

# PUBLICATION

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## Swaps — The Compliance Countdown Begins

July 30, 2012

On July 6, 2012, the Securities and Exchange Commission (SEC) adopted [final rules](#) to further define the terms "swap" and "security-based swap" (Swap Rules). The Commodity Futures Trading Commission (CFTC) adopted its final rules to define these same terms on July 10, 2010. The action by the SEC and CFTC to adopt the joint rules and interpretations effectively starts the clock on various deadlines for achieving compliance with rules regulating reporting, clearing, trading and record-keeping for swap transactions, adopted by the SEC and CFTC pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank).

The countdown to these various deadlines for compliance with the new rules will be triggered upon the publication of the Swap Rules in the *Federal Register*. The compliance deadlines include, but are not limited to:

- Registration of swap dealers and major swap participants;
- Swap dealer and major swap participant recordkeeping, reporting and duties rules;
- Swap data recordkeeping and reporting requirements (generally); and
- Swap data repositories (registration standards, duties and core principles).

We anticipate that many entities will be able to take advantage of two exceptions that excuse compliance with these new regulations:

(1) the de minimis exception to registration as a swap dealer or

(2) the newly approved "end-user exception" available for both smaller financial entities and non-financial entities.

If you have questions about the Swap Rules and how they may affect your business or any other financial industry matter, please contact your Baker Donelson attorney.