

MEMO# 28903

April 16, 2015

Draft Comment Letter to SEC Requesting Re-Proposal of Margin Rules for Security-Based Swap Dealers; Member Feedback Requested by Friday, April 24

[28903]

April 16, 2015

TO:

DERIVATIVES MARKETS ADVISORY COMMITTEE No. 26-15
ICI GLOBAL TRADING & MARKETS COMMITTEE No. 16-15

RE:

DRAFT COMMENT LETTER TO SEC REQUESTING RE-PROPOSAL OF MARGIN RULES FOR SECURITY-BASED SWAP DEALERS; MEMBER FEEDBACK REQUESTED BY FRIDAY, APRIL 24

Attached for your review is a draft ICI letter to the Securities and Exchange Commission ("Commission" or "SEC") requesting that the SEC re-propose its capital, margin, and segregation proposal for security-based swap dealers ("SBSDs") and major security-based swap participants ("MSBSPs") to be consistent with both international standards and recent proposals of other US regulators. [\[1\]](#) The draft letter expresses concern that the significant differences between the current proposal under consideration by the SEC and the proposals of other US regulators and the international standards adopted by the Basel Committee on Banking Supervision ("BCBS") and the International Organization of Securities Commissions ("IOSCO") would make it impossible to achieve international harmonization of margin rules for uncleared derivatives. The letter also discusses how the key elements of the SEC's margin proposal are inconsistent with those of other regulators and the International Margin Framework.

If you have comments on the draft letter, please provide them to Jennifer Choi at jennifer.choi@ici.org by Friday, April 24.

Jennifer S. Choi
Associate General Counsel

[Attachment](#)

endnotes

[1] Capital, Margin, and Segregation Requirements for Security-Based Swap Dealers and Major Security-Based Swap Participants and Capital Requirements for Broker-Dealers, 77 FR 70214 (Nov. 23, 2012) (“Proposal”), available at <http://www.gpo.gov/fdsys/pkg/FR-2012-11-23/pdf/2012-26164.pdf>. ICI has submitted two comment letters in response to the Proposal. See Letter from Karrie McMillan, General Counsel, Investment Company Institute, to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, dated December 5, 2013, available at <http://www.ici.org/pdf/27742.pdf>; Letter from Karrie McMillan, General Counsel, Investment Company Institute, to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, dated February 4, 2013, available at <http://www.ici.org/pdf/26967.pdf>.

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