



**DRW TRADING GROUP**

**DRW HOLDINGS, LLC**

540 WEST MADISON STREET SUITE 2500

CHICAGO, IL 60661 USA

T 312.542.1000

F 312.542.1083

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Via Electronic Submission: <http://comments.cftc.gov/PublicComments/CommentForm.aspx?id=1252>

David A. Stawick  
Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street NW  
Washington, DC 20581

**Re: Clearing Requirement Determination Under Section 2(h) of the CEA  
RIN Number 3038-AD86**

Dear Mr. Stawick,

DRW Trading Group (“DRW”)<sup>1</sup> strongly supports the Commodity Futures Trading Commission’s (the “Commission”) proposed *Clearing Requirement Determination Under Section 2(h) of the CEA*<sup>2</sup> (the “Determination”) for certain classes of credit default swaps (CDS) and interest rate swaps (IRS).

Implementing the mandatory clearing requirement for these liquid and standardized segments of the swaps markets is a significant milestone towards achieving the Dodd-Frank Act’s objectives of reducing interconnectedness, mitigating systemic risk, increasing transparency, and promoting competition in the swaps market – all essential steps towards restoring the safety and soundness of our financial markets.

The specific fixed-to-floating swaps, basis swaps, FRAs, and OIS as well as CDX and iTraxx CDS indices listed in proposed §50.4 easily satisfy the five statutory factors that the Commission is required to consider for clearing requirement determinations, as the Commission’s analysis demonstrates.<sup>3</sup> These

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<sup>1</sup> DRW is a principal trading organization that trades across a wide range of asset classes and instruments.

<sup>2</sup> 77 Fed Reg. 47170-47222 (August 7, 2012)

<sup>3</sup> In summary, the five factors are (i) the outstanding notional exposures, trading liquidity, and adequate pricing data; (ii) the availability of rule framework, capacity, operational expertise and resources, and credit support infrastructure; (iii) the effect on the mitigation of systemic risk; (iv) the effect on competition; and (v) legal certainty in the event of insolvency.



swaps are all cleared today in material volumes and we thus agree with the Commission that “there is already a blueprint for clearing and appropriate risk management.”<sup>4</sup> We recommend that the Commission maintain the full proposed product scope in its final Determination.

We urge the Commission to conclude its review and issue its final Determination as expeditiously as possible within the 90 day review period so the market can finally benefit from the implementation of mandatory central clearing.

Sincerely,

Donald R. Wilson, Jr.  
DRW Trading Group

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<sup>4</sup> See *Id.* at 47172