

David A. Stawick, Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581
United States

Chris Barnard
Germany

16 December 2010

- **17 CFR Part 23**
- **RIN Number 3038–AC96**
- **Implementation of Conflicts of Interest Policies and Procedures by Swap Dealers and Major Swap Participants**

Dear Mr. Stawick.

Thank you for giving us the opportunity to comment on your proposed rulemaking for “Implementation of Conflicts of Interest Policies and Procedures by Swap Dealers and Major Swap Participants”.

I entirely support the main proposals, which implement section 731¹ of the Dodd-Frank Act, and which require swap dealers and major swap participants to create systems, structures and institutional safeguards to ensure that activities involving research or analysis of the price or market for any commodity or swap are separated from the review, pressure or oversight of persons whose involvement in pricing, trading or clearing activities could bias judgements or supervision. In addition, swap dealers and major swap participants are required to create systems, structures and institutional safeguards to ensure that clearing activities and the determination of whether to accept clearing customers are separated from the review, pressure or oversight of persons whose involvement in pricing, trading or clearing activities could bias judgements or supervision. In both of these cases, the systems, structures and institutional safeguards must ensure that such conflicts of interest do not lead to any violation of Dodd-Frank’s open access requirements or business conduct standards.

¹ Much of the language here is similar to language contained in section 501(a) of the Sarbanes-Oxley Act. This amended the Securities Exchange Act of 1934, creating a new section 15D dealing with conflicts of interest between securities analysts and others involved in securities activities.

These proposals are long overdue. It is critical that swap dealers and major swap participants do not engage in activities with actual, perceived or potential conflicts of interest. This will improve transparency and confidence in markets and reduce risk. The costs of implementing the proposals should be minimal, as the proposals require only reasonable and necessary changes in structure, organisation and governance. I commend the CFTC in taking this matter so seriously, as envisaged by the broad scope of the proposals.

Yours sincerely

Chris Barnard