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Secretary of the Commission
Commodity Futures Trading Commission (CFTC)
Three Lafayette Centre
1155 21st Street
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Via website: <http://comments.cftc.gov>

27 January 2020

Re: Proposed Amendments to the Commission’s Regulations Relating to Certain Swap Data Repository and Data Reporting Requirements

Dear Sirs, Mesdames

The Global Foreign Exchange Division (“GFXD”) of the Global Financial Markets Association (“GFMA”) welcomes the opportunity to provide comments to the CFTC on its Proposed Amendments to the Commission’s Regulations Relating to Certain Swap Data Repository and Data Reporting Requirements, (**the Consultation Paper**), published on 25 April 2019.

The GFXD was formed in co-operation with the Association for Financial Markets in Europe (“AFME”), the Securities Industry and Financial Markets Association (“SIFMA”) and the Asia Securities Industry and Financial Markets Association (“ASIFMA”). Its members comprise 25 global FX market participants,¹ collectively representing the majority of the FX inter-dealer market.²

The FX market is the world’s largest financial market. Effective and efficient exchange of currencies underpins the world’s entire financial system. Many of the current legislative and regulatory reforms have had, and will continue to have, a significant impact upon the operation

¹ Bank of America, Bank of New York Mellon, Barclays, BNP Paribas, Citi, Credit Agricole, Credit Suisse, Deutsche Bank, Goldman Sachs, HSBC, JP Morgan, Lloyds, Mizuho, Morgan Stanley, MUFG Bank, NatWest Markets, Nomura, Northern Trust, RBC, Scotiabank, Standard Chartered Bank, State Street, UBS, Wells Fargo and Westpac.

² According to Euromoney league tables.

of the global FX market, and the GFXD wishes to emphasise the desire of our members for globally co-ordinated regulation which we believe will be of benefit to both regulators and market participants alike.

The global FX market presents some unique challenges for trade reporting when compared with other asset classes. FX forms the basis of the global payments system and as such both the number of market participants and the volume of transactions are high. Notional turnover, per the last BIS report, is US\$5.1 trillion/day.³

The high number and diversity within the participants of the global FX market presents many practical challenges in ensuring that those that are required to report can do so. As the FX market is global in nature, the reporting of a transaction will often be required to multiple jurisdictions, and any variation in the trade reporting requirements will be required to be adopted by either one, or both, parties to the transaction usually resulting in increased costs and increased operational risks.

The GFXD has consistently promoted and supported efforts to align global trade reporting standards as we believe that consistent trade reporting requirements offer regulators the best opportunity to oversee trading practices and market transparency.

Executive Summary

The GFXD supports the aim of the Commission to improve the accuracy of swap data. In relation to the current consultation, we wish to draw out the following overall messages:

1. Timing of consultation: The GFXD is concerned that it is difficult to respond accurately to the impact of the proposed changes before the consultation on the changes to Parts 43 and 45 have also been released. The scale of the build required for validation of reports will be dependent on any changes to the fields or formats required in the individual reports.
2. Proposed changes to Part 49:
 - a. Fields: The GFXD suggests that the fields should be limited to the key economic fields of a trade, to avoid unnecessary validation of static data fields, or those which change frequently, such as collateral fields.

³ <http://www.bis.org/publ/rpfx16.htm>

- b. Process: The GFXD suggests that SEFs and DCMs should retain their status as trusted parties. We also outline below specific scenarios which require additional clarification.
 - c. Timing: The GFXD believes that monthly verification of open swaps reports would be more appropriate, to fit in with timelines for technical correction of errors within firms and avoid duplicative reports.
3. Implementation: The GFXD suggests that any changes to Parts 43 and 45 should be given 12 months for implementation before this proposed verification process is implemented. The verification process will then require at least 6 months for implementation.

The Commission requests comment on all aspects of the proposed changes to § 49.2. The Commission also invites specific comment on the following:

(1) Are there any proposed amendments to definitions in existing regulations in part 49 that are unclear or inaccurate?

The GFXD has no comments in response to this question.

The Commission requests comment on all aspects of the proposed changes to § 49.3(a)(5)

The GFXD has no comments in response to this question.

The Commission requests comment on all aspects of the proposed changes to § 49.5

The GFXD has no comments in response to this question.

The Commission requests comment on all aspects of the proposed changes to § 49.6

The GFXD has no comments in response to this question.

The Commission requests comment on all aspects of the proposed changes to § 49.9

The GFXD has no comments in response to this question.

The Commission requests comment on all aspects of the proposed changes to § 49.10(e)

The GFXD has no comments in response to this question.

The Commission requests comment on all aspects of the proposed changes to § 49.11.

The GFXD supports the aim of the Commission to improve the accuracy of swap data. Please see our responses to the specific questions below.

The Commission also invites specific comment on the following:

(2) Is the Commission’s proposed approach, which does not involve non-reporting counterparties in the verification process, an effective approach to verification? Why or why not? Are there additional benefits or costs to involving non-reporting counterparties in the verification process that have not been considered? Please be specific.

Yes, we agree with the Commission’s proposed approach. The GFXD does not believe that it is necessary to include non-reporting counterparties in the verification process. Such counterparties will not necessarily have technical connections to the SDRs, so these would need to be initiated, as well as the additional technical build for the verification process. In addition, any discrepancies between the two counterparties relating to the terms of the trade will be flagged and corrected through the separate requirements for portfolio reconciliation under part 23.502.

(3) Should the Commission be more prescriptive in how the SDRs must distribute the open swaps reports to reporting counterparties pursuant to proposed § 49.11(b)? If so, what should be the requirements included in the prescribed approach? Please be specific.

No, the GFXD does not believe that more prescription is necessary with regards how open swaps reports should be distributed.

(4) Should the Commission be more prescriptive for the distribution timing and formatting for the open swaps reports the SDRs would provide to the reporting counterparties pursuant to proposed § 49.11(b)(2) and (3)? If so, what should be the requirements in the prescribed approach? Please be specific.

No, the GFXD does not believe that more prescription is necessary with regards how open swaps reports should be timed or formatted, as there will be no need to reconcile reports between different SDRs.

(5) Should the Commission prescribe any aspect of how SDRs must receive verifications of accuracy or notices of discrepancy pursuant to proposed § 49.11(c)? If so, what should be the requirements in the prescribed approach? Please be specific.

No, the GFXD does not believe that more prescription is necessary with regards how open swaps reports should be timed or formatted, as there will be no need to reconcile reports between different SDRs.

(6) Should the Commission require the verification of all swap data messages, as opposed to open swaps reports? Please explain why or why not. If so, what would be the costs and benefits associated with requiring the verification of all swap data messages? Please be specific.

No, the GFXD does not believe that verification of all swap data messages should be required. It is unclear what source firms would verify intra-day messages against, as these records would not typically be kept separately. In addition, errors in intra-day swap data messages would likely be indicated by discrepancies in the open swaps report, for example, incorrect terminations or lifecycle events.

(7) Should the Commission require verification of open swaps reports more or less frequently than weekly for reporting counterparties that are SDs, MSPs, or DCOs? If so, please explain why and suggest a more appropriate verification frequency.

The GFXD believes that a lower frequency (e.g. monthly) for the verification of open swaps reports would be more appropriate. Most issues that would come to light as a result of verification are likely to be systemic rather than relating to the representation of an individual trade. Such systemic issues require a longer timeframe for correction than the three business days proposed, as systems changes are usually made on monthly or quarterly cycles.

Implementation of a higher frequency of reports, such as is currently proposed, would mean that a firm would receive several further open swaps reports flagging the same systemic error before it was able to correct the issue. We address this point again in our response to Q27, but the Commission may wish to consider the volume of reports, often duplicative, that it would receive under the current frequency of validation.

We also note that the proposed changes to §45.14 give a timeframe for verification of the open swaps report in hours, but for correction of errors in business days. This is inconsistent, and we suggest that all timeframes should be given in US business days.

(8) Should the Commission require verification of open swaps reports more or less frequently than monthly for reporting counterparties that are not SDs, MSPs, or DCOs? If so, please explain why and suggest a more appropriate verification frequency.

Given our response to Q7, if the Commission believes that a lower frequency of verification is required for reporting counterparties that are not SDs, MSPs or DCOs, we suggest that quarterly verification may be appropriate for these counterparties.

(9) Should reporting counterparties also be required to verify the completeness and accuracy of swap transaction and pricing data submitted pursuant to part 43? Please explain why or why not.

The GFXD has no comments in response to this question.

The Commission requests comment on all aspects of the proposed changes to § 49.12.

The GFXD has no comments in response to this question.

The Commission also invites specific comment on the following:

(10) Would SDRs be substantially impacted by changing the archival storage requirements of current § 45.2(g)(2) and proposed § 49.12(b)(2) from ten years to a different period of time? If so, what would be the correct length of time, and how would this change impact the SDRs? Please include specific facts and figures when providing comments.

The GFXD has no comments in response to this question.

The Commission requests comment on all aspects of the proposed changes to § 49.13.

The GFXD has no comments in response to this question.

The Commission also invites specific comment on the following:

(11) Should the Commission require SDRs to calculate positions for market participants? Are there technological and/or regulatory limitations that would make such tasks difficult to perform and unlikely to achieve the desired results? Please be specific.

The GFXD has no comments in response to this question.

(12) Should the SDRs create a process whereby the counterparties whose positions have been calculated based on data contained in the SDR have the opportunity to review and subsequently challenge and/or correct the results? Please explain why or why not.

The GFXD has no comments in response to this question.

(13) Are there specific reports or sets of data that the Commission should consider obtaining from SDRs to monitor risk exposures of individual counterparties to swap transactions, to monitor concentrations of risk exposures, or for other purposes? Please be specific.

The GFXD has no comments in response to this question.

(14) Are there specific reports or sets of data that the Commission should consider obtaining from SDRs to evaluate systemic risk or that could be used for prudential supervision? Are there any other reports or sets of data that the Commission should consider obtaining from SDRs that would not be included in the categories listed in proposed § 49.13(a)(1)? Please be specific.

The GFXD has no comments in response to this question.

(15) Are there any other tasks or functions that SDRs could perform related to swap data that could help the Commission better assess individual market participant risks and market risks generally? Please be specific.

The GFXD has no comments in response to this question.

(16) Would any of the specific monitoring, screening, or analyzing topic areas enumerated under proposed § 49.13(a)(1) impose new or substantial costs on SDRs that are not present under the requirements of current § 49.13 and section 21(c)(5) of the CEA? If so, please describe and quantify these costs.

The GFXD has no comments in response to this question.

(17) Is it sufficiently clear in this proposal that the Commission intends for SDRs to provide data and information under proposed § 49.13 solely to assist the Commission in performing its regulatory functions, rather than expecting SDRs to perform any direct oversight of market participants? If not, how should the Commission clarify that proposed § 49.13 would require SDRs to provide data and information solely to assist the Commission in performing its regulatory functions?

The GFXD has no comments in response to this question.

The Commission requests comment on all aspects of the proposed changes to § 49.17.

The GFXD has no comments in response to this question.

The Commission also invites specific comment on the following:

(18) Is there a need to further clarify any of the requirements of the revised paragraphs of proposed § 49.17? If so, which requirements and what information need to be clarified? Please be specific.

The GFXD has no comments in response to this question.

(19) Are there any aspects of current or proposed § 49.17 that would inhibit or in any way prevent experimentation with or development of new technological approaches to SDR operations or providing SDR data to the Commission? If so, what are these inhibitors and how can they be mitigated?

The GFXD has no comments in response to this question.

The Commission requests comment on all aspects of the proposed changes to § 49.22.

The GFXD has no comments in response to this question.

The Commission also invites specific comment on the following:

(20) Has the § 49.22(b)(2)(ii) prohibition on a CCO also serving as an SDR's general counsel or as a member of the SDR's legal department presented SDRs with any challenges or raised concerns that could be fixed by a change to the prohibition?

The GFXD has no comments in response to this question.

(21) Does proposed § 49.22(d)(2) provide CCOs with sufficient clarity as to the conflicts of interest that are within the scope of their responsibilities under the proposed rule?

The GFXD has no comments in response to this question.

(22) Does proposed § 49.22(d)(2) provide CCOs with sufficient authority to resolve any conflicts of interest that may arise as required by section 21(e)(2)(C) of the Act?

The GFXD has no comments in response to this question.

The Commission requests comment on all aspects of the proposed changes to § 49.25.

The GFXD has no comments in response to this question.

The Commission requests comment on all aspects of the proposed changes to § 49.26.

The GFXD has no comments in response to this question.

The Commission also invites specific comment on the following:

(23) Should the Commission require any other specific information be disclosed by SDRs to facilitate market participants' informed decision making? If so, please describe what other information should be disclosed and why. Please be specific.

The GFXD has no comments in response to this question.

The Commission requests comment on all aspects of the proposed changes to § 49.28.

The Commission also invites specific comment on the following:

(24) Does proposed § 49.28 provide SDRs sufficient flexibility to conduct necessary maintenance on their electronic systems while still facilitating the availability of SDR data for the Commission and the public? Please be specific.

The GFXD has no comments in response to this question.

The Commission requests comment on all aspects of the proposed changes to § 49.29.

The GFXD has no comments in response to this question.

The Commission requests comment on all aspects of the proposed changes to § 49.30.

The GFXD has no comments in response to this question.

The Commission also invites specific comment on the following:

(25) Should the Commission provide a single format or coding structure for each SDR to deliver reports and other information in a consistent manner? Are existing standards and formats sufficient for providing the Commission with requested information? Please explain why or why not.

The GFXD has no comments in response to this question.

(26) Should the Commission require specific electronic data transmission methods and/or protocols for SDRs to disseminate reports and other information to the Commission? Please explain why or why not.

The GFXD has no comments in response to this question.

The Commission requests comment on all aspects of the proposed changes to § 45.14.

Please see our comments below in response to specific questions.

The Commission also invites specific comment on the following:

(27) Should the Commission be more prescriptive in how reporting counterparties must complete the verification process? If so, please describe in detail.

Yes, the GFXD wishes to raise the following comments:

Relevant data fields

The GFXD strongly suggests that the Commission should identify, from the extensive set of fields in part 45, the fields which relate to the economic terms of the trade and that only these fields should be subject to verification by reporting counterparties. We understand that the current text is not specific in stating whether the verification requirement should apply to all or only certain fields. However, when considering the current set of reporting fields, and the additional fields which the industry anticipates that the CFTC will propose, it does not seem necessary or proportionate that every field should be subject to verification.

For example, there are a number of fields which contain static data, which should not require verification, such as counterparty information. Furthermore, fields relating to valuation and collateral are updated on a much more frequent basis than that by which counterparties will be required to verify open swaps reports. This would make redundant any requirement to correct a discrepancy in these fields which has been identified in an open swaps report. Instead, we suggest that the verification process should focus on those fields related to the economic terms of the trade, as it is these fields which should be of most value to the CFTC in its data analysis.

Verification process

We suggest the retention of the status of Swap Execution Facilities (SEFs) and Derivatives Clearing Members (DCMs) as trusted parties, whose swap data reporting need not be separately verified by the counterparties to the original trade. Registration as a SEF or DCM should be sufficient to ensure that the counterparty has a commitment to provide good quality data.

Clarification would be helpful from the Commission on particular scenarios which may occur, for example:

- That no further action need be taken by a non-reporting counterparty that discovers a discrepancy in reporting data, which is already being addressed by the reporting counterparty; or
- That a firm that has made the CFTC aware of a systemic error and of its remediation plan, does not need to re-notify the CFTC where a subsequent open swaps report contains the same systemic error because the remediation plan is still underway. The exception to this would be where there is an update to be provided to the CFTC on the status of remediation.

Verification Timeline

As noted above in our response to Q7, the GFXD believes that monthly verification of open swaps reports would be a more appropriate timeframe. Where discrepancies will require systems changes to correct, these generally require a longer timeframe than the three business days proposed, which would mean that a firm would receive the next open swaps report before it was able to correct the errors from the previous.

We also note that the proposed changes to §45.14 give a timeframe for verification of the open swaps report in hours, but for correction of errors in business days. This is inconsistent, and we suggest that all timeframes should be given in US business days.

The Commission requests comment on all aspects of the proposed changes to § 43.3.

As noted above in our response to Q7, the GFXD believes that monthly verification of open swaps reports would be a more appropriate timeframe. Where discrepancies will require systems changes to correct, these generally require a longer timeframe than the three business days proposed, which would mean that a firm would receive the next open swaps report before it was able to correct the errors from the previous.

The Commission requests comment on all aspects of the proposed changes to §§ 23.204(c) and 23.205(c).

Please see our comments in relation to Q28 below.

The Commission also invites specific comment on the following:

(28) Should proposed § 23.204(c) and § 23.205(c) specify the elements to be included in the required policies and procedures? If so, what specific elements should be included in the proposed regulation, and why? Please be specific.

No, the GFXD does not consider that it is necessary to specify the elements that should be included in the relevant policies and procedures. It should be sufficient that the policies and procedures are “reasonably designed” to ensure compliance with the relevant rules and reviewed annually. Firms should already have in place policies and procedures for verification of reporting data, which will simply need to be updated as the final rules are published rather than created as new.

The Commission requests comments concerning all aspects of the proposed regulations, including, without limitation, all of the aspects of the proposed regulations on which comments have been requested specifically herein.

Please see our responses to the following questions.

The Commission also invites comments on the following:

(29) Please describe the nature of any changes necessary, i.e., operational, technological, administrative, etc., for SDRs, other registered entities, and swap

counterparties to comply with the regulations proposed in this release, including the length of time needed to implement each type of change, whether a phase-in period is needed, and how any phase in of any final rules should be structured. Please describe how any changes to systems made by one type of entity, such as the SDRs, would require changes to systems by other entities within the swaps reporting environment, and what sequencing of changes would need to occur.

Scale of changes

Implementation of the changes required by this proposal will entail significant operational technological and administrative work by GFXD member firm. However, it will be difficult to quantify the scale and cost of these changes until the Commission has released its forthcoming related proposal on changes to the data fields required by parts 43 and 45. The scale of implementation for our members will also be dependent on the technical changes implemented by the SDRs themselves.

It should be noted that the cost and challenge of implementing the current proposal, i.e. verification for all part 43 and 45 fields on a weekly basis, can be alleviated for firms if the proposal is modified according to our suggestions to reduce the frequency of the verification and focus only on the key economic fields for the trades. Were the proposal to be left in its current form, significant additional headcount costs would be imposed on firms to meet the requirements.

Phase-in periods

The GFXD believes that it would be most efficient for any changes to the fields required under parts 43 and 45 to be phased in and fully embedded before the implementation of any verification procedures. This would ensure that reporting counterparties had addressed any immediate challenges exposed by the implementation of new field requirements before receiving open swaps reports. We therefore suggest a 12-month implementation period for the data fields in parts 43 and 45, followed by at least 6 months to phase in changes to verification.

(30) Would the proposed amendments and additions to parts 23, 43, 45, and 49 adequately improve the data quality and accuracy of reported SDR data maintained by SDRs? If not, please explain.

The GFXD suggests that further detail would be helpful from the Commission as to what specific concerns it has in relation to data accuracy for FX. We note the Statement of

Concurrence of Commissioner Dawn D. Stump, which states that “the Commission has not voiced concern about widespread discrepancies or inaccuracies in swaps data reported to SDRs”. It is therefore unclear what additional benefits can be gained by instituting a comprehensive process of verification, particularly if the current breadth of proposal is maintained, which does not focused the verification on the key economic fields for the trade.

(31) Are additional changes necessary to parts 23, 43, 45, and 49 (or other parts of the regulations) to ensure the quality of reported SDR data held and maintained by SDRs? If so, please explain.

By way of follow on from our response to Q30, it is extremely difficult for the industry to comment on how this proposal on data verification will affect data quality before the Commission has issued its forthcoming related proposal on changes to the data fields required by parts 43 and 45.

We hope that the Commission will, through this second proposal, seek to align its data fields to the data harmonisation work led by CPMI-IOSCO⁴, which has been finalised as technical Guidance and for which the establishment of governance processes is now underway. Adoption of these global standards will be the most important way of improving data quality across jurisdictions, as it will eliminate the need for counterparties to report multiple different data sets for the same trade. This is particularly key in FX, where the last BIS Triennial Survey⁵ showed that 65% of transactions are cross-border, meaning that many counterparties have to report the same trade to more than one jurisdiction.

Information collection: The Commission invites the public and other Federal agencies to comment on any aspect of the proposed information collection requirements.

The GFXD has no comments in response to this question.

The Commission requests comment on its considerations of the costs and benefits of the proposed amendments to § 49.3(a)(5). Are there additional costs or benefits that the Commission should consider? Commenters are encouraged to include both qualitative and quantitative assessments of these benefits.

⁴ The Committee on Payments and Market Infrastructure (CPMI) and the International Organisation of Securities Commissions (IOSCO) work on the harmonisation of the Unique Product Identifier (UPI), Unique Transaction Identifier (UTI) and Common Data Elements (CDE)

⁵ <https://www.bis.org/publ/rpfx16fx.pdf>

The GFXD has no comments in response to this question.

The Commission requests comments on its consideration of alternatives to proposed § 49.3(a)(5). Are there any other alternatives that may provide preferable costs or benefits than the costs and benefits related to the proposed amendments?

The GFXD has no comments in response to this question.

The Commission requests comment on its considerations of the costs and benefits of the proposed amendments to § 49.5. Are there additional costs or benefits that the Commission should consider? Commenters are encouraged to include both qualitative and quantitative assessments of these benefits.

The GFXD has no comments in response to this question.

The Commission requests comment on its consideration of alternatives to proposed § 49.5. Are there any other alternatives that may provide preferable costs or benefits than the costs and benefits related to the proposed amendments?

The GFXD has no comments in response to this question.

The Commission requests comment on its considerations of the costs and benefits of the proposed amendments to § 49.6. Are there additional costs or benefits that the Commission should consider? Commenters are encouraged to include both qualitative and quantitative assessments of these benefits.

The GFXD has no comments in response to this question.

The Commission requests comments on its consideration of alternatives to proposed § 49.6. Are there any other alternatives that may provide preferable costs or benefits than the costs and benefits related to the proposed amendments?

The GFXD has no comments in response to this question.

The Commission requests comment on its considerations of the costs and benefits of the proposed amendments to § 49.9. Are there additional costs or benefits that the Commission should consider? Commenters are encouraged to include both qualitative and quantitative assessments of these benefits.

The GFXD has no comments in response to this question.

The Commission requests comments on its consideration of alternatives to proposed § 49.9. Are there any other alternatives that may provide preferable costs or benefits than the costs and benefits related to the proposed amendments?

The GFXD has no comments in response to this question.

The Commission requests comment on its considerations of the costs and benefits of the proposed amendments to § 49.10. Are there additional costs or benefits that the Commission should consider? Commenters are encouraged to include both qualitative and quantitative assessments of these benefits.

The GFXD has no comments in response to this question.

The Commission requests comments on its consideration of alternatives to proposed § 49.10. Are there any other alternatives that may provide preferable costs or benefits than the costs and benefits related to the proposed amendments?

The GFXD has no comments in response to this question.

The Commission requests comment on its considerations of the costs and benefits of the proposed amendments to § 49.11. Are there additional costs or benefits that the Commission should consider? Commenters are encouraged to include both qualitative and quantitative assessments of these benefits.

The GFXD has no comments in response to this question.

The Commission requests comments on its consideration of alternatives to proposed § 49.11. Are there any other alternatives that may provide preferable costs or benefits than the costs and benefits related to the proposed amendments?

The GFXD has no comments in response to this question.

The Commission requests comment on its considerations of the costs and benefits of the proposed amendments to § 49.12. Are there additional costs or benefits that the Commission should consider? Commenters are encouraged to include both qualitative and quantitative assessments of these benefits.

The GFXD has no comments in response to this question.

The Commission requests comments on its consideration of alternatives to proposed § 49.12. Are there any other alternatives that may provide preferable costs or benefits than the costs and benefits related to the proposed amendments?

The GFXD has no comments in response to this question.

The Commission requests comment on its considerations of the costs and benefits of the proposed amendments to § 49.13. Are there additional costs or benefits that the Commission should consider? Commenters are encouraged to include both qualitative and quantitative assessments of these benefits.

The GFXD has no comments in response to this question.

The Commission requests comments on its consideration of alternatives to proposed § 49.13. Are there any other alternatives that may provide preferable costs or benefits than the costs and benefits related to the proposed amendments?

The GFXD has no comments in response to this question.

The Commission requests comment on its considerations of the costs and benefits of the proposed amendments to § 49.17. Are there additional costs or benefits that the Commission should consider? Commenters are encouraged to include both qualitative and quantitative assessments of these benefits.

The GFXD has no comments in response to this question.

The Commission requests comments on its consideration of alternatives to proposed § 49.17. Are there any other alternatives that may provide preferable costs or benefits than the costs and benefits related to the proposed amendments?

The GFXD has no comments in response to this question.

The Commission requests comment on its considerations of the costs and benefits of the proposed amendments to § 49.22. Are there additional costs or benefits that the Commission should consider? Commenters are encouraged to include both qualitative and quantitative assessments of these benefits.

The GFXD has no comments in response to this question.

The Commission requests comments on its consideration of alternatives to proposed § 49.22. Are there any other alternatives that may provide preferable costs or benefits than the costs and benefits related to the proposed amendments?

The GFXD has no comments in response to this question.

The Commission requests comment on its considerations of the costs and benefits of the proposed amendments to § 49.25. Are there additional costs or benefits that the Commission should consider? Commenters are encouraged to include both qualitative and quantitative assessments of these benefits.

The GFXD has no comments in response to this question.

The Commission requests comments on its consideration of alternatives to proposed § 49.25. Are there any other alternatives that may provide preferable costs or benefits than the costs and benefits related to the proposed amendments?

The GFXD has no comments in response to this question.

The Commission requests comment on its considerations of the costs and benefits of the proposed amendments to § 49.26. Are there additional costs or benefits that the Commission should consider? Commenters are encouraged to include both qualitative and quantitative assessments of these benefits.

The GFXD has no comments in response to this question.

The Commission requests comments on its consideration of alternatives to proposed § 49.26. Are there any other alternatives that may provide preferable costs or benefits than the costs and benefits related to the proposed amendments?

The GFXD has no comments in response to this question.

The Commission requests comment on its considerations of the costs and benefits of the proposed amendments to § 49.28. Are there additional costs or benefits that the Commission should consider? Commenters are encouraged to include both qualitative and quantitative assessments of these benefits.

The GFXD has no comments in response to this question.

The Commission requests comments on its consideration of alternatives to proposed § 49.28. Are there any other alternatives that may provide preferable costs or benefits than the costs and benefits related to the proposed amendments?

The GFXD has no comments in response to this question.

The Commission requests comment on its considerations of the costs and benefits of the proposed amendments to § 49.29. Are there additional costs or benefits that the Commission should consider? Commenters are encouraged to include both qualitative and quantitative assessments of these benefits.

The GFXD has no comments in response to this question.

The Commission requests comments on its consideration of alternatives to proposed § 49.29. Are there any other alternatives that may provide preferable costs or benefits than the costs and benefits related to the proposed amendments?

The GFXD has no comments in response to this question.

The Commission requests comment on its considerations of the costs and benefits of the proposed amendments to § 49.30. Are there additional costs or benefits that the Commission should consider? Commenters are encouraged to include both qualitative and quantitative assessments of these benefits.

The GFXD has no comments in response to this question.

The Commission requests comments on its consideration of alternatives to proposed § 49.30. Are there any other alternatives that may provide preferable costs or benefits than the costs and benefits related to the proposed amendments?

The GFXD has no comments in response to this question.

The Commission requests comment on its considerations of the costs and benefits of the proposed amendments to § 45.14. Are there additional costs or benefits that the Commission should consider? Commenters are encouraged to include both qualitative and quantitative assessments of these benefits.

The GFXD has no comments in response to this question.

The Commission requests comments on its consideration of alternatives to proposed § 45.14. Are there any other alternatives that may provide preferable costs or benefits than the costs and benefits related to the proposed amendments?

The GFXD has no comments in response to this question.

The Commission requests comment on its considerations of the costs and benefits of the proposed amendments to § 43.3(e). Are there additional costs or benefits that the Commission should consider? Commenters are encouraged to include both qualitative and quantitative assessments of these benefits.

The GFXD has no comments in response to this question.

The Commission requests comments on its consideration of alternatives to proposed § 43.3(e). Are there any other alternatives that may provide preferable costs or benefits than the costs and benefits related to the proposed amendments?

The GFXD has no comments in response to this question.

The Commission requests comment on its considerations of the costs and benefits of the proposed amendments to §§ 23.204(c) and 23.205(c). Are there additional costs or benefits that the Commission should consider? Commenters are encouraged to include both qualitative and quantitative assessments of these benefits.

The GFXD has no comments in response to this question.

The Commission requests comments on its consideration of alternatives to proposed §§ 23.204(c) and 23.205(c). Are there any other alternatives that may provide preferable costs or benefits than the costs and benefits related to the proposed amendments?

The GFXD has no comments in response to this question.

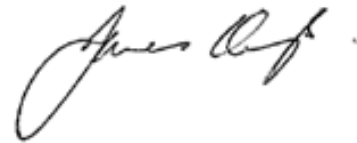
The Commission requests comment on all aspects of the proposed rules. Beyond specific questions interspersed throughout this discussion, the Commission generally requests comment on all aspects of its consideration of costs and benefits, including: identification and assessment of any costs and benefits not discussed herein; the potential costs and benefits of the alternatives that the Commission discussed in this release; data and any other information to assist or otherwise inform the Commission's ability to quantify or qualitatively describe the benefits and costs of the proposed rules;

and substantiating data, statistics, and any other information to support statements by commenters with respect to the Commission's consideration of costs and benefits. Commenters also may suggest other alternatives to the proposed approach where the commenters believe that the alternatives would be appropriate under the CEA and provide a superior cost-benefit profile.

The GFXD has no comments in response to this question.

We appreciate you giving us the opportunity to share our views. Please do not hesitate to contact Andrew Harvey on +44 203 828 2694, email aharvey@gfma.org, or Fiona Willis on +44 203 828 2739, email fwillis@gfma.org, should you wish to discuss the above.

Yours sincerely,

A handwritten signature in black ink, appearing to read "James Kemp". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

James Kemp
Managing Director
Global Foreign Exchange Division, GFMA