

COMMODITY FUTURES TRADING COMMISSION

Futures Market Self-Regulation

AGENCY: Commodity Futures Trading Commission.

ACTION: Reopening comment period.

SUMMARY: The Commodity Futures Trading Commission (“Commission”) is reopening the comment period for interested parties to comment on proposed amendments to a 1984 agreement (“Joint Audit Agreement”) allocating certain audit and other financial surveillance responsibilities among designated self-regulatory organizations (“DSROs”). The proposed amendments were submitted for Commission approval, and published for comment in accordance with Commission Regulation 1.52(g) and in conjunction with the Commission’s ongoing review of the self-regulatory system for futures markets.

DATES: Written comments must be received on or before June 18, 2004.

ADDRESSES: Interested persons should submit their views and comments to Jean A. Webb, Secretary, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581. In addition, comments may be sent by facsimile transmission to (202) 418-5521, or by electronic mail to secretary@cftc.gov. Reference should be made to “Futures Market Self-Regulation”. This document also will be available for comment at <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT: Thomas J. Smith, Associate Deputy Director and Chief Accountant, or Natalie A. Markman, Senior Special Counsel, Division of Clearing and Intermediary Oversight, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581. Telephone (202) 418-5450.

SUPPLEMENTARY INFORMATION: On April 12, 2004, the Commission published a notice for request for comment on proposed amendments to the Joint Audit Agreement.¹ The proposed amendments would revise the terms of an agreement entered into by several self-regulatory organizations (“SROs”) in 1984 to allocate some of the supervisory responsibilities that each SRO bears for its member futures commission merchants (“FCMs”). Such supervisory responsibilities are imposed on SROs by various Core Principles of the Commodity Exchange Act (the “Act”),² as amended by the Commodity Futures Modernization Act of 2000.³ In order to avoid duplicative supervisory burdens upon FCMs that are members of more than one SRO, the Commission permits SROs to enter into voluntary, cooperative agreements to allocate some of their responsibilities among themselves so that each FCM has a single DSRO.

The Commission established a 45-day period for submitting public comment on the proposed amendments to the Joint Audit Agreement, ending May 27, 2004. By letter dated May 18, 2004, an association of futures industry participants requested an extension of the original comment period. In support of the request, the commenter observed that the Commission soon would be publishing another request for comment concerning the governance of SROs, and that industry participants would benefit from an opportunity to review and consider such request for comment for purposes of providing comment on the proposed amendments to the Joint Audit Agreement.

In response to this request and in order to ensure that an adequate opportunity is provided for submission of meaningful comments, the Commission has determined to reopen the comment period on the proposed amendments to the Joint Audit Agreement until June 18, 2004.

¹ 69 FR 19166 (Apr. 12, 2004).

² 7 U.S.C. 1 *et seq.* (2000).

³ *See* Pub. L. 106-554, 114 Stat. 2763 (Dec. 21, 2000).

Issued in Washington, DC, on _____, 2004 by the Commission.

Jean A. Webb,
Secretary of the Commission.