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Report Suspected Fraud or
Suspicious Activity
866-FON-CFTC (866-366-2382)

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Check the Background of
Financial Professionals
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The U.S. Commodity Futures
Trading Commission (CFTC),
celebrating its 40 year anniversary
in 2015, is the federal government
agency that regulates the
commodity futures, commodity
options, and swaps trading markets.

To help fight fraud, Congress
established the CFTC Customer
Protection Fund in 2010 and
the agency created the Office of
Consumer Outreach in 2011.



U.S. COMMODITY FUTURES TRADING COMMISSION
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U.S. COMMODITY FUTURES TRADING COMMISSION





ABOUT THE CFTC

- Congress created the CFTC in 1974 as an independent agency with the mandate to regulate commodity futures and option markets in the United States.
- The CFTC's mission is to foster open, competitive, and financially sound markets and to protect market users and the public from fraud, manipulation, abusive practices and systemic risk related to derivatives that are subject to the Commodity Exchange Act.
- In 1974, the majority of futures trading took place in the agricultural sector. The agency's mandate has been renewed and expanded several times since then, most recently by the Dodd-Frank Wall Street Reform and Consumer Protection Act. The futures industry has become increasingly varied over time. It now encompasses a vast array of highly complex financial futures contracts.
- The CFTC has five commissioners appointed by the President, with the advice and consent of the Senate, to serve staggered five-year terms.
- The President, with the consent of the Senate, designates one of the commissioners to serve as Chairman. No more than three commissioners, at any one time, may be from the same political party.

FOSTERING OPEN AND FINANCIALLY SOUND MARKETS

Regulation of Markets

- The CFTC assures the economic utility of the futures, swaps, and options markets by encouraging their competitiveness and efficiency, protecting market participants against fraud, manipulation, and abusive trading practices, and by ensuring the financial integrity of the clearing process.
- The CFTC conducts daily market surveillance. In an emergency, the CFTC can order an exchange to take specific action or to restore orderliness in any futures contract being traded.

Regulation of Futures Professionals

- Companies and individuals who handle customer funds or give trading advice must apply for registration through the National Futures Association, a self-regulatory organization approved by the CFTC.
- The CFTC seeks to protect customers by requiring that:
 - Market risks and past performance are disclosed to prospective customers
 - Customer funds are kept in accounts separate from the firm's funds for its own use
 - Customer accounts are adjusted to reflect each trading day's current market value at close
- The CFTC monitors registrant supervision systems, internal controls, and sales practice compliance programs.
- The CFTC Division of Enforcement pursues enforcement actions against violators of the Commodity Exchange Act and CFTC regulations.

PROTECTING AND EDUCATING CONSUMERS

The CFTC Customer Protection Fund (Fund)

- The Fund consists entirely of monetary sanctions the CFTC levies and collects in enforcement actions.
- No taxpayer money is included in the Fund.
- The CFTC uses the Fund to administer a Whistleblower Office and to conduct consumer education initiatives.
- The Fund allows the CFTC to maintain a permanent staff that solely focuses on anti-fraud educational and social marketing efforts.

The Office of Consumer Outreach (OCO)

- The OCO was established in 2011 to administer the CFTC's consumer education initiatives.
- The OCO created CFTC SmartCheck, the cutting edge anti-fraud campaign based on social marketing principles. The campaign features an interactive website, SmartCheck.gov, where consumers can check the background of financial professionals.



- The OCO is actively involved with ongoing federal financial literacy efforts, including participating as a member of the Financial Literacy and Education Commission.
- The OCO collaborates with entities such as state banking, insurance, and securities regulators, as well as self-regulatory organizations for financial markets, and consumer organizations in anti-fraud efforts.