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COMMUNICATIONS SECTION

July 23, 2007

Eileen A. Donovan
Acting Secretary of the Commission
Commodity Futures Trading Commission
3 Lafayette Center
1155 21st Street, N.W.
Washington, D.C. 20581

COMMENT

Re: Proposed Clarification to Regulation 18.05, Maintenance of Books,
Records and Reports by Traders, 72 Fed. Reg. 34413 (June 22, 2007)

Dear Ms. Donovan:

The International Swaps and Derivatives Association ("ISDA") is pleased to respond to the request of the Commodity Futures Trading Commission ("Commission") for comments regarding the above-referenced proposal ("Proposal"). The Proposal seeks to clarify the recordkeeping and reporting requirements of Regulation 18.05 with regard to large positions in commodity futures and options on futures. In general, we endorse the Commission's proposed clarification, which reinforces the Commission's broad surveillance authority over transactions that potentially impact the regulated futures markets.

ISDA, which represents participants in the privately negotiated derivatives industry, is the largest global financial trade association, by number of member firms. ISDA was chartered in 1985, and today has over 800 member institutions from fifty-four countries on six continents. These members include most of the world's major institutions that deal in privately negotiated derivatives, as well as many of the businesses, governmental entities, and other end users that rely on over-the-counter derivatives to manage efficiently the financial market risks inherent in their core economic activities. Information about ISDA and its activities is available on its web site at www.isda.org.

ISDA agrees that Commission access to the proposed position information of large traders on reporting markets is important in order for the Commission to effectively discharge its anti-manipulation authority. ISDA does not believe that it would be in the public

interest for the Commission to rely on its subpoena power in order to obtain such information on a routine basis. In our view, the Proposal does not create additional recordkeeping or reporting obligations for traders.

With respect to the Proposal, we ask that the Commission consider clarifying, to the extent appropriate:

- 1) that records required to be retained under Regulation 18.05 are subject to Regulation 1.31, which states, in part, that all required records must be retained for five years and be readily accessible during the first two years;
- 2) the scope of Regulation 1.35(a), which contains similar recordkeeping and reporting language to Regulation 18.05; and
- 3) that records required to be retained under Regulation 18.05 consist of no more than accurate records of positions and actual transaction documentation created in the ordinary course of business.

ISDA appreciates the opportunity to provide these comments and stands ready to answer any questions that the Commission might have.

Sincerely,



Greg Zerzan
Counsel and Head of Global
Public Policy