

To: The Comment File
From: Sarah Josephson
Re: Meeting with Barclays Capital
Date: Tuesday, January 18, 2011

On Tuesday, January 18, 2011, CFTC staff met with representatives of Barclays Capital during which Barclays commented on the CFTC's proposed rules on conflicts of interest policies and procedures of futures commission merchants, introducing brokers and swap dealers.

CFTC staff invited Barclays to submit a formal comment in response to the proposed rule makings.

At the meeting, among other matters, Barclays representatives provided an overview of bi-lateral OTC swap transaction processes in the prime brokerage context. They also commented that current operational structures may not support full separation of trading, risk management and clearing operations; especially in terms of making pricing information available and conducting default management. A need for freer information flow among such personnel was also expressed, particularly among senior management (versus, for example, traders and day-to-day operations personnel) in the relevant groups and specifically among legal, compliance, credit and operations personnel. Barclays also requested clarification in the proposed rules of which roles fit under the various operating divisions. Finally, Barclays representatives expressed concerns regarding requirements for disclosing criteria for selecting clients and the need to have flexibility for client selection given operations and risk management issues.

Representing Barclays Capital at the meeting were Raymond Kahn, Alex Guest, Kathleen Peacock and Allison Parent. Participating for the CFTC were Ananda Radhakrishnan, John Lawton, Sarah Josephson, Jocelyn Partridge, Peter Kals, Ward Griffin and Erik Remmler.