



| asset management group

December 5, 2012

Via Electronic Mail:

Mr. David A. Stawick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: Support of ISDA Request to Defer Compliance Dates for External Business
Conduct Requirements and Other Information Collection Rules

Dear Mr. Stawick:

The Asset Management Group (the “**AMG**”)¹ of the Securities Industry and Financial Markets Association (“**SIFMA**”) wishes to express its support of the recent request by the International Swaps and Derivatives Association, Inc. (“**ISDA**”) that the Commission defer compliance dates for external business conduct requirements and other information collection rules² (the “**Rules**”) that

¹ The AMG’s members represent U.S. asset management firms whose combined assets under management exceed \$20 trillion. The clients of AMG member firms include, among others, registered investment companies, endowments, state and local government pension funds, private sector Employee Retirement Income Security Act of 1974 pension funds and private funds such as hedge funds and private equity funds. In their role as asset managers, AMG member firms, on behalf of their clients, engage in transactions for hedging and risk management purposes that will be classified as “security-based swaps” and “swaps” under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”).

² Specifically, the rules in Subpart H of Part 23 (other than Rule 23.410(a) and (b), Rule 23.433, Rule 23.434(a)(1) and Rule 23.451) and Commission Rules 20.4-5, 23.201(b)(3)(ii), 23.204-205, 23.505, 32.3(a)(2)-(3), 43.3-4, 45.2-4, 45.6, and 46.3. Consequently, fundamental counterparty protections relating to (i) prohibitions on fraud, manipulation and abusive practices, (ii) fair dealings in communications, and (iii) reasonable diligence regarding recommended swaps would not be affected by the requested deferral.

are the subject of ISDA's August 2012 Dodd-Frank Protocol (the "**Protocol**")³ until May 1, 2013 (the "**ISDA Letter**"). We agree with ISDA's further letter to the CFTC of December 4, 2012 that the CFTC should provide such an extension through an interim final rule, rather than a no-action letter, to alleviate market concerns regarding the potential for private rights of action. AMG believes such concerns could chill liquidity and result in market disruptions after January 1, 2013 if relief were granted in the form of a no-action letter.

We agree with ISDA's view that the industry standard, multilateral, web-based process of the ISDA Protocols is an efficient means of achieving compliance with the Rules. However, as described in the ISDA Letter, the Protocol process requires that asset managers that complete the Protocol on behalf of their clients obtain a large amount of information from these clients. In order to facilitate this process and to ensure timely adherence to the Protocol, AMG members have prepared standardized documentation to enable asset managers to obtain the requisite information from clients and have published these documents on its website.⁴ While we have been making progress through these additional efforts, adherence and performance rates remain lower than expected and additional time is needed due to our clients' lack of familiarity with this new Dodd-Frank process and the requirements that will apply to them. This unfamiliarity is particularly acute in the case of foreign clients who have been reluctant to provide our members with the necessary information to enable them to complete the Protocol on their behalf as they are unsure whether Dodd-Frank swap requirements will apply to them.

In addition to the difficulty of collecting information directly from clients, timely adherence to the Protocol has been further complicated by the logistical difficulties involved in obtaining bulk CFTC Interim Compliant Identifiers ("**CICIs**") on behalf of multiple principals and beneficial owners. Some AMG members have waited over 30 days to receive bulk CICIs and others have been advised that there is a lengthy backlog for the provision of bulk CICIs. Additionally, early glitches in the process of obtaining CICIs remain to be worked out, which may add further delay.

³ As described in the ISDA Letter, the Rules require swap dealers and major swap participants to obtain counterparty information, representations and agreements, to make certain disclosures and provide notices to their counterparties and to complete necessary modifications of their own operational infrastructure. In order to facilitate compliance with these requirements in a timely and efficient manner, ISDA published the Protocol and made arrangements with a technology provider to establish an electronic facility for market participants to adhere to Protocol.

⁴ Available at [http://www.sifma.org/committees/asset-management-group/asset-management-group-\(amg\)/sifma-asset-management-group-dodd-frank-protocol-client-reference-guide/](http://www.sifma.org/committees/asset-management-group/asset-management-group-(amg)/sifma-asset-management-group-dodd-frank-protocol-client-reference-guide/).

For these reasons, we believe it would be appropriate to delay the requirement to comply with the Rules until May 1, 2013 through an interim final rule, as requested by ISDA. We believe this would provide us sufficient time to resolve the issues above and for our clients to adhere to the Protocol.

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Should you have any questions, please do not hesitate to call the undersigned at 212-313-1389.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Cameron', with a long horizontal flourish extending to the right.

Timothy W. Cameron, Esq.
Managing Director, Asset Management Group
Securities Industry and Financial Markets Association