

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

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- **17 CFR Parts 1, 23, and 39**
- **RIN Number 3038-AD51**
- **Customer Clearing Documentation and Timing of Acceptance for Clearing**

Dear Mr. Stawick.

Thank you for giving us the opportunity to comment on your notice of proposed rulemaking: Customer Clearing Documentation and Timing of Acceptance for Clearing.

You are proposing rules to implement new statutory provisions enacted by Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank). These proposed rules address: the documentation between a customer and a futures commission merchant that clears on behalf of the customer, and the timing of acceptance or rejection of trades for clearing by derivatives clearing organizations and clearing members.

I support the proposed rules, which will certainly improve market transparency and efficiency, improve access to clearing and help mitigate possible conflicts of interest in clearing. I also agree with you that “the use of properly regulated central clearing can reduce systemic risk”. These rules are also important because of the industry-wide execution agreement published on 16 June.¹ Given your previous rulemakings and statutory requirements, I am surprised that the FIA and ISDA would publish such a poorly worded agreement that would have to precipitate a regulatory response.

¹ See FIA-ISDA Cleared Derivatives Execution Agreement, 16 June 2011, available at: <http://www.futuresindustry.org/fia-and-isda-publish-documentation-for-cleared-swaps.asp>

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I answer to your specific questions² I would state that these proposals would increase open access to clearing and execution of customer transactions on a DCM or SEF on terms that have a reasonable relationship to the best terms available. I do not see how the proposals could decrease open access to clearing in any way. Finally, the proposals should not increase risk to DCOs, FCMs, SDs or MSPs in any credible way.

In terms of timing, I agree with your consistently applied wording that requires (for example) that each FCM, SD or MSP must accept or reject each trade submitted for clearing “as quickly as would be technologically practicable”. This is a reasonable wording for all similar (recording, reporting, notification, confirmation etc) requirements in the swaps market.

Yours sincerely

Chris Barnard

² See NPRM, 76 FR 45732.