

DERIVATIVES - USA

CFTC chair delivers keynote remarks at fourth annual OTC Derivatives Summit

October 19 2016 | Contributed by [Shearman & Sterling LLP](#)

On September 15 2016, as part of his [keynote](#) remarks at the fourth annual Over-the-Counter Derivatives Summit, Commodity Futures Trading Commission (CFTC) Chair Timothy Massad addressed the CFTC's achievements in the past year and, more specifically, the implementation of global rules setting margin for uncleared swaps and the *de minimis* threshold for swap dealers.

With respect to the rules on margin for uncleared swaps, Massad stressed the importance of harmonising the substance of the rules with other regulators, including US domestic prudential regulators and international jurisdictions, as well as addressing the cross-border implications of transactions. Massad pointed to the broad scope of substituted compliance with the rules of other jurisdictions as well as agreed timetables for implementation with international regulators. Massad maintained that despite his disappointment following the European Commission's announcement of a delay in the implementation of its rules, it was appropriate to maintain the September 1 2016 initial compliance date for transactions between the largest swap dealers.

Regarding the swap dealer *de minimis* threshold, Massad stated that he would recommend a one-year delay in the scheduled reduction of the *de minimis* threshold for swap dealer registration in order for the CFTC to have more time to consider the issue. The current *de minimis* threshold of \$8 billion is scheduled to decrease to \$3 billion in December 2017. Massad also said that he had asked the other CFTC members to consider a re-proposed rule setting capital requirements for swap dealers; noting that "[i]t makes sense to finalize this before turning to the threshold", he added that he hoped it would be done "shortly".

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) 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](#).

AUTHORS

[Azam H Aziz](#)



[Geoffrey B Goldman](#)



[Donna M Parisi](#)

