

## MEMORANDUM

**To:** File Nos. S7-05-14, S7-08-12

**From:** Richard Gabbert, Counsel to Commissioner Hester M. Peirce

**Re:** Meeting with Representatives of the International Swaps and Derivatives Association

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On November 16, 2018, Commissioner Hester Peirce and her legal advisor, Richard Gabbert, participated in a meeting with the following representatives of the International Swaps and Derivatives Association (ISDA):

- Biswarup Chatterjee, Citi;
- Oda Wypior, JP Morgan;
- Meg Vaden, Goldman Sachs;
- Jeffrey Siegel, BNP Paribas;
- Chris Young, ISDA;
- Bella Rozenberg, ISDA; and
- Steve Kennedy, ISDA.

In addition, Commissioner Brian Quintenz and Kevin Webb of the Commodity Futures Trading Commission (CFTC) also participated in the meeting.

Among other things, participants discussed the importance of continued coordination and harmonization between the Title VII regulatory frameworks implemented by the Commission and the CFTC, noting that the swap and security-based swap markets essentially have functioned as a single market. Participants also noted that certain requirements under Regulation SBSR that require buy-side market participants to report information to security-based swap data repositories raise significant operational and other challenges.

In addition, participants discussed the implementation of various Title VII requirements applicable to security-based swap dealers, including application of the capital, margin, and segregation requirements and of the recordkeeping and reporting requirements. Participants also expressed concern that significant legal and operational challenges for firms with operations outside the United States would result from the certification and opinion of counsel requirements, as well as from the scope of both the background questionnaire requirement and the statutory disqualification prohibition with respect to certain foreign associated natural persons, and asked that the Commission address these concerns. Finally, participants also described challenges pertaining to compliance with the Commission's requirement under Exchange Act rule 3a71-3(b)(1)(iii)(C) to count certain transactions arranged, negotiated, or executed in the United States toward a foreign entity's security-based swap dealer *de minimis* threshold.