UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

November 26, 2013

Mr. Jeffrey M. Oakes
Davis Polk & Wardwell London LLP
99 Gresham Street
London EC2V 7NG
United Kingdom

Re: In the Matter of RBS Securities Inc. (B-02694)
The Royal Bank of Scotland Group plc – Waiver Request of Ineligible Issuer Status under Rule 405 of the Securities Act

Dear Mr. Oakes:

This is in response to your letter dated November 25, 2013, written on behalf of The Royal Bank of Scotland Group plc. (Company) and its subsidiary, RBS Securities Inc. (RBSS) and constituting an application for relief from the Company being considered an "ineligible issuer" under Rule 405(1)(vi) of the Securities Act of 1933 (Securities Act). The Commission filed a civil injunctive complaint (Complaint), in the United States District Court for the District of Connecticut, against RBSS. The complaint alleges that RBSS violated Sections 17(a)(2) and 17(a)(3) of the Securities Act. RBSS filed a consent in which they agreed, without admitting or denying the allegations of the Complaint, to the entry of a Final Judgment against them. Among other things, the Final Judgment, as entered on November 25, 2013, provides for a permanent injunction from committing future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act.

Based on the facts and representations in your letter, and assuming the Company and RBSS comply with the Final Judgment, the Commission, pursuant to delegated authority, has determined that the Company has made a showing of good cause under Rule 405(2) and that the Company will not be considered an ineligible issuer by reason of the entry of the Final Judgment. Accordingly, the relief described above from the Company being an ineligible issuer under Rule 405 of the Securities Act is hereby granted, and the effectiveness of such relief is as of the date of the entry of the Final Judgment. Any different facts from those represented or non-compliance with the Final Judgment might require us to reach a different conclusion.

Sincerely,

/s/

Mary Kosterlitz
Chief, Office of Enforcement Liaison
Division of Corporation Finance

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November 25, 2013

BY E-MAIL AND FEDERAL EXPRESS

Mary Kosterlitz, Esq.
Office of Enforcement Liaison
Division of Corporate Finance
U.S. Securities and Exchange Commission
100 F Street, N .E.
Washington, DC 20549

Re: *Securities and Exchange Commission v RBS Securities Inc., formerly Greenwich Capital Markets, Inc.*

Dear Ms Kosterlitz:

This letter is submitted on behalf of our client, The Royal Bank of Scotland Group plc ("**RBSG**"), a reporting company registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), to request that the Division of Corporation Finance, on behalf of the Securities and Exchange Commission (the "**Commission**"), determine that RBSG should not be considered an "ineligible issuer" as defined in amended Rule 405 ("**Rule 405**") promulgated under the Securities Act of 1933, as amended (the "**Securities Act**") as a result of the settlement of the above-referenced investigation by the Commission of RBSG's indirect wholly-owned subsidiary, RBS Securities Inc. (formerly Greenwich Capital Markets, Inc. ("**RBSS**" or the "**Defendant**"). The Defendant, an indirect wholly-owned subsidiary of The Royal Bank of Scotland plc ("**RBS**"), engages in investment banking operations and has its principal place of business in Stamford, Connecticut. RBS is itself a wholly-owned subsidiary of RBSG. The settlement has resulted in the United States District Court for the District of Connecticut (the "**District Court**") entering a final injunctive order against the Defendant, as more fully described below (the "**Final Order**").

We request that the determination that RBSG should not be considered an "ineligible issuer" be made effective upon the entry of the Final Order. The staff of the Division of Enforcement has informed us that it does not object to the granting of the requested waiver.

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BACKGROUND

The Division of Enforcement Staff engaged in settlement discussions with the Defendant in connection with the above-referenced investigation. As a result of these discussions, the Defendant and the Division of Enforcement reached an agreement to settle the matter as described below. In doing so, the Defendant has agreed with the Commission a settlement in which, solely for the purposes of proceedings brought by or on behalf of the Commission or to which the Commission is a party, the Defendant has consented to the entry of the Final Order, neither admitting or denying the matters set forth in the complaint filed by the Commission against the Defendant in the District Court (the "**Complaint**") (other than those relating to the jurisdiction of the District Court over it and the subject matter of the action).

The Complaint alleges that the Defendant violated Sections 17(a)(2) and (3) of the Securities Act in connection with its alleged conduct relating to a single offering of residential mortgage-backed securities ("**RMBS**"). The Complaint specifically alleges that the Defendant misled investors about the quality and safety of their investments making a materially false and misleading statement in connection with its underwriting of certain subprime RMBS backed by loans originated by Option One Mortgage Corporate (the "**Originator**") between April and May 2007, and referred to as the Soundview Home Loan Trust 2007-OPT1 offering (the "**Subprime Offering**"). The depositor for the subprime offering was Financial Asset Securities Corp. ("**FASC**"), an affiliate of the Defendant and a subsidiary of RBSG. Pursuant to Securities Act Rule 191, FASC was considered an issuer of the RMBS. The Complaint further alleges that a statement in the prospectus supplement that the subprime loans backing the $2.2 billion Subprime Offering were "generally" in compliance with the lender's underwriting guidelines was materially misleading because the Defendant knew or should have known at the time that almost 30 percent of the loans backing the offering deviated so much from the lender's underwriting guidelines that they should have been kicked out of the offering entirely. The Final Order will permanently enjoin the Defendant from violating Sections 17(a)(2) and (3) of the Securities Act and will require that the Defendant pay disgorgement in the amount of $80,352,639, prejudgment interest in the amount of $25,190,552, and a civil monetary penalty of $48,211,583 pursuant to Section 20(d) of the Securities Act.

The settled action against the Defendant reflects extensive discussion and negotiation with the Commission's Division of Enforcement and approval by the Commission. The disclosures addressed by the Complaint relate to the Subprime Offering and were made by a subsidiary of RBSG, and not by RBSG. RBSG's loss of its status as a well-known seasoned issuer in connection with the Final Order would be a significant adverse consequence of the action.

DISCUSSION

As amended by the Securities Offering Reform, Securities Act rules adopted by the Commission provide certain benefits for "well-known seasoned issuers", or "**WKSIs**", as defined in Rule 405 of the Securities Act, who are eligible, among other things, to register securities for offer and sale under an "automatic shelf registration statement", as so defined under the Securities Act and to have the benefits of a streamlined registration process. The Securities Act rules also permit an issuer to communicate with the market prior to filling a registration statement and to communicate more freely during registered offerings by using a "free writing prospectus"

in connection with a registered offering of securities.[1] These benefits, however, are unavailable to issuers defined as "ineligible issuers" pursuant to Rule 405.

Rule 405 of the Securities Act provides that an issuer is an "ineligible issuer" if, during the past three years, the issuer or any entity that at the time was a subsidiary of the issuer "was made the subject of any judicial or administrative decree or order arising out of a governmental action" that, (A) prohibits certain conduct or activities regarding, including future violations of, the anti-fraud provisions of the federal securities laws; (B) requires that the person cease and desist from violating the anti-fraud provisions of the federal securities laws; or (C) determines that the person violated the anti-fraud provisions of the federal securities laws.

Notwithstanding the foregoing, paragraph (2) of the definition of "ineligible issuer" provides that an issuer "shall not be an ineligible issuer if the Commission determines, upon a showing of good cause, that it is not necessary under the circumstances that the issuer be considered an ineligible issuer." The Commission has delegated authority to the Division of Corporation Finance to make such determinations.[2]

As a result of the Final Order and absent the determination by the Commission to the contrary, RBSG would be an "ineligible issuer" under Rule 405 for a period of three years after the Final Order is entered because RBSS, a subsidiary of RBSG, is subject to a permanent injunction involving the antifraud provisions of the Federal Securities laws. As an ineligible issuer, RBSG would be precluded from qualifying as a WKSI and having the benefit of the automatic shelf registration ("**WKSI Shelf**") and other provisions of the Securities Offering Reform rules for three years.

As described above, Rule 405 authorizes the Commission to determine for good cause that a company shall not be an ineligible issuer, notwithstanding that it becomes disqualified pursuant to one of the sub-paragraphs of Rule 405. RBSG believes that there is good cause for the Commission to make such a determination as to it with respect to the Final Judgment under the Division of Corporation Finance's July 8, 2011 guidance on well-known seasoned issuer waivers, in situations such as this, in which the violation does not involve allegations of scienter based conduct and where the violation relates to issuer disclosures, the Division of Corporation Finance will consider three factors: (1) remedial steps taken by the issuer; (2) pervasiveness and timing of the misconduct; and (3) impact on the issuer if the waiver request is denied. Each of these factors weighs heavily in favor of granting a waiver under these circumstances:

1. Remedial steps taken. The Defendant has taken steps to address and prevent conduct of the type alleged in the Complaint. Since the RMBS offering that was the subject of the Complaint, RBSS has adopted a number of changes to its RMBS business, as well as adopted enhancements to its due diligence and disclosure practices associated generally with new issue private label RMBS offerings collateralized by whole loan pools purchased by RBSS or an affiliate ("**NIPL RMBS Offerings**"). Certain of the changes specified below may not be applicable to securitizations of legacy mortgage loans and/or securitizations in which RBSS acts solely as underwriter. These changes and enhancements are subject to periodic

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[1] *See* Securities Act Rules *164 and 433,* 17 C.F.R. § 230.164 and 230.433.

[2] *See* 17. C.F.R. § 200.30-1. *See also* note 215 in Release No. 33-8591 (July 19, 2005).

reevaluation by senior management at RBSS and by senior leadership and control functions within the RBS organization, but may not be unilaterally changed by the RMBS business. First, RBSS is no longer engaged in the business of purchasing and securitizing newly originated subprime residential mortgages of the type securitized in the Subprime Offering and has no current intention of resuming that business. Second, each proposed NIPL RMBS Offering of newly originated residential mortgages purchased by RBSS or its affiliates currently requires approval of an underwriting committee with participation by the RBSS Legal and Credit Risk Department functions (along with Market Risk, depending on the nature of the transaction). Third, RBSS will conduct credit and compliance due diligence reviews on the entirety of whole loan pools associated with new origination NIPL RMBS Offerings. Fourth, due diligence findings and conclusions must be internally documented on a loan-by-loan basis for whole loan pools purchased by RBSS affiliates and securitized in NIPL RMBS Offerings. Finally, RBSS must provide disclosure concerning due diligence findings in offering materials associated with all NIPL RMBS Offerings. RBSS believes that these remedial measures have resulted, and will continue to result, in improvements to the quality of its future NIPL RMBS Offerings.

2. Pervasiveness and timing of the alleged conduct. The limited scope and timing of the alleged conduct in the Complaint does not merit RBSG being considered an ineligible issuer. The alleged violations were confined in scope to a single transaction with one loan originator. Furthermore, the alleged violations in the Complaint and covered by the Final Order relate to loans that were securitized more than six years ago and to conduct that took place over the span of a short period in 2007. Finally, the conduct addressed by the Complaint did not in any way implicate RBSG's issuer disclosures.

3. Impact on the issuer. RBSG is not a party to the settlement agreement or cited as a defendant in the Complaint or the Final Order. Designation of RBSG as an ineligible issuer would be unduly and disproportionately severe, taking into account the monetary fines in the amount of approximately $154 million imposed on the Defendant pursuant to the Final Order and the remedial measures described above.

   Loss of WKSI status would impose a significant burden on RBSG. RBSG and RBS (with a RBSG guarantee) are both frequent issuers of securities that are registered with the Commission and offered and sold under RBSG's WKSI Shelf. For RBSG and RBS, the WKSI Shelf process available to WKSIs and certain subsidiaries of WKSIs[3], provides an important means of access to the U.S. capital markets, which are an essential source of regulatory capital and funding for RBSG's global operations.

   In 2013 to date, RBSG raised 100% of its regulatory capital using the WKSI Shelf. In 2012, RBSG and RBS raised 45% of their aggregate unsecured senior funding and 100% of RBSG's regulatory capital using the WKSI Shelf. In 2011 and 2010 they raised 24% and 29%, respectively, of their unsecured senior funding using the WKSI Shelf. Since 2009, RBSG and RBS have completed 12 key benchmark trades using the WKSI Shelf, representing $14.75 billion in funding and $3.25 billion in regulatory capital. It is expected that material amounts of regulatory capital will be raised by RBSG in the coming years, and the flexibility offered by the WKSI Shelf will be critical to achieving successful offerings.

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[3] RBS is not a stand-alone reporting company. It utilizes an exception provided in Rule 3-10 of Regulation S-X which permits condensed consolidating financial information for RBS to be presented in the RBSG 20-F.

In addition, since November 2010, RBSG and RBS have executed approximately 195 structured products trades using their WKSI Shelf structured products platforms (pursuant to which over 20 different products have been offered, including CPI-linked notes and other similar instruments as well as Exchange-traded notes). Preserving the flexibility to make such offerings using the WKSI Shelf remains important to RBSG.

Consequently, the ability to avail itself of the WKSI Shelf and the other benefits available to a WKSI is very important to RBSG and RBS.

As markets remain volatile, the procedural and financial flexibility that a WKSI Shelf provides will remain key to RBSG's and RBS's funding and capital raising activities. Furthermore, the WKSI Shelf allows access to the widest possible investor base, and one that is most familiar with the bank holding company structure which is otherwise uncommon outside of the United States.

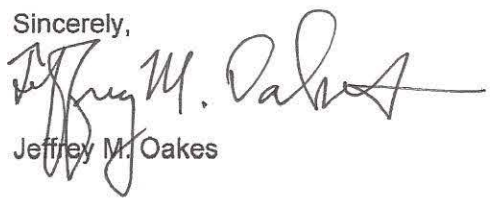
As an ineligible issuer, RBSG would lose the flexibility to offer additional securities of the classes covered by the registration statement without filing a new registration statement, to register additional classes of securities not covered by the registration statement by filing a post-effective amendment which becomes immediately effective, the ability to omit certain information from the prospectus and the pay-as-you-go fees. In addition, RBSG would not be able to qualify a new indenture under the Trust Indenture Act of 1939, as amended, should the need arise, without filing and having the Commission declare effective a new registration statement. Moreover, as an ineligible issuer, RBSG and RBS would not be permitted to use a free writing prospectus other than a free writing prospectus that contains only a description of the terms of the securities in the offering or the offering itself, limiting certain marketing activity for complex or novel WKSI Shelf offerings.

In addition to the three factors discussed above, we think RBSG merits a waiver in this case because neither the Complaint nor the Final Order allege any conduct relating to any of RBSG's disclosures in their own filings with the Commission, nor do they allege fraud in connection with offerings by RBSG or RBS as issuers of securities.

In light of the foregoing, subjecting RBSG to ineligible issuer status is not necessary under the circumstances, either in the public interest or for the protection of investors, and good cause exists for grant of the requested relief. Accordingly, we respectfully request that the Division of Corporation Finance, on behalf of the Commission, pursuant to Rule 405, determine that under the circumstances RBSG will not be considered an "ineligible issuer" within the meaning of Rule 405 as a result of the Final Order.

Please contact me at the above listed telephone number if you should have any questions regarding this request.

Sincerely,



Jeffrey M. Oakes