



| asset management group

April 2, 2015

Ms. Jill M. Peterson  
Assistant Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-1090

Re: Self-Regulatory Organizations; Bloomberg STP LLC; Notice of Filing of Application for Exemption from Registration as a Clearing Agency File No. 600-33, Release No. 34-74394

Dear Ms. Peterson:

The Asset Managers Forum (“AMF”) of the Securities Industry and Financial Markets Association (“SIFMA”) appreciates the opportunity to provide our comments to the Securities and Exchange Commission (“SEC” or “Commission”) on the Bloomberg application for exemption from registration as a clearing agency, in connection with the proposed Bloomberg STP confirmation matching service.

SIFMA brings together the shared interests of hundreds of securities firms, banks and asset managers. The Asset Management Group (“AMG”) of SIFMA is the voice for the buy side within the securities industry and broader financial markets, and the AMF is the operations-focused group within the AMG. Dedicated to facilitating collaboration among the buy-side operations community, the AMF brings together subject matter experts to discuss and develop practical solutions to highly topical operational challenges. The AMF’s mission is to provide thought leadership and guidance on pertinent industry issues and to create a premier venue for operations professionals to develop and share best practices in order to drive industry change.

In light of the industry’s work toward moving to a shorter settlement cycle, the AMF supports the creation of more efficient trade processing solutions and services that improve the post-trade workflow. It would be beneficial for the buy-side to have more choices available for the confirmation matching process, as long as the service is offered in a fully interoperable way with the existing service provider.

As we understand it, the purpose of Section 17A of the Securities Exchange Act of 1934 (“Exchange Act”) is to facilitate the establishment of a national system for prompt and accurate clearance and settlement, with linked or coordinated facilities for clearance and settlement, while protecting investors, safeguarding securities and funds, and maintaining fair competition among brokers and dealers, clearing agencies, and transfer agents. We believe that the proposed conditions put forth by the SEC are appropriate and important to facilitate interoperability between providers, and are in line with the purpose of the law.

New York | Washington

120 Broadway, 35th Floor | New York, NY 10271-0080 | P: 212.313.1200 | F: 212.313.1301

[www.sifma.org](http://www.sifma.org) | [www.investedinamerica.org](http://www.investedinamerica.org)

The SEC's release asked about the effect that moving from a single provider to two or more providers will have on the efficiency of the trade settlement process. The AMF operations professionals believe that the addition of a service provider(s) will naturally generate competition and help drive more effective tools within the settlement process and the overall financial markets. Improving the tool sets and providing financial firms with choices will help drive a more effective trade flow and settlement process. Competition will ensure new products are covered with quicker to-market solutions for trade settlement. It will also improve the technology architecture and client-facing user tools. The addition of a service provider(s) may also help drive more effective end to end solutions that encompass the entire trade life cycle and not focus just on one aspect.

The SEC also asked about the impact the introduction of a second provider will have on pricing, quality of service and innovation. The AMF's view is that competition will logically improve pricing, as service providers will need to competitively price their services as well as provide a dependable and highly functional platform to operate their tools. As competition naturally allows for improved products over time, innovative solutions should be a result.

As per the question regarding whether the introduction of one or more additional providers will increase or reduce risk in the marketplace, AMF believes that a significant benefit with incorporating more than one service provider is the ability for firms to improve upon contingency strategies and disaster recovery models. Multiple service providers allow firms the ability to diversify their support model and mitigate risk by moving trade volume to the service providers not experiencing interruptions or technical difficulties. Any cut-over should be without complication, provided interoperability is complete. While the contingency component is a significant risk-mitigating factor, having multiple models may incorporate additional risk within the industry. Multiple service providers may generate a more complex infrastructure model as firms may require two service providers to satisfy settlement of certain product sectors. However, firms would be allowed a choice of provider and with complete interoperability each firm can choose which model works best for them.

Bloomberg STP LLC's ("BSTP") application for exemption supports the objectives of the Exchange Act and furthers the goals of promoting investor protection and integrity of the financial markets. The addition of a second service provider offering matching services, and with regards to BSTP's proposal specifically, would add much needed relief in eliminating single point dependency, drive costs to a market acceptable rate, and increase creative development of solutions with a long term view. Market integrity and investor protection is maintained at current high standards, as the oversight of BSTP will be consistent to other matching services currently available. The addition of another matching service should support the industry's move to a shortened settlement cycle in the US by allowing market participants choice in providers and drive utilization of automated services for trade matching.

In the release, the SEC puts forth operational conditions, which we believe are adequate to monitor the effects of BSTP's proposed confirmation matching service on the national system

for clearance and settlement of securities transactions. The AMF specifically notes that the SEC requires BSTP to supply the SEC periodic reports regarding the affirmation rates for institutional transactions effected by institutional investors utilizing the BSTP service.

In the application, BSTP is proposing complete interoperability between all parties who have received exemption from clearing agency registration and who offer matching services. The links and interfaces proposed in the application are all current industry standards, which are utilized by industry participants across various financial markets life-cycle activities. There should be no negative impact to other matching services that are registered with the Commission or have received exemption from clearing agency registration. All firms offering matching services who have been granted exemptive relief should provide an interface with other matching services so as to ensure complete and transparent interoperability.

The links and interfaces as proposed by BSTP are not viewed as having a negative effect on end-users regardless of which matching service they choose. The interoperability as proposed offers seamless movement of trade data for matching and transmission of affirmed trades to DTCC, whether one or both parties of the trade are members of BSTP or another matching service.

Notwithstanding anything stated here-in, this comment letter is not intended to address the quality or capability of the proposed confirmation matching service proposed by BSTP.

We appreciate the opportunity to comment afforded to us by the SEC and stand ready to provide any additional information the SEC might find useful. Should you have any questions, please do not hesitate to contact Tim Cameron at [REDACTED] or [REDACTED], or Elisa Nuottajarvi at [REDACTED] or [REDACTED].

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Cameron".

Timothy W. Cameron, Esq.  
Managing Director  
Asset Management Group – Head  
Securities Industry and Financial Markets Association

A handwritten signature in black ink, appearing to read "Elisa Nuottajarvi".

Elisa Nuottajarvi  
Asset Management Group  
The Asset Managers Forum  
Securities Industry and Financial Markets Association