

Christopher Kirkpatrick, Secretary  
Commodity Futures Trading Commission  
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[www.cftc.gov](http://www.cftc.gov)

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Germany

05 October 2023

- **17 CFR Part 23**
- **RIN Number 3038-AF36**
- **Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants**

Dear Mr. Kirkpatrick.

Thank you very much for giving us the opportunity to comment on your notice of proposed rulemaking on Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants.

The Commodity Futures Trading Commission (CFTC) is proposing to amend the margin requirements for uncleared swaps applicable to swap dealers (SDs) and major swap participants (MSPs) for which there is no prudential regulator. The proposed amendment would revise the definition of “margin affiliate” to provide that certain collective investment vehicles (investment funds or funds) that receive all of their start-up capital, or a portion thereof, from a sponsor entity (seeded funds) would be deemed not to have any margin affiliates for the purposes of calculating certain thresholds that trigger the requirement to exchange initial margin (IM) for uncleared swaps. This proposed amendment (Seeded Funds Proposal) would effectively relieve SDs and MSPs from the requirement to post and collect IM with certain eligible seeded funds for their uncleared swaps for a period of three years from the date on which the eligible seeded fund’s asset manager first begins making investments on behalf of the fund (trading inception date). The CFTC is also proposing to eliminate a provision disqualifying the securities issued by certain pooled investment funds (MMFs) that transfer their assets through securities lending, securities borrowing, repurchase agreements, reverse repurchase agreements, and similar arrangements from being used as eligible IM collateral, thereby expanding the scope of assets that qualify as eligible collateral

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

(Money Market Funds Proposal). Additionally, the CFTC is proposing an amendment to the haircut schedule set forth in a CFTC Regulation to add a footnote that was inadvertently omitted when the rule was originally promulgated.

I support the proposal to eliminate the restriction on the use of MMFs that transfer their assets through securities lending, repurchase agreements, and other similar agreements from being used as eligible IM collateral (the Money Market Funds Proposal). This would allow a broader range of MMFs to be used as eligible collateral, and would align to the Securities and Exchange Commission's framework, which does not impose such restrictions on funds whose securities are used as collateral for margining purposes and expressly permits the use of government MMF securities as eligible collateral. The relevant MMFs would be those that invest in high quality, safe assets such as US Treasuries, and would therefore be appropriate to be used as eligible IM collateral. The Money Market Funds Proposal should promote more efficient collateral management practices and lead to greater diversity of assets used for collateral, which should reduce the overall riskiness of IM assets.

Yours sincerely

C.R.B.

Chris Barnard