asset management group

17 C.F.R. Parts 37 and 43

September 23, 2013

Mr. David Van Wagner
Chief Counsel, Division of Market Oversight
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, DC 20581

Re: **Request for Relief Relating to Swap Execution Facility Implementation and Swap Trade Execution**

Dear Mr. Van Wagner:

The Asset Management Group ("**AMG**")[1] of the Securities Industry and Financial Markets Association ("**SIFMA**") hereby requests that the Commodity Futures Trading Commission (the "**Commission**") (1) provide an extension of the deadline for registration and compliance with its swap execution facility ("**SEF**") final rules (the "**SEF Final Rules**")[2] until at least April 1, 2014, (2) change the "made available to trade" ("**MAT**") process so that a cleared swap will not be mandated to trade on a SEF until at least 90 days after the MAT determination submission for such swap has been deemed approved,[3] and (3) provide further relief, guidance and/or clarification around certain provisions of the Commission's swap trade execution rules and guidance as set forth below.

I. Request for an extension of the registration and compliance deadline for the SEF Final Rules

The AMG strongly believes that the transition to trading swaps through SEFs should be implemented in a responsible manner. In pursuit of this goal, as the October 2, 2013 SEF registration and compliance deadline (the "**October 2 Deadline**") approaches, our members have

[1] 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, ERISA plans and state and local government pension funds, many of whom invest in commodity futures, options, and swaps as part of their respective investment strategies.

[2] Core Principles and Other Requirements for Swap Execution Facilities, 78 Fed. Reg. 33,476 (June 4, 2013).

[3] See Process for a Designated Contract Market or Swap Execution Facility To Make a Swap Available to Trade, Swap Transaction Compliance and Implementation Schedule, and Trade Execution Requirement Under the Commodity Exchange Act, 78 Fed. Reg. 33606 (June 4, 2013); 17 C.F.R. § 37.12 (Trade execution compliance schedule).

been diligently working to ensure they are prepared for execution of swaps on these platforms. AMG created a trade execution working group, consisting of 18 member asset management firms, to address implementation of swap trading on SEFs in July. The group has met several times to discuss how asset managers can transition to SEF trading. One consistent theme has emerged from these discussions: as the potential SEFs themselves are not clear about how to interpret certain of their obligations under the SEF Final Rules, our members are unable to determine how to implement the transition to swap execution on SEFs. We firmly believe that without sufficient time and guidance necessary to address key implementation challenges and interpretive questions, an orderly transition will not be possible. Further, as described below, these implementation challenges and interpretive questions may jeopardize liquidity in (and threaten the integrity of) the global derivatives market. Fragmentation of liquidity and difficulty of operationally on-boarding SEFs is contrary to the enacting statute, which was codified in the SEF Final Rules requiring SEFs to "provide market participants with impartial access to the market."[4]

In order to successfully transition to trading swaps through SEFs, key changes must be made to current market structures. These changes include, but are not limited to: (a) developing and testing new systems and trade flows; (b) establishing connectivity with a greatly increased population of SEF platforms; and (c) agreeing on clear, fair legal documentation that ensures impartial access to SEFs.

(a) Developing and testing new systems and trade flows.

As with the industry transition to centrally cleared swaps, establishing the necessary connectivity and trade flows to SEFs has been challenging. Threshold issues, such as whether market participants may continue to use middleware providers as part of the SEF trade flows, remain open and unresolved. Today, many market participants use middleware providers as post-execution affirmation and allocation platforms as part of their central clearing models. Notwithstanding this market precedent, there exists a split among the provisionally registered SEFs as to how the affirmation process should (or must) be conducted. Some have suggested that they will continue to use middleware providers, while others have suggested that they will develop their own, proprietary systems and not permit connectivity to clearinghouses via middleware. This uncertainty continues to be a considerable hurdle to preparing for SEF trading. We also note that an alternative to middleware would be a major deviation from current processes for cleared swaps and a significant technological lift to complete by the October 2 Deadline. The inability to utilize middleware providers could also change the structure of central clearing hubs that may be developing for connectivity to such systems. As a practical matter, AMG members cannot code and implement to multiple SEF platforms that continue to evolve structurally in basic ways.

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[4] See Section 733(f)(2)(B)(i) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111–203, 124 Stat. 1376 (2010); codified at 17 C.F.R. § 37.202(a) (Impartial access to markets and market services). These hurdles for permitted actions would induce market participants to revert to one-to-one voice trading and would hinder the Commission's goal to increase transparency to the derivatives market.

(b) Establishing connectivity with a greatly increased population of SEF platforms.

The marketplace is still reacting to the fact that the SEF Final Rules contained a provision that was absent from the proposed SEF rules[5] that greatly increases the population of entities that must now become SEFs. In particular, this new provision will require certain entities that offer trade execution of swaps on a multiple-to-multiple basis to register as SEFs *even if such entities only execute or trade swaps that are not subject to the trade execution mandate*.[6] This means that a large number of electronic trading platforms (which under the proposed SEF rules would not have been required to register as SEFs) are now rushing to (i) receive provisional SEF registration from the Commission, (ii) build their technology and infrastructure, (iii) finalize legal documentation establishing themselves as SEFs, and (iv) attend to the host of other matters associated with becoming a SEF, including soliciting and on-boarding participants. When these SEFs become operational, legacy platforms generally will no longer be available to market participants for permitted transactions, as defined under 17 C.F.R. § 37.9(c)(1) ("**Permitted Transactions**").[7] Given that some of these trading platforms currently host significant market activity and liquidity, many of AMG's members will be forced to either (i) on-board these platforms' hastily assembled, untested SEF functionalities (taking on considerable risk in order to preserve current liquidity), or (ii) revert to one-to-one voice trading.

In addition, we see Footnote 88 resulting in very little, if any, benefit at significant cost – and risk. More specifically, Footnote 88 will require certain non-clearable products to be traded on SEFs, but these products will not likely be traded using order book capabilities because (i) the trading counterparties to anonymous trades will be unable to comply with the Commission's swap trading relationship documentation requirement under Commission regulation § 23.504[8] (which only exempts cleared swaps), and (ii) SEFs will not have the ability to prevent non-compatible counterparties from being matched with one another through an order book (for example, a buy-side counterparty getting matched with another buy-side counterparty, neither of

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[5] See Core Principles and Other Requirements for Swap Execution Facilities, 76 Fed. Reg. 1214 (proposed Jan. 7, 2011).

[6] Core Principles and Other Requirements for Swap Execution Facilities, *supra* note 2, 78 Fed. Reg. at 33,481 n.88 ("The Commission notes that it is not tying the registration requirement in CEA section 5(h)(a)(1) to the trade execution requirement in CEA section 2(h)(8), such that only facilities trading swaps subject to the trade execution requirement would be required to register as a SEF. Therefore, a facility would be required to register as a SEF if it operates in a manner that meets the SEF definition even though it only executes or trades swaps that are not subject to the trade execution mandate…") ("**Footnote 88**").

[7] A permitted transaction means any transaction not involving a swap that is subject to the trade execution requirement in section 2(h)(8) of the CEA. 17 C.F.R. § 37.9(c)(1).

[8] Confirmation, Portfolio Reconciliation, Portfolio Compression, and Swap Trading Relationship Documentation Requirements for Swap Dealers and Major Swap Participants, 77 Fed. Reg. 55904 (Sept. 11, 2012). Other than confirmations of swap transactions under § 23.501, the swap trading relationship documentation shall be executed prior to or contemporaneously with entering into a swap transaction with any counterparty. See 17 C.F.R. § 23.504(a)(2).

which have basic credit analysis of or documentation with each other). Accordingly, Footnote 88 will not result in asset managers using SEF order books for uncleared swap transactions, but instead will limit them to using request-for-quote ("**RFQ**") functionality, to the extent offered by a SEF. Alternatively, due to the technological, operational and legal risks and requirements described herein, asset managers may just elect to forgo using SEFs all together for Permitted Transactions and instead revert to voice trading, which would be an unfortunate step backwards in the development of SEF platforms and the promotion of trading thereon.

(c) Negotiating clear, fair legal documentation that ensures impartial access to SEFs.

In order to utilize the new SEF platforms, AMG members will need to review rulebooks, some of which are customized and bespoke, and contain surprising provisions that go beyond the requirements of the Commission's rules. Members will also need to sign user agreements. In many cases, the rulebooks and user agreements have only recently been made available to our members and in some cases they are still pending for platforms that have not yet received provisional SEF registration. Where problems have arisen, some provisionally registered SEFs have agreed to resubmit documentation to the Commission for approval, and others have suggested that such a resubmission is not possible. A refusal to resubmit documentation is particularly troubling given the volume of concerning issues that our members have uncovered in the rulebooks, including the following:

- sponsored access requirements;[9]
- guarantee requirements (which do not apply today to bilateral swaps);
- the assumption of principal liability being imposed on asset managers and overly-broad indemnities;[10]
- the ability to require additional margin;
- discretionary rights related to liquidation and/or transfer;
- rights to inspect and/or use data and client information (regardless of underlying account consent and confidentiality obligations);
- inconsistency with respect to our right to resubmit trades that have initially failed to clear; and
- aggregation prohibitions, similar to the Commission's prohibition under CFTC Rule 43.6(h)(6), but without the exemption for certain commodity trading advisors and investment advisors.

[9] Requiring sponsored access to SEFs is contrary to the policy of open access to the market.

[10] Asset managers trade on behalf of their clients as agents and not principals. Requiring managers to agree to act as principals on swap transactions entered into on behalf of their clients would fundamentally change the nature of the relationship and would require managers to take on inappropriate risk and liability as it is not their capital that is behind the trade.

These are significant issues for asset managers and we believe they deserve to be adequately addressed, including through exploring possible solutions with the Commission, before market participants are forced to agree to them.

Review of SEF rulebooks and implementation of SEF trading by AMG members has also unveiled a number of other major concerns that require further time and attention to investigate, understand and implement as necessary or appropriate. These concerns include the following:

- *Definition of Members and Recordkeeping Requirements*: Prior to seeing SEF rulebooks, AMG members had generally been operating under the presumption that asset managers and their clients would not be considered "members" of SEFs. We believe treating asset managers and their clients as SEF members is inappropriate, because SEFs are merely trading venues, on which asset managers will trade as agents on behalf of their clients. However, based on some of the SEF rulebooks, our AMG members are unsure whether they or their clients would ultimately be considered members of SEFs and therefore, subject to unintended consequences. For example, CFTC Rule 1.35(a) requires that commodity trading advisers who are members of SEFs must record all oral and written communications, which would result in significant and unanticipated operational burdens and costs for them. Further, § 37.404 requires SEFs to implement certain recordkeeping requirements with their members and the scope and obligations to AMG members and their clients is unclear.[11] To the extent clients of AMG members could be considered members of SEFs, there could potentially be instances where obtaining client consent will be necessary, as AMG members may not have the requisite authority under their investment management agreements to cause their clients to become members of any SEF nor subject them to a SEF's rules and/or jurisdiction. Some clients may provide such consent only after they review each SEF's complete documentation and therefore, it will not be possible to accomplish all of this prior to the October 2 Deadline.

- *Confirmations and Settlement*: Challenges relating to confirming trades are also unresolved. If a SEF must deliver a written record of all of the terms of the transaction which shall legally supersede any previous agreement and which constitutes the "confirmation" of the transaction,[12] but the trading counterparties have negotiated bespoke terms (for example, product definitions, tax representations or additional disruption events), how will that SEF know that these terms exist to incorporate them into the confirmation? We acknowledge Commission guidance suggesting that counterparties should address this matter by delivering master agreements to the SEFs ahead of execution, so that the SEFs may incorporate relevant terms into confirmations.[13] We

[11] 17 C.F.R. § 37.404(b).

[12] 17 C.F.R. § 37.6(b).

[13] See Core Principles and Other Requirements for Swap Execution Facilities, *supra* note 2, 78 Fed. Reg. at 33491 n.195 ("The Commission also notes that the commenters' concerns are most relevant to those transactions that are truly bespoke, not subject to the clearing mandate, and not voluntarily cleared. There is no reason why a SEF's written confirmation terms cannot incorporate by reference the privately negotiated terms of a freestanding (….continued)

respectfully submit that this approach is unworkable as our members' discussions with provisionally registered SEFs suggest that they would be unable to comply with such a "master agreement delivery" paradigm. We also note that delivering master agreements may conflict with the confidentiality and other/ fiduciary obligations our members have to their clients. In addition, it is highly impractical for a SEF to familiarize itself with the often complex, bespoke master agreement and trade terms (and the various documents that may be incorporated by reference) in order to produce a customized, potentially complex confirmation on a trade by trade basis. We are also unsure of how this guidance would be implemented when counterparties are entering into transactions anonymously on an order book. Finally, we are uncertain whether our members' trading counterparties will agree to the delivery of master agreements (and the proprietary terms contained therein) to SEFs in this context.

- *Trade Reporting*: Important and significant challenges exist with respect to trade reporting, which may affect the integrity of reported data. For example, if a SEF, a swap dealer and a central clearing counterparty each have Part 45 reporting obligations[14] and each entity reports the trade to their respective SDRs, will the marketplace connect a common universal swap ID ("**USI**") to these separate reports or will each have their own USI? In addition, AMG members are likely to struggle to validate the positions held in the SDRs as is required by the Commission's rules[15] as data may be fragmented across multiple platforms and within each platform due to possible duplicate records or the same record residing in multiple SDRs. Potential fragmentation of reporting obligations under Parts 43, 45 and 46 will need to be clarified. More specifically, it is unclear whether trading counterparties, after SEFs report the transaction, will be capable of complying with their on-going reporting and valuation obligations and how all the reporting flows will work together.[16] Finally, SEFs are inconsistent as to how or whether they will report block trades executed on or away from their platform pursuant to Section 43.6(g).[17]

(continued….)

master agreement for these types of transactions, provided that the master agreement is submitted to the SEF ahead of execution and the counterparties ensure that nothing in the confirmation terms contradict the standardized terms intended to be incorporated from the master agreement.")

[14] 17 C.F.R. § 45.

[15] See 17 C.F.R. § 45.14(b) ("Each counterparty to a swap that is not the reporting counterparty as determined pursuant to § 45.8, and that discovers any error or omission with respect to any swap data reported to a swap data repository for that swap, shall promptly notify the reporting counterparty of each such error or omission. Upon receiving such notice, the reporting counterparty shall report a correction of each such error or omission to the swap data repository as provided in paragraph (a) of this section.").

[16] See 17 C.F.R. Part 43 (Real-Time Public Reporting of Swap Transaction Data).

[17] Some SEFs do not seem to recognize their obligation to report data to swap data repositories for transactions executed off-facility by their members pursuant to 17 C.F.R. § 43.6(g). See 17 C.F.R. § 43.6(g) ("Required notification. (1) Block trade election. (i) The parties to a publicly reportable swap transaction that has a notional amount at or above the appropriate minimum block size shall notify the registered swap execution facility

(….continued)

- *Fifteen Second Rule*: We note that some of the SEF rulebooks that our members have received purport to subject them to the fifteen second trading delay set forth in the SEF Final Rules. It was our understanding that this delay would not be applicable to asset managers, but was instead intended to apply only to dealers executing pre-arranged orders on behalf of their clients.

The SEFs that have become provisionally registered since August have continued to change their documentation in ways that could materially affect how trading on a SEF operates. As of September 19, 2013, approximately two weeks prior to the October 2 Deadline, 11 of 18 platforms seeking to become SEFs by the October 2 Deadline remained unregistered.[18] Accordingly, much work remains to be done in a condensed period of time. Once a SEF has provisionally registered and a market participant has determined it may want to execute on that platform, the participant will require time to code technology processes to connect to the SEF and understand the legal and compliance obligations of executing on that particular SEF. As little time has passed since SEFs started obtaining provisional registration from the Commission, and as the majority of potential SEFs are still awaiting such registration, market participants have been left with inadequate time to prepare. This has left them vulnerable to the significant -- and unnecessary -- risks of new, untested technological platforms, last-minute review of rulebooks and user agreements (particularly for those that are forthcoming and not yet published), as well as insufficient development and application of operational processes, work-flow usage and employee training.

In addition, our members are uncertain as to which SEFs market liquidity may flow or which SEFs may make a MAT application once they are able to do so, making it difficult in many cases to prioritize to which SEFs a member should connect. AMG members may, therefore, be incentivized to on-board as many SEFs as possible in order to ensure necessary liquidity. Sufficient time is essential to appropriately manage operational risk and connectivity issues during the lengthy on-boarding process.

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or designated contract market, as applicable, pursuant to the rules of such registered swap execution facility or designated contract market, of its election to have the publicly reportable swap transaction treated as a block trade. (ii) The registered swap execution facility or designated contract market, as applicable, pursuant to the rules of which a block trade is executed shall notify the registered swap data repository of such a block trade election when transmitting swap transaction and pricing data to such swap data repository in accordance with § 43.3(b)(1). (2) Large notional off-facility swap election. A reporting party who executes an off-facility swap that has a notional amount at or above the appropriate minimum block size shall notify the applicable registered swap data repository that such swap transaction qualifies as a large notional off-facility swap concurrent with the transmission of swap transaction and pricing data in accordance with this part.")

[18] See Remarks of Chairman Gary Gensler before the ISDA European Conference (Sept. 19, 2013), *available at* http://www.cftc.gov/PressRoom/SpeechesTestimony/opagensler-145 ("We have 18 SEF applications, with seven of them now temporarily registered."). We fully expect that additional entities will be granted provisional SEF registration, and that their documentation will be subject to revision and negotiation as their business evolves.

Not only is this situation exacerbated by Footnote 88's requirement for trading platforms that only execute Permitted Transactions to register as SEFs, but it is also compounded by the Commission's no-action relief issued to us and others on July 30, 2013, as amended August 6, 2013, which was styled in a way as to encourage market participants to aggregate their swap trades on SEFs in order to take advantage of block trade size treatment for purposes of the delay and minimum cap sizes for real-time reporting beginning on October 2, 2013.[19] Accordingly, the Block Trade Size Aggregation Relief has the effect of forcing the previously unplanned use of SEFs in order to take advantage of the relief.

II. Requested Change to MAT Process

On June 4, 2013, the Commission published a final rule that requires a swap transaction be mandated to trade on a SEF upon the later of (i) the applicable deadline established under 17 C.F.R. § 50.25(b) or (ii) 30 days after the available-to-trade determination submission under 17 C.F.R. § 40.5 or certification for that swap is deemed approved under 17 C.F.R. § 40.6 (*i.e.*, the MAT determination).[20] As discussed above, the process for securing a new SEF and integrating the platform into the operational process will take a substantial amount of time. AMG believes that market participants need more than 30 days after a MAT determination to transition such trades through SEFs, including to integrate the technology and negotiate the necessary documentation without compromising prudent risk controls. To ensure sufficient transition time, AMG requests the Commission to allow for at least 90 days after a MAT determination is made before requiring such trades to be executed through SEFs.[21] We believe that this 90-day period will help prevent liquidity from being impaired once a MAT determination has been made.

III. Additional Requests for Clarification and Relief

Use of Middleware Platforms

As mentioned above, it has become unclear to us whether the industry is permitted to continue to use middleware providers as part of the trade flows once cleared swaps are traded through SEFs. We strongly believe that market participants should continue to be able to use these platforms and hereby request that the Commission confirm that is the case. If SEFs are prohibited from using middleware providers, it would require significant structural changes to clearing flows, which cannot be effected prior to October 2.

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[19] See No-Action Relief for Certain Commodity Trading Advisors and Investment Advisors From the Prohibition of Aggregation under Regulation 43.6(h)(6) for Large Notional Off-Facility Swaps, CFTC Letter No. 13-48 (July 30, 2013, amended August 6, 2013) (the "**Block Trade Size Aggregation Relief**").

[20] See 17 C.F.R. § 37.12 (Trade execution compliance schedule).

[21] This approach would be consistent with the timing requirements of the mandatory clearing requirements, which require clearing after 90 days (or longer, depending on entity category) after publication of a final clearing determination.

SEF Trade Central Listing

In order to ensure that asset managers are able to avail themselves of the Block Trade Aggregation Relief, AMG requests that the Commission agree to act as a central resource or database by providing on its website which swaps are listed (or, more accurately, when in the future certain swaps will be listed in accordance with the rules) on a SEF or designated contract market ("**DCM**"), similar to the list that the Commission anticipates maintaining for swaps that are made available to trade. In doing so, this list should include a degree of specificity to identify the particular swap that is listed on a SEF. For example, a ten-year interest rate swap should not be deemed to include a nine and three quarter year interest rate swap unless clearly specified. Without this type of central information source, AMG members are unable to plan or realize whether a SEF has listed such a transaction to its SEF platform, and therefore, know whether it can aggregate off of that SEF for purposes of the real-time reporting delay and cap size treatment.[22]

In addition, it is worth noting that our members have expressed ongoing concern that the Block Trade Size Aggregation Relief excludes swaps listed for trading on a SEF or DCM but are ultimately not executed on a SEF or DCM. To that end, we fully support the request for further no-action relief for Order Aggregation of Certain Permitted Transactions which we understand will be submitted to the Division of Market Oversight (the "**Division**") on or around September 23, 2013 by the International Swaps and Derivatives Association, Inc. (ISDA).

Resubmission of Trades that Fail to Clear

We also note that some of the SEF rulebooks that our AMG members have received seek to prohibit resubmission of a trade that was executed on the SEF but that subsequently fails to clear. Other rulebooks expressly allow for such a trade resubmission. We hereby seek confirmation from the Commission that resubmission to a SEF of a trade that has failed to clear will not be prohibited, especially if such rejection was as a result of any credit related issues or any other reasons, such as the timing requirements under CFTC Rule 1.73.[23]

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[22] See No-Action Relief for Certain Commodity Trading Advisors and Investment Advisors From the Prohibition of Aggregation under Regulation 43.6(h)(6) for Large Notional Off-Facility Swaps, CFTC Letter No. 13-48 (Issued July 30, 2013, amended August 6, 2013). In addition, because 17 C.F.R. § 40.2 permits DCMs and SEFs to list products for trading without prior Commission approval by filing a written self-certification with the Commission, it would be impractical and cumbersome for AMG members to track each SEF's product listings.

[23] Rule 1.73 requires each futures commission merchant that is a clearing member of a derivatives clearing organization to establish risk-based limits in the proprietary account and in each customer account based on position size, order size, margin requirements, or similar factors and screen orders for compliance with the risk-based limits. See 17 C.F.R. § 1.73. The Commission stated that certain trades must be resubmitted. See Clearing Requirement Determination Under Section 2(h) of the CEA, 77 Fed. Reg. 74284 at 74288 (Dec. 13, 2012)("[I]f counterparties submit their swap to a DCO for clearing and the swap fails to clear because it contains a term or terms that prevent any eligible DCO from clearing the swap, then the swap is not subject to the Commission's clearing requirement. On the other hand, if the swap fails to clear because one or both of the counterparties have not met the DCO's or their clearing members' credit requirements, then the swap remains subject to the clearing requirement and must be cleared as soon as technologically practicable after the counterparties learn of the credit issue. [. . .] Accordingly, a (….continued)

Requested Relief: For the reasons stated herein, we hereby request that the Division issue no-action relief or an alternative form of relief or clarification under regulation 140.99 to extend the effectiveness of the SEF Final Rules until at least April 1, 2014, to extend the period of time between a MAT determination for a swap and the date on which the swap will be mandated for execution on a SEF and with respect to the other requests for clarification and relief presented above. Pursuant to regulation 140.99(c)(7), AMG also asks that if no-action relief under this request is denied in whole or in part, the Commission consider granting alternative relief, under the facts and circumstances described in this request.

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swap that fails to clear because of credit issues may not be voided by either eligible counterparty solely for the failure of the swap to be cleared in accordance with section 2(h)(1), but the basis for the failure to clear must be addressed by the counterparties and they must promptly resubmit the swap for clearing.")(emphasis added).

Based on the foregoing, we respectfully request that the Division grant the relief described in this letter. We appreciate your consideration of this request, and stand ready to provide any additional information or assistance that the Division might find useful. Should you have any questions, please do not hesitate to contact Tim Cameron at 212-313-1389 or Matt Nevins at 212-313-1176.

Sincerely,

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

Matthew J. Nevins, Esq.
Managing Director and Associate General Counsel, Asset Management Group
Securities Industry and Financial Markets Association

cc: Hon. Gary Gensler, Chairman, Commodity Futures Trading Commission
Hon. Bart Chilton, Commissioner, Commodity Futures Trading Commission
Hon. Scott O'Malia, Commissioner, Commodity Futures Trading Commission
Hon. Mark Wetjen, Commissioner, Commodity Futures Trading Commission
Laurie Gussow, Special Counsel, Division of Market Oversight

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Certification Pursuant to Commission Regulation 140.99(c)(3)

As required by Commission Regulation 140.99(c)(3), we hereby (i) certify that the material facts set forth in the attached letter dated September 23, 2013 are true and complete to the best of our knowledge; and (ii) undertake to advise the Commission, prior to the issuance of a response thereto, if any material representation contained therein ceases to be true and complete.

Sincerely,

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

Matthew J. Nevins, Esq.
Managing Director and Associate General Counsel, Asset Management Group
Securities Industry and Financial Markets Association