



June 28, 2023

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

Re: Request for Extension to the Comment Period for Covered Clearing Agency Resilience and Recovery and Wind-Down Plans (File No. S7-10-23)

Dear Ms. Countryman:

The undersigned Associations¹ respectfully request that the Securities and Exchange Commission (SEC or “Commission”) extend the comment period for the SEC’s proposal regarding covered clearing agencies’ (CCAs) resilience and recovery and wind-down plans.² As you are probably aware, on June 7, the Commodities Futures Trading Commission (CFTC) proposed rule amendments related to derivatives clearing organizations’ (DCOs) recovery and orderly wind-down plans.³ Given that the proposals cover similar issues related to central clearing risk management and resilience and, in many cases, would apply to the same entities, we believe it is essential that the industry and the public have sufficient time to evaluate the approaches of both agencies to these complex issues in order to provide meaningful feedback on the proposals.

We specifically request that the Commission extend the comment period on the SEC Proposal from the current July 17 deadline⁴ to a 60-day period beginning on the publication date of the CFTC Proposal in the Federal Register.⁵ This extension would align the comment deadline for the SEC Proposal with that of the CFTC Proposal, providing commenters with an appropriate

¹ Futures Industry Association (FIA), International Swaps and Derivatives Association (ISDA), Investment Company Institute (ICI), Managed Funds Association (MFA), Securities Industry and Financial Markets Association (SIFMA), and SIFMA Asset Management Group.

² Covered Clearing Agency Resilience and Recovery and Wind-Down Plans, Exchange Act Release No. 34-97516 (May 17, 2023), 88 Fed. Reg. 34708 (May 30, 2023) (“SEC Proposal”), *available at* <https://www.govinfo.gov/content/pkg/FR-2023-05-30/pdf/2023-10889.pdf>.

³ Derivatives Clearing Organization: Recovery and Orderly Wind-Down Plans; Information for Resolution Planning (June 7, 2023) (“CFTC Proposal”), *available at* https://www.cftc.gov/media/8711/votingdraft060723_17CFRPart39b/download.

⁴ SEC Proposal at 34708.

⁵ *See* CFTC Proposal at 1.

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time period to analyze the proposals in tandem. Such concurrent analysis is especially crucial, as both proposals cover clearinghouses' recovery and wind-down plans, and some of the proposed requirements and guidance are substantially similar. Moreover, certain entities are subject to both the SEC's and CFTC's regulatory regimes for clearinghouses (*i.e.*, are regulated as both CCAs and DCOs), which further underscores the need for adequate time to review the proposals simultaneously.⁶

Having carefully crafted oversight frameworks that enhance central clearing risk management and resilience and orderly-down of clearing agencies and DCOs is of paramount importance to our members to protect investors, including fund shareholders. We therefore are concerned that the SEC's existing comment deadline does not afford the public enough time to holistically evaluate the important issues addressed in the SEC's and CFTC's proposals. The extension we request would, among other things, provide a more appropriate timeframe for the industry and the public to analyze holistically the implications of similarities and differences in the agencies' approaches, including conflicting requirements proposed by the agencies, and identify areas for potential harmonization.⁷

Respectfully submitted,

Futures Industry Association (FIA)

International Swaps and Derivatives
Association (ISDA)

Investment Company Institute (ICI)

Managed Funds Association (MFA)

Securities Industry and Financial Markets
Association (SIFMA)

SIFMA Asset Management Group

⁶ Recently, the SEC and CFTC provided substantially overlapping comment periods for their proposals addressing governance requirements and conflicts of interest regarding, respectively, clearing agencies and DCOs. *See* Governance Requirements for Derivatives Clearing Organizations, 87 Fed. Reg. 49559 (Aug. 11, 2022); Clearing Agency Governance and Conflicts of Interest, Exchange Act Release No. 34-95431 (Aug. 8, 2022), 87 Fed. Reg. 51812 (Aug. 23, 2022). The overlapping comment periods provided by the agencies with respect to those proposals allowed commenters to provide comments that reflected the common topics that were raised by the proposals, as well as the fact that certain entities are regulated as both CCAs and DCOs. *See, e.g.*, Letter from Sarah A. Bessin, Associate General Counsel, and Nhan Nguyen, Assistant General Counsel, ICI, to Christopher Kirkpatrick, Secretary, CFTC, and Vanessa Countryman, Secretary, SEC (Oct. 7, 2022), *available at* <https://www.sec.gov/comments/s7-21-22/s72122-20145227-310507.pdf>. The SEC should take a similar approach here.

⁷ For instance, the SEC requests comment on whether it should codify any aspects of the CFTC Letter No. 16-61. *See* SEC Proposal at 34724, Request for Comment 15. Given that the CFTC Proposal would, among other things, codify relevant guidance from that same CFTC letter, it is essential for the SEC to provide adequate time to address this question and the many other inquiries raised in its proposal. *See* CFTC Proposal at 17.

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cc: The Honorable Gary Gensler
The Honorable Mark Uyeda
The Honorable Jaime Lizárraga
The Honorable Hester M. Peirce
The Honorable Caroline A. Crenshaw

Haoxiang Zhu, Director
Elizabeth L. Fitzgerald, Assistant Director
Jesse Capelle, Special Counsel
Division of Trading and Markets

Appendix

Description of the Associations

- **Futures Industry Association (FIA)**

The Futures Industry Association (FIA) is the leading global trade organization for the futures, options and centrally cleared derivatives markets. Our mission is to support open, transparent and competitive markets, protect and enhance the integrity of the financial system, and promote high standards of professional conduct. FIA represents all sectors of the industry, including clearing firms, exchanges, clearing houses, trading firms and commodities specialists from more than 48 countries, as well as technology vendors, lawyers and other professionals serving the industry. For more information, please visit our website: www.fia.org

- **International Swaps and Derivatives Association (ISDA)**

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 1,000 member institutions from 79 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's website: www.isda.org.

- **Investment Company Institute (ICI)**

The [Investment Company Institute](http://www.ici.org) (ICI) is the leading association representing regulated investment funds. ICI's mission is to strengthen the foundation of the asset management industry for the ultimate benefit of the long-term individual investor. Its members include mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and UCITS and similar funds offered to investors in Europe, Asia and other jurisdictions. Its members manage total assets of \$30.2 trillion in the United States, serving more than 100 million investors, and an additional \$8.6 trillion in assets outside the United States. ICI has offices in Washington, DC, Brussels, London, and Hong Kong and carries out its international work through [ICI Global](http://www.ici.org).

- **Managed Funds Association (MFA)**

Managed Funds Association (MFA), based in Washington, DC, New York, Brussels, and London, represents the global alternative asset management industry. MFA's mission is to advance the ability of alternative asset managers to raise capital, invest, and generate returns for their beneficiaries. MFA advocates on behalf of its membership and convenes

stakeholders to address global regulatory, operational, and business issues. MFA has more than 170 member firms, including traditional hedge funds, credit funds, and crossover funds, that collectively manage nearly \$2.2 trillion across a diverse group of investment strategies. Member firms help pension plans, university endowments, charitable foundations, and other institutional investors to diversify their investments, manage risk, and generate attractive returns over time.

- **Securities Industry and Financial Markets Association (SIFMA)**

SIFMA is the leading trade association for broker-dealers, investment banks, and asset managers operating in the U.S. and global capital markets. On behalf of our members, we advocate for legislation, regulation, and business policy affecting retail and institutional investors, equity and fixed income markets, and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA).

- **SIFMA Asset Management Group**

SIFMA AMG brings the asset management community together to provide views on U.S. and global policy and to create industry best practices. SIFMA AMG's members represent U.S. and global asset management firms whose combined assets under management exceed \$45 trillion. The clients of SIFMA AMG member firms include, among others, tens of millions of individual investors, registered investment companies, endowments, public and private pension funds, UCITS and private funds such as hedge funds and private equity funds.