
2017 CFTC Year-in-Review and a Look Forward

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In 2017, under the leadership of new Chairman J. Christopher Giancarlo, the Commodity Futures Trading Commission (CFTC or Commission) adopted a notable shift in its enforcement priorities and regulatory agenda. In March, shortly following his nomination by President Donald Trump as chairman, Chairman Giancarlo signaled that it was time for the CFTC to “reinterpret its regulatory mission” by focusing on fostering economic growth, enhancing U.S. financial markets, and “right-sizing” its regulatory footprint. In particular, he announced Project KISS (“Keep It Simple, Stupid”)—an agency-wide review of rules, regulations, and practices to make them “simpler, less burdensome and less costly.” With respect to enforcement, he emphasized that, under his leadership, “[t]here will be no pause, let up or reduction in our duty to enforce the law and punish wrongdoing in our derivatives markets,” and promised that those who cheat or manipulate markets “will face aggressive and assertive enforcement action by the CFTC under the Trump Administration.”

Chairman Giancarlo’s comments presage a significant shift in the priorities and goals of the Commission during the Trump Administration. Nevertheless, looking forward to 2018, we expect no diminished enforcement where fraud, manipulation, and consumer protection are concerned. Several recent settlements and the introduction of a new cooperation and self-reporting program indicate that firms and individuals that self-report and cooperate in investigations will get better treatment. On the regulatory front, we expect the Commission to continue to engage in its Project KISS regulatory reform initiative. In addition, although several important Dodd-Frank Act rulemakings remain pending, we expect that certain Dodd-Frank Act rules, such as the rules governing trading on swap execution facilities (SEFs), will be revisited. In addition, the cryptocurrency markets, including the newly-listed futures contracts on bitcoin, will be an area of particular concern for the Commission. We expect the Commission to continue to assess and closely monitor the development of the cryptocurrency market.

[Read the full alert.](#)

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