

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

May 11, 2015

Re: Core Principles and Other Requirements for Swap Execution Facilities

Dear Mr. Kirkpatrick:

UBS Securities LLC (**UBS**) appreciates the opportunity to submit comments to the Commodity Futures Trading Commission (the **Commission**) in response to the Commission's request for comment in connection with the remand order of the United States District Court for the District of Columbia in *Securities Industry and Financial Markets Association, et al. v. United States Commodity Futures Trading Commission*.

UBS strongly supports the Commission's efforts to implement the Dodd-Frank Wall Street Reform and Consumer Protection Act's (the **Dodd-Frank Act**) goals of increasing pre-trade and post-trade transparency in the swaps market and believes the Commission's final rule on Core Principles and Other Requirements for Swap Execution Facilities¹ (the **Final SEF Rule**) is a key part of the overall regulatory framework. Among other important provisions in the rule, the Final SEF Rule implements impartial access and straight-through-processing requirements for swap execution facilities (**SEFs**), both of which increase the integrity and transparency of the swap execution process. As described by the Commission, the impartial access requirement is intended to allow market participants to "compete on a level playing field" and facilitate access to liquidity providers, thereby improving the pricing and efficiency of the market.² SEFs are prohibited from using discriminatory access requirements as a competitive tool against specific market participants. In turn, the straight-through-processing requirements are designed to reduce systemic risk by making the execution-to-clearing workflow as robust and efficient as possible.

In applying and enforcing the provisions of the Final SEF Rule, including impartial access and straight-through-processing, to all activities subject to the Commission's jurisdiction under the Commodity Exchange Act, including section 2(i), the Commission meaningfully improves the efficiency, competitiveness and financial integrity of the swaps market by helping to ensure that the core principles and benefits of the Final SEF Rule remain relevant as the global swaps market continues to evolve. UBS supports the Commission's continuing efforts to work with global regulators to maximize harmonization, avoid regulatory arbitrage and establish substitute compliance regimes that address duplicative regulatory burdens while also maintaining consistency with the core principles of the Dodd-Frank Act and Commission regulations. In this regard, we applaud the Commission's efforts to establish a substitute compliance regime for multilateral trading facilities (**MTFs**) that seeks to balance providing an exemption from full registration with still protecting specific core principles that are critical to fostering transparent and competitive markets, such as impartial access and straight-through-processing.³

In light of the global and flexible nature of swaps execution, failing to apply the provisions of the Final SEF Rule to all activities subject to the Commission's jurisdiction would risk undermining the importance of the core principles contained therein as the global swaps market continues to evolve. As other jurisdictions proceed with finalizing rules relating to swap execution, we continue to support efforts to maximize harmonization and avoid regulatory arbitrage, while preserving core principles that are critical to a well-functioning market.

¹ 78 FR 33476 (June 4, 2013).

² See 78 FR at 33508.

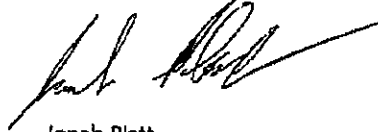
³ CFTC No-Action Letter No. 14-46 (April 9, 2014), available at <http://www.cftc.gov/LawRegulation/CFTCStaffLetters/LettersArchive/2014CFTCStaffLetters/index.htm>.

We look forward to continuing to discuss these important topics with the Commission.

Respectfully submitted,



Mike du-Plessis
Managing Director



Jonah Platt
Executive Director