



388 Greenwich Street
New York, NY 10013

August 20, 2010

PUBCOM@FINRA.ORG
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

Re: Regulatory Notice 10-33; Supplemental FOCUS Information

To whom it may concern:

Citigroup Global Markets Inc. ("CGMI") is pleased to offer its comments in response to the above-referenced Regulatory Notice. We appreciate FINRA's efforts to review the information received in FOCUS reports in furtherance of its important role in ensuring the financial soundness of broker-dealer firms and promoting investor confidence in the institutions with whom they conduct business.

As active members of SIFMA, CGMI has participated in drafting SIFMA's comment letter¹ and wishes to express our strong support for the opinions expressed therein. As one of the world's largest financial services firms, we operate global businesses through multiple legal vehicles in over 100 countries. The chief implementation challenge presented by this proposal, as noted in the SIFMA letter, arises from the fact that the additional financial data sought by FINRA is not currently captured in the precise form and according to the same methodology that would be required by the proposed FINRA schedule. The resulting burden on firms could be significantly alleviated by allowing P&L information to be based on established units within a firm (e.g., trading desk, cost center, etc...) as opposed to the product view that the proposal would require. For example, product-specific information would be easier to produce for a firm-recognized entity such as a business or desk. This would have the added benefit of providing FINRA with a more meaningful view of firm business operations.

Moreover, CGMI wishes to emphasize that the more complicated the engineering effort required to prepare the information in the required format, the more lead time firms will need to

¹See letter from Mark Holloway, Chairman SIFMA Capital Committee, to Marcia E. Asquith, FINRA (August 17, 2010).



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make the significant operational and systems changes necessary to comply. It is therefore essential that the final rule include an implementation date that allows for sufficient lead time for firms to make the necessary changes needed to comply.

CGMI suggests that FINRA develop instructions and definitions to explain all of the data requirements for all of the reporting lines in the required supplements. In particular, CGMI requests clarification for the following data elements (to the degree they are required in the final rule):

Revenue:

Please clarify whether interest revenue associated with the product lines are to be reported in the "Principal Trades" section or under the "Interest Section".

Please provide definitions for the reporting lines in the "Fee Income" section.

Expenses:

Please provide definitions for reporting lines in the sections for; "Costs Incurred on behalf of affiliates or clients" and "Fees Paid Under a Service Agreement to Outsourcing Providers".

Operational Pages:

"Total Amount of Securities Sold During Reporting Period" - Does this also include secondary trading? Also unclear if amount sold should include amounts allocated to other syndicate members or just sold to customers?

"Total Number of Customers to whom Securities were Sold" - Does this also include secondary trading? Also unclear if amount sold to customers should include amounts allocated to other syndicate members or just sold to customers?

"Per Offering Memorandum, % of Proceeds to be used by BD affiliated with issuer or its associated persons (APs) as working capital, debt reduction or retirement, or credit facility



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extension, or otherwise directed to the BD or its APs.” Please provide a detailed explanation for this requirement and an example if possible.

In conclusion, we believe that expanded FOCUS reporting ought to leverage existing financial data systems maintained by firms, provide sufficient time for programming and other implementation steps and clarify requested information as noted. We appreciate the opportunity to provide FINRA with our comments. Should you have any questions or wish to discuss the comments in this letter, please contact the undersigned at 212-816-6450.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Cliff Verron", with a long horizontal flourish extending to the right.

Cliff Verron
Chief Financial Officer
Citigroup Global Markets, Inc.

Cc: Kris Dailey, Vice President, Risk Oversight & Operational Regulation
Susan DeMando Scott, Associate Vice President, Financial Operations Department