



January 3, 2013

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090
By Electronic Mail (rule-comments@sec.gov)

Re: Request for Comment Deadline Extension on the Capital, Margin, and Segregation Requirements for Security-Based Swap Dealers and Major Security-Based Swap Participants and Capital Requirements for Broker-Dealers Proposed Rule (RIN 3235-AL12; File No. S7-08-12)

The Securities Industry and Financial Markets Association (“**SIFMA**”) respectfully requests that the Securities and Exchange Commission (the “**Commission**”) extend the deadline for comment on the Capital, Margin, and Segregation Requirements for Security-Based Swap Dealers and Major Security-Based Swap Participants and Capital Requirements for Broker-Dealers proposal (the “**Capital and Margin Proposal**” or the “**Proposal**”) published in the Federal Register on November 23, 2012. Comments on the Capital and Margin Proposal are currently due on January 22, 2013. For the reasons described below, we request that the deadline be extended by 30 days.

As an initial matter, we are concerned that, due to the timing of the publication of the Capital and Margin Proposal, the comment period overlaps with the end-of-year holiday period during which many market participants were not available to conduct the work necessary to provide the Commission with the quantitative analysis that we understand to be important to the Commission’s consideration of the Proposal.

In addition, we note that other, similar proposals by the Commission over the years have typically had a comment period longer than 60 days. For example, the Commission’s November 2003 proposal for alternative net capital requirements for broker-dealers that are part of consolidated supervised entities had a 90-day comment period. Its 1997 proposal for OTC derivatives dealers initially had a 60-day comment period, but the Commission later extended that comment period for an additional 30 days. The Commission’s 1997 concept release on the net capital rule originally had a 90-day comment period, which the Commission also later extended for an additional 30 days. Other regulators’ proposals relating to capital requirements have similarly had longer comment periods; for instance, the Federal Reserve Board’s June 2012 Basel III proposal initially had a 90-day comment period, which was later extended.

These longer comment periods reflect the complexity of rulemakings in this area. In the instant case, the rules governing margin, segregation and capital requirements for uncleared security-based swaps involve complex, inter-related topics that interact with numerous other areas of our members' business, including securities, uncleared and cleared swaps, as well as cleared security-based swap activities. It will take time for interested parties to analyze the various impacts of the Capital and Margin Proposal and the rule inter-relationships to provide comments that are as informed and well-considered as possible.

Moreover, the Capital and Margin Proposal is one of several proposals that our members and other interested parties must analyze related to margin, segregation and capital requirements for uncleared derivatives. The Commodity Futures Trading Commission ("**CFTC**") and Prudential Regulators also proposed margin, segregation and capital rules for the uncleared swap and/or security-based swap activities within their jurisdiction. Additionally, the Basel Committee on Banking Supervision ("**BCBS**") and the International Organization of Securities Commissions ("**IOSCO**" and together with BCBS, "**BCBS/IOSCO**") released a consultation about margin requirements for uncleared derivatives in July 2012 (the "**BCBS/IOSCO Consultation**").

BCBS and IOSCO are expected to release final recommendations soon, potentially before the end of the proposal's current comment period deadline. These final recommendations may impact the development of not only the Capital and Margin Proposal but also the proposal of other U.S. and non-U.S. regulators. In this regard, members of Congress have also suggested that the CFTC and the Prudential Regulators re-issue their proposals if they desire to make any modifications to reflect the final BCBS/IOSCO recommendations. Because of the likelihood that many of our members will be dually registered with the Commission and the CFTC, and the serious competitive issues that would arise if the Commission's rules departed significantly from the rules of the other U.S. regulators or international standards, we believe that it is critical that we have an opportunity to take into account these subsequent developments when formulating our comments on the Capital and Margin Proposal.

In light of these considerations, we respectfully request that the Commission extend the comment deadline on the Capital and Margin Proposal by 30 days.

Sincerely,



Kenneth E. Bentsen, Jr.
Executive Vice President
Public Policy and Advocacy
SIFMA