



August 28, 2020

Mr. Joshua Sterling
Director, Division of Swap Intermediary Oversight

Ms. Dorothy DeWitt
Director, Division of Market Oversight

U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: Request for Extension of Certain COVID-19 No-Action Regulatory Relief

Dear Mr. Sterling and Ms. DeWitt:

The Futures Industry Association (“**FIA**”), the International Swaps and Derivatives Association, Inc. (“**ISDA**”), and the Securities Industry and Financial Markets Association (“**SIFMA**”) request, pursuant to Commission Rule 140.99 and on behalf of their respective members, that the Divisions extend through midnight on January 15, 2021 the previously-granted no-action regulatory relief in CFTC Letter No. 20-19, due to the ongoing COVID-19 pandemic.¹

As the Divisions noted in the letter, the ongoing COVID-19 pandemic continues to make it difficult for all categories of CFTC registrants and other market participants to comply on a timely basis with certain of their obligations under the Commodity Exchange Act and the Commission’s regulations. In granting the original no-action relief, which was extended in Letter No. 20-19, the Divisions acknowledged that “registrants may have significant operations in affected areas or areas that may become affected by the COVID-19 pandemic. Disruptions in transportation and limited access to facilities and support staff as a result of the COVID-19 pandemic could hamper efforts of registrants to meet their regulatory obligations.”² Because of these material obstacles to compliance, the Divisions granted the no-action relief cited above “where compliance is anticipated to be particularly challenging or impossible because of displacement of registrant personnel from their normal business sites due to community non-pharmaceutical interventions such as social distancing and closures in response to the COVID-19 pandemic.”³

The Commission continues to provide registrants and market users with regulatory relief during this challenging period. For example, in addition to, revising the compliance schedule for the

¹ CFTC Letter No. 20-19 extended relief granted in Letter Nos. 20-02, 03, 04, 05, 06, 07 and 09, each of which references the applicable provisions of the Commodity Exchange Act and the CFTC’s regulations for which no-action relief was granted.

² *E.g.*, CFTC Letter No. 20-06 at 1

³ *Id.*

posting and collection of initial margin under the CFTC Margin Rule to defer the Phase 5 compliance date to September 1, 2021 “to address the operational challenges faced by certain entities subject to the [rule] as a result of the coronavirus disease 2019 (“COVID-19”) pandemic”,⁴ on June 25, 2020 the Commission also proposed to defer Phase 6 to September 1, 2022.⁵

Despite some modest easing of the COVID-19 pandemic, CFTC registrants and users of U.S. listed and over-the-counter derivatives markets still must focus substantial attention on executing business continuity plans, ensuring the safety of their employees, viability of their business operations, and keeping the derivatives markets “open for business.” The Centers for Disease Control and Prevention’s COVID-19 guidance for businesses and workplaces is complex, difficult, and expensive to implement and, in some respects, impractical.⁶ In addition, many states and municipalities have issued COVID-19 executive orders that remain in effect for varying time periods.⁷ Although firms have transitioned successfully to remote work and alternating site arrangements, as the Divisions are aware, these arrangements create many practical and technical challenges. The relief provided by the Divisions facilitated the transition to alternative work arrangements. At this point in time, the substantial majority of personnel are continuing to work remotely and may do so through the end of the year, as there still is no approved vaccine available to prevent the disease.

Because the reasons why registrants and market participants requested, and the Divisions granted, the no-action relief cited above are and will remain substantially the same for the foreseeable future, FIA, ISDA, and SIFMA request that the Divisions extend the cited no-action relief through midnight on January 15, 2021. Thank you for considering our request for this extension. Please contact the undersigned if you have any questions about our request.

The undersigned hereby certify that the material facts set forth above are true and complete to the best of their respective knowledge.

Sincerely,



Scott O'Malia
CEO
ISDA



Kenneth E. Bentsen, Jr.
President & CEO
SIFMA



Allison Lurton
Chief Legal Officer &
General Counsel
FIA

⁴ See <https://www.cftc.gov/sites/default/files/2020/07/2020-12033a.pdf> at 41346.

⁵ See <https://www.cftc.gov/sites/default/files/2020/07/2020-14254a.pdf> at 41463.

⁶ Available at <https://www.cdc.gov/coronavirus/2019-ncov/community/organizations/businesses-employers.html>

⁷ See, e.g., <https://web.csg.org/covid19/executive-orders/>