

June 11, 2026

Submitted Electronically

Mr. Christopher Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st St. N.W.
Washington, DC 20581

Re: Clearing Requirement Determination Under Section 2(h) of the Commodity Exchange Act for Interest Rate Swaps To Account for CAD and MXN Interest Rate Benchmark Transitions (RIN 3038-AF69)

Dear Mr. Kirkpatrick,

The International Swaps and Derivatives Association, Inc. (“**ISDA**”) appreciates the opportunity to submit these comments on the Commodity Futures Trading Commission’s (the “**Commission**’s”) notice of proposed rulemaking (the “**NPR**”) noted above.

We generally support the conclusions and objectives of the NPR. We welcome that in developing this proposal, the Commission considered alignment with other jurisdictions.

Proposals on CAD-denominated interest rate swaps

In relation to CAD-denominated interest rate swap clearing requirement, we understand that the Commission is proposing to modify the scope of the clearing requirement, removing fixed-to-float interest rate swaps referencing CAD CDOR and extending the scope of CAD OIS referencing the CAD CORRA from the current scope of 7 days to 2 years to an extended scope of 7 days to 30 years. We appreciate that this aligns with the changes introduced in Canada, further to the Canadian Securities Administrators’ proposal,¹ to which ISDA responded, in support of the proposed scope modifications.² We agree with the proposed modifications in respect of CAD-denominated interest rate swaps.

Proposals on MXN-denominated interest rate swaps

In relation to fixed-to-float interest rate swaps referencing MXN TIIE, we understand that the Commission is proposing to remove the current requirement, and introduce a new requirement to

¹ [CSA Notice of Consultation – Proposed Amendments to National Instrument 94-101 Mandatory Central Counterparty Clearing of Derivatives](#)

² [ISDA-Responds-to-CSA-Consultation-on-Revisions-to-Canadian-Clearing-Obligation.pdf](#)

clear MXN F-TIIE OIS with a stated termination date range of 28 days to 21 years, in light of changes made by the Banco de Mexico on its clearing requirement, which now includes MXN F-TIIE OIS with a stated termination date range of 28 days to 30 years. We understand that in defining the upper bound of the stated termination date range at 21 years, the Commission took into consideration the range cleared by registered DCOs. We agree with the proposed revisions of the scope. Given that one of the registered DCOs offering clearing for these products only includes OIS with a termination date up to 21 years, we agree with the proposal and do not suggest that MXN F-TIIE OIS include OIS with maturities beyond 21 years.

Effective Dates

The effective date for newly included clearing mandates in the clearing requirement should in no event be sooner than 3 months after publication of the Final Rule.

In the NPR, the Commission proposes an effective date of 30 days after publication of the Final Rule in respect of the proposed (i) change of the stated termination date range for swaps denominated in CAD that reference CAD CORRA, (ii) addition of OIS denominated in MXN that reference MXN F-TIIE, (iii) removal of fixed-to-float swaps denominated in CAD that reference CAD CDOR, and (iv) removal of fixed-to-float swaps denominated in MXN that reference MXN TIIE. However, in respect of the revised scope of the clearing requirement, an effective date 30 days after publication of the Final Rule will not support efficient implementation. Establishing a framework that enables firms to comply with amended scope requires additional market preparations. Market participants will have to adapt systems; create and run internal training; issue client communications; develop and implement control frameworks, internal governance; and address unique jurisdictional requirements where they exist.

As a result, ISDA requests that the new clearing requirements effective date be a minimum of 3 months after the publication of the Final Rule. To meet a shorter deadline, ISDA members may have to adopt tactical solutions and place an unnecessary strain on their resources.

Post Trade Risk Reduction (“PTRR”) Exercises

Transactions stemming from PTRR exercises should be exempt from the clearing obligation.

PTRR exercises (such as multilateral compression, rebalancing, optimisation exercises) are undertaken to reduce uncleared counterparty credit risk or shift existing risk from the uncleared space to clearinghouses. Reducing risk in uncleared portfolios is particularly beneficial in volatile markets. Large market moves can result in large liquidity needs for market participants if they are not able to effectively manage the risk in their bilateral portfolios. Indeed, the Commission has long recognized PTRR as an important tool to reduce outstanding notional exposures and reduce operational and counterparty credit risk. The EU has already enacted rules to exempt transactions arising from PTRR exercises from the derivatives clearing obligation (and

has recently consulted on the implementation of the exemption);³ the UK has similarly consulted on new rules to allow for the same exemption;⁴ and Australia finalised rules to that effect as well.⁵ The greater the number of jurisdictions providing such exemption, the more effective it becomes in terms of risk reduction, as market participants across multiple jurisdictions where the exemption applies can then participate in such exercises.

Therefore, in recognition of the public policy importance of supporting PTRR exercises, we request that the Commission consider an exemption from the clearing requirement for transactions arising from PTRR exercises, under conditions of market risk neutrality and risk reduction. In the alternative, if the Commission prefers not to amend the clearing requirement language, it could provide the requested relief via the issuance of a Staff Letter issued contemporaneously with the Final Rule.

* * *

ISDA appreciates the opportunity to submit these comments on the Commission's NPR.

If ISDA can be of any help in this process, we hope that you will not hesitate to contact Ulrich Karl, ISDA's Head of Clearing, at UKarl@isda.org, or Sarah Crowley, Director – Clearing, at SCrowley@isda.org.

Sincerely,



Ulrich Karl

³ In the EU, as part of EMIR 3 implementation, ESMA recently consulted on draft technical standards to specify the conditions to exempt transactions arising from PTRR: https://www.esma.europa.eu/sites/default/files/2026-02/ESMA74-1049116226-877_-_

[Consultation Paper on post trade risk reduction services RTS Exemption CO.pdf](#). ISDA's response to the consultation can be found here: [ISDA-Responds-to-ESMA-on-PTRR-Clearing-Exemption.pdf](#).

⁴ In the UK, further to the Financial Services and Markets Acts 2023, the Bank of England received the power to exempt transactions arising from PTRR. The BoE recently consulted on draft rules:

<https://www.bankofengland.co.uk/paper/2025/cp/exempting-post-trade-risk-reduction-transactions-from-the-clearing-obligation>. ISDA's response to the consultation can be found here: <https://www.isda.org/a/HQtiE/ISDA-Responds-to-BoE-on-Clearing-Exemption-for-Post-trade-Risk-Reduction-Transactions.pdf>

⁵ In Australia, the Australian Securities and Investment Commission finalised Simple Consultation 33 to extend its exemption from the clearing requirement in section 2.1.1. of the Derivatives Transaction Rules (Clearing) for multilateral portfolio compression exercises to derivatives transactions entered as a result of a post-trade risk reduction exercise. The revised ASIC derivatives transaction rules came into effect on April 1, 2026 and can be found here: [ASIC Derivative Transaction Rules \(Clearing\) 2026 - Federal Register of Legislation](#)



About ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 1,000 member institutions from 76 countries. These members comprise a broad range of 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, such as exchanges, intermediaries, clearing houses 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 website: www.isda.org. Follow us on [LinkedIn](#) and [YouTube](#).