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30th April 1999

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OFFICE OF THE SECRETARIAT

Ms. Jean A. Webb
Secretary of the Commission
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
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Washington, D.C. 20581
USA

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COMMENT

Re: "Access to Automated Boards of Trade," 64 Fed. Reg. 14159 (March 24, 1999) (the "Proposed Rules")

Dear Ms. Webb:

The International Petroleum Exchange of London ("IPE"), Europe's leading energy futures and options exchange, understands that the Commodity Futures Trading Commission ("CFTC") is requesting comment on the proposed regulatory framework to be applied to the placement of direct execution systems by foreign boards of trade in their member's offices in the U.S. and the use by the customers of such members of automated order routing systems to transmit orders for execution on automated markets.

The position of the IPE is in line with that expressed by the London International Financial Futures and Options Exchange in its letter to the CFTC regarding the Proposed Rules. IPE, however, particularly wishes to emphasise the following points. First, the placement by a foreign board of trade of direct execution systems in the U.S. should not be deemed to constitute the establishment of an exchange in the U.S. when the foreign board of trade is otherwise entirely operated, located and regulated in a foreign jurisdiction. Second, we wish to reiterate our comment in our previous letter to the CFTC regarding the Concept Release, namely, that it is vitally important that the Commission act with dispatch in adopting final rules. However, if as seems likely, additional time will be required to consider the significant issues raised by industry participants regarding the Proposed Rules, the CFTC should promptly provide interim no-action relief so as to permit all bona fide foreign boards of trade to have equivalent access to the U.S. so as not to exacerbate the prevailing unfair competitive situation, wherein only certain foreign boards of trade are currently permitted to place computer terminals in the U.S., and U.S. exchanges already have terminals present in the UK and other parts of Europe.

We appreciate this opportunity to respond to the CFTC's request for comment and look forward to a prompt and appropriate resolution of this significant commercial issue.

Yours Sincerely,

Lynton Jones
Chief Executive Officer

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