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November 21, 2012

Office of the Comptroller of the Currency
250 E Street, NW
Mail Stop 2-3
Washington, DC 20219

Robert deV. Frierson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington DC, 20429

Alfred M. Pollard
General Counsel, Federal House Finance Agency
Attention: Comments / RN2590-AA45
400 7th Street, 8th Floor, SW
Washington DC, 20024

Gary K. Van Meter
Director, Office of Regulatory Policy
Farm Credit Administration
1501 Farm Credit Drive
McLean, VA 22102-5090

Re: Margin and Capital Requirements for Covered Swap Entities (RIN 1557-AD43; RIN 7100-AD74; RIN 3064-AD79; RIN 3052-AC69; and RIN 2590-AA45)

Ladies and Gentlemen:

MFX Solutions, Inc. (**MFX**)[1] is writing to provide further comments to the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Farm Credit Administration and the Federal Housing Finance Agency (together, the **Agencies**) in response to the reopening of the comment period on the Agencies' proposed minimum margin and capital requirements for swap dealers and major swap participants for which one of the

[1] MFX was formed in 2008 by a group of microfinance organizations, including lenders, investors, raters, networks, and foundations, seeking to minimize currency risk for lenders in the microfinance industry. These microfinance lenders are typically funds or other financial institutions located in the United States and Europe that provide financing to microfinance institutions in developing countries, which in turn provide underserved entrepreneurs with very small loans to support microbusinesses.

Agencies is the prudential regulator (together, **Covered Swap Entities**).[2] The Agencies reopened the comment period to permit interested parties to analyze and comment on the consultative document on margin requirements for non-centrally-cleared derivatives published in July 2012 by the Basel Committee on Banking Supervision (**BCBS**) and the International Organization of Securities Commissions (**IOSCO**) (the **Consultative Document**).[3] MFX is grateful for the opportunity to comment on the Consultative Document and urges the Agencies to permit U.S. government and agency guarantees to be used as eligible collateral for meeting initial and variation margin requirements for swaps not cleared through a derivatives clearing organization ("**uncleared swaps**"). MFX also wishes to reiterate its concerns regarding the Agencies Release expressed in its earlier comment letter,[4] in particular to ensure that its existing collateral arrangements with commercial banks subject to prudential regulation by one of the Agencies (each, a **Bank Counterparty**), described in greater detail below, fall within the requirements for eligible collateral in the Agencies' final rulemaking.

1. THE CONSULTATIVE DOCUMENT AND THE AGENCIES RELEASE

The Consultative Document sets out the joint BCBS-IOSCO proposals for minimum standards for margin requirements for non-centrally-cleared derivatives[5] in a series of seven key principles (each, a **Principle**) accompanied by proposed requirements to implement each Principle. MFX is generally supportive of the Principles, and notes the significant overlap between the policy goals expressed in the Principles and the approach taken by the Agencies in the Agencies Release. For example, Principle 2 would require that financial firms and certain non-financial entities entering into uncleared swaps must exchange initial and variation margin that is appropriate for the risks posed by such transactions, which is similar to the Agencies' stated goal to adopt margin requirements that are appropriate for the risks associated with uncleared swaps and the proposed risk-based approach to setting margin requirements in the Agencies Release.

However, MFX is concerned that the proposed requirement to implement Principle 4 of the Consultative Document ("Eligible Collateral for Margin") appears to be unduly restrictive. In particular, BCBS and IOSCO have proposed that the types of collateral eligible for meeting initial and variation margin requirements for uncleared swaps should include, but not be limited to, the following:

- cash;
- high-quality government and central bank securities;
- high-quality corporate bonds;
- high-quality covered bonds;

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[2] See Margin and Capital Requirements for Covered Swap Entities; Reopening of Comment Period, 77 Fed. Reg. 60057 (October 2, 2012). See also Margin and Capital Requirements for Covered Swap Entities; Proposed Rule, 76 Fed. Reg. 27,564 (May 11, 2011) (the **Agencies Release**). As discussed in greater detail below, MFX's derivatives activities relate to the swaps market rather than to the security-based swaps market. In addition, margin requirements for swap dealers and major swap participants that are regulated by the Commodity Futures Trading Commission (**CFTC**) are subject to a separate rulemaking. Accordingly, references in this letter to "Covered Swap Entities" should be understood to refer only to swap dealers and major swap participants that are subject to prudential regulation by one of the Agencies.

[3] Basel Committee on Banking Supervision and the International Organization of Securities Commissions, Margin Requirements for Non-Centrally-Cleared Derivatives (July 6, 2012), available at www.bis.org/publ/bcbs226.pdf.

[4] See Letter from Brian Cox, President, MFX Solutions, Inc., dated February 3, 2012 (the **Prior MFX Letter**). MFX also submitted a comment letter to the CFTC expressing similar concerns with the CFTC's proposed capital and margin requirements for uncleared swaps. See Letter from Brian Cox, President, MFX Solutions, Inc., dated July 11, 2011.

[5] Although the Consultative Document refers to "non-centrally-cleared derivatives", the scope of this letter is limited to those swaps that are not accepted for clearing by or through a CFTC-registered derivatives clearing organization.

- equities included in major stock indices; and
- gold.[6]

By contrast, proposed §__.6(a) of the Agencies Release specifies different categories of assets that a Covered Swap Entity may collect to satisfy initial and variation margin requirements for uncleared swaps:

> *(1) Immediately available cash funds that are denominated in –*
> *(i) U.S. dollars; or*
> *(ii) The currency in which payment obligations under the swap are required to be settled;*
> *(2) Any obligation which is a direct obligation of, or fully guaranteed as to principal and interest by, the United States; and*
> *(3) With respect to initial margin only –*
> *(i) Any senior debt obligation of the Federal National Home Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Banks and the Federal Agricultural Mortgage Corporation; and*
> *(ii) Any obligation that is an "insured obligation" as that term is defined in 12 U.S.C. 2277a(3) of a Farm Credit System bank.*

MFX notes in particular that the Consultative Document does not refer to guarantees whereas §__.6(a) expressly refers to "Any obligation which is a direct obligation of, or fully guaranteed as to principal and interest by, the United States."

As described below and in the Prior MFX Letter, MFX hedges its microfinance activities by entering into swaps with Bank Counterparties, one or more of which are likely to become Covered Swap Entities. Due to the exotic nature of the currencies involved, such swaps will most likely not be subject to a mandatory clearing requirement pursuant to Section 2(h)(2) of the CEA and CFTC Rule 39.5 thereunder. MFX is eager to ensure that it can continue to rely on its existing collateral arrangements with these counterparties. For the reasons set out below, MFX believes that, notwithstanding that guarantees were not included in the proposed list of eligible collateral in the Consultative Document, the Agencies should continue to include guarantees in the list of eligible collateral for uncleared swaps. MFX also restates its view, originally expressed in the Prior MFX Letter, that §__.6(a)(2) of the Agencies Release should be expanded to permit additional types of guarantees to qualify as eligible collateral.

2. MFX'S BUSINESS AND COLLATERAL ARRANGEMENTS

2.1 Business Model

MFX operates as a not-for-profit microfinance industry cooperative dedicated to providing microfinance lenders with: (i) tools and knowledge to quantify currency risk; and (ii) affordable and accessible hedging instruments designed for microfinance lenders, including over-the-counter foreign exchange swaps, foreign exchange forwards and foreign exchange options (each, a **Client Transaction**). A typical Client Transaction entered into by MFX has a notional value of $500,000-2,000,000. MFX expects its notional hedging portfolio to reach a value of $400 million after two to three more years of operation.

MFX fully offsets the currency market risk of each Client Transaction by entering into matching and offsetting hedge (each, an **Offsetting Transaction**) with a counterparty, often a Bank Counterparty.[7] As an intermediary, MFX retains a small margin, covering costs and business viability, on the Client

[6] Consultative Document, p. 22.
[7] From time to time, TCX may also act as counterparty to Offsetting Transactions.

Transaction and the Offsetting Transaction that, in all other respects, mirror one another. MFX therefore carries no foreign exchange market risk or any other form of market risk. MFX's only exposure is to the credit risk of the relevant counterparties on both the Client Transactions and the Offsetting Transactions. The exotic nature of the currencies underlying the Client Transactions and Offsetting Transactions suggests that few, if any, such transactions will be subject to a mandatory clearing requirement under Section 2(h)(7) of the Commodity Exchange Act, as amended (the **CEA**).

2.2 Collateral Arrangements: The OPIC Guarantee

A key aspect of MFX's business model is its collateral arrangement, which is designed to reduce or eliminate the collateral obligations of microfinance lenders hedging their foreign exchange exposure while ensuring that all Client and Offsetting Transactions are appropriately collateralized.[8] MFX's collateral arrangement is made of two complementary elements: (i) a pre-existing agreement with several Bank Counterparties, each of which agree to enter into Offsetting Transactions; and (ii) a guarantee from the Overseas Private Investment Corporation[9] (the **OPIC Guarantee**).

Pursuant to this arrangement, OPIC absolutely and unconditionally guarantees all payment obligations owed to MFX by a microfinance lender counterparty under a qualifying Client Transaction. For a Client Transaction to qualify for the benefits of the OPIC Guarantee, the microfinance lender counterparty must ensure that the proceeds of the microfinance loan being hedged meets certain OPIC guidelines, including a maximum individual loan size of $15,000 and certain social and environmental criteria.

OPIC does not issue a separate guarantee for each qualifying Client Transaction. Rather, OPIC guarantees the aggregate of all payment obligations of microfinance lender counterparties owed to MFX under all qualifying Client Transactions, up to a maximum of [$20] million. In turn, MFX assigns its right to payment under the OPIC Guarantee for each qualifying Client Transaction to the Bank Counterparty on the corresponding Offsetting Transaction, in effect ensuring that any payments made by OPIC under the OPIC Guarantee go not to MFX but instead to the Bank Counterparty. Accordingly, the OPIC Guarantee collateralizes each qualifying Client Transaction as well as its corresponding Offsetting Transaction.

In the event of a non-payment by a microfinance lender counterparty on a Client Transaction, the OPIC Guarantee is immediately enforceable against OPIC. MFX must inform OPIC of any such failure of a microfinance lender counterparty to make payment, and OPIC has 10 [business] days from the receipt of such notice to make payment under the OPIC Guarantee. According to the terms of the assignment agreement between MFX and the Bank Counterparty, any OPIC payment under the OPIC Guarantee will flow directly to the Bank Counterparty.

The OPIC Guarantee serves as the cornerstone of MFX's collateral arrangements and therefore of its business model. Should the OPIC Guarantee not qualify as eligible collateral for Offsetting Transactions entered into with a Bank Counterparty, the fundamentals of MFX's business model would no longer be operable and MFX would face significant additional costs to obtain qualifying eligible collateral for its Offsetting Transactions. Based on preliminary estimations, such costs would likely force MFX to

[8] Such microfinance lenders would likely not be able to continue to operate if they were required to find and provide collateral on their foreign exchange hedging arrangements.

[9] The Overseas Private Investment Corporation (**OPIC**) is the U.S. government agency established for the purpose of promoting the economic and social development of developing countries and countries in transition from non-market to market economies. As part of its mission, OPIC has given significant support to the microfinance sector, including the OPIC Guarantee provided to MFX. More details regarding OPIC's involvement in the microfinance sector can be found at: http://www.opic.gov/sites/default/files/docs/microfinancing_06_2010.pdf.

discontinue its Offsetting Transactions and may be so prohibitive as to require MFX to exit the swaps markets entirely, thereby removing the ability of many microfinance lenders to hedge their currency risk.

3. THE CONSULTATIVE DOCUMENT DOES NOT REQUIRE THAT THE AGENCIES ELIMINATE INSTRUMENTS GUARANTEED BY THE U.S. GOVERNMENT FROM PROPOSED §__.6(a)

As noted above, BCBS and IOSCO set out in the Consultative Document a list of eligible collateral to meet initial and variation margin requirements for uncleared swaps. Instruments guaranteed by the U.S. government (or any other government) are not included on the list. However, the drafters also noted that the list is only a "guide" and that this "illustrative list...should not be viewed as exhaustive".[10] While national regulators should make reference to the proposed list, they should also take into account "the conditions of their own markets"[11] when determining which assets are eligible to meet initial and variation margin requirements for uncleared swaps, provided that such assets: (1) hold their value in a time of financial stress; (2) are not exposed to excessive credit, market or FX risk or are subject to appropriate haircuts reflecting such risks; and (3) do not exhibit any wrong-way risk.

MFX believes that instruments guaranteed by the U.S. government (and, as more fully described below, U.S. government agencies) meet the requirements of Principle 3 and therefore should be retained by the Agencies when finalizing the Agencies Release. The market generally treats these instruments as being risk-free because it is understood that all payments on such instruments will be made on time and in full. For this reason, such instruments face little to no credit risk and are more likely than privately-issued debt or equity securities – which are included on the proposed list of assets compatible with Principle 3 – to maintain their value in a time of financial stress. Additionally, these instruments do not present wrong-way risk because they should not be correlated with the creditworthiness of a counterparty to an uncleared swap. Finally, the narrower the scope of assets eligible to be used as collateral for uncleared swaps, the greater the likely effect on the prices and liquidity of such assets as a consequence of substantially increased demand. In addition, collateralizing uncleared swaps using only a fairly limited range of assets increases the concentration risk in collateral portfolios. For these reasons, the Agencies should ensure an appropriately broad scope of assets eligible to be used as collateral for uncleared swaps, including but not limited to instruments guaranteed by the U.S. government (and, for the reasons described below, U.S government agencies).

4. THE AGENCIES SHOULD NEVERTHELESS AMEND PROPOSED §__.6(a)(2)

As discussed above, MFX believes that the Agencies can meet the requirements of Principle 3 of the Consultative Document without removing references to instruments guaranteed by the U.S. government in proposed §__.6(a)(2). However, for MFX to maintain its existing collateral arrangements, the OPIC Guarantee would need to qualify under proposed §__.6(a)(2) as an obligation "which is a direct obligation of, or fully guaranteed as to principal and interest by, the United States". As originally expressed in the Prior MFX Letter, MFX continues to believe that the Agencies should amend §__.6(a)(2) in the manner set out below in order to give greater assurance to MFX that the OPIC Guarantee will so qualify.

4.1 The Definition Should Reference Agencies of the U.S. Government

Proposed §__.6(a)(2) does not reference direct obligations of, or obligations fully guaranteed as to principal and interest by, agencies of the U.S. government. This is a troubling oversight because Section 4s(e)(3)(C) of the CEA, added by the Dodd-Frank Act, expressly states that the Agencies and the CFTC

[10] Consultative Document, p. 22.
[11] *Id*. at 23.

"shall permit the use of non-cash collateral" (emphasis added) provided that using such non-cash collateral is consistent with preserving the financial integrity of the markets trading swaps and with preserving the stability of the U.S. financial system. In its corresponding release proposing margin requirements for uncleared swaps for swap dealers and major swap participants subject to its jurisdiction, the CFTC expressly includes obligations of agencies of the U.S. government in its definition of permissible initial margin.[12] In addition, obligations of agencies of the U.S. government are widely-accepted as collateral by clearinghouses[13] and are routinely used as collateral in the OTC swap markets.[14] In the Agencies Release, the Agencies adduce no reason for the failure to include obligations of agencies of the U.S. government in the list of eligible collateral.

MFX also notes that the overwhelming majority of comment letters submitted in respect of the Agencies Release argue that the list of eligible collateral is unduly restrictive. Commenters have offered various arguments for expanding the list of permissible collateral, including concerns related to the potential effect on the market for U.S. treasuries[15] as well as the potential for increased costs of hedging for counterparties required to post collateral to Covered Swap Entities.[16] MFX notes that these comment letters reflect a widespread consensus that supports expanding the categories of eligible collateral for uncleared swaps, often beyond agencies of the U.S. government to include high-quality corporate debt and agency mortgage-backed securities. The Consultative Document also includes certain equity instruments as well as high-quality corporate and covered bonds in its proposed list of assets compatible with Principle 3.[17] Unlike any of the foregoing, instruments guaranteed by agencies of the U.S. government face little to no credit risk and are substantially more likely to maintain their value in a time of financial stress. Accordingly, MFX restates its belief that the Agencies should expand the definition of eligible collateral for initial and variation margin in §__.6(a)(2) to expressly include obligations of agencies of the U.S. government.

4.2. The Definition Should Reference Arrangements Relating to Swap Transactions

MFX also continues to believe that the Agencies should expand the categories of eligible collateral for both initial and variation margin to include not only those obligations that are fully guaranteed as to the payment of principal and interest by the United States or an agency thereof but also any obligation for which the United States or an agency thereof guarantees the payment obligations of one or more counterparties. The reference to "fully guaranteed as to principal and interest" in proposed §__.6(a)(2) reflects the longstanding presumption that government guarantees would normally be issued in respect of debt securities only. However, such phrasing is now outdated and no longer reflects the reality of the current financial system, in particular the expansion of the swaps markets in the last several decades.

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[12] Proposed CFTC Rule 23.157(a)(2)(ii) ("any obligation which is a direct obligation of, or fully guaranteed as to principal and interest by, the United States or an agency of the United States") (emphasis added). *See* Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants, 76 Fed. Reg. 23,732, 23,747 (Apr. 28, 2011).

[13] For example, clearinghouses such as the Fixed Income Clearing Corporation, the National Securities Clearing Corporation and the CME's clearinghouse all accept agency securities alongside U.S. treasuries as acceptable collateral.

[14] See, e.g., Comment Letter from the International Swaps and Derivatives Association and the Securities Industry and Financial Markets Association to the Agencies (July 26, 2011), p. 26 ("It should be noted that 82% of all collateral in circulation in the OTC derivatives markets consists of cash. Of the remainder, the majority is in the form of high-quality, liquid securities typically issued by sovereign entities or related agencies") (emphasis added).

[15] See, e.g., Comment Letter from Fidelity Investments to the Agencies (July 11, 2011), pp. 5-6.

[16] See, e.g., Comment Letter from the Working Group of Commercial Energy Firms to the Agencies (July 11, 2011), pp. 11-13.

[17] See n. 6 and accompanying text, *supra*.

The rationale for treating privately-issued debt instruments fully guaranteed as to principal and interest by the U.S. government as being on a par with direct obligations of the U.S. government has to do with the consequences of such guarantee to the holder of the privately-issued debt instrument. The government guarantee in effect eliminates the credit risk of the private issuer thereby making such debt instrument "risk-free" because the holder of such debt instrument is guaranteed to receive all interest payments as well as his principal back at maturity. The consequences of a guarantee of a counterparty's payment obligations on a swap by the U.S. government is indistinguishable: the government guarantee of the payment obligations of one swap counterparty makes the swap "risk-free" to the other swap counterparty. That the swap markets had not fully developed at the time that the traditional phrasing "guaranteed as to principal and interest" was formulated does not alter the basic fact that a government guarantee of a counterparty's payments on a swap serves exactly the same purpose, and has exactly the same effect, as a government guarantee of the payment of principal and interest of a private debt issuance, and therefore the drafting in §__.6(a)(2) should not distinguish between the two.

Accordingly, MFX respectfully reiterates its recommendation that the Agencies redraft proposed §__.6(a)(2) to read as follows (new text in underline):

> *"(2) Any obligation which is a direct obligation of, or fully guaranteed <u>either</u> as to principal and interest <u>or as to one or more counterparty's payments</u> by, the United States <u>or an agency of the United States</u>; and"*

The rest of proposed §__.6(a) would continue to remain unaffected.

5. THE OPIC GUARANTEE SHOULD QUALIFY AS "ELIGIBLE COLLATERAL"

As originally discussed in the Prior MFX Letter, amending the definition of "eligible collateral" in proposed §__.6(a)(2) in the manner described above would permit MFX to continue to use the OPIC Guarantee to collateralize its Offsetting Transactions with Bank Counterparties. However, should the Agencies determine not to make such amendments, or to amend proposed §__.6(a)(2) in a way that does not achieve a similar result, MFX respectfully restates its request that the Agencies make an official determination that MFX will be in compliance with the terms of proposed §__.6(a)(2) if it posts the OPIC Guarantee with its Bank Counterparties.

MFX continues to believe that the Agencies should determine that the OPIC Guarantee is permissible collateral for uncleared swaps on the basis that the OPIC Guarantee is a "direct obligation" of a U.S. government agency. As discussed above, the OPIC Guarantee is an instrument issued directly by a U.S. government agency and, pursuant to the terms of the OPIC Guarantee, recourse is directly with OPIC rather than a third party or intermediary and OPIC must make any required payments immediately upon demand. Therefore, the OPIC Guarantee is a direct-recourse obligation of a U.S. government agency and, as such, appears to meet the requirements of Principle 3 of the Consultative Document because it has limited credit, market and FX risk and does not present any wrong-way risk. Even though the term "direct obligation" has historically been understood to refer to debt instruments issued by the U.S. government or an agency thereof, such historical usage does not *per se* preclude the Agencies from finding that the OPIC Guarantee falls within the scope of the term "direct obligation."

The swap markets had not been sufficiently developed when U.S. government and U.S. government agency guarantees were generally given in respect of a particular debt obligation, covering both its principal and interest payments. Because swaps are bilateral contracts on a notional principal amount and generally have payment obligations settled on a net basis, there is no express "principal" or "interest" on which a U.S. government or U.S. government agency guarantee could be placed. In theory, as the floating leg of a swap is generally set in advance, an express payment obligation could be created for each coupon

payment on a swap and the OPIC Guarantee could be adjusted to provide an express guarantee of each such payment obligation. Establishing such mechanism would however be time-consuming and costly to set up and would not change the fact that the OPIC Guarantee applies to all amounts not paid under a Client Transaction. Therefore, MFX respectfully resubmits that a guarantee by a U.S. government agency of payment obligations under a swap or portfolio of swaps – including the OPIC Guarantee – should be determined to be an acceptable form of initial and variation margin for uncleared swaps with Covered Swap Entities.[18]

MFX continues to believe that considerations relating to liquidity of eligible collateral are inapplicable to the OPIC Guarantee. Much of the discussion in the Agencies Release and in related comment letters regarding the scope of "eligible collateral" under §__.6(a)(2) focuses on the requirement that such instruments be, *inter alia*, highly liquid. For a traditional financial instrument, liquidity is critically important because a secured party seeking to realize the value of collateral will be able to sell liquid instruments quickly and with a minimum of loss of market value. The nature of the OPIC Guarantee eliminates this liquidity risk because the value of the OPIC Guarantee fluctuates with the value of the payment obligations of the microfinance lenders under qualifying Client Transactions, up to an aggregate limit of the amount of the OPIC Guarantee so assigned. Therefore, provided that the aggregate payment obligations for all microfinance lender counterparties on all qualifying Client Transactions remains below the amount guaranteed under the OPIC Guarantee, the value of the OPIC Guarantee will always match the value of such payment obligations. MFX's collateral arrangements with its Bank Counterparties require that the amount of the assigned OPIC Guarantee always exceeds MFX's aggregate obligations on the Client Transactions being hedged with such Bank Counterparty. Therefore, the requirement that eligible collateral under §__.6(a)(2) be highly liquid should not be applicable to the OPIC Guarantee.

Finally, MFX restates its belief that such determination would be a permissible exercise of the Agencies' authority under Section 4s(e)(3)(C) of the CEA which, as noted above, authorizes the Agencies to permit the use of non-cash collateral provided that doing so is consistent with preserving the financial integrity of the swaps markets and the financial stability of the United States. As noted above, many clearinghouses and OTC swap arrangements accept U.S. agency obligations as collateral and there is no evidence that such collateral contributed to the recent financial crisis. Moreover, permitting MFX to continue to use the OPIC Guarantee as eligible collateral would not weaken, but rather ensure the continued existence of, the market for swaps that microfinance lenders rely on to hedge their exposures. This swaps market is sufficiently small that the Agencies' determination to permit the OPIC Guarantee to serve as eligible collateral with Bank Counterparties would have a negligible effect on the financial stability of the United States.

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MFX appreciates the opportunity to provide further comments to the Agencies regarding Consultative Document and is grateful to be able to restate the views originally expressed in the Prior MFX Letter regarding the types of collateral that should be eligible to be used as margin for swaps entered into with Covered Swap Entities. Please feel free to contact me or others at MFX at your convenience with any questions.

[18] The Agencies may wish to extend similar relief to U.S. government agency guarantees of payment obligations under security-based swaps, however such determination is beyond the scope of the request in this letter.

Sincerely,

Brian Cox
President

cc: Ananda Radhakrishnan, Director, Division of Clearing and Risk, CFTC
Gary Barnett, Director, Division of Swap Dealer and Intermediary Oversight, CFTC
Don S. de Amicis, Vice President and General Counsel, OPIC