



September 20, 2021

Vanessa A. Countryman  
Secretary  
Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549-1090

**Re: Notice of Substituted Compliance Application Submitted by the Spanish Financial Conduct Authority in Connection With Certain Requirements Applicable to Security-Based Swap Dealers and Major Security-Based Swap Participants Subject to Regulation in the Kingdom of Spain; Proposed Order (File No. S7-09-21)**

Dear Ms. Countryman:

We appreciate the opportunity to comment on the above-captioned notice by the Securities and Exchange Commission (“**Commission**”) regarding the substituted compliance application submitted by the Spanish Comisio´n Nacional del Mercado de Valores (“**CNMV**”) in connection with certain requirements applicable to security-based swap (“**SBS**”) dealers and major SBS participants (together, “**SBS Entities**”) subject to regulation in the Kingdom of Spain and proposed order providing for conditional substituted compliance in connection with the application (the “**Proposed Order**”).<sup>1</sup>

We believe the Proposed Order reflects a thoughtful, holistic approach to substituted compliance. In particular, we note that comparability assessments and the conditions and limitations in the Proposed Order are consistent with those in the Commission’s proposed or final orders providing for substituted compliance in the UK and other jurisdictions in the European Union.<sup>2</sup> Thus, if adopted, the Proposed Order would facilitate an orderly implementation of the Commission’s SBS regulatory regime among market participants across different jurisdictions without creating undue complexity or disparity.

The only change we suggest is a technical correction to the Proposed Order’s references to Spanish law. Specifically, we recommend that the Commission remove references to SSMA articles 276bis, 276ter, 276quater and 276quienqies in paragraphs (e)(1)(i)(F)(I) and (e)2(i)(A), (B) and (C) in the Proposed Order. SSMA articles 276bis, 276ter, 276quater and 276quienqies set out requirements regarding notifications to CNMV about certain violations under

---

<sup>1</sup> Securities Exchange Act of 1934 (“**Exchange Act**”) Release No. 34–92716, 86 Fed. Reg. 47668 (Aug. 26, 2021).

<sup>2</sup> See Exchange Act Release No. 90765 (Dec. 22, 2020), 85 Fed. Reg. 85686 (Dec. 29, 2020) (“**German Order**”); Exchange Act Release No. 92647 (Aug. 12, 2021), 86 Fed. Reg. 46500 (Aug. 18, 2021) (“**Proposed Amendment to the German Order**”); Exchange Act Release No. 92494 (July 23, 2021), 86 Fed. Reg. 41612 (Aug. 2, 2021) (“**French Order**”); and Exchange Act Release No. 92529 (July 30, 2021), 86 Fed. Reg. 43318 (August 6, 2021) (“**UK Order**”).

Spanish law.<sup>3</sup> They are unrelated to the Commission's recordkeeping requirements addressed by paragraphs (e)(1)(i)(F)(I) and (e)2(i)(A), (B) and (C) in the Proposed Order, and instead should be (and already are) included in paragraph (e)(4)(i), which addresses the Commission's notification requirements.

\* \* \*

We appreciate the opportunity to comment on the Proposed Order and the Commission's consideration of our views. We look forward to continuing dialogue with the Commission regarding substituted compliance. If you have questions or would like additional information, please contact Julia Bayón, at [REDACTED] or [REDACTED].

Very truly yours,



/s/ Julia Bayón  
Head of Business Legal and Vice-Secretary of  
the Board

cc:

Honorable Gary Gensler, Chairman, Securities and Exchange Commission  
Honorable Hester M. Peirce, Commissioner, Securities and Exchange Commission  
Honorable Elad L. Roisman, Commissioner, Securities and Exchange Commission  
Honorable Allison Herren Lee, Commissioner, Securities and Exchange Commission  
Honorable Caroline A. Crenshaw, Commissioner, Securities and Exchange Commission

Ms. Carol M. McGee, Assistant Director, Office of Derivatives Policy, Division of  
Trading and Markets, Securities and Exchange Commission  
Ms. Laura Compton, Senior Special Counsel, Office of Derivatives Policy, Division of  
Trading and Markets, Securities and Exchange Commission

---

<sup>3</sup> See English translation of SSMA, 176-177, available at [https://urldefense.com/v3/https://www.cnmv.es/docportal/Legislacion/realdecre/rld\\_4\\_en\\_rev.pdf;!!JBqN7g!AMwv0llyl-tnwijf16BDrhNcMknWaXGkUqmRG7VJCVCaCBW6HBz1lwkQ18kb\\$](https://urldefense.com/v3/https://www.cnmv.es/docportal/Legislacion/realdecre/rld_4_en_rev.pdf;!!JBqN7g!AMwv0llyl-tnwijf16BDrhNcMknWaXGkUqmRG7VJCVCaCBW6HBz1lwkQ18kb$).