

## **Public Statements & Remarks**

### **Statement of Commissioner Dawn D. Stump Regarding Amendments to Part 190**

**December 08, 2020**

This spring, when we proposed the first comprehensive revision to the Commodity Futures Trading Commission's (CFTC or Commission) bankruptcy regime in 37 years, I noted the tremendous teamwork that drove that endeavor. As I said then, I have long believed that one attribute distinguishing our agency and the industry we regulate is the level of engagement and spirit of cooperation between derivatives market participants and the CFTC. The proposal to amend Part 190 of our regulations, itself a product of constructive external engagement, as well as this final rule which accounts for the comments we received in response to that proposal—including the concerns raised regarding the potential for undermining the qualified master netting agreement status of derivatives clearing organization (DCO) rulebooks and the supplemental proposal that followed—are all exemplary products of that engagement and cooperation.

The updates to our bankruptcy regulations that we are finalizing today recognize technological advancements over the past 37 years, incorporate lessons learned from futures commission merchant bankruptcies during that time, and recognize the necessity of providing more clarity regarding how a DCO would be treated in bankruptcy. I believe it is prudent that we are not finalizing the provisions in the original proposal or the concept in the supplemental proposal that attempted to provide an opportunity for the Federal Deposit Insurance Corporation to conduct an effective resolution if it stepped in as the receiver of a DCO pursuant to Title II of the Dodd-Frank Act after the DCO entered bankruptcy. I believe that any perceived problem and any contemplated solution both need further discussion amongst industry participants, the Commission, and perhaps even other regulators. I look forward to continued engagement on the topic.

I thank Bob Wasserman, his team in the Division of Clearing and Risk, and all those who commented for offering their expertise and insights into this complex and technical undertaking.

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