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August 21, 2000

Commodity Futures Trading Commission
3 Lafayette Centre
1155 21st Street NW
Washington, DC 20581
Attn: Office of the Secretariat

COMMENT

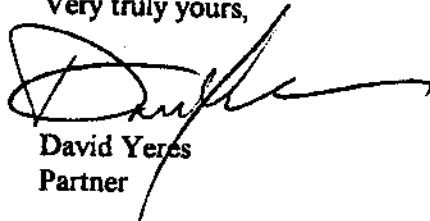
Re: Proposed Rulemaking: Clearing Organizations Reinvention

Ladies and Gentlemen:

In reviewing your proposed rulemaking concerning "Recognized Clearing Organizations" (the "RCO Proposal"), I noticed what appears to be an oversight. The RCO Proposal does not appear to take into account the possible role of financial guarantee insurance or similar insurance. I note that the RCO Proposal would free banking organizations from Commission regulation as RCO's based it appears upon the determination that they are already sufficiently regulated for this purpose by the banking authorities. In contrast, the RCO proposal makes no mention of insurance companies which are also licensed and regulated.

It is unlikely that the Commission intended to impose new and perhaps conflicting regulatory standards upon state licensed insurance companies, while respecting as sufficient bank regulation. However, to avoid any misunderstanding, I suggest that licensed insurance companies be treated similarly to licensed banks for purposes of exemption from RCO regulation by the Commission. In the event that you should wish further information about the regulation of insurance companies, I suggest that you consult with the National Association of Insurance Commissioners or refer to their model financial guarantee insurance act.

Very truly yours,



David Yeres
Partner

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