



Commodity Futures Trading Commission

Office of Public Affairs

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Proposed Rule to Expand the Scope of Consumer Privacy Protections Under the Gramm-Leach-Bliley Act

The Commodity Futures Trading Commission (CFTC) announced the publication in the Federal Register of proposed regulations that broaden the scope of Part 160 of the Commission's Regulations, which set forth certain protections for the privacy of nonpublic, consumer information. These regulations implement provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The Commodity Futures Modernization Act of 2000 made the CFTC a federal functional regulator within the meaning of Title V of the Gramm-Leach-Bliley Act.

As a federal functional regulator, the CFTC was granted the authority to adopt rules that establish appropriate standards for financial institutions subject to its jurisdiction to safeguard customer records and information.

The CFTC's promulgated rules in 2001 in Part 160 of the Commission's regulations. Part 160:

- Requires certain entities subject to the CFTC's jurisdiction to provide notice to consumers about its privacy policies and practices.
- Describes the conditions under which an entity subject to the CFTC's jurisdiction may disclose nonpublic, consumer information about consumers to nonaffiliated third parties.
- Provides a method for consumers to prevent an entity subject to the CFTC's jurisdiction from disclosing nonpublic, consumer information to most nonaffiliated third parties by opting out of that disclosure, subject to certain exception.

On July 21, 2010, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act.

- Title X of the Dodd-Frank Act amends Title V of the Gramm-Leach-Bliley Act to, among other things, affirm the Commission's authority to promulgate regulations to require entities that are subject to the Commission's jurisdiction to provide certain privacy protections for consumer financial information.
- Title VII of the Dodd-Frank Act created two new entities that are subject to the jurisdiction of the CFTC: swap dealers and major swap participants.
- The proposed regulations primarily would expand the scope of Part 160 to apply to swap dealers and major swap participants, regardless of whether they are required to register with the CFTC.

When would the rules become effective?

The CFTC proposes to make the proposed regulations become effective no earlier than July 21, 2011, which is the designated transfer date of authority from various federal agencies to the Bureau.