Group on remuneration since its establishment. We are satisfied with the final version of the FIA EPTA response to the Consultation Paper EBA/CP/2015/03 and would hereby like to endorse FIA EPTA's comments and questions as our own.

Flow Traders strongly believes a proportionate approach to remuneration for investment firms that engage solely in proprietary trading is required so that firms like ourselves can continue to manage risk, offer appropriate and balanced incentives for risk taking, and comply with key MIFID 2 requirements in 2017 by serving markets in the capacity of market maker.

We therefore request the EBA to assess the impact of the implementation of all remuneration provisions by proprietary trading firms in more detail. We urgently request the Authority to suggest to the European Commission legislative amendments, including to Articles 92-94 to exclude investment firms engaged solely in proprietary trading, and in the interim, pending application of those amendments, we ask the EBA to support our call on the Commission to bring forward delegated acts providing a temporary derogation from the provisions of Article 92 for such investment firms to ensure Europe's market makers can continue their important role of providing liquidity to European markets.

Yours sincerely,

Flow Traders