



Knight Capital Americas LLC
33 Benedict Place
4th Floor
Greenwich, Connecticut 06830
Tel: 203.930.7110
Fax: 203.930.7390
www.knight.com

September 6, 2012

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:

Knight Capital Americas LLC¹ supports the Commodity Futures Trading Commission's (the "Commission") proposed Clearing Requirement Determination Under Section 2(h) of the CEA² (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 satisfy the five statutory factors that the Commission is required to consider for clearing requirement determinations, as the Commission's analysis demonstrates.³ These 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."⁴

¹ Knight Capital Americas LLC, is a broker-dealer subsidiary of Knight Capital Group, Inc ("Knight"). Knight, through its subsidiaries and affiliates is a major liquidity center for foreign and domestic equities, fixed income securities, currencies and futures. On active days, Knight can execute 10 million trades, with volume exceeding 15 billion shares. Knight's clients include more than 3,000 broker/dealers and institutions. Knight employs more than 1,400 people worldwide. For more information, please visit: www.knight.com

² 77 Fed Reg. 47169-47222 (August 7, 2012)

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

⁴ See *id.* at 47172



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,

A handwritten signature in black ink, appearing to read "Kevin M. Donohue", with a long horizontal line extending to the right.

Kevin M. Donohue
Knight Capital Americas LLC
Chief Compliance & Legal Officer