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## **CFTC Approves Order Exempting Certain Swap Agreements Submitted for Clearing Through SwapClear from Most Provisions of the Commodity Exchange Act**

In order to respond to the changing needs of the over-the-counter (OTC) derivatives market, the Commission today approved for the first time an order exempting certain cleared swap agreements from most provisions of the Act and Commission regulations. The order applies to certain swap agreements submitted for clearing through SwapClear, the swaps clearing operation newly-developed by the London Clearing House Limited (LCH). The order also provides relief to persons who offer, enter into, or render advice or other services with respect to swap agreements meeting the terms and conditions of the order. The order will not become effective until the Commission and the Financial Services Agency in the United Kingdom (FSA), LCH's primary regulator, have executed a side letter regarding SwapClear to the current information sharing arrangement that exists between the two agencies and the FSA provides written confirmation to the Commission that it has approved the commencement of SwapClear's operations.

Chairperson Brooksley Born stated upon release of the order:

*"The approval of swaps clearing in this order is a significant step toward protecting dealers in the over-the-counter derivatives market from counterparty credit risk."*

Copies of the order may be obtained by contacting the Commission's Office of the Secretariat, Three Lafayette Centre, 1155 21<sup>st</sup> Street, N.W., Washington, D.C. 20581, (202) 418-5100, or by accessing the Commission's website, [www.cftc.gov](http://www.cftc.gov).