

July 13, 2015

Comments on “*Application of Certain Title VII Requirements to Security-Based Swap Transactions Connected With a Non-U.S. Person’s Dealing Activity That Are Arranged, Negotiated, or Executed by Personnel Located in a U.S. Branch or Office or in a U.S. Branch or Office of an Agent*” issued by the Securities and Exchange Commission

Japanese Bankers Association

We, the Japanese Bankers Association (JBA), would like to express our gratitude for this opportunity to comment on “*Application of Certain Title VII Requirements to Security-Based Swap Transactions Connected With a Non-U.S. Person’s Dealing Activity That Are Arranged, Negotiated, or Executed by Personnel Located in a U.S. Branch or Office or in a U.S. Branch or Office of an Agent*” issued by the Securities and Exchange Commission (SEC) on May 13, 2015.

We respectfully expect that the following comments will contribute to your further discussion.

○Application to Non US Persons (III. Application of the Dealer De Minimis Exception to U.S. Security-Based Swap Dealing Operations of Non-U.S. Persons)

1. **Consistency with the regulation issued by the Commodity Futures Trading Commission (CFTC)**

Given operational burden imposed on firms to comply with various regulations, it is respectfully requested to ensure consistency between requirements set out in the OTC Derivatives Regulation published by the SEC and the already-effective regulation issued by the CFTC.

Under the OTC Derivatives Regulation which has already been implemented by the CFTC, the no-action relief is provided with respect to transactions connected with a non-U.S. person’s dealing activity that are arranged, negotiated, or executed by personnel or agents located in the U.S. (CFTC Rule FTN513/SA13-69).

Given the above, if the SEC would establish rules that are inconsistent with those issued by the CFTC, such rules may place undue compliance burden on a firm that registers as both a swap dealer (SD) and a security-based swap dealer (SBSD). Such

situation therefore should be avoided.

Additionally, with a view to reducing management burden of the firm, it is requested to ensure consistency of other various regulatory requirements between the SEC and the CFTC to the extent possible; for example, applying the same method for the threshold counting and the same definition for U.S. person and requiring common Swap Trade Repository reporting matters).

2. Introducing an appropriate transitional measures

Since the volume of security-based swap (SBS) transactions executed by non-U.S. persons in the U.S. is small relative to those executed by U.S. persons, SBS transactions by non-U.S. persons are considered to have a relatively minor impact on the U.S. financial market.

For non-U.S. persons which are operating its business primarily outside of the U.S, however, these requirements may require additional cost and time for constructing infrastructure and taking other actions to comply with the U.S. regulations, thereby imposing heavier regulatory compliance burdens than those required for U.S. persons.

If this SEC regulation would be fully introduced, it is requested to set an appropriate lead time and measures such as phase-in implementation.