

**MEMO# 34179**

June 10, 2022

## **ICI files Comment Letter on SEC's SBSEF Proposal**

[34179]

June 13, 2022

TO: ICI Members

Derivatives Markets Advisory Committee SUBJECTS: Derivatives

Trading and Markets RE: ICI files Comment Letter on SEC's SBSEF Proposal

On June 10, ICI filed a comment letter on the SEC's proposed regime for the registration and regulation of security-based swap execution facilities (SBSEFs). The Proposal seeks to closely harmonize with analogous CFTC rules for swap execution facilities (SEFs), except in certain instances. Our letter is attached and is summarized below.

ICI's letter generally supports the SEC's efforts to harmonize its regulatory approach with that of the CFTC, subject to our recommended modifications. The letter recommends that the SEC strengthen the proposed "made available to trade" (MAT) process for SB swaps by:

- Clarifying that eligible MAT determinations may include only SB swaps that have been determined to be subject to mandatory clearing;
- Enhancing and mandating consideration of all factors, and establishing a robust process and standards for determining that an SB swap is no longer available to trade;
- Establishing a 30-day public comment period for all proposed MAT determinations and providing a compliance period of at least 90 days for implementation; and
- Creating an advisory board to help facilitate the process

The letter also recommends a more tailored approach to the proposed block trade exception from the methods of execution for required transactions, requests guidance on the use of pre-execution communications, and recommends aligning the cross-border application of the SEC's proposed framework with that of the CFTC's framework.

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