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- **17 CFR Part 23**
- **RIN Number 3038-AC97**
- **Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants – Cross-Border Application of the Margin Requirements**

Dear Mr. Kirkpatrick.

Thank you for giving us the opportunity to comment on your Proposed rule on Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants – Cross-Border Application of the Margin Requirements.

On October 3, 2014, you published proposed regulations to implement section 4s(e) of the Commodity Exchange Act, as added by section 731 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). This provision requires the CFTC to adopt initial and variation margin requirements for swap dealers (SDs) and major swap participants (MSPs) that do not have a Prudential Regulator (collectively, Covered Swap Entities or CSEs). In the October 3, 2014 proposing release, the CFTC also issued an Advance Notice of Proposed Rulemaking (ANPR) requesting public comment on the cross-border application of such margin requirements. In this release, you are proposing a rule for the application of the CFTC's margin requirements to cross-border transactions.

I have spent considerable time commenting and advising on these various proposals concerning margin requirements for uncleared swaps. So far the proposals have been both theoretically sound and practicable, In this case I believe that the current proposal has a strong theoretical basis, but would not be easily executed in practice. Its application will be quite complicated as it includes various different categories of entities and different counterparty pairings. Certain transactions would even have to comply with different margin

Please note that the comments expressed herein are solely my personal views

regimes on each side of the transaction. Further complications will arise if we do not integrate international swap-margin rules and cross-border application rules.

I strongly support the central role of substituted compliance here, but I also understand that relief will depend on future CFTC assessments about international regimes' comparability, which will lead to uncertainty in planning and application. Practicability will depend on close and ongoing consultation, fully understanding regulators' requirements and managing expectations and cooperation between regulators.

Yours sincerely

C.R.B.

Chris Barnard