

CLIENT MEMORANDUM

CFTC Issues Mandatory Trade Execution Determinations

January 28, 2014

AUTHORS

Jack I. Habert | **Jonathan C. Burwick**

Under recent determinations by the Commodity Futures Trading Commission, certain interest rate swaps must be traded on a designated contract market (“DCM”) or swap execution facility (“SEF”) beginning either February 15, 2014 or February 21, 2014.¹

In the fall of 2013, various SEFs submitted letters requesting “made available to trade” determinations from the CFTC regarding certain specified interest rate swaps that are available for trading on their platforms.² The CFTC recently responded in two separate determinations in which it issued the requested trade execution mandates.³

¹ For tables of the specific interest rate swaps that are subject to the “made available to trade” determinations, please see [The Commodity Futures Trading Commission Staff Announces Trade Execution Mandate for Certain Interest Rate Swaps](http://www.cftc.gov/PressRoom/PressReleases/pr6831-14) (Jan. 16, 2014), available at <http://www.cftc.gov/PressRoom/PressReleases/pr6831-14>, and [The Commodity Futures Trading Commission Staff Announces Trade Execution Mandate for Additional Interest Rate Swaps](http://www.cftc.gov/PressRoom/PressReleases/pr6838-14) (Jan 23, 2014), available at <http://www.cftc.gov/PressRoom/PressReleases/pr6838-14>.

CFTC Issues Mandatory Trade Execution Determinations

Continued

Persons trading in the affected interest rate swaps should ensure that they have the procedures and connections in place to execute such swaps on a DCM or a SEF before the applicable compliance dates.

If you have any questions concerning the foregoing or would like additional information, please contact Jack I. Habert (212-728-8952, jhabert@willkie.com), Jonathan C. Burwick (212-728-8108, jburwick@willkie.com) or the Willkie attorney with whom you regularly work.

Willkie Farr & Gallagher LLP is an international law firm with offices in New York, Washington, Paris, London, Milan, Rome, Frankfurt and Brussels. The firm is headquartered at 787 Seventh Avenue, New York, NY 10019-6099. Our telephone number is (212) 728-8000 and our fax number is (212) 728-8111. Our website is located at www.willkie.com.

January 28, 2014

Copyright © 2014 Willkie Farr & Gallagher LLP.

² Section 2(h)(8) of the Commodity Exchange Act provides that swaps that are subject to a mandatory clearing requirement shall be executed on a designated contract market or registered swap execution facility (or a facility exempt from registration) unless no such platform makes the particular swap “available to trade.” For more information on the mandatory clearing requirement, please see our client memorandum entitled [Mandatory Swap Clearing and The End-User Exception](#), dated August 1, 2013.

³ The Managed Funds Association has submitted a letter to the CFTC’s Division of Market Oversight requesting time-limited, conditional no-action relief from the trade execution requirement for swaps executed as part of “package transactions” in the interest rate asset class. Please see *Request for No-Action Relief from Trade Execution Requirement*, Managed Funds Association (Jan. 24, 2014), available at <https://www.managedfunds.org/wp-content/uploads/2014/01/Packaged-Transactions-NAL-Final-MFA-Letter.pdf>.