

David A. Stawick, Secretary
Commodity Futures Trading Commission
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- **17 CFR Part 43**
- **RIN Number 3038-AD84**
- **Rules Prohibiting the Aggregation of Orders To Satisfy Minimum Block Sizes or Cap Size Requirements, and Establishing Eligibility Requirements for Parties to Block Trades**

Dear Mr. Stawick.

Thank you for giving us the opportunity to comment on your Notice of proposed rulemaking: Rules Prohibiting the Aggregation of Orders To Satisfy Minimum Block Sizes or Cap Size Requirements, and Establishing Eligibility Requirements for Parties to Block Trades.

You are proposing to add certain provisions to part 43 of your regulations pertaining to block trades in swap contracts. The provisions would: (i) Prohibit the aggregation of orders for different trading accounts in order to satisfy the minimum block size / cap size requirements, except for orders aggregated by certain commodity trading advisors (CTAs), investment advisers and foreign persons, if such person has more than \$ 25 mn in total assets under management (AUM); (ii) provide that parties to a block trade must individually qualify as eligible contract participants (ECPs), except where a designated contract market allows certain CTAs, investment advisers and foreign persons, to transact block trades for customers who are not ECPs, if such CTA, investment adviser or foreign person has more than \$ 25 mn in total AUM; and (iii) require that persons transacting block trades on behalf of customers must receive prior written instruction or consent from the customer to do so.

I support your proposals, which will help to ensure that non-block transactions comply with the exchange trading requirements and real-time reporting obligations. This should increase transparency and price discovery, promote market integrity, improve efficiency and competitiveness in swap markets, and ultimately provide timely information enabling market

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

participants to improve their risk management practices. The proposals will also improve consistency between swap and futures markets. For example “in the futures market, where market participants have engaged in block transactions for years, DCMs that permit block trading have rules that prohibit the aggregation of orders for different trading accounts to meet the minimum block size requirement”¹ and “In the current futures market, all DCMs require that parties to block trades must be ECPs”².

I would suggest one amendment to the proposals: given the importance of increasing transparency and promoting integrity in swap markets, I would add the wording “and the block trade is suitable for the customers of such persons” after the words “Has more than \$25,000,000 in total assets under management” in both proposed § 43.6(h)(6)(ii) and proposed § 43.6(i)(1). This will also improve consistency in the rules applicable to swap and futures markets.

Yours sincerely

C.R.B.

Chris Barnard

¹ See NPRM page 3.

² See NPRM page 4.