

CFTC chair speaks at SIFMA annual meeting regarding ongoing work and rulemaking

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On September 27 2016 Timothy Massad, chair of the Commodity Futures Trading Commission (CFTC), spoke at the Securities Industry Financial Markets Association (SIFMA) annual meeting about clearinghouse regulation, technological changes and finishing Dodd-Frank rulemaking.⁽¹⁾

Massad first highlighted ongoing CFTC work regarding stress testing across multiple clearinghouses to study systemic issues and interdependencies, recovery plans for systemically important clearinghouses and the CFTC's involvement in international coordination regarding clearinghouse recovery and resolution.

Massad then focused on two technological issues: cyber-attack risk and automated trading. He highlighted the CFTC rules regarding cyber defence testing for market infrastructure firms. He also discussed efforts that the CFTC has taken to address challenges posed by automated trading, including work finalising Regulation Automated Trading, which is designed to address the risk of disruption posed by automatic trading.

Finally, Massad discussed the CFTC's work finalising rules required by the Dodd-Frank Act, including the margin rules on uncleared swaps that came into effect on September 1 2016. He noted that the CFTC is considering lowering the *de minimis* threshold (ie, when an entity's swap dealing activities require the entity to register with the CFTC) for swap dealing from \$8 billion to \$3 billion. He also noted that the CFTC intends to re-propose rules on capital requirements for swap dealers and major swap participants, and that he expects the CFTC to issue a rule on certain aspects of cross-border application of swap rules this autumn.

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Endnotes

(1) Chairman Massad's remarks are available at www.cftc.gov/PressRoom/SpeechesTestimony/opamassad-48.

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