

DERIVATIVES - USA

# SEC adopts final rule regarding trade acknowledgements

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On June 8 2016 the US Securities and Exchange Commission adopted a [final rule](#) requiring security-based swap dealers and major security-based swap participants to provide trade acknowledgements for security-based swap transactions.

The trade acknowledgement must contain all terms of the transaction and be provided to the transaction counterparty no later than the end of the first business day after the transaction is executed. The trade acknowledgement must also promptly verify or dispute the terms of any trade acknowledgement it receives as a counterparty.

Covered entities are required to establish, maintain and enforce written policies and procedures that are reasonably designed to obtain prompt verification of the terms of all trade acknowledgements that they provide.

The final rule provides exemptions for certain transactions that are processed through a registered clearing agency or executed on a security-based swap execution facility or national securities exchange. There is also an exemption from the requirements of Exchange Act Rule 10b-10 for broker dealers that satisfy the trade acknowledgement and verification requirements of the final rule.

The final rule is effective 60 days after it is published in the Federal Register.

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