



## **COMMODITY FUTURES TRADING COMMISSION**

### **17 CFR Part 23**

### **RIN 3038-AC96**

### **Swap Dealer and Major Swap Participant Recordkeeping, Reporting, and Duties Rules; Futures Commission Merchant and Introducing Broker Conflicts of Interest Rules; and Chief Compliance Officer Rules for Swap Dealers, Major Swap Participants, and Futures Commission Merchants; Correction**

**AGENCY:** Commodity Futures Trading Commission.

**ACTION:** Correcting amendments.

**SUMMARY:** This document contains corrections to final regulations, which were published in the Federal Register of Tuesday, April 3, 2012. The regulations are related to the risk management programs of swap dealers and major swap participants.

**DATES:** Effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

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### **SUPPLEMENTARY INFORMATION:**

#### **Background**

The final regulations that are the subject of these corrections imposed certain requirements on swap dealers and major swap participants regarding risk management programs. The final regulations were promulgated pursuant to sections 4s(h)(1)(D), 4s(h)(3)(D), 4s(j), and 8a(5) of the Commodity Exchange Act, 7 U.S.C. 4s(h)(1)(D), 4s(h)(3)(D), 4s(j), and 8a(5).

### **Need for Correction**

As published, the final regulations contain errors which may prove to be misleading and need to be clarified.

### **List of Subjects in 17 CFR Part 23**

Antitrust, Commodity futures, Conduct standards, Conflict of interests, Major swap participants, Reporting and recordkeeping, Swap dealers, Swaps.

Accordingly, 17 CFR part 23 is corrected by making the following correcting amendment:

### **PART 23 – SWAP DEALERS AND MAJOR SWAP PARTICIPANTS**

1. The authority citation for part 23 continues to read as follows:

Authority: 7 U.S.C. 1a, 2, 6, 6a, 6b, 6b–1, 6c, 6p, 6r, 6s, 6t, 9, 9a, 12, 12a, 13b, 13c, 16a, 18, 19, 21.

2. In § 23.600, revise paragraph (e)(2) to read as follows:

#### **§ 23.600 Risk Management Program for swap dealers and major swap participants.**

\* \* \* \* \*

(e) \* \* \*

(2) The annual reviews of the Risk Management Program shall include an analysis of adherence to, and the effectiveness of, the risk management policies and

procedures, and any recommendations for modifications to the Risk Management Program. The annual testing shall be performed by qualified internal audit staff that are independent of the business trading unit being audited or by a qualified third party audit service reporting to staff that are independent of the business trading unit. The results of the annual review of the Risk Management Program shall be promptly reported to, and reviewed by, the chief compliance officer, senior management, and governing body of the swap dealer or major swap participant.

\* \* \* \* \*

Issued in Washington, DC, on July 10, 2014, by the Commission.

Christopher J. Kirkpatrick,  
Acting Secretary of the Commission.

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