



Commodity Futures Trading Commission

Office of Public Affairs

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Q & A – Amendments to Adapt Certain CFTC Regulations to the Dodd-Frank Act

What is the goal of the proposed rulemaking?

The Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) amended the Commodity Exchange Act in numerous ways to give the Commission the authority to regulate swaps. This proposed rulemaking conforms the Commission’s regulations to the Dodd-Frank Act. For example, the Commission has proposed amending certain fundamental definitions and recordkeeping regulations in Part 1 so that they apply to both futures and swaps.

To Which Commission Registrants and Registered Entities does the proposed rulemaking apply?

Proposed revisions to Part 1 require futures commission merchants and introducing brokers to follow recordkeeping rules for swap transactions that are equivalent to those rules they must presently follow for futures transactions. Proposed revisions to Regulation 1.31 create general recordkeeping obligations for all registrants, including swap dealers and major swap participants.

Other proposed revisions to Part 1 require swap execution facilities to comply with the same rules currently applicable to designated contract markets. For example, under proposed revised Regulation 1.67, once a swap execution facility determines that a member has committed a rule violation resulting in financial harm to a customer, the swap execution facility must provide prompt written notice to that member. The member must then provide prompt written notice of that violation to the affected customer.

How does the proposed rulemaking intersect with other Dodd-Frank Act proposed rulemakings?

None of the proposed amended regulations depend on other Dodd-Frank Act proposed rulemakings. The proposed rulemaking seeks to conform the Commission’s regulations to the Dodd-Frank Act.

How is this proposed rulemaking different from other Dodd-Frank Act proposed rulemakings?

Whereas some of the other Dodd-Frank Act rulemakings proposed new regulations applicable only to pending registrants and registered entities such as swap dealers, major swap participants, swap execution facilities, and swap data repositories, this rulemaking amends existing regulations that apply to existing and/or pending registrants.