

Mr. David Stawick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: 17 CFR Part 48 Registration of Foreign Boards of Trade
RIN 3038-AD09

Dear Mr. Stawick:

I am writing on behalf of the Dubai Mercantile Exchange (“DME”) in regard to the above-referenced proposal by the Commodities Futures Trading Commission (“CFTC”) to create a registration regime for foreign boards of trade. By way of background, DME applied for no-action relief with the Commodities Futures Trading Commission (“CFTC”) on March 13, 2007 and received no-action relief on May 24, 2007 (the “No-Action Relief”), subsequently amended by the CFTC on July 6, 2008 (the “Amended Relief”). As mentioned in DME’s March 2007 application for no-action relief, it operates an energy focused commodity derivatives exchange in the Dubai International Financial Centre (“DIFC”). DME’s primary regulator is the Dubai Financial Services Authority (“DFSA”) which regulates the DME pursuant to its DFSA license as an Authorised Market Institution (“AMI”). The DFSA formally cooperates with the CFTC through a Memorandum of Understanding.

After reviewing the proposals contained in 17 CFR Part 48, DME has concerns regarding the “limited” application process for foreign boards of trade that are currently operating pursuant to existing no-action relief. DME cannot discern the benefits of requiring such foreign boards of trade to submit “limited” applications rather than “grandfathering” such foreign boards of trade into the registration regime, with such “grandfathering” being subject to any material changes from their applications for no-action relief and their meeting any additional requirements imposed by the registration regime. In addition to the lack of benefit to taking the “limited” application approach, DME believes the time and manpower required for a “limited” application are more significant than estimated by the CFTC and that “grandfathering” foreign boards of trade into the registration regime that currently operate under no-action relief is more appropriate and pragmatic.

Prior to submitting its comments to the CFTC, DME reviewed the initial and ongoing requirements imposed on DME by the CFTC under the No-Action Relief and the Amended Relief in comparison to the proposed requirements for the registration regime. Based on this analysis, the requirements imposed by the CFTC under the registration regime appear to be substantially similar to the requirements that DME initially met in order to receive no-action relief from the CFTC and continues to meet in order to maintain its standing with the CFTC. Therefore, DME believes that foreign boards of

trade could be “grandfathered” into the registration regime so long as they submitted documents and information unique to the registration regime in a timely manner.

For example, all “grandfathered” foreign boards of trade could be given ninety (90) days to supplement and update the information they previously provided to the CFTC when apply for no-action relief. If the foreign boards of trade failed to provide the documents and information in this timeframe, the CFTC would have the power to revoke their registration. “Grandfathering” would ensure that all foreign boards of trade operating under no-action relief meet all the requirements of the registration regime without forcing them to submit “limited” applications covering much the same material that was previously provided to the CFTC. Further, under this approach the CFTC would have the same documents and information under the “grandfathering” approach as it would have if a “limited” application is required.¹

In addition to the foregoing, DME believes the CFTC’s underestimates the time a “limited” application will take to complete. While DME agrees that a “limited” application would be much less onerous than the full application required of new applicants, we do not believe that a “limited” application will take a mere fifty (50) hours to complete in contrast to one thousand hours (1,000) for a new application.² DME doubts these time estimates due to the fact that foreign boards of trade must resubmit previously submitted information and documentation with explanations of how specific registration requirements are met while also submitting information and documentation required in a complete application for registration that was not previously provided. While the documents and information would be readily available, as opposed to the case of a new applicant, resubmitting the documents/information and drafting new explanations of the way the foreign boards of trade meet the CFTC requirements would certainly take more than fifty (50) hours.

DME believes “limited” applications by foreign boards of trade operating under no-action relief could easily take two hundred (200) to three hundred (300) hours rather than the current estimate of fifty (50) hours.³ Since the primary goal of the CFTC to have a uniform registration regime for foreign boards of trade can still be met without requiring foreign boards of trade to complete “limited” applications, and time requirements of the “limited” application are more significant than the CFTC has currently estimated, DME strongly believes that the CFTC should “grandfather” foreign boards of trade currently operating under no-action relief into the registration regime rather than requiring them to submit another application, “limited” or otherwise.

¹ DME does not believe that the CFTC having “incomplete and or misplaced files” is a legitimate reason to require foreign boards of trade operating under no-action relief to spend significant time and resources to submit duplicative “limited” applications.

² 17 CFR Part 48, P. 38

³ This is a rough estimate but DME believes it is clear that the time required for a “limited” application would be significantly greater than the current CFTC estimate of fifty (50) hours.