



Via Agency Web Site

January 6, 2011

David A. Stawick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st St., NW
Washington, DC 20581

*Re: RIN 3038-AC96—Designation of a Chief Compliance Officer; Required Compliance Policies; and Annual Report of a Futures Commission Merchant, Swap Dealer, or Major Swap Participant*¹

Dear Mr. Stawick:

I am writing on behalf of the Council of Institutional Investors (Council), a nonprofit association of public, union and corporate pension funds with combined assets that exceed \$3 trillion dollars. Member funds are major shareowners with a duty to protect the retirement savings of millions of American workers.²

Deeply affected by the financial crisis, Council members have a strong interest in meaningful regulatory reform. We appreciate the opportunity to express our general support for the Commodity Futures Trading Commission's (Commission) proposed rules regarding the designation, qualifications and duties of the chief compliance officers (CCO) of futures commission merchants, swap dealers and major swap participants.³

The Council believes the proposed rules would provide necessary protection to investors and the market at large. More specifically, we agree that the rules would improve compliance by registrants and better enable the Commission to exercise its oversight authority. This in turn, would help mitigate market disruptions and financial losses.⁴

¹ Designation of a Chief Compliance Officer; Required Compliance Policies; and Annual Report of a Futures Commission Merchant, Swap Dealer, or Major Swap Participant, 75 Fed. Reg. 70,881 (Nov. 19, 2010), available at <http://edocket.access.gpo.gov/2010/pdf/2010-29021.pdf>.

² For more information about the Council of Institutional Investors (Council) and its members, please visit the Council's website at <http://www.cii.org>.

³ We note that the Council has supported similar proposed rules and legislation intended to strengthen the internal controls and governance of Nationally Recognized Statistical Rating Organizations. See, e.g. Letter from Jeff Mahoney, General Counsel, Council of Institutional Investors to The Honorable Barney Frank, Chairman, House Committee on Financial Services et al. 3 (Oct. 22, 2009), <http://www.cii.org/UserFiles/file/resource%20center/correspondence/2009/10-22-09%20Council%20letter%20on%20Kanjorski%20discussion%20draft.pdf>.

⁴ *Supra* note 1 at 70,886.

January 6, 2011
Page 2 of 2

We also support the Commission's decision to extend to CCOs of futures commission merchants the same proposed duties and responsibilities for CCOs of swap dealers and major swap participants. Federal standards for derivatives market participants should be comprehensive and consistent.⁵ Uniform requirements may help mitigate regulatory uncertainties for market participants and help the Commission more effectively oversee these registrants.

Thank you for the opportunity to share our views on the Commission's proposing release. If you have any questions or need any additional information, please feel free to contact me at (202) 261-7086 or laurel@cii.org, or General Counsel Jeff Mahoney at (202) 261-7081 or jeff@cii.org.

Sincerely,

A handwritten signature in cursive script that reads "Laurel Leitner".

Laurel Leitner
Senior Analyst

⁵ Investors' Working Group, U.S. Financial Regulatory Reform: The Investors' Perspective 12 (July 2009), [http://www.cii.org/UserFiles/file/resource%20center/investment%20issues/Investors'%20Working%20Group%20Report%20\(July%202009\).pdf](http://www.cii.org/UserFiles/file/resource%20center/investment%20issues/Investors'%20Working%20Group%20Report%20(July%202009).pdf). [Following its issuance, the IWG Report was reviewed and subsequently endorsed by the Council board and membership. For more information about the Investors' Working Group, please visit the Council's website at <http://www.cii.org/iwglInfo>.]