

Corporate & Financial Weekly Digest

Posted at 1:35 PM on October 29, 2010 by [Kevin M. Foley](#)

Treasury Department Requests Comments on Exemption for Foreign Exchange Swaps and Forwards

Co-authored by [Kenneth M. Rosenzweig](#) and [Christian B. Hennion](#)

The U.S. Treasury Department has requested public comment on whether foreign exchange swaps and forwards should be exempted from the definition of a “swap” under the Commodity Exchange Act (CEA). Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Secretary of the Treasury is permitted to make a determination that foreign exchange swaps, foreign exchange forwards, or both, should be excluded from the CEA’s “swap” definition, based on consideration of various enumerated factors.

In its request for comment, the Treasury has solicited comment on several specific questions, including the primary risks of, and risk management techniques in use in, the foreign exchange swaps and forward markets, and how mandatory clearing and exchange trading might affect market liquidity in the U.S. dollar, as well as U.S. dealers and end-users. The comment period expires on November 29.

A copy of the Treasury’s request for comments is available [here](#).

Katten Muchin Rosenman LLP
Charlotte Chicago Irving London Los Angeles New York Washington, DC