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Commodity Futures Trading Commission
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- **17 CFR Part 23**
- **RIN Number 3038-AE17**
- **Proposal To Amend the Definition of “Material Terms”
for Purposes of Swap Portfolio Reconciliation**

Dear Mr. Kirkpatrick.

Thank you for giving us the opportunity to comment on your notice of proposed rulemaking on: Proposal To Amend the Definition of “Material Terms” for Purposes of Swap Portfolio Reconciliation.

The Commodity Futures Trading Commission (Commission or CFTC) proposes to amend a provision of the Commission’s regulations in connection with the material terms for which counterparties must resolve discrepancies when engaging in portfolio reconciliation.

In general, I would support amending the definition of “material terms” to not include terms that are not relevant to the ongoing valuation of swaps portfolios. In answer to your specific question, I would recommend that the Commission should amend § 23.500(i)(1) so that counterparties only have to exchange the “material terms” (which would not include the Proposed Excluded Data Fields) of swaps. This will certainly benefit SDs, MSPs and their counterparties by reducing costs, complexity and time spent on portfolio reconciliation.

In answer to your specific question, I would recommend that the Commission should amend § 23.500(g) so that the term “material terms” is defined as all terms of a swap required to be reported in accordance with part 45 of the Commission regulations other than the Proposed Excluded Data Fields. This will improve understandability and regulatory consistency.

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

Yours sincerely

C.R.B.

Chris Barnard