

# Public Statements & Remarks

## Keynote Address of Commissioner Dawn D. Stump: Back to the Future – The Year 1999

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*Remarks as Prepared for Delivery at the ISDA Derivatives Trading Forum*

### Overview

The Greek philosopher Heraclitus is credited with the oft-cited saying that change is the only constant in life.<sup>[1]</sup> This idea seems particularly pertinent to our financial markets—which probably explains why I have been asked to speak today about how regulators adapt to changing market structure. Before I begin, though, please allow me to remind you that the views I express today in these remarks are my own and do not represent the views of the Commodity Futures Trading Commission (CFTC or Commission) or my fellow Commissioners.

Put quite bluntly, regulators struggle with adaptation. It is not a new struggle, nor is the stress it imposes necessarily negative. Rather, it is the natural challenge of our job to ensure that regulations are keeping pace in such a way to enable the benefits of innovation and increased efficiency for the marketplace. When I am contemplating the sometimes-difficult question of applying our legacy regulatory structure to modern applications, I often remind myself that many before me have struggled with the same questions, and had to get out of their comfort zone in order to permit previously unheard-of market advancements to develop into essential elements of the modern market structure. Our challenges of today are unique, but not unprecedented.

So, let's take a brief walk down memory lane and remember some of the developments and events that have for years required regulators to think outside the box. I am going to focus on the Year 1999, at which point I was only a few years into my career, and I had become interested in the commodity markets and the work of a small U.S. agency overseeing the futures markets. I quickly discovered that my college textbooks about futures trading were completely outdated.

The textbooks could not possibly keep pace, but the agency knew it had to. So, in 1999, the CFTC established the Technology Advisory Committee (TAC), and at its first meeting, the agenda included a discussion of how to oversee electronic order routing and execution systems.<sup>[2]</sup> The regulators of the time were struggling with how to apply their regulatory oversight as market structure transformed from trading pits to electrification. Today, we cannot fathom a derivatives market without electronic routing and execution, but in 1999 this evidently perplexed regulators. So, too, will be the case 20 years from now when the history books judge our contributions to the next generation of markets.

### Re-Visiting Existing Rules: Swaps Market Evolution

Experience has taught us that regulators must respond to change rather than try to avoid its inevitability. In 1999, there was need for legal certainty as to the regulation of over-the-counter (OTC) swaps. The result was that Congress—with bipartisan support—enacted the Commodity Futures Modernization Act (CFMA),<sup>[3]</sup> which explicitly instructed the CFTC **not** to regulate OTC swaps because, at the time, many such products were considered bespoke and lacking the standardized elements befitting a market infrastructure like that supporting the futures markets.

But over a few short years, the OTC market saw tremendous growth, the introduction of more standardized products, and the development of a web of interconnected counterparties to OTC transactions. It was logical that the evolution of this market would eventually require a more common set of execution, clearing, and reporting obligations. Unfortunately, the impetus for this mandate was the financial crisis.

In 2008, I had a front-row seat to the calamity of the crisis. I was a Congressional staffer and distinctly recall thinking how quickly things had changed: In less than a decade, this market had transformed to a point that the law was outdated. As you know, Title VII of Dodd-Frank<sup>[4]</sup> was the response. This history provides a lesson as to why the law should constantly be re-visited.

Another decade has passed since then, and I am proud to have the opportunity to serve at the agency responsible for implementing many of the Dodd-Frank reforms. Experience tells me that we cannot simply idle the regulations of the past decade or they, too, will soon be outdated and unfit for their intended function. Thus, one way in which regulators should adapt to changing market structure is to be vigilant about regularly reviewing and refining their rule sets—keeping what works and updating or revising as needed in light of the then-current market environment.<sup>[5]</sup>

I am pleased that several of the rulemakings that we adopted last year with respect to the CFTC's Dodd-Frank rules—in areas ranging from reporting to swap execution facilities to cross-border issues—did exactly that.

### **A Changing Global Environment: Further Implementation of Dodd-Frank Swap Reforms**

That being said, the CFTC still has work to do to adapt its Dodd-Frank swap reforms to perform in the global environment envisioned by the G-20 when the Pittsburgh agreements were established. Three areas stand out in particular: 1) access to clearing; 2) swap dealer capital requirements; and 3) data refinement.

**1. Clearing Access:** First, to fulfill our obligation to make the Dodd-Frank regulatory structure workable, we must continually renew our commitment to clearing access. While increasing central clearing globally is a critical tenet of the post-crisis reforms, we must acknowledge the vital precursor to achieving this goal—our obligation to help market participants access the clearing infrastructure. Market participants cannot fulfill the clearing obligations we demand if they cannot access central counterparties (CCPs) around the world. Regulators must focus on enabling access by allowing CCPs across the globe to compete, while minimizing location-based limitations. To do otherwise leaves our work as regulators unfinished.

I often acknowledge that the CFTC implemented the OTC clearing mandate and requisite infrastructure updates ahead of other jurisdictions. As a result, we could not, at that time, recognize other regulatory regimes as comparable to our own. But adaptation requires us to note the progress that has been made in other countries since then. The CFTC should have long ago re-visited its policies to allow U.S. persons to access clearing services at non-U.S. CCPs that are subject to a regulatory structure comparable to our own, without requiring those CCPs to register with the CFTC. After all, we have applied such a structure to listed futures for over 30 years.

**2. Swap Dealer Capital Requirements:** Second, when we finalized the CFTC's swap dealer capital rules last summer,<sup>[6]</sup> I emphasized the importance of considering substituted compliance determinations well in advance of the October 2021 compliance date.<sup>[7]</sup> I am pleased that since then, staff of our Market Participants Division has been working with swap dealers, trade associations, and our regulatory counterparts in other countries to assess the comparability of capital adequacy and financial reporting requirements in other jurisdictions.

**3. Data Refinement:** Third, the response to the financial crisis created an entirely new type of infrastructure provider: the swap data repository. This entity provides the type of information that market participants, regulators, and legislators sought in the heat of the crisis in 2008, but that no one could then provide. To accurately compile global swaps data and realize the full potential of the data repositories, the CFTC and our international counterparts must coordinate our data fields and our expectations of market participants, and trust each other in doing so. To that end, in the years since creating these new data repositories, the CFTC and regulators globally have spent significant time and energy working to re-think, update, and better coordinate their swap data reporting rules.[8] I hope that this will enable the CFTC to assess the comparability of the reporting requirements in other jurisdictions in the near term.

### **Responding to Changing Interests of Market Participants: New Products**

While market structure is constantly adapting, so are the products the structure supports. Some of you may recall that back in 1999, the hot new product that everybody was talking about was security futures. Congress was poised to remove the existing prohibition on the product in the CFMA, and explosive trading in the product was expected. That did not happen (unfortunately, in my view)—for reasons that must be left for another day and another speech. But more recently, we at the CFTC have spent much time learning of many new product types that could not even have been imagined at the turn of the century.

For example, there is obviously increasing interest in listing and clearing derivatives on cryptocurrencies such as bitcoin and ether. In addition, we also are seeing exchanges that plan to list so-called “event contracts” for hedging risks from the anticipated outcome of future events. We also are having many conversations about new risks to the financial system posed by climate-related events and policies.

I would be remiss if I didn’t mention interest in the broader application of “ESG”[9] generally, and the CFTC’s role. Difficult questions exist in how to value a company’s ESG standing – opinions vary widely, and reliable data is often hard to come by. This is a dilemma facing every investor as well as those who harbor the related risks. But the CFTC should remain focused on our job – regulating any derivatives markets that develop in response to demand for ESG investing, which will logically create new risks which then leads to interest in derivatives products. Indeed, some may be unaware that the CFTC already regulates approximately 150 climate-related derivatives products developed in response to vulnerabilities faced by various end-users.

It is not particularly remarkable to consider that as risks evolve, derivatives products will develop in response—this is a common progression. Whether the risks result from government mandates or consumer demand (though in my personal view, the latter is preferred), there will be interest in using derivatives to manage those risks. And it is the role of the CFTC to preserve the function of new risk-mitigating derivatives products that develop in response to that interest—just as we do for derivatives products in more traditional asset classes today.

### **Fostering Innovation: Digital Assets, FinTech and DeFi**

Regulators have many jobs: In addition to re-visiting our rules and embracing the utility of new products, we must commit to fostering innovation for future development. A recent popular song my kids often play contains the lyrics “I just wanna go back, back to 1999,”[10] which recalls and longs for simpler times. Yes, certainly my job would be easier if the markets we regulate weren’t constantly changing, but in reality, I didn’t sign onto an easy job and would not want to revert to 1999. Much innovation has improved our markets since then, and with market structure changes came the need for new regulatory considerations.

In the Commodity Exchange Act (CEA), Congress recognized that innovation is the lifeblood of the derivatives industry, and that it is innovation that has spurred the tremendous growth of the U.S. derivatives markets. The CEA explicitly states that one of its purposes is to “promote responsible innovation” among markets and market participants,[11] and it provides the CFTC with the necessary flexibility to do so through a principles-based approach to derivatives regulation. It is not an accident that the CFTC is structured to be nimble in order to enable innovation. Rather, that was an intentional decision by Congress, and one that I am proud to promote.

This is what truly sets the CFTC apart: Welcoming innovation in derivatives markets is at the heart of what we do, through a long history of principles-based regulation. Adapting to market evolution through principles rather than prescription both: 1) allows the CFTC to oversee growth and change, while not having to constantly re-write regulations in response to every market development; and 2) allows market participants to innovate and compete globally, while still complying with legal requirements.

A principles-based approach avoids one-size-fits-all regulation, and leaves the CFTC well-positioned to adapt to the innovations inevitably coming to derivatives markets due to developments in digital assets, financial technology (FinTech), and decentralized finance (DeFi). Sure, a prescriptive approach makes regulating easier, but stagnant and inflexible rules may very well render us unable to respond to the constant market progression underway, thereby jeopardizing our mission. In short: Regulation by principles limits the risk of stifling innovation, and allows for the ongoing renaissance we expect from our derivatives markets.

### **Customer Education: A Shared Responsibility**

Of course, with technology comes an increased need for education regarding the derivatives markets. I know this sounds rudimentary to those of us operating in this space every day, but the evidence of misconception and misunderstanding is widespread. We need look no further than recent trading activity and market volatility triggered by posts on online message boards and social media platforms. Sadly, the authors and readers of this misinformation jeopardize the utility of these markets to the detriment of others.

There is a real need—and an opportunity—to step up and educate the public about our markets. I am pleased that the CFTC recently initiated a new advisory encouraging the public to research and understand the futures markets, physical markets, and securities markets before trading based on information on social media.[12] The CFTC also has issued several advisories that provide warnings and examples of the latest scams.[13]

This customer education imperative is no small task because the range of those interested in derivatives products is vastly expanded from just a few years ago. For example, it is evident that retail interest in the derivatives markets has increased significantly. Back in 1999, such retail interest was not really “a thing.” But the number of smaller, non-institutional participants in certain derivatives markets has increased significantly in recent years. In addition, at the CFTC, the markets we regulate are being impacted by retail interest in certain exchange-traded funds.

Evidence of the changing landscape of market participants is all around us. First, we have seen increasing listings by CFTC-registered exchanges of “micro” and “micro e-mini” futures and options contracts that allow participants to gain exposure to the futures markets at much lower cost and capital requirements compared to standard futures contracts. Separately, last year, the CFTC granted designations to four new futures exchanges whose business models focus on retail traders. Some do not yet have contracts listed for trading, but one that does has seen modest—but steady—participation.

If increased retail participation in the derivatives markets is a trend that is here to stay, we must constantly evaluate what adaptations are needed to account for the expanding variety of participants trading in our markets. And that will require a commitment to education.

That commitment must not be the CFTC's alone. Education is a shared responsibility between the Commission as regulator and you, the industry and infrastructure providers. I am hopeful that we all will step up our educational efforts and undertake new initiatives to help assure that retail traders are properly informed about how the derivatives markets operate and are fully aware of the degree of risk that such trading inherently entails.

### **Handling Curveballs: Operational Challenges Posed by the Pandemic**

Up until this point, I have discussed how regulators must adapt to market-driven changes, but curveballs from circumstantial events also challenge our norms. Sticking with the theme of 1999, you all likely recall the anticipated trouble known as the “millennium bug” or the “Y2K Problem,” in which there was uncertainty as to the continued operations of our banking sector, transportation infrastructure, and healthcare operations due to a computer coding glitch in which programs only recognized the last two digits of any year, making the Year 2000 indistinguishable from the Year 1900. Much planning went into avoiding the potential undesirable impacts of the Y2K Problem.

But no such preparations were feasible for the modern-day havoc experienced due to the curveball thrown us by the Covid-19 pandemic and all of its follow-on effects. As a regulator, there were, of course, many immediate considerations that required the CFTC's prompt attention. I commend Commission staff for issuing several temporary, targeted no-action letters<sup>[14]</sup> to help facilitate orderly trading and liquidity in the U.S. derivatives markets while allowing market participants to implement lifesaving social distancing measures at a time when nearly all workers had to abruptly start working from home. The issues addressed related to obligations that could not readily be achieved while working at remote locations, such as suitably granular timestamping, recording oral communications, fingerprinting new staff and members, and submitting certain required reports and forms.

As we hopefully (and thankfully) appear to be entering into the recovery, there are long-term considerations as well. For starters, while market participants found compliance solutions for many of the issues posed by physical separation such that the CFTC's no-action relief ultimately could be allowed to expire, the prospect of hybrid work models involving greater teleworking into the future means that issues such as cybersecurity will demand heightened attention.

Also, while the clearing system performed as designed and expected during last spring's volatility surrounding the pandemic, many of the reforms we implemented over the past decade were put through the ultimate stress test. This was not a theoretical assessment of plausible conditions, but rather a real-time test of how the increased volume of cleared products brought about by the G-20 commitments as well as the changes to the clearing infrastructure fared in real, albeit extreme, conditions.

And just as we expect those whom we regulate to apply the results of their stress tests, the CFTC should consider any necessary adjustments and improvements from the lessons of our own recent Covid-related stress test. The CFTC's Global Markets Advisory Committee (GMAC), which I am proud to sponsor, has held two informative meetings during which we discussed the impact of the pandemic on global clearing. Panelists and members discussed several takeaways and offered suggestions for improvement to the global clearing system.<sup>[15]</sup>

Finally, the CFTC has a critical role to play in getting the economy back up to full force. After all, the derivatives products that we regulate are, at their core, risk management tools designed to mitigate uncertainty—and the pandemic has injected a lot of uncertainty into our economy. In our ongoing efforts to handle the curveball of Covid-19, we need to make sure those who manage teacher retirement plans, college savings, food production, and even toilet paper distribution can continue to effectively access derivatives to manage the risk of that uncertainty.

### **Just Saying No: Some Things Must End**

Now, I'd like to turn to the importance of focusing on some unfinished business that pre-dates the pandemic. Those less concerned with Y2K computer glitches celebrated the turn of the century at various New Year events almost all of which featured Prince's hit song "1999,"<sup>[16]</sup> or as it is more commonly known by its lyrics, "party like it's 1999." Yet, that song actually was recorded in 1982—and not as a Y2K party song, but rather to foreshadow the end of an era.

Sometimes regulators are called upon to effectuate change by setting difficult era-ending policies. While no one is likely to write a hit song about such, still, we must stay the course, through its inevitable ups and downs. Two current examples of things that must end come to mind: 1) Libor; and 2) uncleared margin implementation delays.

**Libor:** First, I am pleased to see some voluntary adoption of, and transition to, alternative reference rates to replace Libor. This process has made good progress thanks to open dialogue, asking questions, sharing ideas, and a little regulatory nudging.

I have always said that our role at the CFTC is to focus on ensuring that derivatives remain accessible and reliable as hedging instruments, through the maintenance of well-functioning and orderly markets. The CFTC will continue playing a coordination role with other regulators, as well as participating in public-private partnerships like the Alternative Reference Rate Committee (ARRC). We will interact continuously with all categories of market participants to discuss the impact on listing, trading, and clearing with new reference rates, as well as educating and informing market participants about the implications of the transition.

We have walked a fine line of supporting industry discussions around Libor transition, without unnecessarily inserting ourselves as regulator into what is already a complex and challenging undertaking. I would like to thank Acting Chairman Behnam and the leadership of the CFTC's Market Risk Advisory Committee (MRAC) for their focus on benchmarks, and specifically the work done by MRAC's Interest Rate Benchmark Reform subcommittee.

**Uncleared Margin Implementation:** Second, since the financial crisis, regulators around the world have worked to implement a common regime for margin requirements on transactions not subject to central clearing. Those margin rules are being implemented in phases, and have already come into effect for uncleared swaps when the largest and most interconnected financial institutions trade with one another. However, due to the disruptions caused by the pandemic, global regulators extended the implementation dates for the final phases 5 and 6. These phases apply to a different universe of market participants consisting of financial end-users such as pension plans, endowments, insurance providers, and mortgage service providers. The deadlines for phases 5 and 6 are now September 1, 2021, and September 1, 2022, respectively.

Recognizing the unique practical and operational challenges posed by the exchange of margin for the financial end-users coming into scope of the uncleared margin rules in these last two phases, the CFTC's GMAC last year adopted a number of recommendations to ease the implementation of the margin rules in certain circumstances.[17] The Commission has adopted a number of these recommendations.[18] I am hopeful that we can consider additional recommendations from GMAC in our quest to facilitate compliance by the vast array of market participants soon to be subject to these margin obligations.

But those compliance dates for phases 5 and 6 are fast approaching—and no further extensions should be expected. Accordingly, firms that will become subject to uncleared margin requirements on the phase 5—and even the phase 6—implementation date need to treat compliance with those requirements with a sense of urgency. Let me be clear: There will be no reprieve from the current compliance deadlines.

## Conclusion

In conclusion, I realize that my point of reference today—the Year 1999—is an arbitrary benchmark, since the roots of the derivatives markets are innovation and change from well before 1999 (even dating back to the 1800s, when grain farmers needed to get grain to processors and processors needed a reliable supply of grain and would arrange for a price in advance, but a lack of delivery or payment often frustrated the process). And remember: Financial futures were once considered a novel new derivatives product, too.

So, perhaps I should reach back even further, to the 1977 album “What a long strange trip it's been.”[19] As I said at the beginning, the particular changes in the derivatives markets today may be new, but the fact of change in these markets is not.

As we confront today's changes, the CFTC must build on its successful track record of enabling innovators to think creatively as the story evolves. In doing so, the themes I have discussed—revisiting rules, responding to a changing global environment and to changing interests of market participants, fostering innovation, committing to customer education, standing ready to handle curveballs, and saying no when necessary—can guide us in exercising our regulatory authority to fulfill our mission such that the derivatives markets can continue to meet their full potential.

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[1] See, e.g., Arapahoe Tim, “The Only Constant in Life Is Change.” —Heraclitus (September 9, 2020), available at <https://arapahoelibraries.org/blogs/post/the-only-constant-in-life-is-change-heraclitus/> (<https://arapahoelibraries.org/blogs/post/the-only-constant-in-life-is-change-heraclitus/>). Websites cited herein were last visited on June 28, 2021.

[2] See CFTC's Technology Advisory Committee to Meet on April 25, 2000, available at <https://www.cftc.gov/sites/default/files/opa/press00/opa4396-00.htm> (<https://www.cftc.gov/sites/default/files/opa/press00/opa4396-00.htm>).

[3] Commodity Futures Modernization Act of 2000, Pub. L. No. 106-554, 114 Stat. 2763 (2000).

[4] Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 1376 (2010) (Dodd-Frank).

[5] It is a credit to the G-20 leadership that in 2009, in the midst of responding to the financial crisis, it could foresee the need for a look-back regarding the implementation of the agreed-upon reforms. A sometimes-overlooked component of the 2009 G-20 Pittsburgh agreements is that regulators should “assess regularly implementation and whether it is sufficient to improve transparency in the derivatives markets, mitigate systemic risk, and protect against market abuse.” See Leaders’ Statement from the 2009 G-20 Summit in Pittsburgh, Pa. at 9 (September 24-25, 2009), available at [https://www.treasury.gov/resource-center/international/g7-g20/Documents/pittsburgh\\_summit\\_leaders\\_statement\\_250909.pdf](https://www.treasury.gov/resource-center/international/g7-g20/Documents/pittsburgh_summit_leaders_statement_250909.pdf) ([https://www.treasury.gov/resource-center/international/g7-g20/Documents/pittsburgh\\_summit\\_leaders\\_statement\\_250909.pdf](https://www.treasury.gov/resource-center/international/g7-g20/Documents/pittsburgh_summit_leaders_statement_250909.pdf)).

[6] Capital Requirements of Swap Dealers and Major Swap Participants, 85 Fed. Reg. 57462 (September 15, 2020).

[7] See Statement of Commissioner Dawn D. Stump Regarding Final Rule: Capital Requirements of Swap Dealers and Major Swap Participants (July 22, 2020), available at <https://www.cftc.gov/PressRoom/SpeechesTestimony/stumpstatement072220> (<https://www.cftc.gov/PressRoom/SpeechesTestimony/stumpstatement072220>).

[8] See, e.g., Swap Data Recordkeeping and Reporting Requirements, 85 Fed. Reg. 75503 (November 25, 2020) (harmonizing CFTC reporting rules with certain CPMI-IOSCO global technical guidance regarding definition, format, and usage of key OTC derivatives data elements reported to data repositories).

[9] Environmental, Social, and Governance.

[10] Charli XCX and Troye Sivan, *1999*, Charli album (Asylum Records/Atlantic UK Records 2018).

[11] CEA Section 3(b), 7 U.S.C. § 5(b).

[12] Customer Advisory: Understand Risks and Markets before Reacting to Internet Hype, available at [https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/CustomerAdvisory\\_SocialMedia\\_Metals.html](https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/CustomerAdvisory_SocialMedia_Metals.html) ([https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/CustomerAdvisory\\_SocialMedia\\_Metals.html](https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/CustomerAdvisory_SocialMedia_Metals.html)).

[13] See, e.g., Customer Advisory: Beware of Gold and Silver Schemes Designed to Drain Your Retirement Savings, available at [https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/CustomerAdvisory\\_COVID19PreciousMetals.htm](https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/CustomerAdvisory_COVID19PreciousMetals.htm) ([https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/CustomerAdvisory\\_COVID19PreciousMetals.htm](https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/CustomerAdvisory_COVID19PreciousMetals.htm)); Don’t be Re-Victimized by Recovery Frauds, available at <https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/RecoveryFrauds.html> (<https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/RecoveryFrauds.html>); Customer Advisory: Beware of Fee Scams Targeting Workers Sidelined by COVID-10, available at [https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/CustomerAdvisory\\_CoronaFees.htm](https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/CustomerAdvisory_CoronaFees.htm) ([https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/CustomerAdvisory\\_CoronaFees.htm](https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/CustomerAdvisory_CoronaFees.htm)); Customer Advisory: Be on Alert for Frauds Seeking to Profit from Market Volatility Related to COVID-19, available at [https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/fraud\\_alert\\_profit\\_from\\_market\\_volatility\\_covid\\_19.htm](https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/fraud_alert_profit_from_market_volatility_covid_19.htm) ([https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/fraud\\_alert\\_profit\\_from\\_market\\_volatility\\_covid\\_19.htm](https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/fraud_alert_profit_from_market_volatility_covid_19.htm)).

[14] See list of CFTC actions on Coronavirus page on CFTC website, available at <https://www.cftc.gov/coronavirus> (<https://www.cftc.gov/coronavirus>).

[15] See Global Markets Advisory Committee to Meet December 17, 2020, available at <https://www.cftc.gov/PressRoom/Events/opaeventgmac121720> (<https://www.cftc.gov/PressRoom/Events/opaeventgmac121720>), and The Global Markets Advisory Committee Will Meet on March 11 2021, available at <https://www.cftc.gov/PressRoom/Events/opaeventgmac031121> (<https://www.cftc.gov/PressRoom/Events/opaeventgmac031121>) (containing agendas, transcripts, statements, and additional resources).

[16] Prince, “1999,” 1999 album (Warner Bros. 1982).

[17] See “*Recommendations to Improve Scoping and Implementation of Initial Margin Requirements for Non-Cleared Swaps*,” Report to the CFTC’s Global Markets Advisory Committee by the Subcommittee on Margin Requirements for Non-Cleared Swaps (April, 2020), available at [https://www.cftc.gov/media/3886/GMAC\\_051920MarginSubcommitteeReport/download](https://www.cftc.gov/media/3886/GMAC_051920MarginSubcommitteeReport/download) ([https://www.cftc.gov/media/3886/GMAC\\_051920MarginSubcommitteeReport/download](https://www.cftc.gov/media/3886/GMAC_051920MarginSubcommitteeReport/download)).

[18] See Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants, 86 Fed. Reg. 229 (January 5, 2021) (aligning with global BCBS-IOSCO framework by revising calculation method for determining whether certain entities come within scope of initial margin (IM) requirements beginning in phase 6 and the timing requirements after the end of the phased compliance schedule, as well as allowing swap dealers (SDs) to use risk-based model IM calculation of a CFTC-registered counterparty SD to determine amount of IM to be collected from the counterparty and whether threshold amount for exchange of IM has been exceeded such that documentation concerning collection, posting, and custody of IM would be required); Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants, 86 Fed. Reg. 6850 (January 25, 2021) (permitting application of minimum transfer amount (MTA) of up to \$50,000 for each separately managed account of a legal entity that is a counterparty to an SD, and permitting the application of separate MTAs for IM and variation margin).

[19] Grateful Dead, *What a Long Strange Trip It’s Been* album (Warner Bros. 1977).

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