

SEC Adopts Rules to Prevent Fraud in Connection with Security-Based Swaps Transactions and Prevent Undue Influence over CCOs

FOR IMMEDIATE RELEASE

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Washington D.C., June 7, 2023 — The Securities and Exchange Commission today adopted rules to prevent fraud, manipulation, and deception in connection with security-based swap transactions and to prevent undue influence over the chief compliance officer (CCO) of security-based swap dealers and major security-based swap participants (SBS Entities).

“Any misconduct in the security-based swaps market not only harms direct counterparties but also can affect reference entities and investors in those reference entities,” said SEC Chair Gary Gensler. “Given these markets’ size, scale, and importance, it is critical that the Commission protect investors and market integrity through helping prevent fraud, manipulation, and deception relating to security-based swaps. Today’s set of rules will do just that.”

The antifraud and anti-manipulation rule adopted today is designed to prevent misconduct in connection with effecting any transaction in, or attempting to effect any transaction in, or purchasing or selling, or inducing or attempting to induce the purchase or sale of, any security-based swap. The rule takes into account the features fundamental to a security-based swap and will aid the Commission in its pursuit of actions that directly target misconduct that reaches security-based swaps.

The Commission also adopted a rule to protect the independence and objectivity of the CCO of a security-based swap dealer or major security-based swap participant.

The [adopting release](#) will be published in the Federal Register. The final rules will become effective 60 days after the date of publication of the adopting release in the Federal Register.

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Related Materials

- [Final Rule](#)
- [Fact Sheet](#)