

SPEECHES & TESTIMONY

Statement of Chairman J. Christopher Giancarlo Regarding the Final Rule on Swap Dealer *De Minimis* Calculation

November 5, 2018

Washington, DC – Today’s final rule on the numeric threshold for swap dealer *de minimis* will provide the market with certainty that the threshold will not fall from \$8 billion to \$3 billion. I fully support the proposed final rule.

The action before us is without prejudice to all other items in the Commission’s June 2018 NPRM. That includes various proposed rule amendments and other topics for consideration. Those proposals and considerations are clearly of wide ranging interest as evidenced by the public comments received. They remain under staff consideration pending further Commission action.

Indeed, I will direct CFTC staff to continue their analysis of the range of matters raised in the June 2018 NPRM and comments submitted by the public.

I will specifically ask staff to conduct a study on possible alternative metrics for the calculation of the swap dealer *de minimis* threshold drawing upon proposals in the June 2018 NPRM, including the feasibility of: (i) removing cleared swaps from the current *de minimis* calculation; (ii) haircutting cleared swaps included in the current *de minimis* calculation; (iii) adopting a new, bifurcated *de minimis* calculation that uses initial margin amounts for cleared swaps and entity-netted notional amounts for uncleared swaps; and (iv) applying other risk-based approaches that the staff may recommend. I will be asking the staff for specific deadlines and deliverables for this work. Once staff has reviewed and analyzed the data, I expect that the study will be made public for further discussion and possible Commission consideration.

I deliberately decline at this time to express any view on the appropriateness of whether any of the proposals in the June 2018 NPRM not before us today should be addressed by CFTC unilateral rulemaking or joint consideration with the U.S. Securities and Exchange Commission (SEC).

Be assured that SEC Chairman Clayton and I - and our fellow CFTC and SEC Commissioners - are committed to working together on robust harmonization where appropriate and working jointly where necessary on these and other matters.

With respect to IDIs, staff has informed me that they would consider no-action relief for IDIs pending formal Commission action should they receive a meritorious request.

In sum, I am hopeful that we will today provide market certainty that the *de minimis* threshold will not fall below its current level.

Surely, it has taken a while to reach this point. Yet, I am hopeful that we may achieve it with a good degree of consensus across the full Commission. Assuming so, then we have increased market certainty – a very good thing in trading markets.

Sometimes it's worth the wait.