WILMERHALE

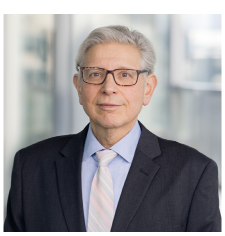
# Key Differences Between CFTC and SEC Final Business Conduct Standards and Related Cross-Border Requirements

SEPTEMBER 23, 2016

An article by Paul Architzel, Dan Berkovitz, Gail Bernstein and Seth Davis, published in the *Journal of Investment Compliance* in September 2016 and republished in *Market Solutions* by the Financial Markets Association (FMA), analyzes the differences between the SEC's newly adopted final business conduct rules for security-based swap dealers and major security-based swap participants under Section 15F(h) of the Securities Exchange Act of 1934 and the parallel rules promulgated under the Commodity Exchange Act by the CFTC with respect to swap dealers and major swap participants.

The Securities and Exchange Commission (SEC) recently adopted final business conduct rules for security-based swap dealers (SBSDs) and major security-based swap participants (MSBSPs) under Section 15F(h) of the Securities Exchange Act (Exchange Act). The Commodity Futures Trading Commission (CFTC) adopted parallel rules for swap dealers (SDs) and major swap participants (MSPs) under Section 4s(h) of the Commodity Exchange Act (CEA) in 2012. Although the SEC and CFTC rules are similar in many important respects, they have several notable differences. This may complicate a firm's decision-making on whether to integrate its SBSD into its already registered SD. We have highlighted below some of the major differences between the SEC and CFTC rules[1]. Read the full article

## *Authors*

**Paul M. Architzel**

RETIRED SENIOR COUNSEL

+1 202 663 6000