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April 26, 2016

Ms. Mary Jo White
Chair
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: Rulemaking to Implement Enhanced Standards for Systemically Important and Security-Based Swap Clearing Agencies

Dear Chair White:

The Futures Industry Association, Inc.¹ (“FIA”) encourages the Securities and Exchange Commission (“SEC”) to prioritize the finalization of enhanced standards for Systemically Important and Security-Based Swap Clearing Agencies (“covered clearing agencies”). This follows the SEC’s proposal of such rules in March 2014.²

FIA believes that finalization of these standards should be a priority for the SEC as further delay risks substantial market disruptions. Without such standards, clearing members that are located in the European Union (“EU”) may no longer be able to access covered clearing agencies regulated by the SEC and, until such time, may be subject to punitive capital requirements under the European Capital Requirements Regulation (“CRR”). This is relevant for covered clearing agencies which have EU clearing members or clients.³

More specifically, FIA is concerned that further delays in the finalization of these enhanced standards will prevent the SEC regime from being deemed equivalent under the European Market Infrastructure Regulation (“EMIR”), which is a necessary step for all third-country CCPs to become recognized under EMIR. Recognition of covered clearing agencies under EMIR is important for both the CCPs and their members, as only recognized CCPs can provide clearing services to European clearing members.⁴ Furthermore, there may be a significant capital impact on clearing firms subject to CRR which continue to clear on non-

¹ FIA is the leading trade organization for the exchange-traded and centrally cleared derivatives markets worldwide. FIA’s membership includes international and regional banking organizations, clearing houses, exchanges, brokers, vendors and trading participants. FIA’s mission is to support open, transparent and competitive markets, protect and enhance the integrity of the financial system and to promote high standards of professional conduct. Further information is available at www.fia.org.

² *Standards for Covered Clearing Agencies (Notice of Proposed Rulemaking)*, 79 FR 16865.

³ The National Securities Clearing Corporation, The Fixed Income Clearing Corporation and the Options Clearing Corporation which have all applied for recognition under Article 25 of EMIR.

⁴ See EMIR Article 25(1) and ESMA Q&A OTC Question 12(j).

recognized CCPs until a transitional period under EMIR expires, and they are no longer allowed to access non-recognized third-country CCPs.

In particular, the EU has delayed four times the commencement date of qualifying central counterparty (“QCCP”) capital requirements and there is no guarantee that they will continue to do so again.⁵ Once these capital requirements are set to take effect, punitive capital requirements under EU law will dramatically restrict the ability of EU clearing firms and their clients from clearing trades through covered clearing agencies.

We hope the SEC prioritizes the finalization of these enhanced standards to avoid a potential market disruption and ensure access to covered clearing agencies.

Please contact Jackie Mesa, Senior Vice President of Global Policy, at 202-772-3040, if you or your staff has any questions.

Yours Respectfully,

A handwritten signature in cursive script, appearing to read "Walt L. Lukken".

Walter L. Lukken
President & Chief Executive Officer

⁵ The first six month delay was issued in 2014.