



March 11, 2025

*Submitted electronically via email*

Ms. Caroline Pham  
Acting Chair  
U.S. Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street NW  
Washington, DC 20581

**Re: SIFMA AMG Priority Issues for Consideration**

Dear Acting Chair Pham:

The Asset Management Group of the Securities Industry and Financial Markets Association<sup>1</sup> (“**SIFMA AMG**”) appreciates the opportunity to highlight our members’ priorities for consideration by the Commodity Futures Trading Commission (the “**CFTC**” or the “**Commission**”). Our members are available to further discuss the issues and note that we have provided links to our previous submissions.

1. **Approval of Japanese Clearing Houses to clear for U.S. market participants.**

In our [2024 Letter](#), we recommended that the CFTC approve the Japan Securities Clearing Corporation (“**JSCC**”) to allow U.S. market participants, who are Eligible Contract Participants (“**ECPs**”), to clear Japanese Yen-denominated interest rate swaps (“**JPY-IRS**”) through non-U.S. clearing members of JSCC, while also making accommodations to comply with CFTC customer protection rules.

2. **Reconsider the Block Trade Thresholds and Period for Delayed Reporting and Implement Periodic Reviews Based on Market Conditions.**

In our [2020 Letter](#), [2023 Letter](#), and [2024 Letter](#) we recommended that the CFTC address concerns that the 67% threshold and 75% cap are substantially too high and urged the CFTC to revisit the methodology used to determine block and cap sizes which we believe, among other issues, has double counted transactions; and to formulate an approach for the periodic reconsideration of block and cap sizes. We request No-Action relief pending such re-examination of the calculation methodology.

3. **With respect to Initial Margin, Exempt “Seeded Funds” from Calculations and allow Money Market Funds to be Eligible Collateral.**

In our [2023 Letter](#) we recommended that the CFTC exempt “seeded funds” from initial margin (“**IM**”) requirements as, given the small size of such funds, and the significant lift involved in tracking for

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<sup>1</sup> SIFMA AMG brings the asset management community together to provide views on U.S. and global policy and to create industry best practices. SIFMA AMG’s members represent U.S. and global asset management firms whose combined assets under management exceed \$45 trillion. The clients of SIFMA AMG member firms include, among others, tens of millions of individual investors, registered investment companies, endowments, public and private pension funds, UCITS and private funds such as hedge funds and private equity funds.

IM, the costs far outweigh any benefit. We also recommended that the CFTC eliminate a provision disqualifying money market funds and similar funds (“MMFs”) from being eligible collateral under the margin rules solely because they transfer their assets through securities lending, repurchase agreements and other similar agreements.

**4. Allow Limited Grace Periods for Margin Transfers for Separately Managed Accounts and with respect to CME Rule 930k.**

In our [2019 Letter](#), [2023 Letter](#), and [2024 Letter](#) we recommended that the CFTC, in permitting futures commission merchants (“FCMs”) to treat separately managed accounts (“SMAs”) of a beneficial owner as separate entities for purposes of margin calculations, also permit FCMs to continue to have discretion to agree on a limited grace period for margin transfers, based on their own credit assessment and consistent with their risk management programs. We also ask the CFTC to clarify that a limited grace period for margin transfers is permitted in the context of CME Rule 930K.

**5. Confirm U.S. Treasury ETFs as eligible IM collateral.**

Adopt the March 2024 GMAC [Recommendation](#) to clarify that qualified UST ETFs can be eligible IM collateral through (1) aligning with the SEC’s guidance that treats ETF shares as “redeemable securities” under section 2(a)(32) of the Investment Company Act of 1940, and (2) clarifying that ETFs that hold qualifying assets meet the redeemability requirements under CFTC regulation 23.156.

SIFMA AMG appreciates the opportunity to provide our priorities for your consideration. Please do not hesitate to contact us by calling William Thum at (202) 962-7381.

Sincerely,



William C. Thum  
Managing Director  
Associate General Counsel, SIFMA AMG

cc: The Honorable Kristin Johnson  
The Honorable Christy Goldsmith Romero  
The Honorable Summer Mersinger