

From: Riaan Hubinger <riaan.hubinger@melroseplc.net>
Sent: Friday, October 22, 2010 6:45 AM
To: SEFRules <SEFRules@CFTC.gov>
Subject: Swap Execution Facilities (SEFs)

Mr. David Stawick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: Permitted Swap Execution Facility Trade Execution Requirements

Dear Mr. Stawick:

We are submitting this letter to provide pre-proposal comments relating to upcoming rulemakings by the Commodity Futures Trading Commission on its implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

We trade over-the-counter derivatives as an end user to hedge our business risks and to meet our commercial requirements. Our current processes are incorporated into our trading workflow. They are extremely efficient, allow us to achieve competitive pricing, promote appropriate internal controls, permit us to manage risk effectively and create a granular audit trail.

We believe it is in our interest as a company (as well as in the interest of our investors) to employ the most efficient trading mechanisms. We believe that such mechanisms should be permitted in trading on Swap Execution Facilities, and that this is consistent with the goals of the Act. In particular, we require the flexibility to utilize the request-for-quote ("RFQ") execution method to meet our business requirements, support our current workflow process, and receive the best price from our counterparty relationships on portfolio trades.

RFQ trading is valuable to us because it is flexible, competitive and transparent. RFQ trading allows us to tailor deal terms to meet our exact commercial requirements for hedging to customize value dates, exercise prices, currency pairs and so on. RFQ trading provides pre-trade price transparency to us, whether we request quotes from one or a variety of counterparties, by permitting us to compare returned quotes from multiple parties contemporaneously and/or with reference (benchmark) prices. We believe the RFQ mechanism as used today meets our needs and is consistent with the definition of a SEF in the Act.

To meet our ongoing risk management requirements and to hedge our commercial risks, we strongly advocate in favor of competition and innovation with respect to SEF trading. We urge the CFTC to maintain the availability of current trading strategies, so that we may, as end users, choose the execution methods which best hedge our risks and meet our business requirements.

Thank you for the opportunity to comment in advance of the SEF rulemaking.

Respectfully submitted,

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