

Antonio Sáinz de Vicuña
European Financial Markets Lawyers Group

22 April 2010

Dear Mr Sáinz de Vicuña

Thank you for your letter dated 14 April 2010 and the accompanying EFMLG report on market standard documentation. The report provides a valuable and comprehensive analysis of the key topics on which market standard documentation converges and the recommendations on where such documentation may more closely align or harmonise are particularly helpful. We are pleased to note that the report highlights the merits of the wording of the GMRA 1995 and 2000 versions and also find the report's comparative survey on how other master agreements deal with the same issues most helpful.

Since the early 1990s considerable resources have been devoted by ICMA and SIFMA to developing a standard form master agreement for cross-border repo transactions. The GMRA has responded admirably to the challenges of the continuously evolving financial markets and is today the foremost agreement for documenting cross-border repo transactions. It is a testament to the agreement that it has remained in its current form for nearly a decade. Nonetheless, in order to ensure that the GMRA remains the leading market standard, ICMA's European Repo Committee has put together a working group to review the 2000 version of the agreement.

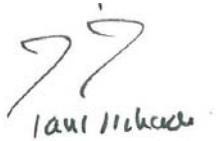
The GMRA review working group is made up of legal practitioners as well as market professionals, a number of who took part in the EFMLG symposium. Indeed, ICMA sent a delegate from the working group to attend the EFMLG symposium. ICMA has also invited other trade associations to participate in the review of the GMRA so that they are well informed about the working group's discussions and may offer expertise on their own documentation. Furthermore, consultation with ICMA's ERC committee forms an essential part of the review process in order to ensure that the revised version of the agreement will fulfil the needs of its users.

In its review of the GMRA 2000, the working group is considering various factors including lessons learned from the financial crisis, changes made to other standard master documentation, feedback from ICMA's ERC committee and issues raised by the EFMLG report. It is essential to note that the review of the GMRA focuses on both commercial and practical considerations as well as legal and regulatory considerations.

ICMA aims to complete the review of the agreement by the end of 2010, in order that the revised GMRA can be considered within the 2011 ICMA GMRA update legal opinions scheduled to be published in April 2011. As has been highlighted in the EFMLG report, it is important to encourage the use of the most recent market standard of any master agreement. ICMA supports this view and in transitioning the GMRA 1995 standard to the GMRA 2000 standard, provided market users with an amendment agreement to update their existing documentation. In order to facilitate transitioning the GMRA 2000 to the revised standard, ICMA intends to provide users with a protocol which will serve as a tool to update existing documentation on a multilateral basis.

ICMA is grateful to the EFMLG for their interest in relation to the GMRA in particular and would be pleased to keep the EFMLG informed about the progress of the review of the agreement. We remain at your disposal should you wish to discuss any of the aforementioned matters.

Yours sincerely

Handwritten signature of Paul Richards in black ink, consisting of a stylized 'PR' monogram above the name 'Paul Richards'.

Paul Richards

Cc: Martin Scheck, ICMA Chief Executive

Cc: Godfried De Vidts, Chairman of ICMA's ERC committee