



Commodity Futures Trading Commission

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Q & A – Final Rule Regarding Removal of References to Credit Ratings from Commission Regulations

What is the goal of the rulemaking?

Section 939A of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires that the CFTC review its regulations and remove references to—and requirements of reliance on—credit ratings. Section 939A further directs that the CFTC substitute such credit ratings references with an alternative standard of credit-worthiness, as appropriate. The rulemaking accomplishes those directives with respect to credit ratings references in Commission Regulations 1.49 and 4.24.

What registrants are covered by the regulations addressed in the rulemaking?

The regulations apply to futures commission merchants (FCMs), derivatives clearing organizations (DCOs), and commodity pool operators (CPOs).

How will the changes set forth in the rulemaking affect the Commission's current regulatory requirements?

The rulemaking contains amendments to two existing Commission regulations: Regulations 1.49 and 4.24. With respect to **Regulation 1.49**, the rulemaking will adjust the minimum qualifications that non-U.S. banks are required to satisfy before futures commission merchants and derivatives clearing organizations may deposit customer funds into them. The amendment to **Regulation 4.24** will modify the disclosures that commodity pool operators will be required to provide to their customers, in order to enhance customers' understanding of how the pool operators are using customer money.

What is the Commission doing to develop a uniform standard of credit-worthiness?

The Commission has consulted with the Securities and Exchange Commission, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve, and other federal regulators. We will continue to work with the federal interagency community towards the goal of developing and maintaining uniform standards of credit-worthiness, to the extent feasible, in the future.