

## Corporate & Financial Weekly Digest

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### **CFTC Announces New Certification Procedure for Foreign Security Index Products**

*Co-authored by [Christopher Mendoza](#) and [Christian Hennion](#)*

The Commodity Futures Trading Commission has adopted a final rule that creates a new certification procedure for foreign boards of trade (FBOTs) seeking to offer “broad-based” security index futures or options contracts (Index Products) to persons in the U.S. FBOTs are currently required to obtain no-action relief from CFTC staff prior to offering an Index Product to U.S. persons. The new procedure replaces the current no-action letter process and provides for expedited review, allowing an FBOT that is registered as such with the CFTC or that has previously received no-action relief from the CFTC – either for stock index products or allowing the FBOT to offer direct access to its electronic trading systems – to offer and sell an Index Product in the U.S. 45 days after submitting a request to the CFTC with respect to such product, absent notification from the CFTC to the contrary. The final rule also permits an FBOT to offer new Index Products after an expedited 15-day review period in reliance upon prior CFTC relief issued to that FBOT where the new Index Product is based on the same index that was the subject of such prior relief and is “substantially identical” to the Index Product covered by such prior relief. Finally, previously granted no-action relief will be grandfathered under the new regime, provided that the applicable FBOT submits a written statement representing that the covered Index Products remain fully compliant with the requirements of such relief.

The final rule, available [here](#), will take effect on October 26.

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