

Financial
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Law
Committee

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Banking Reform Consultation Responses
Banking Reform Team
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

Dear Sirs

FMLC ISSUE 133: BANKING REFORM DEPOSITOR PROTECTION – SPECIAL RESOLUTION REGIME

Please find enclosed a copy of the Financial Markets Law Committee's paper on the proposed Special Resolution Regime for failing banks set out in the Tripartite Authorities' third consultation in July 2008 on financial stability on depositor protection.

As you may be aware, the role of the Financial Markets Law Committee ("FMLC") is to identify issues of present or future legal uncertainty, or misunderstanding, in the framework of the wholesale financial markets which might give rise to material risks and to consider how such issues should be addressed. It is beyond the remit of the FMLC to offer opinions on issues of policy.

Accordingly, the enclosed paper focuses only on those issues where the FMLC believes legal uncertainty problems could arise. Should you wish, the FMLC Secretariat would be delighted to discuss any aspect of the paper with yourselves or an appropriate representative of your team. I may be contacted at the address on the top of this letter.

Yours sincerely

Joanna Perkins
Secretary