



# Commodity Futures Trading Commission

## Office of Public Affairs

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## Proposed Rule on Customer Clearing Documentation and Timing of Acceptance for Clearing

The Commodity Futures Trading Commission (Commission) is proposing rules concerning the documentation between a customer and a futures commission merchant (FCM) that clears on behalf of the customer, and the timing of acceptance or rejection of trades for clearing by DCOs and clearing members.

### Proposed Customer Clearing Documentation Rules

The proposed regulations would prevent certain Commission registrants (FCMs, swap dealers, and major swap participants) from entering into an arrangement with their customers that would disclose the identity of a customer's original executing counterparty. The proposed rule also would prevent these Commission registrants from (1) limiting the number of counterparties with whom a customer may enter into a trade; (2) restricting the size of the position a customer may take with any individual counterparty, apart from an overall credit limit for all positions held by the customer; (3) impairing a customer's access to execution of a trade on terms that have a reasonable relationship to the best terms available; and (4) preventing compliance with specified time frames for acceptance of trades into clearing.

### Proposed Time Frames for Acceptance into Clearing Rules

The proposed regulations would require a clearing member, or the derivatives clearing organization acting on its behalf, to accept or reject each trade submitted for clearing as quickly as would be technologically practicable if fully automated systems were used. The proposed standard would require action in a matter of milliseconds or seconds or, at most, a few minutes, not hours or days. However, the proposed rules would accommodate trade processing with manual steps provided that the process could operate within the same time frame as automated systems.

The proposal would also permit DCOs to screen trades against applicable product and credit criteria before accepting or rejecting them, provided that such criteria do not discriminate with respect to trading venues and clearing participants.