ISDA Safe, Efficient Markets

August 14, 2013

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission,
100 F Street NE
Washington, DC 20549–1090

Re: Cross-Border Security-Based Swap Activities—File No. S7–02–13

The International Swaps and Derivatives Association, Inc. ("**ISDA**")[1] appreciates the opportunity to respond to the solicitation of comment by the Securities and Exchange Commission (the "**Commission**") with respect to the Commission's release that, among other things, proposed rules and guidance for addressing cross-border security-based swap ("**SBS**") activities.[2] Although we may separately provide comments on other aspects of the Proposal,[3] ISDA limits its comments in this letter to the Commission's discussion in the Proposal of a framework for substituted compliance with respect to certain SBS requirements in the Securities Exchange Act of 1934 ("**Exchange Act**") and the rules and regulations thereunder.[4]

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[1] Since 1985, ISDA has worked to make the global over-the-counter (OTC) derivatives markets safer and more efficient. Today, ISDA has over 800 member institutions from 60 countries. These members include a broad range of OTC 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 including exchanges, clearinghouses 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 web site: www.isda.org.

[2] Exchange Act Release No. 69,490 (May 1, 2013), 78 Fed. Reg. 30,968 (May 23, 2013) (the "**Release**"). We refer to the rules proposed in the Release as the "**Proposed Rules**" and refer to the Proposed Rules collectively with the text of the Release as the "**Proposal**."

[3] After the re-opening of the comment periods for all of the other then-extant SBS proposed rules by the Commission, ISDA has separately submitted comment letters on the Commission's external business conduct rules proposal and the Commission's SBS confirmations proposal. Those comments are available at http://www.sec.gov/comments/s7-25-11/s72511-48.pdf and http://www.sec.gov/comments/s7-03-11/s70311-7.pdf. ISDA also submitted comments on a variety of the Commission's SBS proposals prior to the re-opening of the comment period. *See*, *e.g.*, comments on Proposed Regulation SBSR available at http://www.sec.gov/comments/s7-34-10/s73410-29.pdf. We hope the Commission will continue to address the concerns raised in those letters as well as those herein as it continues to implement its SBS regulatory framework.

[4] Various terms are in use to denote the process by which a regulator may recognize compliance with another jurisdiction's regulations as being equivalent to, or substitutable for, compliance with that regulator's own regulations. These include "substituted compliance," "mutual recognition" and "equivalence." We regard these as broadly similar concepts for purposes of this discussion and, for simplicity and convenience, as well as consistency with the Proposal, we use the single term "substituted compliance."

The Proposal represents substantial progress towards the development of a viable substituted compliance mechanism. ISDA respectfully urges the Commission, as it continues to consider and refine its approach to substituted compliance, to give particular attention to how the approach can best reflect and further the goals of the Group of Twenty ("**G-20**").[5] To this end, we provide below a vision of a principles-based framework for substituted compliance that prioritizes the G-20 goals. In addition, we address the need for harmonization with the Commodity Futures Trading Commission ("**CFTC**"), and we provide recommendations regarding certain specific aspects of the Proposal.

I. Principles-Based Substituted Compliance Framework Prioritizing the G-20 Goals

The declaration issued by the G-20, following the September 2009 Pittsburgh meeting,[6] is the recognized source of the primary goals of derivatives regulation that were embodied in the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), the European Market Infrastructure Regulation ("**EMIR**"), and similar legislation elsewhere. The five primary G-20 goals are (1) clearing of standardized derivatives; (2) exchange/electronic trading, where appropriate; (3) reporting to trade repositories; (4) higher capital requirements for uncleared trades; and (5) margin requirements for uncleared trades. These goals reflect the principal shared concerns emerging from the financial crisis. They are the basis of derivatives regulatory reform and the basis of commonality among separate jurisdictions' regulatory regimes.

As the Proposal contemplates, a comparative evaluation of another jurisdiction's regulatory scheme is inherently at the heart of any substituted compliance mechanism. ISDA submits that a comparison must start by identifying a set of common principles that articulate a means of achieving the G-20 regulatory goals and provide common implementation standards. These principles should be framed with enough detail to allow for a useful evaluation, but broadly enough so as not to be tethered to jurisdiction-specific institutional features of legal systems and markets. Comparisons should evaluate the subject regulatory regime against these common principles, rather than requiring identicality or element-by-element correspondence of rules. Ultimately, the evaluation should determine whether the subject set of regulations is (a) reasonably designed to achieve the G-20 regulatory goals, as substantiated in the common principles, and (b) likely to be effective.

Of course, it is understandable that in meeting the G-20 goals, a jurisdiction may choose to establish ancillary mechanisms and goals, and to otherwise supplement local law. For example, in the US, SBS dealers are subject to registration and regulation, whereas other G-20 jurisdictions have not pursued analogous derivatives-specific requirements for market

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[5] The G20 brings together finance ministers and central bank governors from 19 countries: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, the Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States of America plus the European Union, which is represented by the President of the European Council and by Head of the European Central Bank.

[6] *See* Pittsburgh Summit Declaration (Sept. 24-25, 2009), *available at* http://www.g20.org/documents/ (articulating four goals) (the "**Leaders' Statement**"). A fifth goal (i.e., margin requirements for uncleared derivatives) was subsequently endorsed at the G-20 Cannes meeting in November 2011. *See* Cannes Summit Final Declaration at ¶ 24, *available at* http://www.g20.org/documents/.

intermediaries. A jurisdiction's satisfaction of its ancillary concerns, however, should not become a barrier to an effective cross-border compliance regime that furthers the G-20 goals. Efficient and fair cross-border compliance is a challenge that will require a balance of the G-20 consensus goals with individual jurisdictions' ancillary ones.

ISDA believes the Commission's approach, if prudently implemented, is consistent with the intent and ultimate objectives of the G-20. We are concerned, however, that the Commission has provided insufficient detail regarding its "regulatory outcomes" approach. While we believe this approach is promising and preferable to a "requirement-by-requirement" comparability approach,[7] the term "regulatory outcomes" is not used or defined in the Proposed Rules and seems to refer primarily to the requirements of the Dodd-Frank Act.[8]

Without a more concrete definition of the outcomes-based standard, applicants will face uncertainty in determining what information should be supplied in connection with an application. ISDA proposes that the appropriate "outcomes" to guide substituted compliance determinations should be the common principles based on the consensus G-20 goals as described above, rather than details of domestic legislation; in other words, a substituted compliance determination should be an assessment that the non-US regulatory approach under consideration adheres to the common principles. ISDA believes that this approach best serves the statutory directive for regulatory harmonization in the Dodd-Frank Act.[9] Moreover, allowing for national differences in good faith fulfillment of the common principles also improves the likelihood that the substituted compliance mechanism can be successfully implemented.

For essentially the same reasons, the Commission could consider and adopt a regime-based approach, whereby comparability would exist if a jurisdiction has implemented regulations to meet the G-20 commitments. The Commission's rejection of this approach based on its "responsibility to implement the specific statutory provisions … added by Title VII"[10] overlooks

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[7] We note that the CFTC also characterizes its substituted compliance standard as "outcomes" based in its latest guidance. *See* Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations (July 12, 2013), 78 Fed. Reg. 45,292, at 45,342 (July 26, 2013) ("CFTC July 2013 Guidance"), *available at* http://www.cftc.gov/ucm/groups/public/@newsroom/documents/file/federalregister071213b.pdf. This appears to be a welcome moderating change from the CFTC's proposed guidance, which also used the term "outcomes-based" but described a cognate requirement-by-requirement comparison. 77 Fed. Reg. 41,214, 41,229, 41,232 (July 12, 2012) (proposing guidance for cross-border swaps regulation). The final guidance also suggests that the CFTC will conduct a rule-by-rule comparison, however, although rules need not be identical to warrant substituted compliance. *See* CFTC July 2013 Guidance at 45,344 ("Any comparability analysis will be based on a comparison of specific foreign requirements against specific related CEA provisions and Commission regulations in 13 categories of regulatory obligations and will consider the factors described above.").

[8] The Proposal states that the SEC will consider whether a foreign regulatory system's regulations and rules "achieves regulatory outcomes that are comparable to the regulatory outcomes of the relevant provisions of the Exchange Act." Release at 31,086 (rejecting a regime-based comparability approach, based on the Commission's "responsibility to implement the specific statutory provisions … added by Title VII").

[9] Dodd-Frank Act Section 752(a) requires: "In order to promote effective and consistent global regulation of swaps and security-based swaps, the [CFTC, the Commission,] and the prudential regulators (as that term is defined in section 1a(39) of the Commodity Exchange Act), as appropriate, shall consult and coordinate with foreign regulatory authorities on the establishment of consistent international standards with respect to the regulation (including fees) of swaps, security-based swaps, swap entities, and security-based swap entities…."

[10] Release at 31,086.

the principle that comity should inform the extraterritorial application of statutory directives. In this context, ISDA also observes that, in order to mitigate the harshness of all-or-nothing outcomes, it is important that the Commission preserve its flexibility to permit substituted compliance conditioned on the application of specific Commission rules or alternative compliance measures that might fill in missing elements of the other jurisdiction's regulatory regime that prevent a finding of comparability.

II. Coordination with the CFTC

Although the discussion above is largely focused on the critical importance of international coordination in the establishment of a principles-based substituted compliance methodology, we must also underscore the need for coordination among our national regulators. In this regard, ISDA recommends that the staff of the Commission cooperate with the CFTC staff to jointly and simultaneously consider substituted compliance applications that cover both swaps and SBS.[11] Moreover, the Commission staff should expedite processing of applications from jurisdictions previously deemed comparable by the CFTC staff (or otherwise grant some sort of deference to prior CFTC findings). In this way, the Commission staff could minimize duplicative inquiry into the effectiveness of supervision and enforcement systems, as well as duplicative consultation with foreign authorities that are the subject of requests for substituted compliance.

Differences in the Commission's and CFTC's approaches to derivatives regulation produce uncertainties and confusion for market participants. Moreover, the lack of coordination severely limits potential efficiencies in the substituted compliance process. We note here some of the significant differences between the Proposal and the CFTC July 2013 Guidance. We respectfully urge the agencies to prioritize harmonization of their approaches to substituted compliance.

A. Applications by Non-US Regulators

Whereas the CFTC July 2013 Guidance contemplates accepting applications for substituted compliance from non-US regulators, the Proposal does not. ISDA believes that non-US regulatory authorities should be permitted to make such application in addition to (not in place of) applications by market participants.[12] Regulatory authorities may be well-positioned to describe their regulatory frameworks and manner of supervision, and their involvement would be needed in any event in the memorandum-of-understanding process that the Commission says it will require.[13] Regardless of applicant, the process should invite the input of all interested parties

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[11] More generally, ISDA urges the Commission to work with the CFTC on reconciling differences in cross-border SBS and swap guidance beyond the substituted compliance issues highlighted in this letter. For example, the Commission should delete the "operationally independent" condition from proposed Rule 3a71-4, which provides an exception from aggregation for affiliated groups with registered SBSDs. The CFTC 2013 Guidance imposes no comparable condition. See CFTC July 2013 Guidance at 45,326.

[12] The Commission showed its awareness of the need for regulator-to-regulator dialog in efforts initiated in 2008 (since abandoned) to engage in mutual recognition discussions with certain non-US regulators. That same awareness should inform present efforts.

[13] *See* Release at 31,208 (Proposed Rule 3a71-5(a)(2)(ii)).

and be transparent. Input from market participants will be essential to understanding the economic and competitive consequences of granting or denying substituted compliance, as well as the practicalities of implementation.

B. Substituted Compliance for Transactions with a US Counterparty

The Commission proposes to allow substituted compliance for reporting and dissemination, as well as trade execution, for transactions in which (a) at least one direct counterparty is a non-US person or foreign branch of a US Bank and (b) no person within the United States is directly involved in executing, soliciting, or negotiating the terms of the transaction on behalf of such counterparty.[14] In effect, the Proposal would permit substituted compliance by a non-US SBS dealer or MSBSP in connection with an SBS transaction with a US Person, so long as the non-US SBS dealer or MSBSP conducted the activities described in condition (b) outside the United States. In contrast, the CFTC July 2013 Guidance would not permit substituted compliance with so-called "category A transaction-level requirements" by a non-US SD or MSP in connection with a swap transaction with the same US person counterparty (unless the counterparty is a branch of a US SD).[15]

ISDA appreciates the Commission's aim of "limit[ing] disincentives for non-US persons to transact security-based swaps with US persons."[16] The availability of substituted compliance for cross-border transactions (i.e., in which one of the parties is a US person) is essential for avoiding regulatory conflicts. Notably, however, the inclusion of condition (b) would render substituted compliance unavailable in situations where genuine conflicts may exist, and it is a more restrictive approach than some others. For example, EMIR Article 13(3) states that an equivalence finding by the European Commission with respect to a non-EU country implies that a counterparty entering into a transaction subject to EMIR shall be deemed to have fulfilled the relevant EMIR obligations where at least one of the counterparties is established in that non-EU country.[17] Accordingly, ISDA recommends that condition (b) be removed as a necessary factor for substituted compliance.[18]

C. Reliance on Prior SBS Dealer Determinations

ISDA commends the Commission's proposal to permit a non-US SBS dealer to rely on a previous determination that substituted compliance applies to its jurisdiction, even if that

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[14] *See* Release at 31,093 and 31,099.

[15] CFTC July 2013 Guidance at 45,352.

[16] Release at 31,093.

[17] In other words, EMIR Article 13(3) equivalence relief applies to a cross-border transaction between a counterparty established in the EU and one established outside the EU. In a similar vein, the CFTC—although generally taking a more restrictive approach to substituted compliance for transactions with US persons—has recognized that compliance with non-US regulations that are "essentially identical" to CFTC Dodd-Frank requirements may be deemed to satisfy the CFTC requirements, even if a US person is a party. *See* CFTC July 2013 Guidance at 45,353.

[18] This factor may be difficult to implement, particularly in light of interpretive uncertainties regarding the scope of execution and solicitation activities, and the exclusion of US personnel may be impractical or imprudent, such as in situations where the credit risk management function is performed all or partially within the United States.

determination is the result of application by a different non-US SBS dealer.[19] Entity-by-entity requests are not warranted, and the processing of such potentially duplicative requests would waste the Commission's resources. Articulating a policy that permits reliance on prior determinations offers market participants greater predictability than case-by-case determinations of scope.

D. Substituted Compliance for External Business Conduct Standards

ISDA commends the Commission's proposal to allow substituted compliance by bona fide non-US SBS dealers for external business conduct standards and conflicts of interest duties in transactions with US persons.[20] In contrast, the CFTC July 2013 Guidance provides that the CFTC's external business conduct standards will apply, without the potential for substituted compliance, when a registered swap dealer (whether US or non-US) transacts with a US person.[21] The Commission should be able to effectively review (through the mechanisms established in the memorandum of understanding process) compliance efforts by non-US SBS dealers with the comparable non-US requirements. The CFTC's more restrictive approach provides no meaningful additional protections while potentially imposing significant cost on non-US dealers.

III. Other Comments on the Proposal

A. Examinations and Enforcement by Non-US Regulators

While the G-20 commitments for the reform of derivatives markets are globally shared, supervisory practices vary significantly among jurisdictions. Supervisory practices established in one jurisdiction will be adapted to the facts of that jurisdiction. This lack of commonality should not be assumed to be a defect in supervisory standards; common objectives may be reached through differing means. Moreover, commonality may not present meaningful benefits beyond those already achieved by virtue of the Commission and its counterpart regulators negotiating and entering into memoranda of understanding, a process that is separately a predicate for substituted compliance.[22] Nevertheless, a general, high-level inquiry into the existence of an examination and enforcement process and institutions to support it arguably should inform views about the comparability of outcomes.

ISDA requests that the Commission articulate a clear rationale for the inspection powers stipulated in footnote 1126 of the Proposal, as well as a set of principles setting forth how such powers would be used. In order to minimize the burden of duplicative inspection requests, the Commission should defer to the maximum extent possible to oversight by the non-US regulatory

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[19] Release at 31,089 ("once the Commission has made a substituted compliance determination with respect to a particular foreign jurisdiction, it would apply to every foreign security-based swap dealer in the specified class or classes registered or regulated in that jurisdiction…").

[20] *See* Release at 31,089 and 31,207.

[21] CFTC July 2013 Guidance at 45,359.

[22] *See* Release at 31,208 (Proposed Rule 3a71-5(a)(2)(ii)), 31,209 (Proposed Rule 3Ch-2(b)(3)), and 31,215 (Proposed Rule 908(c)(2)(iv)).

authorities. Such an approach would recognize the inherent limitations on the Commission's capability to interpret non-US regulation and determine whether conduct is compliant.

B. Security-Based Swap Dealer Requirements

1. Qualification Standards for US Counterparties

ISDA does not support conditioning the availability of a substituted compliance determination on a non-US SBS dealer transacting only with certain US counterparties (e.g., qualified institutional buyers or qualified investors).[23] ISDA submits that, if the underlying non-US SBS regulatory regime provides comparable regulatory outcomes for all investors, then conditioning the availability of substituted compliance upon the US counterparty in an SBS transaction meeting certain qualification standards serves no policy goal. As a supplement to the substituted compliance process, however, the Commission might consider using qualified status for counterparties as a basis for deferring to local regulation even without a comparability determination. Sophisticated counterparties are better able to understand the differences between the US regulatory and non-US regulatory regimes applicable to their SBS transactions.

2. Predominance Condition

Similarly, ISDA does not support a threshold requirement that non-US SBS dealers engage in a predominantly non-US business to rely on substituted compliance.[24] If the underlying non-US SBS regulatory regime provides comparable regulatory outcomes, restricting the relief on the basis of an arbitrary percentage of US versus non-US business serves no policy goal.

3. Timing

The Proposal asks whether the Commission should delay compliance with requirements relating to non-US SBS dealers while it determines whether to make an initial set of substituted compliance determinations. ISDA supports a delay in the implementation of all SBS dealer requirements (US and non-US) while the Commission makes this initial set of determinations. More generally, ISDA encourages the Commission to allow appropriate time for other G-20 regulators to complete their respective regulatory processes.

The G-20 leaders established a timeline for achieving the G-20 goals that, for good reason, has not been met.[25] The regulatory re-engineering of a complex international market cannot be achieved overnight. Different jurisdictions are bound to need different periods of time to achieve common goals. Recognizing this fact, jurisdictions that complete regulatory schemes before other jurisdictions do so should be willing to offer their work as demonstrative of what can be done. They should not, however, move hastily or preemptively to impose their regulatory template on other jurisdictions. The last global financial crisis was exactly that—global. Global

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[23] Release at 31,091 (requesting comment on this point).

[24] *Id*.

[25] *See, e.g.*, the five progress reports of the Financial Stability Board, *available at* http://www.financialstabilityboard.org.

cooperation in regulatory structuring and implementation timing should be the hallmarks of the fulfillment of the G-20 process.

C. Regulatory Reporting and Dissemination Requirements

1. Issuer Domicile

For SBS tied to the value of one or more securities, ISDA does not support adding the domicile of the underlying issuers as a consideration for substituted compliance determinations regarding reporting/dissemination requirements.[26] If the underlying non-US SBS regulatory regime provides comparable regulatory outcomes, restricting the relief to certain SBS based on the domicile of the issuer(s) underlying such SBS serves no policy goal.

2. Pre-Conditions

As proposed, a comparability determination with respect to reporting and dissemination requirements effectively appears to be a rules-based comparison. Such a determination would require that the non-US jurisdiction's "requirements" for reporting and dissemination be "comparable" to the SEC's requirements, again "tak[ing] into account such factors as the Commission determines are appropriate …. "[27] Thus, unlike for SBS dealers and trade execution, a comparability determination regarding reporting and dissemination of data would require findings of comparability with respect to certain specific regulatory requirements.[28]

The Commission should maintain an outcomes-based focus, examining whether the regulatory regime meets the objectives of facilitating the regulator's ability to monitor systemic risk and promoting transparency. Differences among jurisdictions in the timing of reporting (i.e., the permitted interval between execution of a transaction and when it must be reported) should be evaluated in light of systemic risk and market supervisory objectives, rather than policies of facilitating price discovery.

3. Direct Electronic Access to Data

In response to the Proposal's request for specific comment,[29] ISDA submits that, at this point in time, direct electronic access to data should not be a pre-condition to a finding of comparability with respect to regulatory reporting requirements. ISDA notes that the FSB plans to organize a feasibility study of how to produce and share globally aggregated trade repository data that authorities need for monitoring systemic risks.[30] . ISDA believes that a coordinated approach is the best means to address the practicalities of information flow.

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[26] Release at 31,097 (requesting comment on this point).

[27] Release at 31,215 (Proposed Rule 908(c)(2)(ii)-(iii)).

[28] Release at 31,215 (Proposed Rule 908(c)(2)(iii)(A)-(D)).

[29] Release at 31,097.

[30] Financial Stability Board, Letter to G20 Ministers and Central Bank Governors, at 4 (Apr. 15, 2013), *available at* http://www.financialstabilityboard.org/publications/r_130419a.pdf.

4. Separating Regulatory Reporting from Public Dissemination

Comparability should be assessed flexibly with respect to public dissemination, recognizing that in certain jurisdictions' transparency obligations are linked to use of a trading venue and fall on the venue. Such flexibility should include the potential for separate determinations regarding regulatory reporting and public dissemination requirements.

5. Modification or Withdrawal of Comparability Determinations

In the interest of creating a stable multinational SBS market, any proposed changes to a comparability determination—whether modification or withdrawal—should be published for comment prior to taking effect.[31] This principle should apply in all four of the subject matter categories with respect to which the Commission has proposed to make comparability assessments.

D. Clearing Requirements

1. Limits on US Person Members of Non-US Clearing Agencies

The Proposal asks whether it is appropriate, with respect to clearing requirements, to limit eligibility of substituted compliance to non-US clearing agencies with no US persons as members and no activities in the United States.[32] The US or non-US nature of participants in a non-US clearing agency should not be a condition of eligibility for substituted compliance relief with respect to clearing requirements. At a minimum, non-US branches of US banks should be able to be participants of non-US clearing agencies without precluding reliance on this type of relief.

2. Comparability for Clearing Exemptions

The Commission should permit market participants established in another jurisdiction to avail themselves of that jurisdiction's analogue of the end-user and inter-affiliate exemptions from clearing,[33] if deemed comparable in outcome to those of the Dodd-Frank Act and Commission regulations. These clearing exemptions are based on fundamentally-shared views that certain broad categories of market participants (e.g., end users) or transactions (e.g., between consolidated affiliates) do not implicate the policy goals of clearing.

3. Standing to Make Request

ISDA submits that a clearing agency, any participant in that clearing agency, and applicable local non-US regulators should be able to apply for substituted compliance relief with

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31 Release at 31,097 (requesting comment on this point).

32 Release at 31,099.

33 We note that some jurisdictions may provide inter-affiliate exemptions from elements of their derivatives regulatory regimes other than clearing, and believe the Commission should consider recognizing such other inter-affiliate exemptions as a basis for substituted compliance. See, e.g., EMIR Article 11(6) (intra-group exemption from the margining requirements of EMIR Article 11(3)).

respect to the clearing mandate. Allowing all interested parties to apply for such relief will promote fair and open markets.

E. Trade Execution Requirements

1. Standing to Make Request

The Proposal asks whether persons other SBS markets should be permitted to file substituted compliance applications.[34] ISDA submits that an SBS market, any participant in that market, and applicable local non-US regulators should be able to file substituted compliance applications with respect to trade execution requirements. Allowing all interested parties to apply will promote fair and open markets.

2. Trade Execution and SBSEF Registration

The Proposal asks whether the same factors should be considered for purposes of assessing (a) substituted compliance for mandatory trade execution and (b) comparability for purposes of exemption from registration as a security-based swap execution facility.[35] For ease of administration, ISDA recommends that any non-US SBS facility exempt from registration with the Commission as an SBSEF based on the Commission's comparability determination similarly, and as a matter of course, be treated as a facility on which mandatory trade execution requirements may be satisfied. Comparability criteria should allow for a variety of execution methodologies (including limit order books, RFQs, batch auctions and others) so as not to stifle innovation.

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ISDA appreciates the opportunity to provide these comments. Should you require further information, please do not hesitate to contact the undersigned or ISDA staff.

Sincerely,

Robert Pickel

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[34] Release at 31,101.

[35] *Id*.