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March 2, 2020

Mr. Christopher J. Kirkpatrick
Secretary
Commodity Futures Trading Commission
1155 21st Street NW
Washington, DC 20581

Re: RIN 3038-AE79: Post-Trade Name Give-Up on Swap Execution Facilities

Dear Mr. Kirkpatrick:

The FIA Principal Traders Group ("FIA PTG")[1] appreciates the opportunity to comment on the Commodity Futures Trading Commission's ("Commission") Notice of Proposed Rulemaking on Post-Trade Name Give-Up on Swap Execution Facilities (the "Proposal"). FIA PTG previously responded to the Commission's 2018 Name Give-Up Release[2] and is heartened to see the Commission move forward with the prohibition of this practice for swaps that are anonymously executed on a Swap Execution Facility ("SEF") and are intended to be cleared, as we suggested in our previous letter.

FIA PTG believes that post-trade name give-up is appropriate for uncleared swaps, as trading counterparties need to manage counterparty credit risk. However, we see no legitimate reason to disclose counterparty names post-execution for anonymously executed cleared swaps, as trading counterparties face the Central Counterparty ("CCP") which mitigates any credit, operational, or legal exposures to each other.

The lack of any legitimate justification for post-trade name give-up is evident based on experience in other asset classes (such as futures, cash Treasuries, and equities), where cleared products are anonymously executed without any post-trade disclosure of counterparty names. Our members'

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1 FIA PTG is an association of firms who trade their own capital on exchanges in futures, options and equities markets worldwide. FIA PTG members engage in manual, automated and hybrid methods of trading, and they are active in a wide variety of asset classes, including equities, fixed income, foreign exchange and commodities. FIA PTG member firms serve as a critical source of liquidity, allowing those who use the markets, including individual investors, to manage their risks and invest effectively. The presence of competitive professional traders contributing to price discovery and the provision of liquidity is a hallmark of well-functioning markets. FIA PTG advocates for open access to markets, transparency and data-driven policy.

2 *See* FIA PTG Comment Letter on Post-Trade Name Give-Up on Swap Execution Facilities, March 14, 2019.

experience as liquidity providers in these other asset classes without post-trade name give-up also demonstrates that purported concerns about negative liquidity impacts are completely unsubstantiated. To the contrary, our members have found that the practice of post-trade name give-up has stifled the growth of order book trading in the swaps market, thereby negatively impacting competition and liquidity.

FIA PTG agrees with the Commission that prohibiting name give-up will "promote swaps trading and competition on SEFs, as well as promote fair competition among market participants."[3] We are hopeful this will further diversify the pool of SEF participants, including enabling new liquidity providers, which in turn will increase overall swap liquidity.

We encourage the Commission to finalize the Proposal and agree that "encouraging a greater number, and a more diverse set, of market participants to anonymously post bids and offers on these affected SEFs may promote greater interaction and competition between market participants, which should allow these platforms to act as more efficient mechanisms for price discovery."[4]

In connection with finalizing the Proposal, we make three recommendations:

1. There is no basis for limiting the scope of the prohibition to swaps subject to mandatory clearing or trading. There is no legitimate justification for name give-up for all intended to be cleared swaps that are anonymously executed. We note that "intended to be cleared" should be interpreted to mean swaps that are submitted for clearing contemporaneously with execution.

2. There is no need to grant package transactions special treatment. The proposed prohibition only applies to swaps that are executed anonymously and intended to be cleared. Therefore, if a leg of a package includes an uncleared swap or a Treasury, the prohibition would not apply to that leg of the package. Each leg of a package already has different post-trade operational workflows, so that would be consistent with current market practice.

3. It is important for the Commission to give effect to the overarching principle that if a cleared swap starts anonymous, it should stay anonymous. Therefore, the prohibition on name give-up should also apply to swaps that are pre-arranged or pre-negotiated anonymously (including by a participant of the SEF). Voice brokers, operating either within a SEF or through an affiliated introducing broker, should not be able to work around the prohibition by pre-negotiating or pre-arranging trades anonymously and then disclosing counterparty names prior to executing the transaction on the SEF.

   We note this is consistent with prior Commission action. As referenced in the proposal, the Commission took action through unanimous rulemaking in 2014 to prevent a swap data repository ("SDR") from disclosing the identity of counterparties in an anonymously

[3] Proposal at 72263.
[4] Proposal at 72266.

> executed swap transaction, and we fully agree with the Commission in its view "that post-trade name give-up undercuts the intent of this requirement and the congressional objectives underlying CEA section 21(c)(6). Allowing a SEF to disclose a counterparty's identity is contrary to the purpose of prohibiting access to this information at an SDR under § 49.17(f)(2), given that a counterparty can obtain this knowledge from another source." [5]

If you have any questions about these comments or if we can provide further information, please do not hesitate to contact Joanna Mallers (jmallers@fia.org).

Respectfully,

FIA Principal Traders Group

Joanna Mallers
Secretary

cc: Chairman Heath P. Tarbert
Commissioner Brian Quintenz
Commissioner Rostin Behnam
Commissioner Dan Berkovitz

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[5] Proposal at 72266.