

ALERTS

CFTC SEF Update

February 11, 2014

Yesterday, the Commodity Futures Trading Commission (the “CFTC”) announced several important updates related to swap execution facilities (“SEFs”):

1. *CFTC Website Location for MAT Swaps.* The CFTC announced that it has published a centralized list of swaps subject to the swap execution mandate, or otherwise known as “MAT trades.” This dedicated webpage is intended to provide market participants notice of the swaps subject to the swap execution mandate and includes specific terms defining each such swap. To visit the webpage, [click here](#).
2. *Package Transactions.* The CFTC issued no-action relief for “packaged transactions” until May 15, 2014 from mandatory trading on a SEF. Package transactions are transactions involving more than one swap or financial instrument where at least one swap is subject to the trade execution requirement. To read the no-action letter, [click here](#).
3. *SEF Jurisdiction.* The CFTC also issued guidance (that supersedes previous guidance) to clarify that while a SEF must obtain consent to its jurisdiction from all market participants that either directly or indirectly effect transactions on its facility, such consent need not be obtained by the SEF through an affirmative writing. Rather, a SEF may comply with this requirement by providing in its rulebook that any person initiating or executing a transaction on or subject to the rules of the SEF directly or through an intermediary, and any person for whose benefit such a transaction has been initiated or executed, consents to the jurisdiction of the SEF. To read the CFTC guidance, [click here](#).

4. *Rule to Protect Counterparty Identities in Reporting*. In order to protect the identities of counterparties trading on SEFs, the CFTC issued an interim final rule clarifying that a party to an anonymous trade executed on a SEF or designated contract market cannot access counterparty information in swap data repositories. Once published in the *Federal Register*, the interim final rule will have a 30-day public comment period. To read the prepublication rule, [click here](#).

To view the full CFTC announcement, [click here](#).

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If you have any questions concerning this *Alert*, please contact your attorney at Schulte Roth & Zabel or one of the authors.

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