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Commodity Futures Trading Commission  
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United States

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- **17 CFR Part 37**
- **RIN Number 3038–AD18**
- **Core Principles and Other Requirements for Swap Execution Facilities**

Dear Mr. Stawick.

Thank you for giving us the opportunity to comment on your notice of proposed rulemaking: Core Principles and Other Requirements for Swap Execution Facilities.

You are proposing new rules, guidance and acceptable practices to implement the new statutory provisions enacted by Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank). The proposed rules, guidance and acceptable practices, which apply to the registration and operation of swap execution facilities, implement the new statutory framework that, among other things, adds a new Section 5h to the Commodity Exchange Act (CEA) concerning the registration and operation of swap execution facilities, and new Section 2(h)(8) to the CEA concerning the listing, trading and execution of swaps on swap execution facilities.

I generally support the proposals, which should better organise swap trading and improve swap transparency and pricing. I would strongly support the basic principle that swap execution facilities (SEFs) should allow all market participants to trade with all other participants clearly and openly in a controlled environment. To this end I agree and support that SEFs should constantly monitor swap trading<sup>1</sup> in order to prevent manipulation, price distortion, and disruptions of the delivery or cash settlement process.

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<sup>1</sup> Including real-time monitoring and trade reconstructions.

Please note that the comments expressed herein are solely my personal views

Concerning indications of interest (IOIs), I would argue that IOIs are reasonably used to provide liquidity, aid order matching, and when advising large-scale liquidity to potential counterparties. However, the information contained in IOIs is not available fully and transparently and potentially impedes the price discovery process. I would suggest that there is a trade-off between transparency and liquidity here. In my opinion traditional IOIs do not create any information asymmetry, and are therefore reasonable.

Yours sincerely

Chris Barnard