

WV, adopted as amended

AMENDMENTS TO TITLE II – EXEMPT COMMERCIAL MARKETS –
OF THE CFTC REAUTHORIZATION ACT OF 2007

2nd amendment, U.S. w/o objection adopted

line 18 insert (1) after implementation

Insert on page 30, line 2, before the quotation mark:

“(2) With respect to the core principles described in (C)(iv) and (v), above, the Commission shall take into account the differences between cleared and non-cleared significant price discovery contracts.”

Unlike a DCM, an ETF is a principals' market, where participants execute their own trades and may choose to settle either with the counterparty directly (bilateral settlement or “non-cleared contract”) or may be settled through a clearing firm on a designated clearing organization (“cleared contract”). This provision directs the CFTC to take into account the differences between cleared and non-cleared contracts on an ETF when the core principles on position limits and emergency action are applied.