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BELGIAN FUTURES & OPTIONS EXCHANGE

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COMMENT

OFFICE OF THE SECRETARIAT

To: Ms. Jean A. Webb

Company: CFTC

From: An De Pauw

Fax number: 00.1.202.418-5521

Department: Legal

Re: Foreign Board of Trade Terminals

Dear Madam,

Please find attached our comments on the CFTC Concept Release on the Placement of a Foreign Board of Trade's Computer Terminals in the United States.

Yours sincerely,

An De Pauw
Senior Legal Counsel

COMMODITY FUTURES
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COMMENT

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1998 SEP 22 P. 2-1

SECRETARIAT

Ms Jean A. Webb
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington DC 20581
U.S.A.

Brussels, September 22, 1998

Re : CFTC Concept Release on the Placement of a Foreign Board of Trade's
Computer Terminals in the United States

Dear Madam,

We appreciate the CFTC initiative as to the placement of foreign board of trade's computer terminals in the United States and thank you for the opportunity to express any comments we might have on the approach the CFTC wishes to develop on this matter.

We are especially interested in this subject as we are a fully automated futures and options exchange and currently have members and trading screens installed in several European countries.

Our main concern as to the treatment of foreign trading screens in the U.S. is the possible distortion of competition between several exchanges (U.S. and European exchanges). We urge the CFTC to take all necessary measures to avoid any such distortion.

The concept release raises the issue of "bona fide foreign board of trade". We do not believe this should be defined solely depending on the level of U.S. activity on the foreign exchange. Taking into account the size of the U.S. economy compared with, for instance, the size of the Belfox market, any definition of such levels could possibly result in a distortion of competition. Because of their size, smaller exchanges eventually would have to become designated U.S. contract markets, whilst larger exchanges might not be confronted with this consequence.

Furthermore; we believe that a foreign exchange should be permitted to place trading screens in the U.S. on the basis of the CFTC satisfying itself that the home state regulatory system affords the necessary level of market integrity and investor protection. We recommend that the proposed rules would recognise the primary role of the relevant foreign regulatory authority in supervising exchanges within its jurisdiction.

Should you need any further information or clarification as to anything contained herein, please do not hesitate to contact us.

An DE PAUW
Senior Legal Counsel

Willy VAN STAPPEN
Vice-President