

Derivatives - USA

CFTC issues no-action letter for treasury affiliates

Contributed by **Shearman & Sterling LLP**

January 14 2015

On November 26 2014 the Commodity Futures Trading Commission (CFTC) issued CFTC Staff Letter 14-144, a no-action letter modifying relief that was previously issued for treasury affiliates in June 2013, in CFTC No-Action Letter 13-22. Similar to the June 2013 letter, the new letter provides relief from required clearing for 'eligible treasury affiliates' that are wholly owned by a non-financial parent company and are defined as 'financial entities' under the Commodity Exchange Act, due to the activities undertaken on behalf of their non-financial affiliates. The new letter makes several changes to the June 2013 letter, including:

- amendments to requirements imposed on operations between a treasury affiliate and its affiliates;
- removal of restrictions as to the number of financial affiliates that may be in a corporate group; and
- permission for treasury entities affiliated with non-bank financial companies designated as systemically important to elect relief subject to certain conditions.

CFTC Staff Letter 14-144 is available at
www.cftc.gov/ucm/groups/public/@lrllettergeneral/documents/letter/14-144.pdf.

For further information on this topic please contact [Donna M Parisi](#), [Geoffrey B Goldman](#) or [Azam H Aziz](#) at Shearman & Sterling LLP by telephone (+1 212 848 4000), fax (+1 212 848 7179) or email (dparisi@shearman.com, geoffrey.goldman@shearman.com or aaziz@shearman.com). The Shearman & Sterling website can be accessed at www.shearman.com.

The materials contained on this website are for general information purposes only and are subject to the [disclaimer](#).

ILO is a premium online legal update service for major companies and law firms worldwide. In-house corporate counsel and other users of legal services, as well as law firm partners, qualify for a free subscription. Register at www.iloinfo.com.

Authors

Donna M Parisi



Geoffrey B Goldman



Azam H Aziz



Online Media Partners

