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Mr. David P. Van Wagner
Chief Counsel
Commodity Futures Trading Commission
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28 July 2006

By fax +1 202 418 5521 / mail

Attn : Office of the Secretariat

COMMENT

CFTC, OFFICE OF THE SECRETARIAT

JUL 28 2006 11:31:10

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CFTC

Ref : "What Constitutes a Board of Trade Located Outside of the United States"

Dear Mr. Van Wagner,

On behalf of the members of the World Federation of Exchanges (WFE), I wish to thank the CFTC for opening its public inquiry into "what constitutes a board of trade located outside of the United States," and for holding public hearings in Washington late last month. I also wish to thank the Commission on their behalf for allowing the public to submit written comments on this subject. We all believe that this assures the best possible, and certainly the broadest, input of information to decision-makers.

The World Federation of Exchanges is the global trade association for regulated financial exchanges. As a rule, it does not usually respond to public inquiries held by a single jurisdiction's capital markets regulators. In this instance, however, the subject has been defined more broadly. Member exchanges in the United States and outside it are likely to be affected.

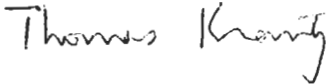
After consulting the main exchanges concerned by the issue at stake, the World Federation of Exchanges quickly found a broad consensus among these members.

Most noteworthy, the World Federation of Exchanges strongly supports the existing no-action regime, which is viewed as the best tool for considering whether a foreign board of trade (FBOT) should be registered as a US-designated contract market (DCM) or derivatives transaction execution facility (DTEF). As a result, the WFE supports the notion that the current CFTC no-action process should be maintained.

Furthermore, the World Federation of Exchanges expresses doubts and concerns as regards the potential criteria mentioned in the CFTC Request for Comment paper. These include volume, US presence, and the listing of contracts of which the underlying products are judged vital to the national economy. In the Federation's view, these criteria, as well as the associated methodology and thresholds to be established, would be difficult to define and measure.

The Secretariat remains available for questions you may have.

Sincerely yours,

Handwritten signature of Thomas Krantz in black ink.

Thomas Krantz
Secretary General

Cc : Guillermo Prieto Trevino, Bolsa Mexicana de Valores
William J. Brodsky, Chicago Board Options Exchange
Paul Chow, Hong Kong Exchanges and Clearing
Ekkehard Jaskulla, Deutsche Boerse
Toshitsugu Shimizu, Tokyo Stock Exchange
Peter Clifford, WFE
WFE Regulation Task Force