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By Electronic Mail

September 16, 2013

Melissa Jurgens
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, D.C. 20581

Re: RIN No. 3038-AE06, "Derivatives Clearing Organizations and International Standards" (78 Federal Register 50260 (August 16, 2013))

Dear Ms. Jurgens:

New York Portfolio Clearing, LLC ("NYPC") appreciates the opportunity to submit the following comments regarding the above-referenced notice of proposed rulemaking by the Commodity Futures Trading Commission (the "Commission").

NYPC is a registered derivatives clearing organization ("DCO") that is owned equally by NYSE Euronext and The Depository Trust & Clearing Corporation ("DTCC"). NYPC clears U.S. dollar-denominated interest rate futures contracts and cross-margins eligible positions against eligible U.S. Treasury and other fixed income securities and repurchase agreements cleared by DTCC's subsidiary, the Fixed Income Clearing Corporation.

As a general matter, NYPC is supportive of the Commission's stated objective for the proposed rulemaking of establishing domestic rules and regulations consistent with the Principles for Financial Market Infrastructures ("PFMIs") published by the Committee on Payment and Settlement Systems and the Board of the International Organization of Securities Commissions ("CPSS-IOSCO"), so that systemically important DCOs ("SIDCOs") and other DCOs that elect to opt into the provisions of Subpart C of part 39 of the Commission's regulations ("Subpart C DCOs") would have the opportunity to gain status as qualified central counterparties or "QCCPs"¹ for purposes of the "Capital requirements for bank exposures to central counterparties"².

However, in light of the fact that CPSS-IOSCO is still soliciting comment on its consultative report *Recovery of financial market infrastructures*³ and the Financial Stability Board is still soliciting comment

¹ See 78 Federal Register 50267.

² See Basel Committee on Banking Supervision, *Capital requirements for bank exposures to central counterparties* (July 2012), available at www.bis.org/publ/bcbs227.pdf.

³ See CPSS-IOSCO, *Consultative report: Recovery of financial market infrastructures* (August 2013), available at <http://www.bis.org/publ/cpss109.pdf>.



on its consultative document *Application of the Key Attributes of Effective Resolution Regimes for Financial Institutions to Non-Bank Financial Institutions*⁴, NYPC respectfully recommends that the Commission postpone the effective date for proposed regulation 39.39 (requiring the preparation of recovery and resolution plans by SIDCOs and Subpart C DCOs) from December 31, 2013 until such time as CPSS-IOSCO and the Financial Stability Board have finalized their reports on recovery and resolution issues for central counterparties, and a reasonable amount of time has been allowed for central counterparties to implement the guidance included in such reports.

Such a postponement of the effective date of proposed regulation 39.39 would be consistent with the Commission's stated objective of ensuring that DCOs are not competitively disadvantaged vis-à-vis other central counterparties⁵ in that it would avoid forcing SIDCOs and opting in Subpart C DCOs to engage in duplicative, resource-intensive efforts in order to complete recovery and resolution plans in advance of the Commission's proposed December 31, 2013 effective date and then review and potentially modify such plans in order to incorporate the aforementioned final guidance from CPSS-IOSCO and the Financial Stability Board.

* * *

⁴ See Financial Stability Board, *Application of the Key Attributes of Effective Resolution Regimes to Non-Bank Financial Institutions: Consultative Document* (12 August 2013), available at http://www.financialstabilityboard.org/publications/r_130812a.pdf.

⁵ See e.g., 78 Federal Register 50267.



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NYPC appreciates the opportunity to submit these comments in connection with the proposed rulemaking. If the Commission has any questions concerning the matters discussed in this letter, please contact the undersigned at 212-855-5230 or klimpel@nypclear.com.

Very truly yours,

A handwritten signature in black ink that reads "Laura Klimpel". The signature is written in a cursive, flowing style.

Laura Klimpel
General Counsel

cc: Honorable Gary Gensler, Chairman
Honorable Jill E. Sommers, Commissioner
Honorable Bart Chilton, Commissioner
Honorable Scott D. O'Maila, Commissioner
Honorable Mark P. Wetjen, Commissioner

Ananda Radhakrishnan, Director, Division of Clearing and Risk
Robert B. Wasserman, Chief Counsel, Division of Clearing and Risk
Laura Astrada, Associate Chief Counsel, Division of Clearing and Risk