

June 27, 2016

Department of the Treasury/Office of the
Comptroller of the Currency
**Docket No. OCC-2011-0008/RIN 1557-
AD43s**

Farm Credit Administration
RIN 3052-AC69

Board of Governors of the Federal
Reserve System
Docket No. R-1415/RIN 7100 AD74

Federal Housing Finance Agency
RIN 2590-AA45

Federal Deposit Insurance Corporation
RIN 3064-AE21

Commodity Futures Trading Commission
RIN 3038-AC97

Addresses listed in Annex I

**Re: Docket No. OCC-2011-0008/RIN 1557-AD43s; Docket No. R-1415 /RIN 7100 AD74;
RIN 3064-AE21; RIN 3052-AC69; RIN 2590-AA45; RIN 3038-AC97**

REQUEST FOR DELAY OF SWAP MARGIN REQUIREMENTS - SUPPLEMENT

Ladies and Gentlemen,

The International Swaps and Derivatives Association¹ ("ISDA") is sending this letter to the Prudential Regulators (the "PRs") and the Commodity Futures Trading Commission (the "CFTC", and together with the PRs, the "US Regulators") to supplement the letter submitted by ISDA to the US Regulators on June 24, 2016 (the "Delay Letter"), requesting a delay in the implementation of swap margin requirements for covered swap entities ("CSEs") in light of the statement by the European Commission of its intention to delay implementation of margin requirements.

This supplemental letter addresses ISDA's statement in the Delay Letter that it would submit additional data regarding market fragmentation as soon as possible.

¹ Since 1985, ISDA has worked to make the global over-the-counter ("OTC") derivatives markets safer and more efficient. Today, ISDA has over 800 member institutions from 64 countries. These members include a broad range of OTC 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 including exchanges, clearinghouses 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 web site: www.isda.org.

Market Fragmentation Data:

Based on data submitted to ISDA in an informal survey of firms scheduled to comply with the September 1, 2016 implementation date ("**Phase I Firms**"), 46% of total notional trades of legal entities or branches subject to the margin requirements under the PR and CFTC margin rules (together, the "**US margin rules**") are with a counterparty not subject to the US margin rules. Imposition of initial margin ("**IM**") requirements under the US margin rules could put these trades at risk of being traded instead by the counterparty with an entity not subject to the US margin rules.

Further, an average of 89% of EU Phase I Firms' total notional trades are booked out of entities or branches that are not subject to the US margin rules, and 66% of these trades are with entities not subject to the US margin rules. In other words, currently 66% of EU firms' total notional trade volume is not subject to the US margin rules, before behavior is modified as a result of the discrepancy between the US margin rules and the EU margin rules. This could grow substantially under divergent rules, with increased IM costs associated with the US margined trades resulting in EU-regulated firms moving a significant volume of trades away from entities subject to the US margin rules.

* * *

Thank you for your consideration, and please contact me if you have any questions.

Sincerely,



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Annex I

ADDRESSES

<p>Legislative and Regulatory Activities Division Office of the Comptroller of the Currency 400 7th St, SW, Suite 3E-218 Mail Stop 9W-11 Washington, D.C. 20219 cc: Jamey Basham</p>	<p>Alfred M. Pollard, General Counsel Federal Housing Finance Agency Constitution Center (OGC Eighth Floor) 400 7th St, SW Washington, DC 20024</p>
<p>Robert deV. Frierson, Secretary Board of Governors of the Federal Reserve System 20th Street and Constitution Avenue, NW Washington, DC 20551 cc: Sean D. Campbell</p>	<p>Barry F. Mardock, Deputy Director Office of Regulatory Policy Farm Credit Administration 1501 Farm Credit Drive McLean, VA 22102-5090</p>
<p>Robert E. Feldman, Executive Secretary Federal Deposit Insurance Corporation 550 17th Street, NW Washington, DC 20429 cc: Bobby Bean</p>	<p>Christopher Kirkpatrick Secretary of the Commission Commodity Futures Trading Commission Three Lafayette Center, 1155 21st St. NW Washington DC 20581</p>