Deng, Valentina

From: Scucci, Mary Kay <[redacted]>
Sent: Thursday, May 10, 2018 10:51 AM
To: Macchiaroli, Michael A.; McGowan, Thomas K.; Roy, Randall W.; Danis, Michelle; Lombardo, Raymond A.; Fox, Timothy C.; Deng, Valentina
Cc: Althoff, Wesley
Subject: SIFMA Comments on Form for Computation of Market Risk Exposure
Attachments: OTC BASEL2-5 Capital Template SEC UPDATED.PDF

Mike, Tom and SEC team:

Please find attached a clean "mock-up" of **COMPUTATION OF MARKET RISK EXPOSURE** based upon several discussions with SIFMA firms.

One cosmetic comment is that we don't believe that the "stress VaR" multiplication factor will differ from the "VaR" multiplication factor but understand the presentation consistency and transparency by asking for that information so we did not change that item. However, we did add a line item for "Other" just to be conservative and to have a reporting mechanism in case we have overlooked some small item.

If you have any questions please let me know.

Mary Kay Scucci, PhD, CPA
Managing Director
SIFMA
120 Broadway, 35th Floor
New York, NY 10271
O: [redacted]
C: [redacted]
www.sifma.org

(Name of Dealer)	As of (MM/DD/YY)

COMPUTATION OF MARKET RISK EXPOSURE

A.	Total Value At Risk			$ -	7000
	Value At Risk Components:				
1	Fixed Income (VaR)	$ -	7001		
2	Currency (VaR)	$ -	7002		
3	Commodities (VaR)	$ -	7003		
4	Equities (VaR)	$ -	7004		
B.	Diversification Benefit			$ -	7005
C.	Total Diversified VaR			$ -	7006
D.	Multiplication Factor		X		7007
E.	Subtotal			$ -	7008
F.	Total Stressed VaR (SVaR)			$ -	7009
G.	Multiplication Factor		X		7010
H.	Subtotal			$ -	7011
I.	Incremental Risk Charge (IRC)			$ -	7012
J.	Comprehensive Risk Measure (CRM)			$ -	7013
K.	Specific Risk -- Standard Specific Market Risk (SSMR)			$ -	7014
L.	Specific Risk -- Securitization (SFA / SSFA)			$ -	7015
M.	Alternative Method for Equities under Appendix A of Rule 15c3-1			$ -	7016
N.	Residual Positions			$ -	7017
O.	Other			$ -	7018

Total Market Risk Exposure (ties to Page 5, Line 3635) **$ -** 7019