

**MEMO# 27873**

January 30, 2014

# **CFTC Reopens Comment Period for Concept Release on Risk Controls and Safeguards for Automated Trading Environments**

[27873]

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TO: DERIVATIVES MARKETS ADVISORY COMMITTEE No. 8-14  
EQUITY MARKETS ADVISORY COMMITTEE No. 1-14  
SEC RULES MEMBERS No. 5-14  
ETF (EXCHANGE-TRADED FUNDS) COMMITTEE No. 2-14  
ETF ADVISORY COMMITTEE No. 1-14 RE: CFTC REOPENS COMMENT PERIOD FOR CONCEPT  
RELEASE ON RISK CONTROLS AND SAFEGUARDS FOR AUTOMATED TRADING  
ENVIRONMENTS

The Commodity Futures Trading Commission has reopened the comment period for its concept release on “Risk Controls and System Safeguards for Automated Trading Environments.” [\[1\]](#) The concept release provides an overview of the current automated trading environment, reviews the CFTC’s regulatory response to date and existing industry practices, and describes a series of pre-trade risk controls, post-trade measures, system safeguards and other protections applicable to trading platforms and other categories of market participants. [\[2\]](#)

The concept release requests comment on a broad range of topics including, among other things, the extent to which certain risk controls have been adopted by market participants, whether there is a need for regulatory action on these risk controls to provide more uniform risk mitigation across CFTC regulated derivatives markets, and the appropriate stage in the lifecycle of an order at which risk controls should be placed.

The new comment period extends through February 14, 2014.

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## endnotes

[1] The press release announcing the reopening of the comment period can be found at <http://www.cftc.gov/PressRoom/PressReleases/pr6835-14>.

[2] The concept release can be found at <http://www.cftc.gov/ucm/groups/public/@lrfederalregister/documents/file/2013-22185a.pdf>.

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