

## U.S. COMMODITY FUTURES TRADING COMMISSION

### RENEWAL CHARTER OF THE MARKET RISK ADVISORY COMMITTEE

**(1) Committee's Official Designation.**

The advisory committee's official designation is the Market Risk Advisory Committee ("MRAC").

**(2) Authority.**

The MRAC is a discretionary advisory committee established by the authority of the U.S. Commodity Futures Trading Commission ("Commission") in accordance with the Federal Advisory Committee Act ("FACA"), as amended, 5 U.S.C. §§ 1001-1014.

**(3) Objectives and Scope of Activities.**

In support of the Commission's mission of promoting the integrity, resilience, and vibrancy of the U.S. derivatives markets through sound regulation, as well as the monitoring and management of systemic risk, the MRAC's objectives and scope of activities shall be to advise the Commission on: (1) systemic issues that impact the stability of the derivatives markets and other related financial markets; and (2) the impact and implications of the evolving market structure of the derivatives markets and other related financial markets.

**(4) Description of Duties.**

In accordance with 5 U.S.C. § 1008(b), the duties of the MRAC shall be solely advisory. The MRAC may, by simple majority vote, call for reports and/or recommendations by the MRAC or MRAC subcommittee(s), adopt reports and/or recommendations, and transmit reports and/or recommendations to the Commission. MRAC reports and/or recommendations shall be developed in consultation with all members of the MRAC and any transmission to the Commission shall include dissenting or minority views, if any. MRAC subcommittee reports and/or recommendations shall be deliberated on by the MRAC before transmission to the Commission. No determination of fact or policy shall be made by the MRAC on behalf of the Commission. Determinations of actions to be taken and policy to be expressed with respect to the reports and/or recommendations of the MRAC shall be made solely by the Commission.

**(5) Agency or Official to Whom the Committee Reports.**

The MRAC reports to the Commission. The MRAC will also have a "Sponsor," who may be the Chairman of the Commission, a Commissioner, or a designee of the Commission, and who will be responsible for ensuring that the advice and recommendations of the MRAC are provided to the Commission.

**(6) Support.**

The Commission shall provide necessary support services for the MRAC.

- (7) **Estimated Annual Operating Costs and Staff Years.**  
The estimated annual operating costs for supporting the MRAC are approximately \$225,000. This cost estimate includes costs associated with meeting expenses as well as the cost of .6 of one full-time Commission employee needed to support the MRAC on a continuing basis. MRAC members will not be compensated by the Commission for their services and will not be reimbursed or receive per diem from the Commission for travel-related expenses to attend MRAC meetings.
- (8) **Designated Federal Officer.**  
The Commission shall appoint a full-time or permanent part-time Commission employee to serve as the Designated Federal Officer (“DFO”) of the MRAC and any established MRAC subcommittees. The Commission may appoint additional full-time or permanent part-time Commission employees to serve as alternate DFOs (“ADFOs”) for the MRAC and/or any established subcommittees. The DFO or ADFO shall prepare and approve all meeting agendas; approve or call all MRAC or subcommittee meetings; attend all MRAC and subcommittee meetings; adjourn any meeting when the DFO or ADFO determines adjournment to be in the public interest; chair meetings when directed to do so by the Sponsor; and assist in the preparation and certification of meeting minutes.
- (9) **Estimated Number and Frequency of Meetings.**  
The MRAC shall meet at such intervals as are necessary to carry out its functions. It is estimated that meetings of the MRAC will occur two or more times per year; meetings of MRAC subcommittees may occur more frequently.
- (10) **Duration.**  
The MRAC will continue until two years from the date of renewal, unless the Commission directs that it terminate on an earlier date.
- (11) **Termination.**  
The MRAC shall terminate two years from the date of renewal, unless the charter is renewed prior to its expiration in accordance with 5 U.S.C. § 1013(a)(2)(A).
- (12) **Membership and Designation.**  
The MRAC shall consist of approximately 18-37 members (voting and nonvoting). Representatives from the Regional Reserve Banks of the Federal Reserve System as well as regular government employees may serve as nonvoting members on the MRAC or an MRAC subcommittee. MRAC members shall be appointed and may be removed by vote of the Commission. MRAC members may be appointed or removed at any time. The Sponsor shall designate a member of the MRAC or MRAC subcommittee to serve as the Chair absent the objection of a majority of the Commission. The Sponsor may also designate another committee or subcommittee member to serve as a co-Chair absent the objection of the majority of the Commission.

MRAC members are selected to represent a balance of viewpoints that are necessary to effectively address the issues to be considered by the MRAC. The membership represents a wide range of perspectives and interests, and may include the viewpoint

categories listed below. The viewpoint categories and the precise number of members in any category may vary over time depending on the work of the Committee.

- (i) end-users;
- (ii) exchanges;
- (iii) swap execution facilities;
- (iv) swap data repositories;
- (v) clearinghouses;
- (vi) asset managers;
- (vii) intermediaries;
- (viii) market makers;
- (ix) service providers;
- (x) academia;
- (xi) public interest groups; and
- (xii) regulators.

The MRAC may be composed of representative members, special government employee members ("SGE"), and regular government employee ("RGE") members. Representative members serve on the MRAC primarily to convey to the Commission and to the MRAC the views and interests of the organizations or groups that they represent. The Commission may appoint individuals to serve as representative members. Alternatively, the Commission may appoint organizations that are affected by the MRAC's work, or whose members are affected by the MRAC's work, to serve as members and designate individuals (with final approval by the Sponsor) to represent the organization or, where relevant, the organization's members. The member organization may also designate an alternate with Sponsor approval.

SGE members provide advice to the Commission on the basis of their expertise and best, independent judgment in a manner free from conflicts of interest. The Commission shall not appoint federally registered lobbyists to serve as SGEs on the MRAC. RGE members provide their own independent judgment in Committee deliberations, and may provide their agency's or department's views on matters discussed or deliberated upon at Committee meetings.

**(13) Subcommittees.**

The Commission may establish and dissolve MRAC subcommittees. The number of members on any MRAC subcommittee will not exceed the number of members serving on the MRAC. Current MRAC members may, with the Sponsor's approval, serve on any MRAC subcommittee without Commission appointment to a subcommittee. Other subcommittee members shall be appointed in the same manner as MRAC members. Subcommittee members shall be removed in the same manner as MRAC members. Any subcommittees shall report to the MRAC and may not provide reports and/or recommendations directly to the Commission or to any Commission officer or employee. An MRAC subcommittee may, by simple majority vote, adopt its reports and/or recommendations, and transmit reports and/or recommendations to the MRAC. MRAC subcommittee reports and/or recommendations shall be developed in consultation with all

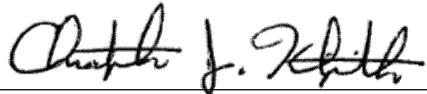
members of the MRAC subcommittee and any transmission to the MRAC shall include dissenting or minority views, if any. MRAC subcommittees shall have no authority to make decisions on behalf of the MRAC. No determination of fact or policy shall be made by any MRAC subcommittee on behalf of the Commission.

**(14) Recordkeeping.**

Records of the MRAC and any subcommittees shall be maintained in accordance with the General Records Schedule 6.2 and other Commission records guidance. Records of open MRAC meetings will be made available to the public on the Commission's website.

**(15) Filing Date.**

This charter has been filed with the Senate Committee on Agriculture, Nutrition and Forestry, the House of Representatives Committee on Agriculture, the Library of Congress, and the Secretariat of the U.S. General Services Administration on April 16, 2024.



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Christopher J. Kirkpatrick  
Secretary of the Commission

Dated: April 16, 2024  
Washington, D.C.