



UBS Securities LLC
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Mr. David A. Stawick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

www.ubs.com

October 7, 2011

Re: Customer Clearing Documentation and Timing of Acceptance for Clearing, RIN 3038-AD51.

Dear Mr. Stawick:

UBS Securities LLC appreciates the opportunity to submit comments to the Commodity Futures Trading Commission (the "**Commission**") in response to the Commission's proposed rule on Customer Clearing Documentation and Timing of Acceptance for Clearing (the "**Proposed Rule**")¹.

In order to adapt successfully to the post-Dodd-Frank world, UBS believes that is crucial for the OTC market to develop and implement broad based, real-time credit filter solutions to enable certainty of clearing on a pre-trade basis. UBS has proactively participated in industry efforts involving buy-side, sell-side and infrastructure participants in order to work toward this goal and fully intend to continue to do so. Our primary objective is to ensure market safety and integrity through certainty of execution.

We believe an automated solution for credit limit checking is the right answer to this problem. Nevertheless, getting this right is not a simple task, and no single class of market participant is in complete control of the velocity of the necessary changes. A structure which allows FCMs to communicate limits to executing counterparties directly provides a necessary stopgap from the time mandatory clearing is effective until we are able to implement a permanent solution. Without such a safety net, market participants may find themselves with reduced access to liquidity, particularly in stressed markets, as their counterparties will be unable to achieve certainty of execution. This is contrary to Dodd-Frank's core principles of open access and increased liquidity.

To the extent the Commission remains concerned about the potential to abuse such credit arrangements by, for example, discriminating for or against particular executing brokers, the Proposed Rule should more narrowly address that concern. We respectfully request that the Commission reconsider the Proposed Rule and allow parties continued freedom to contract, at a minimum until such time as real-time credit filter solutions are live.

* * *

We welcome the opportunity to provide additional information regarding our views on this topic, as well as any other issues related to the Dodd-Frank Act.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David Kelly".

David Kelly
Managing Director

A handwritten signature in black ink, appearing to read "Paul Hamill".

Paul Hamill
Executive Director

¹ See 76 Fed. Reg. 45730 (Aug. 1, 2011).