



Commodity Futures Trading Commission

Office of Public Affairs

Three Lafayette Centre

1155 21st Street, NW

Washington, DC 20581

www.cftc.gov

Q & A – Requirements for Processing, Clearing, and Transfer of Customer Positions

What is the purpose of the proposed regulations?

Through this proposed rulemaking, the Commission seeks to expand access to, and to strengthen the financial integrity of, the swap markets subject to Commission oversight by requiring and establishing uniform standards for prompt processing, submission, and acceptance of swaps eligible for clearing by a derivatives clearing organization (DCO). The Commission also seeks to facilitate a DCO's prompt transfer of customer positions from a carrying clearing member to another clearing member with the goal of avoiding unnecessary delay and market disruption.

What matters are addressed in this rulemaking?

The proposed regulations would establish the time frame for a swap dealer, major swap participant, futures commission merchant, swap execution facility, and designated contract market to submit contracts, agreements, or transactions to a DCO for clearing. They also would establish standards for cleared products and the prompt and efficient processing of all contracts, agreements, and transactions submitted to a DCO for clearing. Related regulations would require swap execution facilities and designated contract markets to coordinate with DCOs in the development of rules and procedures to facilitate clearing. Additionally, the Commission is proposing a regulation requiring a DCO, upon customer request, to promptly transfer customer positions and related funds from one clearing member to another, without requiring the close-out and re-booking of the positions.

How does this rulemaking relate to earlier proposed rulemakings governing the same registrants?

This rulemaking refines and supplements earlier proposed rulemakings, either by modifying already-proposed rule provisions or by proposing new provisions. The following previously proposed rules are affected:

- § 23.506 – Swap processing and clearing. [swap dealers and major swap participants]
- § 37.702 – General financial integrity. [swap execution facilities]
- § 38.601 – Mandatory clearing. [designated contract markets]
- § 39.12 – Participant and product eligibility. [derivatives clearing organizations]
- § 39.15 – Treatment of funds. [derivatives clearing organizations]

How long is the public comment period?

The deadline for comments will be 30 days from the date the notice of proposed rulemaking is published in the Federal Register.