

MEMO# 27261

June 3, 2013

CFTC Provides Limited Extension in Response to Request by ICI and Other Trades to Extend Compliance Date for Bunched Order Agreements under Rule 1.73

[27261]

June 3, 2013

TO: CLOSED-END INVESTMENT COMPANY MEMBERS No. 43-13
DERIVATIVES MARKETS ADVISORY COMMITTEE No. 38-13
ICI GLOBAL MEMBERS
INTERNATIONAL MEMBERS No. 27-13
INVESTMENT ADVISER MEMBERS No. 32-13
SEC RULES MEMBERS No. 48-13 RE: CFTC PROVIDES LIMITED EXTENSION IN RESPONSE TO REQUEST BY ICI AND OTHER TRADES TO EXTEND COMPLIANCE DATE FOR BUNCHED ORDER AGREEMENTS UNDER RULE 1.73

On May 31, 2013, the Division of Clearing and Risk ("Division") of the Commodity Futures Trading Commission ("CFTC") issued a limited extension for compliance with Rule 1.73(a)(2)(v)(B) of the Commodity Exchange Act until September 1, 2013. [\[1\]](#) As we previously informed you, ICI along with the Futures Industry Association, the Managed Funds Association, and the Securities Industry and Financial Markets Association's Asset Management Group submitted a letter to the Division requesting an extension of time with respect to the obligations of account managers and futures commission merchants ("FCMs") to have an agreement for bunched orders. The original compliance date was June 1, 2013. A copy of the Division's letter is attached.

The Division conditionally granted the requested extension for futures (not swaps) with regard to the obligation of FCMs clearing allocated trades to establish risk-based limits for each customer and enter into an agreement with the account manager requiring the account manager to screen orders for compliance with those limits. According to the Division, the relief is only available if the FCM initially clearing the bunched order establishes risk-based limits for the bunched order and screens the order for compliance with the limit.

Jennifer S. Choi
Senior Associate Counsel – Securities Regulation

[Attachment](#)

endnotes

[1] For a summary of the request letter, see ICI Memorandum No. 27251 (May 23, 2013), available at http://www.ici.org/my_ici/memorandum/memo27251.

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.