



Commodity Futures Trading Commission

Office of Public Affairs

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Proposed Order to Amend Effective Date for Swap Regulation

The Commodity Futures Trading Commission (“CFTC” or the “Commission”) is proposing to amend a final order issued by the Commission on July 14, 2011 that grants temporary exemptive relief from certain provisions of the Commodity Exchange Act (“CEA”) that otherwise would have taken effect on July 16, 2011 – the general effective date of title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“the Dodd-Frank Act”).

Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act)

Section 754 of the Dodd-Frank Act provides that the general effective date for certain of the swap-related requirements of title VII is 360 days after the date of the enactment, or July 16, 2011. However, where a provision requires implementation by a rulemaking, Section 754 provides that the provision shall become effective not less than 60 days after publication of the final rule.

On July 14, 2011, the CFTC issued a final order (“July 14 Order”), 76 FR 42508 (July 19, 2011), that grants temporary exemptive relief from certain provisions of the CEA that otherwise would have taken effect on the general effective date of title VII – July 16, 2011.

The July 14 Order grants temporary relief in two parts:

- The first part addresses those CEA provisions added or amended by title VII of the Dodd-Frank Act that reference one or more terms regarding entities or instruments that title VII requires be “further defined,” to the extent that requirements or portions of such provisions specifically relate to such referenced terms and do not require a rulemaking.
- The second part, which is based on part 35 of the Commission’s regulations, addresses certain provisions of the CEA that may apply to certain agreements, contracts, and transactions in exempt or excluded commodities as a result of the repeal of various CEA exemptions and exclusions as of the general effective date of July 16, 2011.

The Commission proposes to amend that July 14 Order by modifying the temporary exemptive relief therein by: (1) extending the potential latest expiration date of the July 14 Order from December 31, 2011 to July 16, 2012; and (2) adding provisions to account for the repeal and replacement (as of December 31, 2011) of part 35 of the Commission’s regulations.

In all other respects, the proposed amendments would maintain the status quo with respect to the nature and scope of the currently outstanding temporary exemptive relief.

As with the July 14 Order, this Notice of Proposed Amendment would not limit in any way the CFTC’s ability to pursue fraud and manipulation.

Only comments pertaining to these proposed amendments to the July 14 Order will be considered in response to this Notice.