

Office of International Affairs: Answers to Commonly Asked Questions

The Office of International Affairs (OIA) enhances the Commission’s ability to meet challenges posed by the globalization of financial markets by compiling information on the applicable law and procedure in various jurisdictions. In this light, this document is intended to provide a brief “road-map” to the CFTC web-site www.cftc.gov and to selected information that may be of particular interest to non-U.S. persons. The information is presented as follows:

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Please be sure to review the main “site-map” for a more exhaustive index to the information available on the CFTC’s site at:

- » <http://www.cftc.gov/cftc/cftcmap.htm>

The CFTC office in charge of the contents of this document is the Office of International Affairs (OIA). You can reach OIA via the CFTC’s Web Site at:

- » <http://www.cftc.gov/cftc/cftccontacts.htm>

I. Finding People and Current News at the CFTC

Who's in Charge and How Do I Contact Them?

Sharon Brown-Hruska, Acting-Chairman
Walter Lukken, Commissioner

You can find CFTC contact information including the Chairman's and the Commissioners' telephone numbers as well as points of contact in various offices through out the Commission by visiting:

- » <http://www.cftc.gov/cftc/cftccontacts.htm>

Where Can I Find the Chairman's and Commissioners' Speeches and Congressional Testimony?

You can find Background on Commissioners by visiting:

- » <http://www.cftc.gov/opa/opacommissioner.htm>

You can find Commissioners' speeches and testimony by visiting:

- » <http://www.cftc.gov/opa/opaspeechesmain.htm>

How Can I Find What's New at the CFTC?

You can find what is new at the CFTC including current Press releases, annual reports and recent publications by visiting the Commission's home page at:

- » <http://www.cftc.gov/cftc/cftchome.htm>

An important source of up-to-date information regarding Commission activities are the Weekly Advisories; These usually include News Releases, Seriatim Actions, Federal Register Notices, Comment Periods, Initial Enforcement Decisions, Opinions, Orders and official CFTC Letters. You can find the CFTC's *Weekly Advisories* by visiting:

- » <http://www.cftc.gov/opa/opa04advisory.htm>

II. Regulatory Issues Affecting Non-U.S. Persons

How Do I Check the Status of CFTC Registrants or Persons Claiming to Be Registered?

Registration/License Status for CPOs, CTAs, FCMs, IBs and their sales people

For information on the **Registration Status** of firms and individuals, you should access **BASIC** (Background Affiliation Status Information Center) service which the National Futures Association maintains. When using BASIC, you must use the NFA ID number to access the full range of files (e.g., disciplinary information). Therefore, if you search by name and find a registrant you should also search by NFA ID when you retrieve the IP. You can check the status of CFTC registrants by visiting BASIC at:

- » <http://www.nfa.futures.org/basicnet/welcome.aspx>

You also may contact the **NFA Information Center** which is open between 8 a.m. and 5 p.m. Central Time by calling:

- » [\(800\) 621-3570](tel:8006213570)
- » [\(312\) 781-1410](tel:3127811410)

In addition to accessing BASIC (linked above) or contacting the NFA Information Center (numbers above) for information on the disciplinary history of brokers and other commodity professionals, you can call **NFA Disciplinary Information Access Line (DIAL)**. DIAL is open between 8 a.m. and 5 p.m. Central Time at:

- » [\(800\) 676-4632](tel:8006764632)

You may also contact the **International Regulators' Alert System** (linked below) for information on how you can receive automatic notification from NFA of registration status facts on CFTC registrants operating in your jurisdiction.

You can find information the financial capacity of registrants for **Futures Commission Merchants** (FCMs) and **Introducing Brokers** (IBs) financial filings by visiting:

- » <http://www.cftc.gov/tm/tmcompliance.htm#fcmib>

You can find selected **Financial Data for FCMs** from the CFTC's Division of Clearing and Intermediary Oversight (DCIO). DCIO takes data from recent FCMs' financial reports and summarizes their contents for the Commission and interested parties. This summary is available in both html and Microsoft Excel spreadsheet formats for viewing or downloading at:

- » <http://www.cftc.gov/tm/tmfcm.htm>

You can find CFTC information on **Administrative Sanctions in Effect Lists** by visiting:

- » <http://www.cftc.gov/proc/pcdadmsanclst.htm>

How Can I get Automatic Notification of the Registration Status of CFTC Registrants Conducting Business in My Country?

The NFA and the CFTC's Office of International Affairs have developed the **International Regulators' Alert System** to keep international regulators informed of U.S. firms operating in their jurisdictions. This system provides initial background and disciplinary information as well as ongoing alerts to enhance sharing of public information. The system uses information from NFA's BASIC service (linked above). When a regulator initially requests information on a firm, they receive registration status and history, disciplinary information on the firm and its principals. From that point forward, any regulatory information on that firm that is entered into BASIC will trigger an immediate regulatory alert e-mail. Regulators are also immediately notified when a firm withdraws from the industry or is terminated.

For further information or to sign up for the **International Regulators' Alert System**, please contact Derek West at the NFA:

» [\(312\) 781-1317](tel:3127811317)

Non-public information is shared through Memorandums of Understanding (MOUs) or other legal processes.

What Do Foreign Brokers Soliciting or Accepting Orders from US Persons Need to Know?

As a general rule, persons or entities who solicit or accept orders from US persons or entities must register in the appropriate capacity. There is no "exclusion for unsolicited transactions." You can find general registration information by visiting:

» <http://www.cftc.gov/cftc/cftcregister.htm>

Under CFTC rule 30.10 (**Rule 30.10 Relief – Exemptions from registration for foreign persons**), the CFTC may exempt foreign firms that are subject to a "comparable" regulatory regime abroad from the general registration requirement here in the United States. To receive such relief under Rule 30.10, the firm's home-country regulator must demonstrate that it provides a comparable system of regulation (as outlined in Appendix A to Part 30) and must enter into an information-sharing agreement with the CFTC. For a more detailed discussion of the Rule 30.10 application process, and the representations and conditions required therein, please refer to 62 Federal Register 47792 (September 11, 1997) and **Appendix A** to Part 30 of the CFTC rules, by visiting:

» http://www.access.gpo.gov/nara/cfr/waisidx_02/17cfr30_02.html

The CFTC office in charge of Rule 30.10 arrangements is the Division of Clearing and Intermediary Oversight (DCIO). You can reach DCIO via the CFTC's Web Site at:

» <http://www.cftc.gov/cftc/cftccontacts.htm>

Once the CFTC has issued a Rule 30.10 order to a foreign regulator, a firm subject to regulation by that regulator may seek confirmation that the Rule 30.10 relief applies to the firm.

The CFTC has delegated to the NFA the authority to verify the fitness of and representations made by firms applying for confirmation of Rule 30.10 relief and to confirm the availability of that relief. You may find more information on Rule 30.10 by visiting:

- » <http://www.cftc.gov/cftc/cftcinternational.htm#SalesofForeignProductstoUSCustomers>
- » <http://www.cftc.gov/tm/tmcompliance.htm>

The CFTC currently maintains a **List of regulatory authorities having received Rule 30.10 Relief** on its Web Site at:

- » <http://www.cftc.gov/opa/backgroundunder/opap30bkoia.htm>

Rule 30.5 (**Rule 30.5 Relief - Exemptions from registration for foreign persons**) provides an exemption from registration for any person located outside of the U.S. who is required to be registered with the Commission under Part 30, other than a person required to be registered as an FCM. Rule 30.5 generally requires a firm seeking an exemption to file a petition for relief with the NFA. The petitioner must, among other things, provide background and fitness information, and consent to the jurisdiction of the U.S. courts and the CFTC with respect to its dealings with U.S. customers. You may find more information on Rule 30.5 Relief by visiting:

- » <http://www.cftc.gov/tm/tmcompliance.htm#part30>

What Procedures Apply to the Offer of Foreign Instruments in the United States?

Special considerations apply to the offer and sale to US persons of futures (or options on such futures) based on foreign securities or foreign government debt. You can find background information on **Foreign Instrument Approvals and Exemptions** by visiting:

- » <http://www.cftc.gov/opa/backgroundunder/opapart30.htm>

You can also find information on **Countries Whose Debt is Exempted for Purposes of Futures Trading** by visiting:

- » <http://www.cftc.gov/dea/analysis/deaexempted2.htm>

Finally, you can look-up **Filing Requirements for Foreign Stock Index Exemptions** by visiting:

- » <http://www.cftc.gov/dea/analysis/deaforeignexempt.htm>

The CFTC office in charge of these exemptions is the Office of General Counsel (OGC). You can reach OGC via the CFTC's Web Site at:

- » <http://www.cftc.gov/cftc/cftccontacts.htm>

What are the Requirements for the Placement of Foreign Electronic Screen-Based Trading Systems in the United States?

In June, 1999, the CFTC issued an order withdrawing proposed rules addressing foreign electronic systems and instructed the staff to begin immediately processing "no-action" requests

from foreign boards of trade seeking to place terminals in the U.S. 64 Fed. Reg. 32829 (June 18, 1999). The term “no-action” position refers to staff action that constitutes a determination that the staff will not recommend that the Commission take enforcement action if the subject conduct takes place.

No-action applications are processed by the CFTC’s Division of Market Oversight (DMO). Essentially, the foreign exchange submits information concerning the desired conduct, the relevant rules governing the system and an overview of the regulatory system. The Division’s analysis follows the template of the IOSCO 1990 Principles for the Oversight of Screen-Based Trading Systems. You may reach DMO through the CFTC’s Web Site at:

» <http://www.cftc.gov/cftc/cftccontacts.htm>

You may find examples of “No-Action” requests for the **recognition of foreign electronic trading systems** in the following letters:

02-29 No-Action; MEFF Sociedad Holding de Productos Financieros Derivados S.A., which wholly owns MEFF Sociedad Rectora de Productos Financieros Derivados de Renta Variable (MEFF RV) and MEFF Sociedad Rectora de Productos Financieros Derivados de Renta Fija (MEFF RF).

» <http://www.cftc.gov/files/tm/letters/02letters/tm02-29.pdf>

02-24 No-Action; Bourse de Montreal, Inc.

» <http://www.cftc.gov/files/tm/letters/02letters/tm02-24.pdf>

01-11 No-Action; London Metal Exchange Limited (LME)

» <http://www.cftc.gov/files/tm/letters/01letters/tm01-11.pdf>

Note - All CFTC staff Letters can be accessed at:

» <http://www.cftc.gov/opa/opaletters.htm>

III. Regulatory Structure

Where Can I Find Information About the CFTC's New Regulatory Structure For Exchanges and Markets?

You can find a description of the CFTC's **new regulatory structure** in The Federal Register by visiting:

- » <http://www.cftc.gov/files/foia/fedreg01/foi010810a.pdf>

For information on what constitutes a **designated contract market** you can visit:

- » <http://www.cftc.gov/dea/deadcmbackground.htm>

For information on what constitutes a **derivatives transaction facility** you can visit:

- » <http://www.cftc.gov/dea/deadtefbackground.htm>

For information on what constitutes an **exempt board of trade** and an **exempt commercial market** you can visit:

- » <http://www.cftc.gov/dea/deaxcombackground.htm>

For a list of **regulated markets** or **Designated Contract Markets (DCM)** as well as DTEFs, you can visit:

- » http://www.cftc.gov/dea/deadcms_table.htm

You can visit the Main page for Information on Regulated Markets, Oversight, Products at:

- » <http://www.cftc.gov/cftc/cftcexchproducts.htm>

You can access **Guideline No. 1** to Interpretive Statement of the CFTC's Economic Requirements for Listing Products at:

- » <http://www.cftc.gov/dea/analysis/deaguide1.htm>

Where Can I Find Information About the New Regulatory Structure for Derivatives Clearing Organizations?

You can find a description of the CFTC's **new regulatory structure** in The Federal Register by visiting:

- » <http://www.cftc.gov/files/foia/fedreg01/foi010810a.pdf>

For information on what constitutes a **derivatives clearing organization (DCO)**, you can visit:

- » <http://www.cftc.gov/dea/deadcobbackground.htm>

For information on what constitutes a **multilateral clearing organization**, you can visit:

- » <http://www4.law.cornell.edu/uscode/12/4421.html>

For a list of DCOs, you can visit:

- » http://www.cftc.gov/dea/dearegistered_dco.htm

To view **orders granting DCO registration** you can visit:

- » http://www.cftc.gov/tm/tm_dco_orders.htm

How Can I find General Information on the Oversight of Regulated Markets, Intermediaries and Clearing Organizations?

For general information on **Market Oversight**, you may visit:

- » <http://www.cftc.gov/cftc/cftcmktoversight.htm>

For information on **Financial, Sales Practice and Other Compliance Program Reviews of Exchanges and NFA**, you may visit:

- » <http://www.cftc.gov/tm/tmfinancialrers.htm>

For **Rule enforcement reviews of US futures exchanges**, you may visit:

- » <http://www.cftc.gov/tm/tmexchrer.htm>

How Do I find Information On Security Futures?

In December 2000, Congress established a framework for regulation by the CFTC and Securities and Exchange Commission (SEC) of the trading of futures on single securities and futures on narrow-based security indexes (collectively, these products are called **Security Futures Products** or SFPs). Congress added a definition of “narrow-based security index” to distinguish between futures on narrow-based security indexes, which are jointly regulated by the CFTC and SEC, and futures on broad-based security indexes, which are under the exclusive jurisdiction of the CFTC. SFPs have features of both securities and futures. For more information on SFPs, you may visit:

- » <http://www.cftc.gov/sfp/sfpmain.htm>

How are Collective Investment Schemes Regulated?

For regulatory information on **Commodity Pool Operators (CPOs)**, you may visit:

- » <http://www.cftc.gov/tm/tmcompliance.htm>

Additionally, the NFA web site has information for CPOs and CTAs at:

- » http://www.nfa.futures.org/compliance/issues_cpo_cta.asp

IV. Enforcement, Customer Protection Issues and Consumer Advisories

Where Can I Find out More About Enforcement?

The CFTC maintains an Customer awareness page which addresses many enforcement issues including the following: **CFTC Consumer Advisories** that warn customers against fraud schemes using the Internet; **Enforcement Bulletins** that invite relevant parties to provide information on individuals under suspension of having engaged in fraudulent activity; **Enforcement Actions** that report recent CFTC judicial activity; **9/11 information**; **Forms for reporting information to the CFTC**; and **Filing a customer complaint**. You may access this information by visiting:

- » <http://www.cftc.gov/cftc/cftccustomer.htm>

Recently legislation called **Anti-Money Laundering and Terrorist Financing Act** (or: **Patriot Act**) includes relevant enforcement information on the establishment of AML Programs, reporting suspicious activity, the verification the customer identity, due diligence measures for certain accounts involving foreign persons, transactions in excess of \$10,000 in currency, foreign bank and financial accounts, international transportation of currency or monetary instruments, information sharing among financial institutions and law enforcement, and additional resources. You may find this information by visiting:

- » <http://www.cftc.gov/cftc/cftcaml.htm>

The CFTC office in charge of enforcement is the Office of Enforcement (ENF). You can reach ENF via the CFTC's Web Site at:

- » <http://www.cftc.gov/cftc/cftccontacts.htm>

You may also communicate Enforcement concerns to the CFTC using its toll-free Complaint Line a:

- » **866-FON-CFTC**

V. Finding Laws, Regulations, Interpretive, and No-Action Letters

How Can I Find Laws and Regulations(Final and Proposed Rules)?

You may find links to the Commodity Exchange Act and CFTC regulations, as well as exemptive, “no-action” and interpretative letters at:

- » <http://www.cftc.gov/cftc/cftclawreg.htm>

Please note: For a complete update on CFTC rules you need to review both the “Commission Rules” link to the Code of Federal Regulations at:

- » http://www.access.gpo.gov/nara/cfr/waisidx_02/17cfrv1_02.html

And the “Federal Register” link which will contain rules adopted by the CFTC that have not yet been published in the CFR. You can find Proposed Rules published in the Federal Register from 1997 to-date by visiting:

- » <http://www.cftc.gov/cftc/cftcfedregs.htm>

How Can I Find Financial and Segregation Advisories and Interpretations?

You can find **Financial and Segregation Advisories** and Interpretations by visiting:

- » <http://www.cftc.gov/tm/tmfinseg.htm#finseginterps>

VI. Finding and Commenting On CFTC Rule Proposals

How Can I Comment on Open Rulemaking at the CFTC?

First, you need to have found a rulemaking in the “proposed rulemakings” linked in the previous section, then you must go to the “open file” link to determine whether the comment period remains open. You may access the “open file” link by visiting:

- » http://www.cftc.gov/foia/foiweb_commentopen_report_1.htm

You may find **Directions for submitting comments** on CFTC rulemakings by visiting:

- » <http://www.cftc.gov/foia/foihowtocomment.htm>

You may read **Comments received on proposed rulemaking** by visiting:

- » <http://www.cftc.gov/cftc/cftcfedregs.htm>

Where Can I Find Proposed Changes to Existing Rules Currently Under Consideration at the CFTC?

You may find the proposed **changes** to existing rules that the CFTC is taking under consideration by visiting:

- » <http://www.cftc.gov/cftc/cftcexchproducts.htm - rules>

VII. Data, Publications

How Can I Find Data on Futures Trading?

You can find **Commitments of Traders** by visiting:

» <http://www.cftc.gov/cftc/cftccotreports.htm>

You can find **Bank Participation in Commodity Futures Markets** information by visiting:

» <http://www.cftc.gov/dea/bank/deabank.htm>

You can find **Cotton-On-Call Reports** by visiting:

» <http://www.cftc.gov/dea/cotton/deaoncall.htm>

You can find information on **Deliveries of CBOT US Treasury Bond and Note Futures** by visiting:

» <http://www.cftc.gov/dea/delivery/deadelivery.htm>

You can find information on **Large Trader Reporting (LTR)** by visiting:

» <http://www.cftc.gov/cftc/cftcmktoversight.htm>

You can find background information on the **CFTC's LTR Program** by visiting:

» <http://www.cftc.gov/opa/backgroundunder/opa-ltrs.htm>

You can find **CFTC Forms** by visiting:

» <http://www.cftc.gov/cftc/cftcforms.htm>

You can find **Federal Reporting Levels** by visiting:

» <http://www.cftc.gov/dea/dearlevel2.htm>

You can find **Exchange Codes and Strike Price Formats** by visiting:

» <http://www.cftc.gov/dea/deacodes.htm>

You can find **PERT (Position Entry for Reportable Traders)** by visiting:

» <http://www.cftc.gov/dea/pert/deapert.htm>

You can find **Large Trader Record Format** by visiting:

» <http://www.cftc.gov/dea/pert/dealtrfmt.htm>

How Can I Find CFTC Publications?

You can find the CFTC's **Annual Report** by visiting:

- » <http://www.cftc.gov/files/anr/anr2003.pdf>

You can find publications relating to issues of **domestic** importance including press releases, backgrounders, advisories, speeches and consumer advisories among other publications by visiting:

- » <http://www.cftc.gov/cftc/cftcpressoffice.htm>

You can find publications relating to issues of **international** importance including OTC Derivatives and Exchange Traded Derivatives, Trading in Developing Markets, et cetera by visiting:

- » http://www.cftc.gov/oia/oia_publications.htm

VIII. Links

What Kinds of Links can the CFTC Provide Me?

You can find links to **related regulatory organizations** including the SEC, the NFA, various State Regulators, the NASD; the IOSCO and the FATF by visiting:

- » <http://www.cftc.gov/enf/enflinks.htm>

You can find links to **Agricultural** related issues by visiting:

- » <http://www.cftc.gov/ac/acaglinks.htm>

You can find links to **U.S. Department of Justice** by visiting:

- » <http://www.cftc.gov/foia/foidojsites.htm>

You can find links to **Consumer Information**, US Government, Regulatory Organizations, Exchanges designated by the CFTC as Contract Markets, and Derivatives Clearing Organizations Registered with the CFTC by visiting:

- » <http://www.cftc.gov/cftc/cftcrellinks.htm>

You can find links to **International Initiatives** at the CFTC by visiting:

- » <http://www.cftc.gov/cftc/cftcinternational.htm> - **InternationalInitiatives**

IX. Seminar for Foreign Authorities and Technical Assistance

How Can I Find Information on the CFTC's Training Seminar and Technical Assistance Programs?

Each year in October, the CFTC organizes a one-week seminar in Chicago, Illinois for foreign regulators and exchange representatives. The seminar introduces attendees to the full scope of the Commission's regulatory program, including hands-on workshop opportunities in computer trade practice and financial surveillance, as well as to broader policy issues. The seminar continues to evolve as we adapt it to the diverse needs of participants and current regulatory interest. You can find information on the **Training Seminar for Foreign Regulatory Authorities** by visiting:

- » <http://www.cftc.gov/cftc/cftcinternational.htm#TrainingSeminarforForeignMarketAuthorities>

Each year, the CFTC hosts numerous delegations from foreign jurisdictions seeking to learn about various aspects of the CFTC's regulatory program. The CFTC, on a case-by-case basis, has allowed individual regulators to send staff to the CFTC for consultation with staff, self-study and visits to futures exchanges and regional offices. Additionally, depending upon staff availability and resources, the CFTC has authorized staff to travel to foreign locations to provide on-site assistance to individual foreign regulatory authorities. For more information of the CFTC's **Technical Assistance Visits** and **On-Site Technical Assistance**, you can contact the Office of International Affairs:

- » **(202) 418-5645**