

March 27, 2015

Mr. Christopher Kirkpatrick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

**Re: Reopening of Comment Periods – Position Limits for Derivatives (RIN 3038-AD99)
and Aggregation of Positions (RIN 3038-AD82)**

Dear Mr. Kirkpatrick:

The International Swaps and Derivatives Association, Inc. (“**ISDA**”) supports the Commodity Futures Trading Commission’s (“**Commission**”) continued efforts to evaluate the unintended impact that its rulemakings, promulgated pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (“**Dodd-Frank**”)¹, are having on market participants and we support the Commission’s efforts to revisit and refine those rules where necessary.

In particular, we support the Commission’s decision to host continued public meetings and roundtables to consider additional viewpoints on its proposed rulemakings for position limits (“**Position Limits Proposal**”)² and aggregation (“**Aggregation Proposal**”)³, and we appreciate the opportunity to submit this comment letter in response to the Commission’s decision to re-open the comment period for the two outstanding proposals.⁴

Since 1985, ISDA has worked to make the global over-the-counter (“**OTC**”) derivatives markets safer and more efficient. Today, ISDA has over 800 member institutions from 67 countries. These members include a broad range of OTC derivatives market participants including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure including exchanges, clearinghouses and repositories, as well as law firms, accounting firms and other service providers.⁵

¹ Pub. L. No. 111-203 (2010).

² Position Limits for Derivatives, 78 Fed. Reg. 75680 (Dec. 12, 2013).

³ Aggregation of Positions, 78 Fed. Reg. 68946 (Nov. 15, 2013).

⁴ Position Limits for Derivatives and Aggregation of Positions, 79 Fed. Reg. 30762 (May 29, 2014).

⁵ Information about ISDA and its activities is available at: www.isda.org.

We reiterate and reincorporate by reference the comments that we have previously submitted to the Commission with respect to the Position Limits Proposal, including the comment letters we submitted on January 11, 2011;⁶ March 28, 2011;⁷ January 17, 2012;⁸ February 10, 2014⁹ and, most recently, July 7 2014¹⁰. As explained in our most recent submissions:

- It is our position that the Commission should not go forward with the Proposal until such time as it is able to demonstrate that the statutory prerequisites to imposing position limits have been satisfied and until such time as the Commission has meaningfully evaluated the costs and benefits of the rules it intends to impose.
- Should the Commission determine to go forward with the Proposal, the Commission should, among other things, abandon those aspects of the Proposal that would impose position limits outside of the spot month. As an alternative to those limits, the Commission should use its existing tools—surveillance capabilities, special call authority, and oversight authority of designated contract markets and swap execution facilities—to address concerns related to excessive speculation outside of the spot month.

In addition, we believe that the Commission should take a phased-in approach, with respect to timing and implementation.

We would also like to highlight an additional unintended consequence of the position limits rule as currently drafted relating to the treatment of commodity index contracts. We believe that this aspect of the rule, if not resolved, will have a negative impact on the market for agricultural derivatives and the ability of commercial market participants to adequately hedge their risks. This issue has been outlined in greater detail in the Global Financial Markets Association's January 22, 2015 letter¹¹, and we support and endorse those comments as well as the proposed solutions offered.

Thank you for your consideration of this matter. If you have any questions, please do not hesitate to contact Christopher Young at (202) 756-7543.

Sincerely,



Steven Kennedy
Global Head of Public Policy

⁶ Available on ISDA's website at: <http://www.isda.org/speeches/pdf/CFTC-Position-Limits-Pre-Comment.pdf>.

⁷ Available on the Commission's website at: <http://comments.cftc.gov/PublicComments/ViewComment.aspx?id=33568>.

⁸ Available on the Commission's website at: <http://comments.cftc.gov/PublicComments/ViewComment.aspx?id=50066>.

⁹ Available on the Commission's website at: <http://comments.cftc.gov/PublicComments/ViewComment.aspx?id=59611>.

¹⁰ Available on the Commission's website at: <http://comments.cftc.gov/PublicComments/ViewComment.aspx?id=59917>.

¹¹ Available on the Commission's website at: <http://comments.cftc.gov/PublicComments/ViewComment.aspx?id=60314>.