

MEMORANDUM

TO: File No. S7-06-11

FROM: Iliana Lundblad

RE: Implementation of Dodd-Frank Wall Street Reform and Consumer Protection Act
S7-06-11 – Registration and Regulation of Security-Based Swap Execution
Facilities

DATE: May 12, 2011

On May 10, 2011, Heather Seidel, Thomas Eady, Jeffrey Mooney, Nancy Burke-Sanow, David Liu, Steven Varholik, Michou Nguyen, Sarah Schandler, Constance Kiggins, Joseph Kamnik, Iliana Lundblad, Michael Ogershok, and Jasmin Sethi, met with representatives from BNY Mellon including Richard Brueckner (Vice Chairman, BNY Mellon) and Ann Costello (Managing Director, BNY Mellon).

The agenda for the meeting is attached.

Proposed Agenda for Meeting on May 10, 2011. 2:00 p.m.

BNY Mellon and SEC Working Groups on “Swap Execution Facilities” and “Clearing”

The purpose of the meeting is to discuss clarification of two provisions in the Dodd-Frank Act relating to “swap execution facilities” (“SEF”) which are not consistent.

- The definitional section (Sec.721) states that a SEF involves **execution or trading** of swaps.
- The registration section (Sec.733) requires any entity that operates a facility for **trading or processing** swaps to register as an SEF.
- BNY Mellon provides a range of post-execution processing services for swaps.
- BNY Mellon does not believe that the “processing” of swaps should be read to include post-execution activities which do not constitute trading or execution.