

March 20, 2020

CFTC Issues Third Wave of Relief to Market Participants in Response to COVID-19

Washington, D.C. — The Commodity Futures Trading Commission today announced that in response to the COVID-19 (coronavirus) pandemic, the Division of Swap Dealer and Intermediary Oversight (DSIO) has issued two additional no-action letters providing temporary, targeted relief to a large U.S. bank that helps finance America's oil and gas sector and to those who operate commodity-focused investment funds the CFTC regulates.

"End users involved in energy exploration and production are facing unique challenges, and the CFTC is committed to providing targeted relief, where appropriate, that helps these companies weather volatile market conditions," said CFTC Chairman Heath P. Tarbert. "We are also taking additional steps to provide flexibility for investment funds by granting temporary relief from certain reporting requirements that have become challenging to meet under the present circumstances."

"During these difficult times, the CFTC remains squarely focused on our mission to promote the integrity, resilience, and vibrancy of the U.S. derivatives markets through sound regulation," added Chairman Tarbert. "I want to encourage market participants to engage with the CFTC early and often as market developments continue to unfold."

Subject to the conditions stated in the letters, the relief provided is as follows:

- ***Relief for an Insured Depository Institution Permitting Certain Commodity Swaps to be Excluded in the Major Swap Participant Registration Threshold Calculation.*** DSIO has granted temporary, targeted no-action relief to a major insured depository institution (IDI) from considering energy-related commodity swaps in determining whether such institution must register with the CFTC as a major swap participant (MSP). The unprecedented drop in global demand for crude oil as a result of the COVID-19 pandemic, followed closely by the OPEC+ supply cut disagreement, has resulted in the price of crude oil decreasing dramatically year to date. Due to the nature of the IDI's lending and risk management business with energy exploration and production (E&P) customers, the volatility and low oil prices associated with these events have led to an unprecedented increase in the IDI's measures relevant to the MSP registration threshold. [See CFTC Staff Letter No. [20-10](#)]
- ***Relief for Commodity Pool Operators.*** DSIO has granted temporary, targeted no-action relief to (Commodity Pool Operators) CPOs from certain reporting requirements. The relief issued by DSIO pertains to the filing deadlines for Form CPO-PQR, Pool Annual Reports, and Pool Periodic Account Statements. [See CFTC Staff Letter No. [20-11](#)]

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