



Commodity Futures Trading Commission

Office of Public Affairs

Three Lafayette Centre

1155 21st Street, NW

Washington, DC 20581

www.cftc.gov

Proposed Rules to Implement New Statutory Provisions in Part 40 of the Commission's Regulations

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

On July 21, 2010, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act. Title VII of the Dodd-Frank Act, among other things, amended Part 40 of the Commission's regulations to:

- Include new registered entities, such as Swap Execution Facilities ("SEFs") and Swap Data Repositories ("SDRs").
- Implement a new statutory framework for certification and approval procedures for new products, new rules and rule amendments submitted to the Commission by registered entities:
 - A new rule or rule amendment will become effective 10 business days after the certified rule or rule amendment is received by the Commission;
 - The Commission may stay the initial review period for additional 90 days if the Commission determines that the new rule or rule amendment presents novel or complex issues, is certified with an inadequate explanation, or is potentially inconsistent with the CEA or the Commission's regulations;
 - The Commission must provide a 30-day public comment period, within the 90-day review period. The Commission will provide notice of the comment by posting the notice and the rule submission on the Commission's website;
- Require a systemically important derivatives clearing organization (SIDCO) to provide the Commission with a 60-day advance notice of any proposed change to its rules or procedures that could materially affect the nature or level of risks presented by the SIDCO.
- Prohibit the listing, trading, or clearing of a product that is based on certain excluded commodities and that involves terrorism, assassination, war, gaming, or an activity that is unlawful under any State or Federal Law.
 - Prohibit the listing, trading, or clearing of a product involving similar activities and that the Commission determines, in a future rulemaking, to be contrary to the public interest.
 - If during the review of a new contract, the Commission determines that such product may involve any of the prohibited activity, than the Commission will request that the registered entity suspend the listing or trading of the contract and will conduct a 90-day review to determine whether the product relates to one of the prohibited activity.
- Toll the product certification or approval review period for novel derivative products that have elements of both a security and a derivative pending the issuance of a final determination order as to whether the Commission or the SEC has jurisdiction over the product.