



**KANSAS CITY
BOARD OF TRADE**

CLEARING CORPORATION

September 26, 2011

SENT VIA AGENCY WEBSITE

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

Re: International Swap Regulation Study 76 FR 44508

Dear Mr. Stawick:

In response to your request for public comment on the International Swap Regulation Study currently being conducted by the Commodity Futures Trading Commission and the Securities and Exchange Commission, the Kansas City Board of Trade Clearing Corporation ("KCC") offers the following:

Kansas City Board of Trade ("KCBT") Wheat Calendar Swaps ("WCS") are privately negotiated contracts between eligible contract participants in the over the counter ("OTC") market that are submitted to KCC for clearing pursuant to Chapter 21 of KCBT rules and regulations governing cleared-only WCS transactions.

WCS were listed for trading on July 1, 2010. The first WCS were cleared on January 18, 2011. The year to date WCS clearing volume as of September 26, 2011 is 1,861 contracts. Each of these WCS contracts has been liquidated by converting the swaps positions into a futures position via KCBT's exchange for risk ("EFR") mechanism. There currently are no open WCS contracts, and therefore no outstanding notional value to report. (For illustration purposes, the notional value of the 1,861 WCS contracts cleared in 2011 is approximately \$74,440,000 (5,000 bushels * 1,861 contracts * \$8.00 futures price)).

In order to be accepted for clearing, WCS trade data must either be entered into KCC's clearing system by clearing members or electronically transmitted directly to KCC's clearing system, provided both participants of the swap trade have the required agreements and approvals in place with a KCC clearing member to accept such electronically-submitted trade data for clearing. When accepted for clearing, WCS are not converted or substituted into futures contracts, but remain OTC products. WCS are not fungible with KCBT wheat futures or options

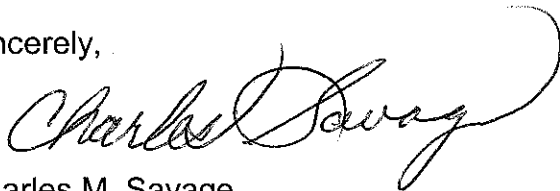
contracts. Open WCS contracts are marked-to-market on a daily basis. The daily settlement price for a WCS contract month prior to the last month of trading for such contract, is the daily settlement price of the corresponding futures contract. The daily settlement price for a WCS contract month during the last month of trading for such contract is the cumulative average of the daily settlement prices of the corresponding KCBT wheat futures month for each trading day during the last month of trading. At the close of business on the last trading day of a particular WCS contract month, the cumulative average settlement price becomes the final settlement price used to cash settle any open WCS contracts in such contract month.

The margin methodology for KCBT WCS is the same as that utilized for KCBT wheat futures. KCBT currently uses a 95% comfort level (1.96 standard deviations) in analyzing day-to-day price changes covering the most recent 30 day sample period. When the 95% comfort level is exceeded, the KCBT Executive Committee discusses the most recent day-to-day changes to determine if the market move is the result of a one-off occurrence or a more sustained period of volatility and makes a determination as to whether to adjust margins accordingly.

The following are major clearing members of KCC: ABN Amro Clearing Chicago, LLC, ADM Investor Services, Inc., FC Stone, LLC, Jefferies Bache, LLC, JP Morgan Securities, LLC, MF Global, Inc., Newedge USA, LLC, Penson Financial Services, Inc., UBS Securities, LLC and Term Commodities. The CFTC and KCBT are the swap-related regulators for FCM clearing members executing KCBT wheat calendar swaps. KCBT is the swap-related regulator for any Non-FCM clearing members executing KCBT wheat calendar swaps.

Kansas City Board of Trade Clearing Corporation appreciates the opportunity to comment on the International Swap Regulation Study currently being conducted by the Commodity Futures Trading Commission and the Securities and Exchange Commission. If you have any questions please feel free to contact me at 816-931-8964 or csavage@kcbt.com

Sincerely,

A handwritten signature in cursive script that reads "Charles M. Savage". The signature is written in black ink and is positioned above the typed name and title.

Charles M. Savage
Assistant Vice President and Manager