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Mrs Mary L. Shapiro
Chairman
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549
USA

CHAIRMAN'S
CORRESPONDENCE UNIT

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Paris, 11 FEV. 2011

Re: Title VII of the Dodd-Frank Act

Dear Chairman,

As Chairmen of the *Autorité de contrôle prudentiel* ("ACP") and of the *Autorité des marchés financiers* ("AMF") we take the opportunity of the public consultation on your proposed rulemaking to raise specific concerns on the proposed rules related to Section 712(d)(1), Section 721(c) and Section 761(b) of Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act"). Although this is not a formal contribution to your consultations we would like to draw your attention specifically to the case of foreign-headquartered financial organizations and in particular French entities.

We understand that the CFTC and the SEC, in consultation with the Board of Governors of the Federal Reserve System ("Fed"), are proposing rules and interpretative guidance to further define the terms "swap dealer," "security-based swap dealer," "major swap participant," "major security-based swap participant," and "eligible contract participant" which would not specifically take into account the case of the non-resident entities and, therefore, could have non-desirable extraterritorial effects on such entities.

Based on our common experience, especially in a cross-border prudential supervision and market regulation perspective, we believe that such unilateral approach could lead to regulatory overlaps and inconsistencies and therefore be counterproductive. Indeed, the articulation between the different legal and regulatory

frameworks is an international challenge and is undoubtedly a corner stone for the achievement of G20's commitments.

Therefore, from a practical point of view, we strongly support for foreign banking organizations and other financial institutions (such as asset management companies, investment advisers, private equity funds and other entities that might qualify as major swap participants) a mutual recognition regime built around an adequate and balanced symmetrical system taking into account the home and the host country regulatory regimes. Thus, without calling into question the registration of non-resident entities as "swap dealer", "security-based swap dealer", "major swap participant" or "major security-based swap participant", we expect that such registration will be limited to activities in relation with US counterparties and/or clients and will not involve similar obligations to the financial organizations as a whole. The obligations for non-resident entities should indeed be proportionate and take into equivalent requirements in their home jurisdiction. In this perspective, in order to prevent double and recursive regulation, Memoranda of Understanding (MoUs) signed between the regulatory authorities concerned could be very useful instruments. Having regard to Section 752 of Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, we understand that such an approach could be relevant.

Consequently, taking into consideration the short timeframe of the proposed rulemakings, we would be happy to explore with you various options in a constructive approach and we would be pleased to further discuss on this very important subject.

We look forward to our continued co-operation in this field.

With our best regards,



Mr. Christian Noyer
Chairman
Autorité de contrôle prudentiel (ACP)



Jean-Pierre Jouyet
Chairman
Autorité des marchés financiers (AMF)

C/C : Mr. Gary Gensler, Chairman of the Commodity Futures Trading Commission
Mr. William Dudley, Chairman of the Federal Reserve Bank of New York