**Gary Plummer**

Executive Director

March 30th, 2012

Submitted via ESMA website

Dear Sirs

**ESMA Guidelines on ETF’s and other UCITS issues – Consultation feedback**

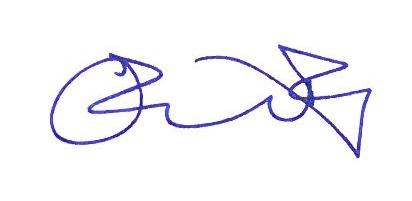
We are writing to you in response to your request for feedback to the ESMA proposals contained in the above mentioned paper. JPMorgan Chase Bank NA, Worldwide Securities Services welcomes the opportunity to provide feedback and would be happy to discuss or elaborate on any of the comments, as appropriate.

Attached to this letter is an appendix containing answers to the specific questions raised in the consultation paper. The key points that we wish to highlight, however, are:

* A significant proportion of the consultation paper relates to additional transparency in relation to securities lending. JPMorgan is concerned that any additional burdens on the UCITS fund may result in the fund’s withdrawal from securities lending. Any additional requirements should be straightforward to meet and not require systematic developments.
* JPMorgan believes that each UCIT should develop and publish – be that as part of the prospectus, key information document (“KID”) or other disclosure – their own policies regarding the lending parameters for their fund. This should include details of the percentage limit on lendable assets, together with any diversification criteria.
* JPMorgan believes that guidelines relating to cash collateral reinvestment are appropriate, however the proposal relating to cash collateral and its’ reinvestment in *‘risk free’* investments is unclear and potentially to the detriment of the UCITS funds. We believe that if guidelines are proposed at all, they should suggest that cash collateral is reinvested in line with the investment guidelines the UCITS fund has for its’ own cash.

Should you have any questions on our comments, we would welcome the opportunity to discuss these with you.

Yours faithfully



**Gary Plummer**

Executive Director

JPMorgan Trading Service

Worldwide Securities Services