CFTC and CBA

- Protection of market participants and public

- Efficiency, competitiveness, financial integrity

- Price discovery

- Sound risk management practices

- Other public considerations

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Rulemakings

- Swap dealers and major swap participants

  - Documentation

- CPOs and CTAs

  - Record keeping

- Conflicts of interest in DCOs, DCMs and SEFs

- Position limits

5/1/11

Swap Exchange Facilities

- 15 Core principles

Core Principles

- Compliance with core principles

- Compliance with rules

- Swaps not readily susceptible to regulation

- Monitoring of trading and trade processing

- Ability to obtain information

- Position limits or accountability

- 5/1/11 Financial integrity of transactions

Core Principles

- Emergency authority

- Timely publication of trading information

- Recordkeeping and reporting

- Antitrust considerations

- Conflicts of interest

- Financial resources

- System safeguards

- Designation of Chief Compliance Officer

CFTC Proposed Rule Making
17 CFR Part 37

- Core Principles and Other Requirements for Swap Execution Facilities (SEFs) Scope

- Applicable provisions

- Requirements for registration

- Procedures for listing products and implementing rules

- Information relating to SEF compliance

- Prohibited use of data collected for regulatory purposes

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Subpart A
General Provisions

- Scope

- Applicable provisions

- Requirements for registration

- Procedures for listing products and implementing rules

- Information relating to SEF compliance

- Prohibited use of data collected for regulatory purposes

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Subpart A (cont'd) General Provisions

- Boards of trade operating both a DCM and a SEF

- Permitted execution methods

- Assessments regarding transactional tiers or platforms and swaps made available for trading

- Identification of non-cleared swaps or swaps not made available to trade

Subpart B

- Core Principle 1—compliance with core principles

Subpart C

- Core Principle 2—Compliance with rules

- Operation of SEF and compliance with rules

- Access requirements

- Rule enforcement program

- Regulatory services provided by a third party

- Audit trail requirements

- Disciplinary procedures and sanctions

Swaps subject to mandatory clearing

Subpart D

Core Principle 3—Swaps not readily subject to manipulation

General Requirement

Subpart E

- Core Principle 4—Monitoring of trading and trade processing

- General Requirements

- Additional requirements for physical-delivery swaps

- Additional requirements for physical delivery swaps

- Ability to obtain information

Subpart E (cont'd)

· Risk controls for trading

· Trade reconstruction

· Additional rules required

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Subpart F

- Core Principle 5—Ability to obtain information

- Establish and enforce rules

- Collection of information

- Provide information to the commission

- Information-sharing agreements

Subpart G

- Core Principle 6—Position limits or accountability

- Position limits or accountability

Subpart H

- Core Principle 7—Financial integrity of transactions

- Mandatory clearing

- General financial integrity

- Monitoring for financial soundness

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Subpart I

- Core Principle 8—Emergency authority

- Additional sources for compliance

Subpart J

- Core Principle 9—Timely publication of trading information

- General Requirement

- Capacity of SEF

Subpart K

- Core Principle 10—Recordkeeping and reporting

- Recordkeeping required

- Reporting to the commission required

- Inspection and examination by the SEC

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Subpart L

- Core Principle 11—Antitrust considerations

- Additional sources for compliance

Subpart M

- Core Principle 12—Conflicts of interest

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Subpart N

- Core Principle 13—Financial resources

- General requirements

- Types of financial resources

- Computation of financial resource requirement

- Valuation of financial resources

- Liquidity of financial resources

- Reporting requirements

Subpart O

- Core Principle 14—System safeguards

- Requirements

Subpart P

- Core Principle 15—Designation of Chief Compliance Officer

- Appendix A—Form SEF

- Appendix B—Guidance on, and Acceptable Practices in, Compliance with Core Principles