

COMMENT LETTER

October 26, 2018

ICI and Other Trade Associations Request that SEC Re-Propose and Extend Comment Deadline of Security- Based Swaps Release (pdf)

October 24, 2018 Mr. Brent Fields Secretary of the Commission U.S. Securities and Exchange Commission 100 F Street, NE Washington, D.C. 20549 Re: Request for Re-Proposal and Comment Deadline Extension on the Reopening of Comment Periods for Capital, Margin, and Segregation Requirements for Security- Based Swap Dealers and Major Security-Based Swap Participants and Capital Requirements for Broker-Dealers [Release No. 34-84409; File No. S7-08-12] Dear Mr. Fields: The undersigned associations¹ appreciate the decision of the U.S. Securities and Exchange Commission ("Commission") to re-open the comment period for the Commission's proposed Capital, Margin, and Segregation Requirements for Security-Based Swap Dealers and Major Security-Based Swap Participants ("Reopened Proposal").² The associations recognize the Commission's ongoing commitment to open dialogue with security-based swap market participants on these proposed rules, and its important efforts to coordinate with other regulators, both inside and outside the United States. The associations are currently working to prepare comments on the Reopened Proposal, which are due on November 19, 2018. While we appreciate the Commission's decision to reopen the comment period prior to finalizing these rules, we note that over six years have passed since these rules were first proposed, and other regulators have either proposed or finalized capital, margin, and segregation requirements pursuant to their own respective legislative mandates. Further, the potential issues on which the Commission requests comment in the Reopened Proposal have significant implications for security-based swaps participants and the markets, and it is unclear from the Reopened Proposal how the Commission would incorporate these changes into the final rules. For these reasons, we respectfully request that the Commission re-propose its rule to more clearly indicate how it is considering accounting for the approaches other regulators have taken with respect to capital, margin, and segregation requirements.¹ Information about each of the trade associations that have signed this letter is contained in the Appendix.² Capital, Margin, and Segregation Requirements for Security-Based Swap Dealers and Major Security- Based Swap Participants and Capital Requirements for Broker-Dealers, 83 Fed. Reg. 53007 (Oct. 19, 2018).² In addition, we ask the Commission to extend the deadline for comments on the Reopened Proposal for an additional 30 days to December 19, 2018. This extra time will allow the associations to re-analyze and prepare more substantiated comments on the Reopened Proposal to reflect the current market and regulatory landscape. Importantly, the undersigned associations represent sell side and buy

side market participants, as well as key market intermediaries. We anticipate that we may have different comments from one another on the issues raised in the Reopened Proposal. We agree, however, that the comment process would be materially assisted by both a re-proposal and a longer comment period in order to provide the opportunity for thoughtful public feedback on this important rulemaking. We thank the Commission for its consideration of our request. Respectfully submitted, International Swaps and Derivatives Association, Inc. Investment Company Institute Managed Funds Association U.S. Chamber of Commerce, Center for Capital Markets Competitiveness 3 APPENDIX International Swaps and Derivatives Association, Inc. (ISDA) Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has more than 900 member institutions from 70 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's website: www.isda.org. Follow us on Twitter @ISDA. The Investment Company Institute (ICI) is the leading association representing regulated funds globally, including mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and similar funds offered to investors in jurisdictions worldwide. ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. ICI's members manage total assets of US\$22.7 trillion in the United States, serving more than 100 million US shareholders, and US\$7.3 trillion in assets in other jurisdictions. ICI carries out its international work through ICI Global, with offices in London, Hong Kong, and Washington, DC. Managed Funds Association (MFA) represents the global alternative investment industry and its investors by advocating for sound industry practices and public policies that foster efficient, transparent, and fair capital markets. MFA, based in Washington, DC, is an advocacy, education, and communications organization established to enable hedge fund and managed futures firms in the alternative investment industry to participate in public policy discourse, share best practices and learn from peers, and communicate the industry's contributions to the global economy. MFA members help pension plans, university endowments, charitable organizations, qualified individuals, and other institutional investors to diversify their investments, manage risk, and generate attractive returns. MFA has cultivated a global membership and actively engages with regulators and policy makers in Asia, Europe, the Americas, Australia and many other regions where MFA members are market participants. The U.S. Chamber's Center for Capital Markets Competitiveness's (CCMC) mission is to advance America's global leadership in capital formation by supporting diverse capital markets that are the most fair, transparent, efficient, and innovative in the world. CCMC advocates on behalf of American businesses to ensure that legislation and regulation strengthen our capital markets allowing businesses—from the local flower shop to a multinational manufacturer—to mitigate risks, manage liquidity, access credit, and raise capital.