



Commodity Futures Trading Commission

Office of Public Affairs

Three Lafayette Centre

1155 21st Street, NW

Washington, DC 20581

www.cftc.gov

Q & A – Swap Trading Relationship Documentation Requirements for Swap Dealers and Major Swap Participants

What is the goal of the proposed rulemaking?

The Dodd-Frank Act authorizes the CFTC to adopt regulations setting forth standards for the timely and accurate confirmation, processing, netting, documentation, and valuation of swaps. The goal of the proposed rulemaking is to establish standards for accurate swap trading relationship documentation as well as standards for documenting the use of the end-user clearing exception.

What registrants are covered by the proposed regulations?

The proposed regulations would apply to swap dealers and major swap participants.

By when must comments on the rules be submitted?

Comments on the rules must be submitted within sixty (60) days of the publication of the proposal in the Federal Register.

What are the trading relationship documentation requirements?

The proposed regulations would require swap dealers and major swap participants to document all terms governing their trading relationship in writing, including terms related to credit support arrangements, swap valuation methodologies, and limitation of termination rights if a party becomes subject to a special resolution regime. The proposed regulations also require swap dealers and major swap participants to document certain information related to clearing of their swaps.

What are the end user exception documentation requirements?

The proposed regulations require swap dealers and major swap participants to document certain information related to the qualifications of their counterparties to invoke the end-user clearing exception. Such information must be sufficient to provide the swap dealer or major swap participant with a reasonable basis to believe that its counterparty meets the statutory conditions required for an exception from a mandatory clearing requirement.