

MEMO# 27402

July 24, 2013

ICI and ICI Global Submit Statement for the Record To Congress on CFTC Reauthorization

[27402]

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TO: CLOSED-END INVESTMENT COMPANY MEMBERS No. 65-13
DERIVATIVES MARKETS ADVISORY COMMITTEE No. 58-13
INTERNATIONAL MEMBERS No. 34-13
ICI GLOBAL MEMBERS
INVESTMENT ADVISER MEMBERS No. 53-13
SEC RULES MEMBERS No. 72-13 RE: ICI AND ICI GLOBAL SUBMIT STATEMENT FOR THE
RECORD TO CONGRESS ON CFTC REAUTHORIZATION

On July 24, ICI, ICI Global, the ABA Securities Association, and the American Bankers Association (together, "trade associations"), submitted a statement for the record in connection with a hearing of the House Agriculture Committee, Subcommittee on General Farm Commodities and Risk Management, on reauthorization of the Commodity Futures Trading Commission ("CFTC"). The statement ("statement"), which is attached, focuses on the need to amend the definition of "foreign exchange forward" in the Commodity Exchange Act ("CEA") to include non-deliverable forwards ("NDFs"). The statement makes many of the same arguments the trade associations have made in past submissions on this topic. * The statement explains that NDFs were not included in the exemption for foreign exchange forwards granted by the Secretary of the Treasury under the Dodd-Frank Wall Street Reform and Consumer Protection Act, and explains the adverse consequences that will result if NDFs remain subject to differential treatment under the CEA. The statement notes that the trade associations recently submitted a petition to the CFTC requesting exemptive relief for NDFs to be treated in the same manner as foreign exchange forwards and swaps. The statement states, however, that it is uncertain whether the CFTC will consider the petition, and recommends that this issue be addressed through a legislative clarification of the definition of foreign exchange forward.

Sarah A. Bessin
Senior Counsel

[Attachment](#)

endnotes

*See, e.g., ICI Memorandum No. 27213 (May 1, 2013), available at http://www.ici.org/my_ici/memorandum/memo27213.

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