

December 10, 2012

Mr. Richard Shilts
Director
Division of Market Oversight
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: Swap Allocation Report Timing

Dear Mr. Shilts:

The International Swaps and Derivatives Association, Inc. (“ISDA”), on behalf of its members that intend to register as swaps dealers (“SDs”) or major swap participants (“MSPs”) and other similarly situated persons, is writing to request no-action relief pursuant to Rule 140.99 with regard to the timing of reporting of allocation of swaps, as described below, under the Regulations of the Commodity Futures Trading Commission (the “Commission”) contained in Part 45.

ISDA’s mission is to foster safe and efficient derivatives markets to facilitate effective risk management for all users of derivative products. ISDA has more than 800 members from 58 countries on six continents. These members include a broad range of OTC derivatives market participants: global, international and regional banks, asset managers, energy and commodities firms, government and supranational entities, insurers and diversified financial institutions, corporations, law firms, exchanges, clearinghouses and other service providers.

Relief Requested

Rule 45.3(e) requires that an agent allocating a swap report its allocation to the reporting counterparty within 8 business hours, measured in the location of the reporting counterparty. The reporting counterparty then must report to a swap data repository as soon as technologically practicable after the agent’s report. ISDA requests confirmation that the staff of the Division of Market Oversight (the “Division”) will not recommend enforcement action against any agent or reporting counterparty that fails to adhere to the reporting timeframes of Rule 45.3(e)(ii), if the agent is located in a jurisdiction or time zone different from that of the reporting counterparty and (a) in the case of the agent, the agent reports its allocation as specified in Rule 45.3(e)(ii)(A) within 48 business hours next following the execution of the swap (the “Basic Allocation Period”) plus an additional business day for each day of legal holiday in the agent’s jurisdiction coincident with the Base Allocation Period and (b) in the case of the reporting counterparty, the reporting counterparty discharges its Rule 45.3(e)(ii)(B) further reporting obligation as soon as technologically practicable during business hours in its own location after receiving the required actual counterparty identification information from the agent. ISDA asks that the Division staff

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**Request for No-Action
Relief - Part 45**

maintain its no-action position until at least June 30, 2013 or such earlier time as the Commission, in consultation with affected market participants, shall have developed means to resolve the timing issues noted in this letter. We are not in this letter requesting relief from other requirements of Part 45 that pertain to the allocation of bunched trades.

Discussion

Rule 45.3(e) specifies that the agent with respect to a swap to be allocated inform the reporting counterparty of the identities of the actual counterparties to which the swap has been allocated as soon as technologically practicable, but not later than eight business hours after execution. Rule 45.1 makes clear that business hours are business hours in the location of the reporting counterparty.

Swaps may of course be transacted across different jurisdictions (with different business day/holiday calendars) and time zones. It is perfectly possible that an agent will be unable, as a result of those differences, to complete its task within the specified 8 business hours of the reporting counterparty.

In order to avoid situations where the agent's compliance is impossible without 24/7 staffing (including on public holidays), we urge the Division to provide no-action relief intended to create more flexibility for (i) an agent in a different jurisdiction or time zone from the reporting counterparty to report its allocation subject to holiday and time zone differences and (ii) the reporting counterparty to fulfill its following responsibilities within its own business hours.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert C. Pehel". The signature is fluid and cursive, with the first name "Robert" being the most prominent part.

Certification Pursuant to Commission Regulation 140.99(c)(3)

As required by Commission Regulation 140.99(c)(3), I hereby (i) certify that the material facts set forth in the attached letter dated December 10, 2012 are true and complete to the best of my knowledge; and (ii) undertake to advise the Commission, prior to the issuance of a response thereto, if any material representation contained therein ceases to be true and complete.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert C. Pech". The signature is written in a cursive, flowing style.