

## SPEECHES & TESTIMONY

### Testimony of Chairman J. Christopher Giancarlo before the Senate Committee On Appropriations Subcommittee on Financial Services and General Government, Washington, D.C.

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#### Introduction

Thank you, Chairman Lankford, Ranking Member Coons, and Members of the subcommittee. I appreciate the opportunity to appear before you today, along with my fellow colleague from the Securities and Exchange Commission (SEC), Chairman Jay Clayton.

For more than a century, Americans have relied on U.S. derivatives markets to stabilize the cost of living. These markets allow farmers and ranchers to hedge production costs and delivery prices so that consumers can always find plenty of food on grocery store shelves. They are the reason why American consumers enjoy stable prices, not only in the supermarket, but in all manner of consumer finance from auto loans to household purchases. Derivatives markets influence the price and availability of heating in American homes, the energy used in factories, the interest rates borrowers pay on home mortgages, and the returns workers earn on their retirement savings.

And not just consumers. More than 90% of *Fortune* 500 companies use derivatives to manage commercial or market risk in their worldwide business operations.<sup>[1]</sup> These markets allow the risks of variable production costs, such as the price of raw materials, energy, foreign currency, and interest rates, to be transferred from those who cannot afford them to those who can.

Even Americans not actively participating in commodity derivatives markets are affected by the prices generated by them. Commodity derivatives markets provide a critical source of information about future harvest prices. For example, a grain elevator uses the futures market as the basis for the price it offers local farmers at harvest. In return, farmers look to exchange prices to determine for themselves whether they are getting fair value for their crop. The U.S. Department of Agriculture (USDA) uses that same information to make price projections, determine volatility measures, and make payouts on crop insurance.<sup>[2]</sup>

In short, derivatives serve the needs of American society to help moderate price, supply and other commercial risks to free up capital for economic growth, job creation and prosperity. While often derided in the tabloid press as “risky,” derivatives – when used properly – are tools for efficient risk transfer and mitigation. It has been estimated that the use of commercial derivatives added 1.1% to the size of the U.S. economy between 2003 and 2012.<sup>[3]</sup>

American derivatives markets are the world’s largest, most developed, and most influential. Many of the world’s most important agricultural, mineral, and energy commodities are priced in U.S. dollars in the U.S. derivatives markets. Dollar pricing of

the world's commodities provides a tremendous advantage to American producers in global commerce, an advantage well recognized by competing economies abroad.

American derivatives markets are also the world's best regulated. The United States is the only major country in the Organization for Economic Co-operation and Development to have a regulatory agency specifically dedicated to derivatives market regulation: the Commodity Futures Trading Commission (CFTC). The CFTC has overseen the U.S. exchange-traded derivatives markets for over 40 years. The agency is recognized for its principles-based regulatory framework and econometrically-driven analysis. The CFTC is recognized around the world for its depth of expertise and breadth of capability.

This combination of regulatory expertise and competency is one of the reasons why U.S. derivatives markets continue to serve the needs of participants around the globe to hedge price and supply risk safely and efficiently. It is why well-regulated U.S. derivatives markets continue to serve a vital national interest – Dollar pricing of important global commodities.

In short, America's well-regulated derivatives markets are a national advantage in global economic competition. However, we must not take this advantage for granted. In order for U.S. derivatives markets to remain the world's best, U.S. markets must remain the world's best regulated. To be the best regulated, U.S. derivatives markets must have an adequately funded regulator. The CFTC must have adequate resources to continue to serve its mission to foster open, transparent, competitive, and financially sound U.S. derivatives markets that remain the envy of the world.

Today, I look forward to discussing the CFTC's resource requirements.

### **Budget Request**

The FY 2019 budget submitted by the Commission reflects the true needs of a policy setting and civil law enforcement agency that has the duty to ensure the derivatives markets operate effectively and the public is protected from harm. As the workload of the CFTC has increased dramatically – exponentially – and globally – over the last four years, we have been flat-lined in our budget – at \$250 million in three of those years – and actually experienced a budget reduction of \$1 million this year. Even with the cuts to our budget, it is still incumbent upon us to evolve into a 21st century regulator because the demands on our agency from the markets don't stop as a result of budget cuts. In fact, those demands constantly increase.

In order for the CFTC to fulfill its duty to oversee these vital derivatives markets in FY 2019, the Commission is requesting \$281.5 million and 716 full-time equivalents (FTE). This is an increase of \$32.5 million and 46 FTE over the resources provided in the FY2018 enacted budget<sup>[4]</sup> and is the same level of funding that the Commission requested in FY 2018.

The Commission's budget request for FY 2019 reflects and builds on the efforts commenced in 2018. The budget request of \$281.5 million is the level of funding necessary to fulfill the CFTC's statutory mission.

The CFTC budget request is bare-bones, no waste, fiscally conservative, and mindful of taxpayer dollars. It is based on a rigorous analysis of each of the agency's functions and expenditures. As with FY 2018, we built the 2019 budget based upon the real

needs of the Commission. Each dollar of this budget serves a specific purpose in pursuit of the agency's mission.

During the budgeting process, we identified ways that the agency could be more efficient. Today, we are implementing changes necessary to realize those efficiencies. Departments are being reorganized and streamlined to increase productivity and provide long-term cost savings. We have also successfully negotiated the return of an entire floor of vacant office space in Kansas City back to our landlord. It will result in significant savings over the remaining life of the Kansas City lease. Going forward, we are committed to working with the General Services Administration in connection with all of the CFTC's regional office leases upon their expiration.

In all matters of agency budgeting and expenditure, we seek to carry out the mission to foster open, transparent, competitive and financially sound markets, free from fraud and manipulation, in a way that best fosters broad-based economic growth and prosperity while respecting the American taxpayer through careful management of our agency resources.

There are areas where the modest increase in the agency's budget that has been requested is necessary to fulfill the CFTC's statutory mission.

## **21<sup>st</sup> Century Financial Markets**

Today, we meet at a tipping point. The future is devouring the past, forging a new agenda, and threatening to move ahead of regulators, financial institutions, and government. That is why we need 21st century regulation for a 21st century world.

Technology is leading us into a world that is much different than the world we knew five or ten years ago, much less when the Commission was created in 1975. Much of our world today – from information to journalism to music to manufacturing to transportation to commerce to agriculture, even legal services – is undergoing a digital transformation. It therefore should be no surprise then that our financial markets are going through the same digital revolution.

Technology is impacting trading, markets, and the entire financial landscape with far-ranging implications for capital formation and risk transfer. These technologies include machine learning and artificial intelligence, algorithm-based trading, data analytics, "smart" contracts valuing themselves and calculating payments in real-time and distributed ledger technologies, which over time may come to challenge traditional market infrastructure.

It is no surprise that these technologies are having an equally transformative impact on U.S. derivatives markets. One thing is certain: ignoring these changes in the market would be profoundly imprudent. They will not go away. Rather, the rate of change will accelerate.<sup>[5]</sup> Nor is ignorance a responsible regulatory strategy. We cannot respond in a reactive way -- chasing to catch up with technology. We must be proactive with a regulatory and statutory framework that is ahead of the curve, gives clarity and coherence to this often complex technology, and anticipates its evolution. The same technology can give us advantages in market regulation.

Our task, as market regulators, is to set and enforce rules that foster innovation while promoting market integrity and confidence. To do so, we must have the resources and

tools to keep pace with rapid evolution of the markets we oversee. Our budget request provides those resources and tools.

Among other things, our requested budget will also allow us to address market-enhancing innovation and financial technology (FinTech). LabCFTC is the focal point of the CFTC's efforts to engage with FinTech innovation for the benefit of the American public. It helps us keep pace with changes in our markets, and proactively identify emerging regulatory opportunities, challenges and risks. We have situated LabCFTC within the CFTC's Office of the General Counsel. This allows LabCFTC to leverage the expertise of the CFTC's legal team to manage the interface between technological innovation, regulatory modernization, and existing rules and regulations.

LabCFTC has hosted innovators across the nation, ranging from startups to established financial institutions to leading technology companies. These outreach efforts are designed to make the CFTC more accessible to FinTech innovators, and to serve as a platform for informing the Commission's understanding of emerging technologies. The information gathered in these meetings also provides important insights to CFTC staff on market innovations that may influence policy development.

In fact, through its engagement with—and study of—innovative technologies, LabCFTC was recently able to recommend new virtual currency surveillance tools to our Enforcement division. Our Enforcement team has been able to avail itself of this new technology and is now able to enhance certain surveillance and enforcement activities. This important development helps underscore the value of LabCFTC, and its effort to ensure that we are prepared to be a 21st century digital regulator.

In addition to LabCFTC's domestic activities, the Commission continues to proactively work with international regulators on FinTech applications to coordinate approaches and to share best practices. In February of this year the CFTC and the UK's Financial Conduct Authority (FCA) entered into an arrangement to collaborate and support innovative firms through each other's FinTech initiatives – LabCFTC and FCA Innovate. This is the first FinTech innovation arrangement for the CFTC with a non-U.S. counterpart. We believe that by collaborating with the best-in-class FCA FinTech team, the CFTC can contribute to the growing awareness of the critical role of regulators in 21st century digital markets.

### **Cyber Security**

Cyber security is critically important to protecting infrastructure and financial markets around the world. In fact, it may well be the most important single issue facing our markets today in terms of market integrity and financial stability.

As market leaders and regulators, we must take every step possible to thwart cyber-attacks that have become a continuous threat to U.S. financial markets. Responding to this threat must take priority requiring more of our resources in FY 2019. Our understanding of the cyber threat must develop in pace with the constant evolution of the threat itself. As we learn, we must engage in discussions with the DCOs about their cyber defenses and threat resiliency and recovery. It is through the oversight and examination of systems safeguards that the Commission helps to ensure that DCOs are prioritizing cyber security activities. With this budget request, the CFTC will be able to

better undertake its duties to oversee cyber defense capabilities in the markets we regulate.

The same vulnerabilities hold true in the case of futures commission merchants where customer accounts hold records and information that requires protection. We as an agency will work hard to ensure that regulated entities live up to their responsibility to ensure their IT systems are adequately protected from attacks and customers are protected.

As an agency, the Commission is faced with growing pressure to protect terabytes of data and maintain compliance with the Federal Information Security Modernization Act and Office of Management and Budget mandates. Protecting our information comes with a price. Some of the requested funding will enable us to enhance our internal cyber security including implementing additional cyber attack sensors and defenses to further protect the market data we collect.

### **Oversight Of Virtual Currencies**

In FY 2018, certain exchanges self-certified several new contracts for futures products for virtual currencies. These innovations impact the regulatory landscape and with this budget request, the Commission will invest more in new technologies and tools that support important surveillance and enforcement efforts.

Under the CEA, Commission regulations, and related guidance, exchanges have the responsibility to ensure that their Bitcoin futures products and their cash-settlement process are not readily susceptible to manipulation, and DCOs have the responsibility of risk management to ensure that the products are sufficiently margined. The CFTC has the authority to ensure compliance with both. In addition, the CFTC has legal authority over virtual currency derivatives in support of anti-fraud and manipulation including enforcement authority in the underlying markets.

Recently, CFTC staff issued an advisory<sup>[6]</sup> giving registered exchanges and clearinghouses guidance for listing virtual currency derivative products. The guidance will help ensure that market participants follow appropriate governance processes with respect to the launch of these products. It clarifies CFTC staff's priorities and expectations in its review of new virtual currency derivatives to be listed on a designated contract market or swap execution facility, or to be cleared by a DCO. The advisory should help exchanges and clearinghouses effectively and efficiently discharge their statutory and self-regulatory responsibilities, while keeping pace with the unique challenges of emerging virtual currency derivatives.

The CFTC has been in close communication with the SEC with respect to policy and jurisdictional considerations, and in connection with our recent enforcement cases. We have also been working with the U.S. Treasury and the Financial Stability Oversight Council. In addition, we have been in communication with our foreign counterparts through bilateral discussions and through international bodies like the International Organization of Securities Commissions.

### **Economic Modeling and Econometric Capabilities**

The budget request, if met, would boost the CFTC's ability to monitor systemic risk in the derivatives markets by increasing both its analytical expertise and its capacity to

process and study the voluminous data provided by market participants since the passage of the Dodd-Frank Act. These investments will allow for the expansion of sophisticated quantitative and econometric analyses that are necessary for risk modeling, stress tests, and other stability-related evaluations, especially with respect to central counterparty clearinghouses. These analyses will, in addition, enhance the quality of CFTC policy development, rulemaking and cost-benefit considerations.

### **Agency Reform and The Kiss Project**

Since becoming Chairman, I have made efforts to normalize operations and practices, and found opportunities to reinvest and maximize current resources. That means a return to greater care and precision in rule drafting; more thorough econometric analysis; and a reduced docket of new rules and regulations to be absorbed by market participants.

The KISS initiative launched last March included a review of rules and processes, and the invitation for public comment to collect ideas on how the CFTC can be a more effective regulator. The effort has produced a tiered list of significant actions that will lessen regulatory burdens.<sup>[7]</sup> Recently, the agency unanimously approved an amendment replacing the complex and confusing lettering for defined terms with a simple alphabetical list.<sup>[8]</sup> The replacement will remove unnecessary complexity from our rules and should help make regulatory compliance less burdensome.

Internally, we have embraced the Administration's Reform Plan concept and have implemented in-depth organizational reviews to ensure that the agency is staffed to provide the most effective services to the American taxpayer. This ongoing effort has already borne results. We are now leveraging knowledge gained from enforcement actions and surveillance efforts to enable the provision of more efficient and timely consumer education materials to the public. The Primer on Virtual Currency, Bitcoin webpage, and podcasts are just a few of the initiatives resulting from these efforts.

### **Swaps Reform**

We now have more than four years of U.S. experience with the current CFTC regulatory framework for swaps and have learned from its varied strengths and shortcomings. Four years provides a significant sample size to evaluate the effects of these reforms and their implementation. Based on a careful analysis of that data and experience, we are in position to address flaws, recalibrate imprecision and optimize measures in the CFTC's initial implementation of swaps market reform.

At the end of April, I released a White Paper on swaps reform called "Swaps Regulation Version 2.0." The White Paper was co-authored with Bruce Tuckman, the CFTC's Chief Economist. This White Paper analyzes the range of academic research, market activity, and regulatory experience with the CFTC's current implementation of swaps reform. It explores and considers a range of improvements to the current reform implementation that is pro-reform, aligned to legislative intent, and better balances systemic risk mitigation with healthy swaps market activity in support of broad-based economic growth.

### **Increased Examinations Of Clearinghouses**

The Commission expects the number of derivatives clearing organizations (DCOs) to continue to increase in FY 2019, with many expanding their business to other products and other jurisdictions around the world. As the number of DCOs increase, the complexity of the oversight program will increase. It is imperative that the Commission strengthen its examination capability to enable it to keep pace with the growth in the amount of swaps cleared by DCOs pursuant to global regulatory reform implementation. As the size and scope of DCOs have increased, so too has the complexity of DCO's risk management programs and liquidity risk management procedures. In addition, increased funding will enable the Commission to enhance its financial analysis tools used to aggregate data and evaluate risk across all DCOs.

### **Enforcement**

The day after the White House announced its intention to nominate me as CFTC Chairman, I spoke to hundreds of industry executives at the annual Futures Industry Association Conference. I issued a warning to those who may seek to cheat or manipulate America's derivatives markets. I said, "[t]here will be no pause, let up or reduction in our duty to enforce the law and punish wrongdoing in our derivatives markets. The American people are counting on us." [9] Through robust enforcement of our laws and regulation, we will continue to send a clear signal to the marketplace about our seriousness in punishing bad behavior and compensating victims.

In the past several months the CFTC has filed a series of civil enforcement actions against perpetrators of fraud and market abuse involving virtual currency. These actions and others to follow confirm that the CFTC, working closely with the SEC and other fellow financial enforcement agencies, as well as with criminal enforcement agencies, will aggressively prosecute those who engage in fraud and manipulation of U.S. markets for virtual currency.

In the fiscal year that ended September 30, 2017, the CFTC brought numerous significant actions to root out manipulation and spoofing and to protect retail investors from fraud. The CFTC also pursued significant and complex litigation, including cases charging manipulation, spoofing, and unlawful use of customer funds.

As of this morning, the Commission has filed 13 manipulative conduct cases in 2018 - the most manipulation cases the CFTC has ever filed in a single year, which was last year (12 cases).

But it is not just about the numbers; it is about making our markets safer and removing bad actors from the marketplace. We believe that to adequately deter future misconduct, we must prosecute not just the companies responsible, but also the individuals involved in the wrongdoing. We also believe that, to maximize deterrence, we must work with our criminal law enforcement partners to ensure that wrongdoers face not just civil liability, but also the prospect of criminal prosecution and time in jail.

In January 2018, the CFTC filed manipulation and spoofing cases against six individuals in coordination with the Department of Justice (DOJ) and the Federal Bureau of Investigation, which brought criminal charges against the same individuals. This constitutes the largest coordinated prosecution with the criminal authorities in the history of the CFTC. These prosecutions were equally significant for DOJ: in a press

statement, the Assistant Attorney General characterized it as “the largest futures market criminal enforcement action in Department history.”[10]

I also pledged last year that the agency would look to benefit from cooperation with civil and criminal capabilities of other federal and state regulators and enforcement agencies. We have been making good on that pledge. Two weeks ago, I signed an important agreement, marking a milestone in the area of U.S. federal and state financial fraud detection and prosecution. That was a memorandum of understanding (MOU) between the CFTC and individual state securities commissions will focus our collective resources to better uphold the law.[11]

This MOU establishes protocols and procedures, for the access, use, and confidentiality of information and treatment of non-public information in the course of law enforcement. It creates a framework for cooperation that will result in:

- Leveraging state and federal resources to support enforcement actions;
- Enhancing the impact of enforcement efforts and their deterrent effect;
- Encouraging the development of consistent and clear governmental responses to violations of the Commodity Exchange Act;
- Preventing the duplication of efforts by multiple authorities; and
- Facilitating vital exchanges of information and communications between the Commission and State Securities Administrators.

Complementing its enforcement efforts, the CFTC has also strengthened its Whistleblower Program, and provided whistleblowers additional incentives to report wrongdoing to the CFTC. In May 2017, to further protect whistleblowers, the CFTC added protections prohibiting employers from retaliating against whistleblowers and from taking steps that would impede would-be whistleblowers from communicating with the CFTC about possible misconduct. In the near future, the CFTC also anticipates issuing its largest ever whistleblower awards. These incentives are working. In FY 2017, the Commission received a record number of whistleblower reports — nearly twice as many as in any other year, and FY 2018 is on track to receive nearly twice as many as in FY 2017.

The Commission takes its enforcement efforts very seriously and prides itself on being a premier Federal civil enforcement agency dedicated to deterring and preventing manipulation and other disruptions of market integrity.

Full funding of our budget request will allow us to continue to carry out our mission in the area of enforcement.

### **Rule Harmonization**

Soon after Chairman Clayton was sworn in as SEC Chairman, we began discussing ways to ensure that our respective agencies are working together in areas where our regulatory interests are complimentary or overlapping. Now, almost eight years after the Dodd-Frank Act officially required the CFTC and SEC to “consult and coordinate ... for the purposes of assuring regulatory consistency,”[12] I am pleased to say that both agencies are undertaking an active and cooperative review of our Dodd-Frank



regulations. With the helpful assistance of Commissioner Quintenz, CFTC staff has been actively engaging with our SEC counterparts – and jointly with outside stakeholders – to identify areas ripe for further alignment. Our agencies are also working to finalize an updated information-sharing agreement that will help us further our collaborative efforts in the swaps and FinTech age. I believe that Congress and the American people expect regulators to communicate and coordinate closely on issues where our regulatory interests are complementary or overlapping. I am optimistic this review process will lead to regulatory changes that will enhance our oversight efforts while reducing unnecessary complexities and lessening costs for both regulators and our shared market participants.

### **Foreign Competition**

As you may know, in the first quarter of this year, the Shanghai International Energy Exchange launched a yuan-denominated crude oil contract allowing non-Chinese market participants to trade for the first time in Chinese commodity markets. Early in the second quarter, China opened a yuan-denominated iron ore contract to international traders. There is also talk of China allowing international market participants to trade Chinese futures contracts in fuel oil, copper and even soybeans.

China is the world's largest consumer of oil and fuel and a major global purchaser of iron ore for its world leading steel production. The opening up of China's domestic futures markets to international participation is part of a long term strategy by the Chinese government to expand China's influence over the pricing of key industrial commodities.

The development of Chinese commodity futures markets as viable regional price benchmarks for key industrial commodities has competitive implications for the United States. We cannot be complacent about the historical primacy of our derivatives markets. Our best response for U.S. commodity market participants and, indeed, for global markets, is to ensure that derivatives markets in the United States are unrivaled in their openness, orderliness, and liquidity. This requires, of course, that the regulation of U.S. markets continue to be of the highest quality.

To achieve this regulatory objective, U.S. derivatives markets must have an adequately funded regulator. The CFTC must have suitable resources to continue to serve its mission to foster open, transparent, competitive, and financially sound U.S. derivatives markets that remain the envy of the world. Full funding of the CFTC's budget request will allow it to fulfill its mission to serve this vital national interest.

### **Conclusion**

Members of the Subcommittee, we meet one day after the anniversary of the "miracle at Dunkirk," the rescue of the British and French forces trapped and then improbably evacuated in 1940. That may be the single most important event of the Second World War, enabling Europe to hold on until America entered the war.

Like many of you, I was struck by the recent movie about Winston Churchill, "Darkest Hour." Faced with the threat of catastrophe, Churchill told the nation, "We shall not fail or falter; we shall not weaken or tire... Give us the tools, and we will finish the

job.” When those tools came (and they did come), they were American tools that got the job done.

We need the tools to do our job of protecting the markets that Americans rely on each day. With the proper balance of sound policy, regulatory oversight, and hard work, America’s deep, liquid, and sensibly regulated derivatives markets will allow us to meet the challenges of the future and ensure a healthy U.S. economy where our citizens can flourish.

Thank you.

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[1] See International Swaps and Derivatives Association, *2009 ISDA Derivatives Usage Survey*, ISDA Research Notes, No. 2 (Spring 2009), at 1-5, available at <https://www.isda.org/a/SSiDE/isda-research-notes2.pdf>.

[2] E.g., USDA, Informational Memorandum: PM-17-012, *2017 Crop Year (CY) Common Crop Insurance Policy and Area Risk Protection Insurance Projected Prices and Volatility Factors; Malting Barley Endorsement Projected Price Component and Volatility Factor; and Hybrid Seed Price Endorsement -Hybrid Seed Corn Prices* (Mar. 1, 2017), available at <https://www.rma.usda.gov/bulletins/pm/2017/17-012.pdf>.

[3] The Milken Institute found the following economic benefits to the U.S. economy from derivatives: “[b]anks’ use of derivatives, by permitting greater extension of credit to the private sector, increased U.S. quarterly real GDP by about \$2.7 billion each quarter from Q1 2003 to Q3 2012; [d]erivatives use by non-financial firms increased U.S. quarterly real GDP by about \$1 billion during the same period by improving their ability to undertake capital investments; [c]ombined, derivatives expanded U.S. real GDP by about \$3.7 billion each quarter; [t]he total increase in economic activity was 1.1 percent (\$149.5 billion) between 2003 and 2012; [b]y the end of 2012, employment had been boosted by 530,400 (0.6 percent) and industrial production 2.1 percent.” See Apanard Prabha *et al.*, *Deriving the Economic Impact of Derivatives*, Milken Institute, at 1 (Mar. 2014), available at <http://assets1b.milkeninstitute.org/assets/Publication/ResearchReport/PDF/Derivatives-Report.pdf>.

[4] Consolidated Appropriations Act, 2018, P.L. 115-141

[5] See, e.g., Tyler Wells Lynch, *Moore’s Law and the Future of Information Technology*, REVIEWED, Sept. 3, 2013 (Moore’s Law claims that the number of transistors that can fit into a single microchip, or integrated circuit, doubles roughly every 18 months), available at <http://www.reviewed.com/features/moore-s-law-and-the-future-of-information-technology>.

[6] CFTC Staff Issues Advisory for Virtual Currency Products, May 21, 2018

[7] Michael Gill, Chief of Staff, U.S. Comm. Fut. Trading Comm’n, Remarks at the National Press Club, CFTC KISS Policy Forum, Washington, D.C. (Feb. 12, 2018), available at <https://www.cftc.gov/PressRoom/SpeechesTestimony/opagill2>.

[8] J. Christopher Giancarlo, Chairman, U.S. Comm. Fut. Trading Comm'n, *We're Making Government Function More Efficiently for Taxpayers and Market Participants* (Feb. 15, 2018), available at <https://www.cftc.gov/PressRoom/PressReleases/pr7696-18>.

[9] J. Christopher Giancarlo, Chairman, U.S. Comm. Fut. Trading Comm'n, CFTC: A New Direction Forward, Remarks of Acting Chairman J. Christopher Giancarlo before the 42<sup>nd</sup> Annual International Futures Industry Conference in Boca Raton, FL (Mar. 15, 2017), available at <http://www.cftc.gov/PressRoom/SpeechesTestimony/opagiancarlo-20>.

[10] Acting Assistant Attorney General John P. Cronan Announces Futures Markets Spoofing Takedown (Jan. 29, 2018), available at <https://www.justice.gov/opa/speech/acting-assistant-attorney-general-john-p-cronan-announces-futures-markets-spoofing>.

[11] CFTC, NASAA Sign Agreement for Greater Information Sharing Between Federal Commodities Regulator and State Securities Regulators

[12] Section 712(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. Law 111-203 (July 21, 2010).