Securities Industry Association

January 14, 2005

Jonathan G. Katz, Secretary
Securities and Exchange Commission
450 Fifth Street NW
Washington DC 20549-0609

Re: CBOE Customer Portfolio and Cross Margining Requirements
File Number SR-CBOE-2002-03, 69 *Fed.Reg.* 77275 (December 27, 2004)

NYSE Customer Portfolio and Cross Margining Requirements
File Number SR-NYSE-2002-19, 69 *Fed.Reg.* 77287 (December 27, 2004)

Dear Mr. Katz:

The Futures Industry Association ("FIA")[1] and the Securities Industry Association ("SIA")[2] (collectively, the "Associations") respectfully request the Securities and Exchange Commission ("Commission") to extend for an additional 30 days the period within which comments are required to be filed with respect to the above-referenced exchange rule amendments. A substantial number of our members, either directly or through affiliates, are members of the New York Stock Exchange ("NYSE") and the Chicago Board Options Exchange ("CBOE"). As such, they have a significant interest in the proposed rules that would allow broker-dealers to establish portfolio margin and cross margin accounts for their institutional clients.

The Associations and their members have consistently supported the adoption of procedures both to permit non-futures position margin and other property to be held in the customer segregated account and to permit futures margin and other property on behalf of qualified customers to be held outside of a segregated account.[3] The amendments proposed by the NYSE and the CBOE

1 FIA is a principal spokesman for the commodity futures and options industry. FIA's regular membership is comprised of approximately 40 of the largest futures commission merchants ("FCMs") in the United States, the majority of which are also registered broker-dealers or have affiliates that are registered broker-dealers. Among our approximately 150 associate members are representatives of virtually all other segments of the futures industry, both national and international.

2 SIA brings together the shared interests of more than 600 securities firms to meet common goals. SIA member firms (including investment banks, broker-dealers, and mutual fund companies) are active in all US and international markets and in all phases of corporate and public finance.

3 See, *e.g.*, letter from John M. Damgard, President, Futures Industry Association, to Jean A. Webb, Secretary, Commodity Futures Trading Commission, dated April 5, 2002 in response to a request for comments in connection with the examination of the Commodity Exchange Act and the regulations thereunder. 66 *Fed. Reg.* 33531 (June 22, 2001).

appear to be an important step toward this end. Therefore, we generally support their purpose. Nonetheless, in the limited time available, we have identified a number of operational and regulatory concerns that that we believe should be addressed first. The resolution of these concerns will allow us to submit a more meaningful comment letter. The additional time that we have requested will permit the Associations to meet with representatives of the two exchanges to address our concerns.

Thank you for your consideration of this request. If you have any questions, please contact Barbara Wierzynski, FIA's General Counsel, at (202) 466-5460, or Gerard Quinn, SIA's Associate General Counsel, at (212) 618-0507.

Sincerely,

Barbara Wierzynski
Executive Vice President and General Counsel
Futures Industry Association

Gerard J. Quinn
Vice President and Associate General Counsel
Securities Industry Association