

CFTC Staff Issues Guidance Regarding Annual Chief Compliance Officer Reports

By [Annette L. Nazareth](#), [Alba Baze](#) & [Tyler Senackerib](#) on December 18, 2019

POSTED IN [CFTC](#), [GUIDANCE & FAQs](#), [SWAP REGULATION](#)

The CFTC’s Division of Swap Dealer and Intermediary Oversight (“**DSIO**”) issued an advisory on December 4, 2019 to provide further guidance regarding the preparation and submission of chief compliance officer (“**CCO**”) annual compliance reports (“**CCO Annual Reports**”) for swap dealers (“**SDs**”), futures commission merchants (“**FCMs**”) and major swap participants (“**MSPs**”) (collectively, “**Registrants**”) pursuant to § 3.3 of the Commodity Exchange Act (“**CEA**”).^[1] The CFTC **last modified the regulations and published guidance** related to CCO Annual Reports in 2018, and DSIO staff conducted an extensive review of the CCO Annual Reports for 2018, most of which were submitted after the effective date of the new requirements. The advisory reflects the staff’s views on several areas of the CCO Annual Report in which they noted deficiencies in the reporting, including: (1) areas for improvement; (2) financial, managerial, operational and staffing resources; (3) material non-compliance issues; (4) furnishing the annual report and related matters; (5) the certification requirement; (6) the Volcker Rule; and (7) other miscellaneous items.

Our **client memorandum** discusses the advisory’s guidance in greater detail.

[1] U.S. Commodity Futures Trading Commission, Release No. 890-19, DSIO Issues Advisory Providing Guidance and Staff Recommendations for Chief Compliance Officer Annual Report Preparation, Dec. 4, 2019, <https://www.cftc.gov/PressRoom/PressReleases/8090-19>.