

December 10, 2013

Ms. Melissa D. Jurgens
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N. W.
Washington, DC 20581
secretary@cftc.gov

RE: Concept Release on Risk Controls and System Safeguards for Automated Trading Events

Dear Ms. Jurgens:

Barclays Capital Inc. ("Barclays") appreciates the opportunity to submit this letter in response to the Commodity Futures Trading Commission's (the "CFTC" or the "Commission") Concept Release on Risk Controls and System Safeguards for Automated Trading Events (the "Release"). As a general matter, Barclays strongly endorses the comments on the Release filed by the Futures Industry Association ("FIA") with the following additional comments that are intended to offer practical insight drawn from our perspective both as a large market participant and as the executing and clearing broker for a wide range of global clients trading on global markets.

Defining Ownership of Liability

As an entity that processes a significant amount of both house and client trade flow through automated trading systems, we would like to emphasize the need to define clear ownership of the regulatory, legal and financial liability that is appropriately correlated to the various roles and responsibilities that market participants may play with respect to the submission, handling and routing of automated trading events.

Differentiation Between Agency vs. Principal Execution

The Release suggests that the clearing member may be responsible for the implementation and management of some of the controls discussed. While we agree with the FIA's comments on the merit of such controls, it is important to distinguish the level of responsibility and accountability borne by each of: (i) the market participant (trading as principal) and (ii) the FCM, which acts in an agency capacity. If an FCM provides technology to a market participant to access a DCM, then the FCM may be responsible for the oversight of the creation of that technology. However, assuming that the technology functions as intended, it is ultimately the market participant entering the orders who should bear responsibility for the use of the technology.

Regulatory Guidance on FCM's Oversight Responsibility

A number of the controls discussed in the Release require the FCM to step in and exercise a level of oversight over the trading flow under its membership. We are concerned that the potential need for an FCM to alter or cancel client orders during an active trading session (likely in adverse or volatile market conditions) may expose the FCM to significant legal and financial liability to the client. Before an FCM can contemplate such activity, the CFTC needs to give clear regulatory guidance about when such intervention is required and absolve the FCM of liability if it acts in accordance with the Commission's guidance.

Please let us know if you would like further information about any of the issues raised above.

Yours sincerely,



Michael Yarian
Managing Director, Global Head of Agency Derivatives Services