In relation to Option 3, we consider that the buy-in arrangements between OTC transactions and on-exchange transactions should be consistent. There are situations where intermediaries are placed at a disadvantage when clients instruct the intermediary to buy a product OTC and then instruct the intermediary to subsequently sell the product on-exchange. If the OTC counterparty fails to deliver the product to the intermediary, then the intermediary in turn will fail to deliver the product to the CCP in relation to the on-exchange leg. The intermediary is then subject to the buy-in obligations under the on-exchange rules which are more onerous than the OTC rules. This mismatch places intermediaries at a disadvantage. It would be preferable if both sets of rules were consistent.