



## U.S. COMMODITY FUTURES TRADING COMMISSION

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### Division of Clearing and Risk

May 4, 2012

#### ELECTRONIC MAIL

Laura Klimpel  
General Counsel  
New York Portfolio Clearing LLC  
55 Water Street  
New York, New York 10041

Re: Extension for Compliance with Regulation 39.13(g)(8)(ii)

Dear Ms. Klimpel:

By correspondence of May 4, 2012, you requested that the Division of Clearing and Risk (Division) grant an extension of 90 days from May 7, 2012, for compliance with the requirements of Commission Regulation 39.13(g)(8)(ii), as it applies to customers that are exchange members (exchange member customers) and to customer omnibus accounts.<sup>1</sup>

You have represented that New York Portfolio Clearing, LLC (NYPC) will use the 90-day extension period to address certain operational concerns and to further study the impact that implementation of Regulation 39.13(g)(8)(ii) will have with respect to the margins charged by NYPC clearing members to exchange member customers and customer omnibus accounts.

The Division herein grants the requested extension to NYPC, thereby requiring compliance with Regulation 39.13(g)(8)(ii), as it applies to exchange member customers and to customer omnibus accounts, no later than August 5, 2012, unless NYPC is notified otherwise. This extension is granted by the Division in reliance on the representations contained in your request, and any different, changed, or omitted material facts or circumstances may require termination of the extension and immediate action by NYPC, its clearing members, exchange

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<sup>1</sup> See 76 Fed. Reg. 69,334, 69,439 (Nov. 8, 2011). Regulation 39.13(g)(8)(ii) provides as follows:

(ii) *Customer initial margin requirements.* A derivatives clearing organization shall require its clearing members to collect customer initial margin, as defined in § 1.3 of this chapter, from their customers, for nonhedge positions, at a level that is greater than 100 percent of the derivatives clearing organization's initial margin requirements with respect to each product and swap portfolio. The derivatives clearing organization shall have reasonable discretion in determining the percentage by which customer initial margins must exceed the derivatives clearing organization's initial margin requirements with respect to particular products or swap portfolios. The Commission may review such percentage levels and require different percentage levels if the Commission deems the levels insufficient to protect the financial integrity of the clearing members or the derivatives clearing organization.

member customers, or other FCMs, to facilitate compliance. The Division retains the authority to condition further, modify, suspend, or otherwise restrict the extension granted herein.

Should you have questions regarding this matter, please contact Phyllis P. Dietz, Deputy Director ([pdietz@cftc.gov](mailto:pdietz@cftc.gov), 202-418-5449) or Heidi M. Rauh, Special Counsel ([hrauh@cftc.gov](mailto:hrauh@cftc.gov), 312-596-0644).

Sincerely,



Ananda Radhakrishnan  
Director

cc: Phyllis P. Dietz  
Heidi M. Rauh