



January 7, 2013

The Honorable Gary Gensler  
U.S. Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, NW.  
Washington, DC 20581

**RE: Chicago Mercantile Exchange Inc. Submission # 12-391R**

Dear Chairman Gensler:

The Securities Industry and Financial Markets Association (“**SIFMA**”)<sup>1</sup> welcomes the opportunity to comment on the proposal made by the Chicago Mercantile Exchange Inc. (“**CME**”) in its submission # 12-391R dated December 6, 2012 (as amended on December 14, 2012, the “**Submission**”), which requests that the Commodity Futures Trading Commission (the “**Commission**”) approve a new Chapter 10 and Rule 1001 (the “**Proposed Rule**”) of the CME's Swap Data Repository (“**SDR**”) rulebook.

The Global Foreign Exchange Division (“**GFXD**”) of the Global Financial Markets Association (“**GFMA**”) and the International Swaps and Derivatives Association (“**ISDA**”), among others, have submitted letters expressing their respective recommendations that the Commission should not approve the Proposed Rule. We support these recommendations.

The GFXD letter highlights that the Proposed Rule, by requiring that all swaps cleared with the CME be reported to the CME's SDR, would violate the principles of fair and open access established by the Dodd-Frank Wall Street Reform and Consumer Protection Act (“**Dodd-Frank**”)<sup>2</sup> and reinforced by the Commission,<sup>3</sup> and that it would create reporting inefficiencies, weaken reporting infrastructure and increase costs. The ISDA letter raises concerns about the interdependence between the Proposed Rule and other aspects of the reporting regime, and urges the Commission to address these in a unified and consistent manner. Further, we note that the concerns raised in the GFMA and ISDA letters are not exclusive to the CME and

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<sup>1</sup> SIFMA brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA's mission is to support a strong financial industry, investor opportunity, capital formation, job creation and economic growth, while building trust and confidence in the financial markets. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association. For more information, visit [www.sifma.org](http://www.sifma.org).

<sup>2</sup> CEA section 5(b)(c)(2)(C)(iii), as amended by Dodd-Frank.

<sup>3</sup> 17 C.F.R. § 49.27(a)(2).

the Proposed Rule, but apply generally to any DCO that seeks to require all swaps cleared with it to be reported to a specific SDR.

SIFMA joins GFXD and ISDA in urging the Commission to reject the Proposed Rule.

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SIFMA and its members appreciate the opportunity to offer our perspectives on the Submission. If you have any questions with respect to the matters discussed in this letter, or require any further information, please feel free to contact the undersigned at (202) 962-7400 or [kbentsen@sifma.org](mailto:kbentsen@sifma.org).

Sincerely,



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Kenneth E. Bentsen, Jr.  
Executive Vice President  
Public Policy and Advocacy  
SIFMA