

Brussels, 30/08/2010
C/2010/ 5502

Dear Lord Roper,

The European Commission would like to thank the European Union Select Committee of the House of Lords for the transmission of its report "Ensuring efficient, safe and sound derivatives markets" {COM(2009)332 and 563} sent on 22 April 2010.

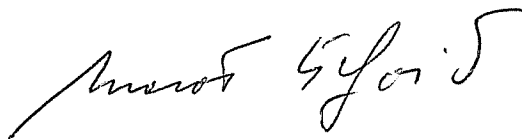
We appreciate your work in this field and will take into account the outcome of your consultation in the preparation of our legislative proposal.

In particular, we welcome your support for the increased transparency that trade repositories can bring to the derivatives markets and for the greater use of central counterparties, while recognising that not all contracts are suitable for central clearing.

As we underlined in our written contribution to your consultation on 11 February, we share the same concerns on both the contracts and the entities that should be subject to the clearing obligation and we believe that the process we are designing will appropriately take into account those concerns.

This process, together with other details that might be included in the forthcoming Commission's proposal were part of a public consultation that the Commission Services launched on 2 June in order to finalise the preparations of the legislative proposal. The adoption of the legislative proposal on derivatives markets is envisaged for the month of September.

Yours faithfully,



Lord Roper
Chairman of the European Union Select Committee
House of Lords
Palace of Westminster
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