The Commodity Futures Trading Commission (CFTC) is the federal government agency that regulates the commodity futures, commodity options, and swaps trading markets. To help fight fraud, Congress established the CFTC Customer Protection Fund (the Fund) in 2010 and the agency created a new Office of Consumer Outreach (the Office) in 2011.

CONTACT US

If you have questions, are aware of suspicious activities, or believe you have been defrauded, please let the CFTC know immediately. Call the CFTC or visit www.cftc.gov/TipOrComplaint.

COMMODITY FUTURES TRADING COMMISSION

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COMMODITY FUTURES TRADING COMMISSION

OVERVIEW OF THE CFTC

- Congress created the CFTC in 1974 as an independent agency with the mandate to regulate commodity futures and option markets in the United States.
- In 1974, the majority of futures trading took place in the agricultural sector. The agency's mandate has been renewed and expanded several times since then, most recently by the Dodd-Frank Wall Street Reform and Consumer Protection Act. The futures industry has become increasingly varied over time. It now encompasses a vast array of highly complex financial futures contracts.
- The CFTC's mission is to protect market users and the public from fraud, manipulation, abusive practices and systemic risk related to derivatives that are subject to the Commodity Exchange Act. The CFTC also fosters open, competitive, and financially sound markets.
- The CFTC investigates and prosecutes alleged violations of the Commodity Exchange Act and CFTC regulations.
- The CFTC has the important role of enabling futures markets to help determine accurate prices for commodities needed to operate such things as farms, banks and companies.
- The CFTC has five commissioners appointed by the President, with the advice and consent of the Senate, to serve staggered five-year terms.
- The President, with the consent of the Senate, designates one of the commissioners to serve as Chairman. No more than three commissioners, at any one time, may be from the same political party.

HOW THE CFTC HELPS THE ECONOMY

- The CFTC assures the economic utility of the futures, swaps, and options markets by encouraging their competitiveness and efficiency, protecting market participants against fraud, manipulation, and abusive trading practices, and by ensuring the financial integrity of the clearing process.
- The CFTC conducts daily market surveillance. In an emergency, the CFTC can order an exchange to take specific action or to restore orderliness in any futures contract being traded.

HOW THE CFTC HELPS CONSUMERS

The CFTC Customer Protection Fund

- The Fund consists entirely of monetary sanctions the CFTC levies and collects in enforcement actions.
- No taxpayer money is included in the Fund.
- The CFTC can use the Fund to administer a Whistleblower program and to conduct consumer education initiatives.
- The Fund allows the CFTC to maintain a permanent staff which solely focuses on anti-fraud educational and social marketing efforts.

The Office of Consumer Outreach

- In 2011, the CFTC established the Office of Consumer Outreach.
- The Office administers the CFTC's public education initiatives.
- The Office's top priority is developing a long-term, anti-fraud outreach campaign grounded upon research-based audience segmentation and social marketing principles.
- The Office is actively involved with ongoing federal financial literacy efforts, including participating as a member of the Financial Literacy and Education Commission.
- The Office is seeking out areas of collaboration with entities such as state banking, insurance, and securities regulators, as well as self-regulatory organizations for the financial markets, and consumer organizations.

Regulation of Futures Professionals

- Companies and individuals who handle customer funds or give trading advice must apply for registration through the National Futures Association, a self-regulatory organization approved by the CFTC.
- The CFTC seeks to protect customers by requiring:
  - Market risks and past performance be disclosed to prospective customers
  - Customer funds be kept in accounts separate from the firm's funds for its own use
  - Customer accounts be adjusted to reflect each trading day's current market value at close
- The CFTC monitors registrant supervision systems, internal controls, and sales practice compliance programs.