



# Commodity Futures Trading Commission

## Office of Public Affairs

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## Q & A – Proposed Order to Amend Effective Date for Swap Regulation

### What is the purpose of the proposal?

The purpose of the proposed Order is to extend the temporary exemptive relief the Commission provided in a final order issued on July 14, 2011 (the “July 14 Order”), from certain provisions of the Commodity Exchange Act (“CEA”) that otherwise would have taken effect on July 16, 2011 – the general effective date of title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“the Dodd-Frank Act”).

### How would the proposal modify the existing exemptive relief provided in the July 14 Order?

The July 14 Order grants temporary relief in two parts. The first part addresses those CEA provisions added or amended by title VII of the Dodd-Frank Act that reference one or more terms regarding entities or instruments that title VII requires be “further defined,” to the extent that the requirements or portions of such provisions specifically relate to such referenced terms and do not require a rulemaking. With respect to provisions covered in the first part of the relief in the July 14 Order, the Commission is proposing to amend this temporary exemptive relief to expire upon the earlier of: (1) the effective date of the applicable final rule further defining the relevant referenced term; or (2) July 16, 2012. This amendment addresses the potential that, as of December 31, 2011, the CFTC-SEC joint rulemakings “further defining” the referenced terms will not yet be effective.

The second part of the temporary relief provided in the July 14 Order, which is based on part 35 of the Commission’s regulations, addresses certain provisions of the CEA that may apply to certain agreements, contracts, and transactions in exempt or excluded commodities as a result of the repeal of various CEA exemptions and exclusions as of the general effective date of July 16, 2011. The Commission also is proposing to amend the July 14 Order to extend the expiry date of the second part of the temporary exemptive relief in the July 14 Order until the earlier of: (1) July 16, 2012; or (2) such other compliance date as may be determined by the Commission.

As with the July 14 Order, these proposed amendments are intended to continue the ongoing and orderly transition to the new swap regulatory regime.

### Would the proposed Order change the nature or scope of the existing relief provided in the July 14 Order?

No, the proposed amendments would maintain the status quo with regard to the nature and scope of the currently outstanding temporary exemptive relief. However, the proposed amendments also would include transactions that fully meet the conditions in the existing part 35 of the Commission’s regulations to account for the fact that, in its recent final rulemaking addressing swaps in agricultural commodities, the Commission repealed and replaced part 35 effective on December 31, 2011. The Commission proposes that this further amendment to the July 14 Order is necessary to ensure that the same scope of the exemptive relief available before December 31, 2011 is available to all swaps and extends through July 16, 2012, at the latest.

### Does the proposed Order re-open the entire July 14 Order for comment?

No, the Commission will only consider comments related to the proposed amendments.