

CFTC further implements trade execution requirement

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The US Commodity Futures Trading Commission (CFTC) Division of Market Oversight has extended existing time-limited no-action relief for swaps executed as part of certain package transactions that currently receive relief from the requirement that such swaps be executed on a designated contract market or swap execution facility under CFTC Letter 14-137, which was issued in November 2014.

In the [no-action letter](#) the CFTC found that requiring certain package transactions be executed on a swap execution facility or designated contract market still presents challenges to both counterparties, as well as to swap execution facilities and designated contract markets. Because many of the challenges previously necessitating no-action relief for certain package transactions have still not yet been resolved, the CFTC is extending relief from the trade execution requirement to enable market participants to continue to execute certain package transactions in a flexible manner.

In a statement issued concurrently with the no-action letter, CFTC Commissioner J Christopher Giancarlo criticised this fourth extension of no-action relief, noting that the need for repeated extensions proves that the CFTC's efforts to force certain complex package transactions to trade via a swap execution facility's limited execution methods is "simply not workable". In the statement Giancarlo expressed support instead for allowing swap execution facilities flexibility to implement the execution methods currently used to trade package transactions in global markets.

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