



DIVISION OF
TRADING AND MARKETS

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

May 27, 2010

Charles Llewellyn, Esq.
Regional Legal Counsel – Americas
SWIFT
7 Times Square, 45th Floor
New York, NY 10036

Re: No-Action Request of the Society for Worldwide Interbank Financial
Telecommunication

Dear Mr. Llewellyn,

In your letter dated May 27, 2010, the Society for Worldwide Interbank Financial Telecommunication (“SWIFT”) requests assurances that the staff of the Division of Trading and Markets (“Staff”) would not recommend enforcement action to the Commission if broker-dealers use certain electronic messaging services offered by SWIFT (“SWIFT Messaging”), as more fully described in your letter, to satisfy their trade confirmation obligations pursuant to Rule 10b-10 under the Securities Exchange Act of 1934 (the “Exchange Act”).

Based on the facts and representations set forth in your letter, and without necessarily concurring in your analysis, the Staff will not recommend enforcement action to the Commission under Rule 10b-10 of the Exchange Act against broker-dealers that use on SWIFT Messaging to confirm transactions as required by Rule 10b-10 under the Exchange Act.

In particular, we note that many users of SWIFT are U.S.-registered broker-dealers (“Broker Users”) that currently use SWIFT Messaging to communicate a range of information with other users. SWIFT represents that permitting Broker-Dealer Users to use SWIFT Messaging to send the confirmations required by Rule 10b-10 (“Confirm Messages”) to institutional customers that are also users of SWIFT (“Customer Users”) will enable parties to eliminate duplicate systems, thereby improving the efficiency and reliability of confirmation delivery and receipt processes. SWIFT also represents that the standardized format of Confirm Messages would reduce trade reconciliation errors and

operational risks and increase the speed at which trades may be processed and settled. In addition, we note that:

- The Customer User will be obligated under SWIFT's rules to log on to SWIFT on each of the Customer User's regular business days and retrieve all SWIFT messages, including Confirm Messages, stored in the Customer User's queue.
- The Confirm Message will contain all the information required by Rule 10b-10 in a machine-readable format.
- The Broker User may rely on a Confirm Message to satisfy its Rule 10b-10 obligations only if such Confirm Message is sent to the person to whom the Broker User is required to direct the confirmation under Rule 10b-10.
- The Broker User will obtain the prior written, informed consent of the Customer User (which may be electronic) to the receipt of trade confirmations electronically using SWIFT's Confirm Messages.
- Upon the specific request of the Customer User, the Broker User will provide the Customer User with a paper copy of any trade confirmation sent by the Broker User to the Customer User using SWIFT's Confirm Messages during the two years prior to the date of the Customer User's request.

Further, Broker-Dealer Users will retain the obligation to make and preserve confirmations in accordance with Rules 17a-3 and 17a-4 under the Exchange Act, as well as ultimate responsibility for compliance with Rule 10b-10.

This response represents a staff position regarding enforcement action only, and does not purport to express any legal conclusions with respect to the applicability of the statutory or regulatory provisions of the federal securities laws or any self-regulatory organization rules to SWIFT or its users. Moreover, this response is based upon the facts presented and the representations you have made, and any different facts or conditions might require a different approach.

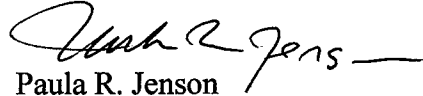
Finally, we note that the Commission has established criteria for the use of electronic media to satisfy obligations under Rule 10b-10,¹ and we have expressed our

¹ See *Use of Electronic Media by Broker-Dealers, Transfer Agents and Investment Advisers for Delivery of Electronic Information*, Exchange Act Release No. 37182 (May 9, 1996).

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views about the application of these criteria to various fact patterns.² Accordingly, having stated our views, we will no longer respond to letters in this area unless they present novel or unusual issues.

Sincerely,



Paula R. Jenson
Deputy Chief Counsel

² See, e.g., Letters re: *SS&C Technologies, Inc.* (pub. avail. Aug. 13, 2008); *SunGard Institutional Brokerage, Inc.* (pub. avail. July 3, 2007); *Omgeo LLC* (pub. avail. Dec. 14, 2006) (supplemented by letter pub. avail. Mar. 12, 2008); *TradeWeb LLC* (pub. avail. July 22, 2003); *MBS Clearing Corp.* (pub. avail. June 27, 1997); *Thomson Financial Services, Inc.* (pub. avail. Oct. 8, 1993); *The Depository Trust Company* (pub. avail. Oct. 29, 1974) (supplemented by letters pub. avail. Feb. 28, 1983 and Apr. 17, 2001 (transfer of TradeSuite service to Omgeo)).