

SUBMITTED VIA

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Dear Sirs,

FCA CONSULTATION PAPER CP22/14 ON POTENTIALLY PERMITTING THE LONG-TERM ASSET FUND (LTAF) TO BE MARKETING TO RETAIL INVESTORS

The Loan Market Association ("LMA") welcomes the opportunity to respond to the FCA's consultation on potentially permitting the Long-Term Asset Fund (LTAF) to be marketed to retail investors.

The LMA is the trade body for the European, Middle Eastern and African syndicated loan markets. Its aim is to encourage liquidity in both the primary and secondary loan markets by promoting efficiency and transparency, as well as by developing standards of documentation and codes of market practice, which are widely used and adopted. Membership of the LMA currently stands at over 800 organisations across EMEA, including the European Commission, and consists of banks, non-bank investors, borrowers, law firms, rating agencies and service providers.

Please note that as the trade body for the European, Middle Eastern and Africa syndicated loan markets, our comments in response to this consultation are primarily related to syndicated loan markets and the implications this consultation could have on private debt, property and infrastructure. However, we understand there are broader implications beyond these for other asset classes. Furthermore, our response to this consultation is based on our experience of the market, feedback from members and our understanding of the issues involved.

Please see below our responses to the consultation together with some general comments.

Summary of our responses

In summary, we agree with the FCA's recommendation of permitting the Long-Term Asset Fund (LTAF) to be marketed to retail investors.

We believe the FCA's proposals may produce greater opportunities for investment into long-term, productive finance assets. More investment funding is therefore likely to flow into long-term projects, which will benefit countries like the UK, lowering the cost of capital.

Additionally, we agree that the protections put in place to manage retail investor exposure to asset classes on the higher end of the risk-spectrum are suitable and strike the correct balance between risk management and liquidity improvements.

Finally, the proposals align significantly with our key objective of improving liquidity, efficiency and transparency in the primary and secondary syndicated loan markets. We agree with the FCA that this move will lead to increased investment levels, and an overall contribution to higher levels of economic growth.

We would be happy to discuss any aspect of our comments in more detail. Please contact Nicholas Voisey at the LMA (nicholas.voisey@lma.eu.com) if you would like to arrange a meeting or call to discuss our response.