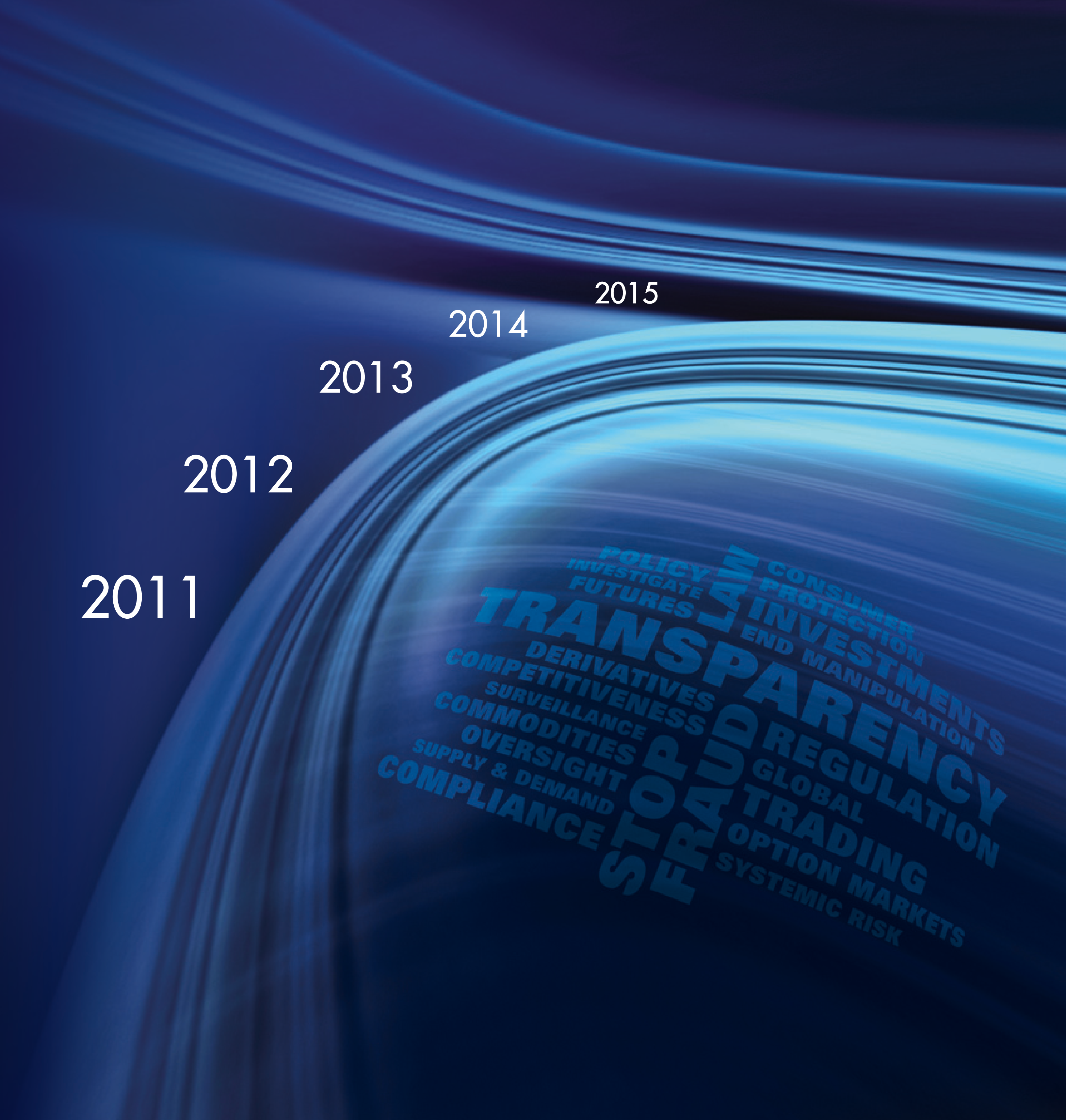
Commodity Futures Trading Commission

Strategic Plan FY 2011-2015



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Strategic Plan FY 2011-2015

To protect market users and the public from fraud, manipulation, abusive practices and systemic risk related to derivatives that are subject to the Commodity Exchange Act, and to foster open, competitive, and financially sound markets.

Message from the Chairman

Since the passage of the Commodity Exchange Act (CEA), the Commodity Futures Trading Commission (CFTC) and its predecessor agencies have been responsible for ensuring the fair, open, and efficient functioning of futures markets—we have met that challenge. After the 2008 financial crisis, and the subsequent enactment of the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), the CFTC's mission was expanded to include, for the first time, oversight of the swaps marketplace. The Commission still has much work to do to complete effective implementation of the Dodd-Frank Act and police the over-the-counter (OTC) markets. Once implemented, derivatives dealers will be subject to robust oversight. Standardized derivatives will be required to trade on open platforms and be submitted for clearing to central counterparties, all of which will be subject to Federal regulation and supervision.

Staff will be required to oversee swap dealers, the clearing of swaps and the trading of swaps on exchanges, or swap execution facilities (SEFs). These new responsibilities are in addition to the Commission's existing mission of policing the futures marketplace. Some of the CFTC's new authorities will be consistent with our current authorities but expanded to also include swaps. Some will be new responsibilities, such as regulating swap dealers, major swap participants, SEFs, and swap data repositories (SDRs).

The CFTC can meet the challenge of its expanded mission to ensure the fair, open, and efficient functioning of the swaps markets. The Commission has one year or less to write the required rules to help strengthen market integrity, transparency, and competition; we are just past halfway through that process. The U.S. futures marketplace that has long been regulated by the CFTC currently has a notional value of approximately $40 trillion. The U.S. OTC derivatives marketplace has a notional value of approximately $300 trillion, or nearly eight times the notional amount of the futures markets.

We submit our Strategic Plan for fiscal years 2011 through 2015 keenly aware of the significant near and long-term challenges we face. A broader and more complex mission requires building capacity in skilled staff and advanced technology solutions to oversee the highly sophisticated electronic marketplace. Growth and change require an organizational structure aligned to successfully integrate and carry out existing and developing authorities. Effectively optimizing, integrating, and structuring Commission resources demand a more robust operating model capable of supporting a larger Commission in its direction setting and decision-making.

In the near term, the Commission is focused on writing rules to regulate the OTC derivatives marketplace. Over the long term, we must invest resources to effectively implement and enforce the new regulations. Resources are essential for this to be accomplished. We will continue to automate our surveillance of the markets and bolster our enforcement program to maximize the capability of limited resources and to more efficiently police for fraud, manipulation, and other abuses. We will strengthen our oversight divisions and continue working with international regulators to harmonize our rules in the global markets. The challenges before the Commission are significant, but can be met, provided we are sufficiently resourced. I am confident that our talented and hard-working staff will do all they can to meet the goals and objectives set out in this Strategic Plan.

Gary Gensler
February 28, 2011

Fiscal Year 2010 Commissioners

Back row from left; **Scott D. O'Malia,** *Commissioner*; **Jill E. Sommers**, *Commissioner*; **Bart Chilton**, *Commissioner*
Front row from left; **Michael V. Dunn**, *Commissioner*; **Gary Gensler**, *Chairman*

Introduction

This document presents the CFTC's Strategic Plan for the period FY 2011 through FY 2015. It is prepared in accordance with the requirements of the Government Performance and Results Act (GPRA) and presents the CFTC's long-term strategic goals and objectives as well as near-term strategies for meeting its commitments under the CEA.

Congress created the CFTC in 1974 as an independent agency with the mandate to regulate commodity futures and option markets in the United States. The Commission's mandate was renewed and/or expanded in 1978, 1982, 1986, 1992, 1995, 2000, 2008, and 2010. The Dodd-Frank Act significantly broadened the CFTC's regulatory authority to include the OTC derivatives, or "swaps", markets. The CFTC's short and long-term goals include significant rule-writing and implementation in the swaps marketplace.

The CFTC was established to assure the economic utility of the futures markets by encouraging competitiveness and efficiency; protecting market participants against fraud, manipulation, and abusive trading practices; and ensuring the financial integrity of the clearing process. Through effective oversight, the CFTC enables the futures markets to serve the important function of providing a means for price discovery and offsetting price risk. The CFTC will spend the next year bringing similar protections to the OTC derivatives marketplace.

Derivatives have been around the United States since the Civil War, when grain merchants came together to hedge the risk of changes in the price of corn, wheat, and other grains on a central exchange. These derivatives are called futures. Nearly 60 years and a financial crisis—the Great Depression—after they first traded, Congress brought Federal regulation to the markets. It wasn't until the 1930s that the CEA, which created the CFTC's predecessor, became law. At the time the CFTC was established in 1974, the vast majority of futures trading took place on commodities in the agricultural sector.

Over the years, the futures industry has become increasingly diversified. While agricultural interests continue to use the futures markets to lock in prices for their crops and livestock, highly complex financial contracts based on interest rates, foreign currencies, Treasury bonds, securities indexes, and other products far exceed agricultural contracts in trading volume. In fact, only about eight percent of on-exchange commodity futures and options trading activity occur in the agricultural sector, while financial commodity futures and option contracts make up approximately 79 percent of trading activity on futures exchanges. Other contracts, such as those on metals and energy products, make up about 13 percent.

The increase in trading activity, number of participants, and complexity and number of contracts available for trading has transformed the futures marketplace into a $40 trillion industry. The rapid evolution in trading technologies, cross-border activities, product innovation, and competition has made the futures markets an integral and significant part of the global economy. In addition to the rapid growth of the futures marketplace, the global economy has also seen the development of a new derivatives market—the OTC swaps market. The first OTC derivative transaction took place in 1981. Since then, the swaps market has grown to $300 trillion notional amount in the United States. The emergence of this new marketplace has brought new challenges to the financial regulatory system. The Dodd-Frank Act authorizes the CFTC to bring regulation to the OTC marketplace. Implementing that legislation will remain a significant goal of the Commission in the next few years. The Commission must remain vigilant in its transformation management and deployment of technology to ensure it is well positioned, organized, and aligned with the capacity and capability to accomplish the implementation of the Dodd-Frank Act and achieve success in all aspects of its expanded mission.

In summary, the CFTC regulates a futures and options industry that increased from 580 million contracts in 2000 to more than 3.1 billion contracts in 2010. The value of customer funds held in Futures Commission Merchants Accounts, during the same period, increased from $56.7 billion to more than $170.1 billion, and the value of these contracts is notionally estimated at $40 trillion. As noted, with the passage of the Dodd-Frank Act, the CFTC is tasked with regulating the swaps markets with an estimated notional value of approximately $300 trillion—roughly eight times the size of the regulated futures markets.

To address the scope of the swaps marketplace and ensure that the CFTC is well-situated to fulfill its expanded mission of overseeing swaps markets, the CFTC will need to reorganize. The Commission is committed to implementing the reorganization in the near term to better implement the Dodd-Frank Act. While the details remain to be worked out, some aspects of this reorganization are already clear. First, the CFTC will create a new group for oversight of swap dealers and intermediaries. This group will report to the Chairman's office, and will facilitate standing up the new regulatory regime for the swaps marketplace by creating a group whose primary focus is on the regulation and oversight of swap dealers. It will also provide consolidated oversight of other regulated intermediaries, as well. Exact details on the transfer of responsibilities from existing divisions and offices remain to be worked out.

Second, as outlined in the Strategic Plan, technology will play a critical role in leveraging financial and human resources as the CFTC executes its expanded oversight and surveillance responsibilities over both the futures and swaps markets pursuant to the Dodd-Frank Act. Accordingly, the Commission will reorganize its technology programs by establishing a new group reporting to the Chairman's office for the collection, management, and some analysis of data. This group will be staffed by personnel drawn from multiple disciplines and existing divisions and offices, and will facilitate the improved oversight and enforcement of the derivatives markets through the use of technology and data. It will also serve as the primary interface for market participants in adapting to the new data standards and reporting requirements for market data required under the Dodd-Frank Act. Exact details on the transfer of responsibilities from existing divisions and offices remain to be worked out.

The CFTC's current funding is far less than what is required to properly fulfill its significantly expanded role. The CFTC has requested additional funds, and without the requested resources the Commission may not be able to meet its strategic goals, nor its statutory and regulatory obligations. Simply stated, the degree of success the CFTC will have in achieving the goals and objectives in this Strategic Plan depends upon its ability to secure funding necessary to support its expanded mission and necessary transformation. ■

CFTC Goals

The development of a CFTC Strategic Plan at this time creates a unique situation in that the mission expanding Dodd-Frank Act was passed in July 2010. The Dodd-Frank Act will greatly increase the scope of regulation by the CFTC by bringing oversight to the swaps marketplace. The futures marketplace that the CFTC currently oversees is a $40 trillion industry in notional value. The swaps market that the Dodd-Frank Act tasks the CFTC with regulating is far larger; the Office of the Comptroller of the Currency estimates it at $217 trillion notional value (2010), while others estimate it being as high as $300 trillion.

Congress gave this swaps oversight responsibility to the CFTC because of its strengths in regulating the futures and options markets. While the swaps marketplace has only been around since the 1980s, the futures marketplace has existed since the 1860s. The CFTC and its predecessor agencies have been regulating and working with the futures markets since the 1920s.

The regulation of the swaps markets included in the Dodd-Frank Act builds upon:

- the Commission's strengths applicable to oversight of the futures markets;
- the benefits of clearing in the futures markets;
- the transparency and price discovery that centralized trading brings to the futures markets;
- the concept that intermediaries should be regulated to lower risk in the markets; and
- the understanding that effective oversight can only be accomplished if the regulator has access to all relevant information about activity in the markets.

The goals of the CFTC largely remain the same with the regulation of swaps being incorporated within the regulatory structure currently applied to the futures and options markets. The CFTC's primary focus will be to write the rules to regulate the swaps markets, implement those rules, test and adjust those rules, and write new rules as necessary to bring effective regulation to all derivatives markets over the next five years. The Commission will also adopt as policy President Obama's Executive Order signed on January 18, 2011, entitled "Improving Regulation and Regulatory Review." The Commission will apply this standard to all future and pending rulemakings under the Dodd-Frank Act and seek to streamline its existing rules and regulations as well. To sustain a focus on its expanded scope and new swaps regulation, the Commission must review and properly align its organizational structure, ensure it is appropriately staffed, and ensure the CFTC is technologically ready to address greatly increased data and analysis requirements.

The focused rule-writing efforts through July 2011 are not being treated as a strategic goal, but as a tactical goal that has an objective, strategy and performance measure. The Strategic Goals are long-term and focused on implementation of the Dodd-Frank Act and continuing to improve the CFTC's regulation of the derivatives markets.

Financial Reform Legislation

Overview

On July 21, 2010, the President signed the Dodd-Frank Act. The legislation, the most wide-ranging reform of the financial regulatory system since the New Deal, introduces reforms in many areas, including banking, insurance, and the securities and derivatives markets. The legislation brings OTC derivatives under the regulatory oversight of the CFTC and the Securities Exchange Commission (SEC). The Dodd-Frank Act sets forth a comprehensive scheme to regulate derivatives dealers, require clearing of standardized OTC derivatives, and provide for transparent trading of standardized swaps on regulated exchanges or similar trading venues. The Dodd-Frank Act broadens the CFTC's enforcement authority and enhances its regulatory oversight.

Objective 0.1 Complete all Dodd-Frank Act rule development requirements within the statutory deadlines.

Implementing the new responsibilities given the CFTC by the Dodd-Frank Act is a significant priority and critical focus of the Commission during the first year of this Strategic Plan. Congress requires the CFTC to complete more than 60 rules within 360 days; some have deadlines of 90, 180, or 270 days. The workload attendant to the rulemaking process, together with studies and other actions to be taken, is unprecedented for the CFTC.

The CFTC began working on the draft rules that Congress assigned to it in July 2010. As of February 1, 2011, the CFTC has already issued one final rule, two interim final rules, and 43 proposed rules. Developing, vetting, finalizing, and implementing this many rules take an enormous effort. These rules will lower risk, promote market transparency, and further protect the U.S. public.

Strategy 0.1.1 Review all Dodd-Frank Act rule requirements, identify related rules, create staff teams to address each rule grouping, and map out a schedule to complete all rules within the statutory deadlines.

The CFTC began preparing for the task of writing rules for the swaps marketplace by identifying 30 areas of rulemaking to implement the Dodd-Frank Act (Appendix C lists the 30 areas). The CFTC has found that some of these areas only required one rule, while others required more. Staff teams have been assigned to each rule grouping. Where proposed and interim final rules have been issued, the Commission is affording as much opportunity as practicable for public comment both through written submissions and public meetings. The Commission will fully consider the comments and continue to offer this opportunity as additional proposed rules are developed. The CFTC has and will continue to work with the SEC and other regulators to maximize consistency and minimize overlap or duplication. All information will be considered in developing the best possible final rule.

Performance Measure 0.1.1.1 Complete all Dodd-Frank Act rules within statutory time frames.	
FY 2011	100%

Goal 1

Protect the public and market participants by ensuring market integrity; promoting transparency, competition, and fairness; and lowering risk in the system.

Derivatives markets are designed to provide a means for market users to offset price risks inherent in their businesses and to act as a public price discovery platform from which prices are broadly disseminated for public use. For derivatives markets to fulfill their role in the national and global economy, they must operate efficiently and fairly, and serve the needs of market users. The markets best fulfill this role when they are open, competitive, and free from fraud, manipulation, and other abuses such that the prices discovered on the markets reflect the forces of supply and demand.

The Commission strives to assure that Goal 1 is effectively met through the combined use of four oversight strategies: 1) the review of new contracts and rules and changes to contracts and rules; 2) continual surveillance of trading activity in the futures and swaps markets; 3) the review of regulated exchanges, designated contract markets (DCMs), and SEFs to ensure that they are fulfilling their self-regulatory obligations; and 4) the adoption of policies and strategies to promote market transparency.

Review of New Contracts and Rules and Changes

The Commission routinely reviews new rules and rule changes adopted by exchanges to assure that they meet the statutory core principles of the CEA and the CFTC's regulations. The Commission also reviews and/or approves newly listed contracts and rules for compliance with applicable core principles related to susceptibility to manipulation and speculative position limits.

In addition to the Commission's traditional role in the oversight of DCMs, the recent enactment of the Dodd-Frank Act created a new market category of designated trading facility, referred to as a swap executive facility (SEF). As with traditional exchanges, staff will be responsible for reviewing new SEF registration applications and for conducting annual examinations of their operations to ensure compliance with the core principles. The Commission, based on industry comments, expects that 30-40 entities will apply to become SEFs, adding to the current number of 17 DCMs, potentially tripling the CFTC's oversight requirements in this area.

Surveillance of Trading Activity

The Commission monitors trading and the positions of market participants on an ongoing basis. Under the Dodd-Frank Act, the Commission's oversight will expand from futures and options contracts traded on DCMs to also include swaps traded on DCMs and SEFs. Commission staff, through their surveillance programs, screen for potential market manipulations and disruptive trading practices, as well as trade practice violations such as wash trading, prearranged trading, accommodation trading, customer fraud, fictitious sales, trading ahead, and trading against and front running customer orders. Staff also monitor changing market conditions and developments, such as shifting patterns of commercial or speculative trading, or the introduction of new trading activities, such as index trading or high frequency and algorithmic trading, to assess possible market impacts.

Where appropriate, staff adapt its surveillance and trading review techniques to account for and target these areas of change, and also consider the impact that such changes may have on exchange trading rules and contract design.

Under the Dodd-Frank Act, the Commission must establish new regulations to register SDRs and ensure that swaps data is reported consistent with the Dodd-Frank Act. Such data must be collected, maintained, and made available to the Commission and other regulators consistent with new statutory and regulatory mandates which include requirements for real-time public reporting. Initial estimates are that the Commission will receive at least five SDR applications—one for each major asset class of swaps—and possibly as many as 10, if some current international data repositories seek to register as SDRs. This will require a significant number of staff and information technology (IT) effort to develop the systems to permit the Commission to access this data from SDRs and to compile and analyze it to carry out the Commission's statutory responsibilities.

The CFTC will continue to increase its use of technology to implement new procedures and automated market surveillance systems to monitor and analyze trading patterns and ownership and control of positions within and across the futures, options, and swaps markets. Staff are developing a rule to establish SDRs, which will provide them with real-time access to trades and aggregation of positions as required under the Dodd-Frank Act.

Review of Designated Contract Markets and Swap Execution Facilities

To ensure that DCMs, and in the future SEFs, are enforcing their rules, the Commission conducts regular reviews to assess ongoing compliance with core principles through the self-regulatory programs operated by the exchange in order to enforce its rules, prevent market manipulation, and customer and market abuses, and ensure the recording and safe storage of trade information. These reviews are known as rule enforcement reviews (RERs).

In conducting an RER, Commission staff examine trading and compliance activities at the exchange in question over an extended time period, typically the 12 months immediately preceding the start of the review. Staff conduct extensive review of documents and systems used by the exchange in carrying out its self-regulatory responsibilities, interview compliance officials and staff of the exchange, and prepare a detailed written report of their findings. In nearly all cases, the RER report is made available to the public and posted on *www.CFTC.gov*.

Promotion of Market Transparency

The CFTC is committed to transparency in the marketplace, and has a long history of publishing reports and data on market activity. The most well known report published by the Commission is the Commitments of Traders report. This report, published on a weekly basis, provides a breakdown of each Tuesday's open interest for markets in which 20 or more traders hold positions equal to or above the reporting levels established by the CFTC. On September 4, 2009, the Commission enhanced the report when it began disaggregating the data to break out managed money and swap dealer activity in the futures and option markets. The Commission also produces an index investment data report, which summarizes index investment activity in commodity markets, a bank participation in futures and option markets report, and a Cotton On-Call report. As the Commission implements the elements of the Dodd-Frank Act, staff will continue efforts to promote transparency in the swaps market through the development and publication of similar reports for that market.

Objective 1.1 Ensure that markets are structured to reflect the forces of supply and demand for the underlying commodity and are free from manipulation, disruptive activity, and abusive trading practices.

Derivatives markets serve an important function in the U.S. economy by providing a mechanism for price discovery and a means of offsetting price risk. It is critical that the markets and contracts traded on them are structured such that prices accurately reflect the economic forces of supply and demand and that trading is free from manipulation or other disruptive activity. The Commission's market and product review programs have the primary responsibility for reviewing exchange rules and contract terms and conditions to ensure that they are specified in such a way that the markets achieve their intended purpose.

A key factor in the Commission's effort to effectively oversee the markets under its jurisdiction is its ability to collect information and communications from market participants and stakeholders. With respect to market surveillance, for example, the Commission collects various reports from large traders that provide analysts with important background information on traders. The Commission also relies on public comments as part of its rulemaking efforts and to guide its oversight of the exchanges and registrants. To ensure that its communications with the public and registrants is efficient, the Commission is committed to updating its rules and procedures to receive forms and other information electronically. The Commission is also enhancing the process for public comment submissions to enable submitters and Commission staff to search and locate information more efficiently, increase information integrity, and streamline the submission and information management processes.

Although the structure of the markets and contracts must be overseen to ensure they are serving as the basis for sound price discovery and effective risk management, it also is necessary to actively monitor the behavior of market participants to identify specific situations that could cause distortions in the market. The Commission's surveillance program closely monitors the futures, options, and swaps market activity of all traders whose positions are large enough to potentially impact the orderly operation of the market. Where conditions warrant, Commission staff contact traders and work with exchange surveillance staff to defuse potentially disruptive situations.

Another key objective of the Commission is to assure that participants within the market are protected against fraudulent or abusive trading practices. To detect these types of abuses, the Commission staff routinely review trading activity of individuals at each domestic exchange and, when they come into existence, swaps execution facilities. Staff look for patterns of activity that may indicate possible violations of the CEA by one or more individuals. When such patterns are observed, staff engage in additional efforts to collect supporting documents and other evidence of violations. Where appropriate, matters are referred to the appropriate exchange for continued investigation, disciplinary action, or enforcement action. In addition, Commission staff routinely consult with surveillance staff at exchanges as a means to collect addition information and intelligence on surveillance matters as well as to coordinate actions involving traders when appropriate.

Strategy 1.1.1 Develop automated surveillance systems to monitor market conditions and trader activity, and develop an alert and case management system to identify and track potential trading violations.

The Commission constantly monitors prices and traders' positions to identify unusual price changes and price relationships in the futures and options markets. As information on swap positions becomes available, a similar effort to monitor swap market activity will also be incorporated into the surveillance systems. Staff follow up to determine whether the cause of such unusual changes and relationships may be the result of inappropriate activity by traders in the market. Staff also routinely monitor the composition of traders' positions, in particular when a trader's position has risen to a high level of concentration due to the trader actively increasing a position or by the attrition of other traders' positions in the market.

The Commission is developing automated systems that will identify and alert staff to unusual market conditions and trader activity. Four market alerts currently being developed will automatically notify staff economists to the existence of unusual situations related to price changes, trader position changes, trading activity around scheduled economic data releases, and unusual option trading around futures last trading days. Staff are also developing a fifth flexible market profile alert system that could be used to identify traders trading in concert, and situations or conditions in or between markets that fall outside the "normal" market profile, such as a normal spread between related commodities, record high volumes or open interest, large price inversions, *etc*. In addition, as staff receive data for swaps market transactions, this data will be integrated into existing alerts and new alerts will be developed that are relevant to that market.

Staff currently monitor trader positions to identify position limit violations for nine DCM-listed agricultural commodities for which Federal position limits exist. Under the Dodd-Frank Act, the Commission's responsibilities will expand to positions in not only the futures markets, but to positions in non-financial-based swaps markets as well. In addition, Federal speculative position limits may expand to cover about 30 agricultural and exempt commodity markets. To ensure that Commission staff and exchanges are properly monitoring and enforcing their position limits, staff will develop automated systems to identify potential position limit violations by traders in commodities with Federal position limits. As swaps transactions are added to the mix of commodities to which Federal position limits may apply, staff will integrate those transactions into the alert systems, first relying on large trader reports submitted by swap dealers and ultimately transitioning to swap data that has been submitted to SDRs.

Commission surveillance staff closely review the intraday trading activity of market participants. DCMs submit daily trade data to the Commission on the day following the day on which trades are executed. The data is maintained in a database and is the backbone of the CFTC's Trade Surveillance System (TSS). The transaction data is used by trade practice analysts, economists, attorneys, and other market analysts to examine market activity to ensure against fraud, abusive trading practices, and manipulation. In addition, Commission staff analyze trade data to determine whether markets regulated by the Commission are operating in an efficient and orderly manner.

A key strategy used to detect abusive trading practices is to establish normal patterns of trading activity, using available data from DCMs, which can serve to identify trading activity that deviate from the norms and is indicative of potential trading violations.[1] When such trading is observed, TSS alerts analysts to conduct further investigation to ascertain whether a trading violation has occurred. Alerts have been developed and implemented for trading violations such as wash trading, trading ahead of customer orders, and marking the close, and staff continue to work to develop and implement additional trade practice alerts as well as a profiling model that will include profiling alerts. Alerts also will be developed for the swaps markets and to conduct cross-market surveillance.

The Commission is developing an electronic case management system to assure appropriate review and documentation of alerts to note whether continued monitoring is needed, referral to enforcement is appropriate, or other action is necessary. This case management system will also be used to monitor manipulation concerns, complaints, tips, and referrals that come from within and outside the Commission.

The implementation of automated surveillance systems is expected to enhance the surveillance program in several respects. First, it will allow staff to allocate more time to data analysis and focus analysis on the participants, issues, and trends having the biggest impact on markets. This technology transformation will accompany and result in increasingly innovative approaches to identifying key information and collaborating with other staff. Second, it will expand the breadth of surveillance by using computerized algorithms to routinely scan data for potential trading violations or market conditions that may previously have been overlooked. Third, the use of a case management system to document staff analyses and examinations can itself be used as a source to identify additional surveillance concerns, such as to identify trends or patterns in particular types of activity. Finally, the use of an integrated automated alert and case management system will ensure that identified trading violations and market surveillance concerns are routinely scrutinized and documented.

Performance Measure 1.1.1.1 Implement automated position limit alerts for futures, option, and swaps markets.	
FY 2011	Implement automated position limit monitoring for all additional commodities under CFTC position limits for futures and options traded on DCMs.
FY 2012	Implement automated position limit monitoring for all commodities under CFTC position limits for the swaps market using large trader reporting data.
FY 2013	N/A
FY 2014	Implement automated position limit monitoring for all commodities under CFTC position limits using integrated data from reporting firms and swaps data repositories.
FY 2015	N/A

[1] *When in the future SEFs begin operating, this strategy will be expanded to cover those operations.*

Performance Measure 1.1.1.2 Implement automated surveillance alerts and a case management system.[2]	
FY 2011	Implement four automated market alerts.
FY 2012	Implement automated market profile alerts. Integrate swaps market data into two automated market alerts.
FY 2013	Implement automated market profile alerts for swaps market.
FY 2014	N/A
FY 2015	N/A

Performance Measure 1.1.1.3 Implement automated trading violation alerts and a case management system.[3]	
FY 2011	Implement five automated trading violation alerts.
FY 2012	Implement five automated trading violation alerts.
FY 2013	Implement four automated trading violation alerts.
FY 2014	Implement two automated trading violation alerts.
FY 2015	Develop and implement additional automated alerts as identified.

Strategy 1.1.2 Review and update the content requirements of currently used trader reporting forms and identify potential new reporting forms or methods.

In conducting surveillance, it is important that staff have background information regarding those holding positions in futures, options, and swaps. Information currently collected by the Commission through CFTC Forms 40, 102, 204, and 304 permits Commission staff to carry out a variety of surveillance functions that would not be possible or as effective without the availability of this information. Data submitted on these forms allows for a more complete aggregation of positions where, for example, a trader holds positions in multiple accounts, potentially at different reporting firms. It also provides information on the types of activity in which a trader or business is operating. Such information is used to assess the applicability of position limits or to evaluate the potential motivations of a trader. Basic contact information is included in these forms should there be the need to contract traders. Information provided in these reports allows the Commission to generate the Commitments of Traders reports, which help to promote market transparency. In addition, requirements of the Dodd-Frank Act will also necessitate additional information collection regarding traders in the swaps market.

Many of the forms used to collect information on traders have been in use for many years. To assure that information being collected in these forms remains relevant, staff will undertake a review of current forms to evaluate the need for potential changes, including consolidation. In addition, staff will undertake, in collaboration with the futures and swaps industry, an effort to develop the best means to collect certain ownership, control, and related information for all trading accounts active on all U.S. futures exchanges and other reporting entities. The objective of such a proposal is to enable the Commission to more readily form a complete picture of an individual's position within and across markets, both with respect to a trader's open positions as well as his or her intraday trading activity.

Performance Measure 1.1.2.1 Review information requirements of current and proposed forms.	
FY 2011	Conduct internal review and update current reporting forms. Collaborate with industry committee to develop recommendations for ownership and control information related to exchange-traded futures and options.
FY 2012	Implement ownership and control reporting standards for futures and option markets. Implement reportable trader standards for swaps traders.
FY 2013	N/A
FY 2014	N/A
FY 2015	N/A

[2] *Staff have identified a total of five market alerts to be developed and implemented during the period of this Strategic Plan. Development of additional alerts and enhancements to alerts may occur to the extent that staff become aware of other types of trading abuses or better means to detect known types of trading violations. The ability to fully integrate swaps data into the alert systems developed for futures and option positions will depend on the nature of the data eventually reported to swaps data repositories.*

[3] *Staff have identified a total of 16 trading violation alerts to be developed and implemented during the period of this Strategic Plan. Development of additional alerts and enhancements to alerts may occur to the extent that staff become aware of other types of trading abuses or better means to detect known types of trading violations. Also, alerts to be implemented in FY 2013 and FY 2014 assume that staff will have access to additional information regarding order book data and ownership and control data, respectively.*

STRATEGY 1.1.3 Increase efficiency and reduce errors through the adoption of electronic filing of CFTC reporting forms.

In addition to updating information requirements, Commission staff will also begin efforts to automate the collection of data through the electronic filing of forms. Currently such information is filed though paper documents and entered by staff into the Commission's computerized databases. Electronic filing will reduce transcription errors when information is entered into the Commission's computer systems, allow for automated checks of data entered by filers, allow tagging that will facilitate aggregation and system integration, and support automated downstream processing and dissemination of public information. Such efforts will enhance the efficiency of the Commission by reducing the time staff need to spend checking for and correcting errors so that their efforts can be redirected to other tasks.

Performance Measure 1.1.3.1 Transmit information and consult with the Office of Information Technology Services (OITS) to implement electronic filing of forms.	
FY 2011	Transmit information requirements to OITS for revised trader reporting forms.
FY 2012	Fully deploy electronic filing of trader reporting forms.
FY 2013	Fully deploy information systems for ownership and control reporting. Fully deploy information systems for reportable trader standards for swap traders.
FY 2014	N/A
FY 2015	N/A

STRATEGY 1.1.4 Review all contracts that have significant market impact for compliance with core principles in a timely manner.

A key strategy to ensure that contracts listed on futures and option exchanges serve their intended purposes of providing effective risk shifting and price discovery functions is to review the terms and conditions of contracts with significant trading to assure that they meet the core principles of the CEA. To best support the integrity and structure of the markets, Commission staff will regularly examine each new contract for market significance and will prioritize timely review of contracts that meet a certain threshold of significance. Contracts will be found to have market significance if they have reached a monthly trading volume of 20,000 contracts and a month-end open interest of 10,000 contracts. Contracts that reach these volume and open interest benchmarks can be reasonably considered to have achieved at least a minimal degree of market acceptance, and thus could be viewed as having market significance. Efficient use of Commission resources requires prioritization of due diligence reviews of new contracts in order to efficiently employ Commission resources. The use of market significance, as indicated by market acceptance, appears to be a reasonable standard. Contracts also will be found to have market significance if they present issues that are novel, particularly complex, or otherwise notable. As the CFTC begins to collect information on swaps contracts, staff will also develop measures to identify what levels of activity are indicative of market significance in that market.

Performance Measure 1.1.4.1 Percentage of contracts that are reviewed, in a timely manner, following a finding of market significance, and determined to be in compliance with core principles or referred back to exchange for modification.	
FY 2011	100%
FY 2012	100%
FY 2013	100%
FY 2014	100%
FY 2015	100%

STRATEGY 1.1.5 Timely review of new rules and rule changes for compliance with core principles.

Along with the review of terms and conditions of contracts for compliance with core principles, a review of the rules and rule changes proposed by exchanges and SEFs for compliance with core principles serves as a means to assure that exchanges are operating in a fashion that protects the markets and market users from abuse and price distortions. It is also important to promptly conduct review of rules and rule changes in order to ensure that the rules under which the exchanges are operating are effective. Where they are not, prompt review allows quick referral back to the exchanges for correction.

Performance Measure 1.1.5.1 Rule submissions are reviewed and a determination is made regarding compliance with the CEA, or referred back to the exchange for correction, as amended by the Dodd-Frank Act and Commission regulations within the required 10-day or 90-day time period.	
FY 2011	100%
FY 2012	100%
FY 2013	100%
FY 2014	100%
FY 2015	100%

Strategy 1.1.6 Ensure that new exchanges adopt rules that comply with core principles.

A key element in assuring that derivatives exchanges operate in a transparent, competitive, and fair manner is that they have a set of rules in place that govern the operation of markets and the rights and obligations of market participants. Before an exchange may begin operation, staff conduct a thorough review of the exchange's proposed rules to assure that the rules comply with core principles. Staff also make an assessment of the ability of the exchange to enforce its rules on an ongoing basis.

Performance Measure 1.1.6.1 DCM and SEF applications are reviewed and a determination is made regarding compliance with core principles within statutory time frames.	
FY 2011	100%
FY 2012	100%
FY 2013	100%
FY 2014	100%
FY 2015	100%

Objective 1.2 Ensure that U.S. DCMs and SEFs have the systems, procedures, and resources necessary for effective self-regulation and ongoing compliance with core principles.

In fostering the integrity of DCMs and SEFs, it is not only necessary that markets adopt rules designed to protect the market function, but that they have in place systems, procedures, and resources that allow them to enforce their rules. The Commission maintains a market compliance program to oversee the regulatory and oversight activities of DCMs and SEFs to ensure that their self-regulatory obligations are met. The market compliance program consists of examinations of exchanges' self-regulatory programs on an ongoing basis to assess their continuing compliance with applicable core principles under the CEA and Commission regulations. Reports resulting from these examinations are published on the Commission's Web site.

Strategy 1.2.1 Conduct examinations of individual DCMs and SEFs to ensure the structural sufficiency of their self-regulatory and core principle compliance programs.

Staff routinely conduct examinations, or RERs, of DCMs (and SEFs, when they come into existence), to ensure that exchanges, on a continual basis, are meeting their self-regulatory responsibilities and complying with the core principles. During these reviews, staff conduct interviews of exchange staff and review documents and other information related to self-regulatory and core principle compliance programs. Following these reviews, staff produce a publicly available report, noting any deficiencies that may exist and making recommendations to correct the deficiencies. If deficiencies are found, exchanges are given 30 days to respond with a written plan to correct the deficiencies and Commission staff follow up with a review of the exchanges' efforts during the next RER. In order to assure that staff resources are being used effectively, DCMs and SEFs will be categorized in terms of whether they serve as a major or non-major role in the markets. A major DCM or SEF will be defined as the largest entities that contribute to at least 75 percent of observed volume in the overall futures and swaps markets. Staff will then conduct annual reviews on these major DCMs and SEFs, while scheduling reviews on non-major DCMs and SEFs with lesser frequency. Staff also will conduct reviews of any DCM or SEF (regardless of size) where Commission staff have reason to believe that the exchange has self-regulatory issues.

Performance Measure 1.2.1.1 Percentage of major DCMs and SEFs reviewed, during the year.	
FY 2011	100%
FY 2012	100%
FY 2013	100%
FY 2014	100%
FY 2015	100%

Performance Measure 1.2.1.2 Percentage of non-major DCMs and SEFs reviewed, during the year.	
FY 2011	100%
FY 2012	100%
FY 2013	100%
FY 2014	100%
FY 2015	100%

Strategy 1.2.2 Conduct regular reviews of DCMs' and SEFs' automated systems and business continuity and disaster recovery programs for compliance with core principles related to market continuity.

Technical reviews of the electronic systems and business continuity and disaster recovery (BC-DR) capabilities of DCMs and SEFs are essential to effective market oversight in today's futures trading environment, in which electronic trading now dominates. Sophisticated computer systems are crucial to an exchange's ability to execute and clear transactions, maintain a comprehensive audit trail, publish timely market data, and conduct adequate market and trade practice surveillance. These systems provide a basis to monitor and enforce compliance with exchange rules and Commission regulations. Oversight of the DCMs' and SEFs' systems and BC-DR capabilities is thus essential to mitigating systemic risk. Commission staff regularly conduct technical reviews to evaluate the compliance of such electronic systems and BC-DR capabilities with the cyber and information security, capacity, and functionality and BC-DR requirements of the CEA, including core principles and Commission regulations and policies. As with RERs, BC-DR reviews will be scheduled to occur more frequently for DCMs and SEFs where the greatest level of activity and concern resides.

Performance Measure 1.2.2.1 Percentage of major DCMs and SEFs reviewed, during the year.	
FY 2011	100%
FY 2012	100%
FY 2013	100%
FY 2014	100%
FY 2015	100%

Performance Measure 1.2.2.2 Percentage of non-major DCMs and SEFs reviewed, during the year.	
FY 2011	33%
FY 2012	33%
FY 2013	33%
FY 2014	33%
FY 2015	33%

Objective 1.3 Promote transparency by producing and publishing summary market statistics for the futures, options, and swaps markets.

The term transparency can refer to various levels of information availability in a market. In a narrow sense it refers to the ability of traders to observe order flow on an exchange; that is, to see information such as the size and direction of orders, or the timing of orders. However, transparency can more broadly describe information pertaining to the reporting of price and volume of trading on an exchange and to the composition of participants involved in trading. Such information is important to both direct participants on the exchange, and more broadly to other individuals or businesses that use market information to make business decisions, even though they do not directly transact on the exchange. Market transparency also allows for assessments by market participants and regulators as to whether markets appear to be functioning properly, and the overall robustness of the market.

The Commission has long been committed to assuring that information about markets is broadly and freely disseminated to the public. Currently the Commission publishes periodic reports on market activity and participant composition. These include a weekly Commitments of Traders report, a monthly Bank Participation report, a monthly Index Investment Data report, and a weekly Cotton On-Call report.

With the passage of the Dodd-Frank Act, the Commission now has a responsibility to oversee trading in the swaps market. Part of this responsibility includes assuring that certain trading activity and information produced in these markets is reported, not only to regulators, but generally to the public. The Dodd-Frank Act requires publication, by the Commission, of semi-annual reports summarizing activity in the swaps markets. To fulfill this obligation, and generally to assure that the swaps, futures, and options markets are transparent, the Commission will initiate several strategies to update its current public transparency efforts as well as to launch new transparency efforts with respect to the swaps markets.

Strategy 1.3.1 Develop and publish swaps market reports.

A key goal of the Dodd-Frank Act is to create greater transparency in the swaps markets. The Dodd-Frank Act strives to achieve this goal by bringing standardized swaps onto exchanges and to have information on all swaps reported to swaps data repositories.

The trading of swaps on exchanges and the reporting of all swap transactions to swaps data repositories assures that information in these markets is consolidated in centralized locations. To further assure that the information collected by swaps data repositories is made public, the Commission will collect information on trading and participation in the swaps markets and produce periodic reports summarizing activity and changes observed in the swaps markets.

In creating these reports, staff will need to develop methods to aggregate data on varied but related swaps transactions for the purpose of reporting activity in product categories. For certain markets, such as interest rate swaps, where a relatively high degree of standardization already exists in the underlying assets, such efforts will be fairly straightforward. For swaps markets based on physical commodities, a more complex scheme will likely be required to define product categories and develop methods to aggregate transactions.

Performance Measure 1.3.1.1 Publish reports for swaps markets activity.	
FY 2011	N/A
FY 2012	Develop and test aggregation methods to group interest rate swap products.
FY 2013	Develop and test aggregation methods to group all commodity swap products under CFTC position limits. Publish swaps market report for interest rate swap products. Publish Dodd-Frank Act required semiannual and annual swaps reports for all interest rate swap products.
FY 2014	Develop and test aggregation methods to group currency, equity, credit, and other commodity swap products. Publish swaps market reports for all commodity swap products under CFTC position limits. Publish Dodd-Frank Act required semiannual and annual swaps reports for all commodity swap products under CFTC position limits.
FY 2015	Publish swaps market reports for currency, equity, and other commodity swap products. Publish Dodd-Frank Act required semiannual and annual swaps reports for currency, equity, and other commodity swap products.

Goal 2

Protect the public and market participants by ensuring the financial integrity of derivatives transactions, mitigation of systemic risk, and the fitness and soundness of intermediaries and other registrants.

In fostering financially sound markets, the Commission's main priorities are to avoid disruptions to the system for clearing and settling contract obligations and to protect the funds that customers entrust to futures commission merchants (FCMs). Clearing organizations and FCMs are integral to the financial integrity of derivatives transactions—together, they protect against the financial difficulties of one trader becoming a systemic problem. Several aspects of the regulatory framework that contribute to the Commission achieving this goal are: 1) requiring that market participants post margin to secure their ability to fulfill financial obligations; 2) requiring participants on the losing side of trades to meet their obligations, in cash, through daily (sometimes intraday) margin calls; 3) requiring FCMs to maintain minimum levels of operating capital; and 4) requiring FCMs to segregate customer funds from their own funds.

The Commission works with the exchanges and the National Futures Association (NFA) to closely monitor the financial condition of the FCMs themselves, who must provide the Commission, exchanges, and NFA with various monthly, quarterly, and annual financial reports. The exchanges and NFA conduct routine, periodic audits and daily financial surveillance of their respective member FCMs. As a regulator, the Commission reviews the audit and financial surveillance programs of the exchanges and NFA and also monitors the financial condition of FCMs directly, as appropriate. This includes reviewing each FCM's exposure to risk from large customer positions that it carries. The Commission also conducts extensive daily surveillance of risks posed by traders, firms, and derivatives clearing organizations (DCOs) and periodically reviews clearing organization procedures for monitoring risks and protecting customer funds.

The Commission works with the NFA to ensure that those seeking registration as intermediaries meet high qualification and fitness standards through the registration process. The Commission also drafts and interprets rules that apply to the conduct of business by these intermediaries. In 2010, the Commission adopted new registration, capital, and other requirements for retail foreign exchange dealers (RFEDs) that may act as counterparties for off-exchange foreign currency transactions involving retail participants. RFEDs are subject to similar financial requirements, and similar oversight, as the FCMs.

Under the CEA, DCOs must demonstrate compliance with core principles that require, among other things: 1) adequate financial, operational, and managerial resources; 2) appropriate standards for participant and product eligibility; 3) adequate and appropriate risk management capabilities; 4) the ability to complete settlements on a timely basis under varying circumstances; 5) standards and procedures to protect member and participant funds; 6) efficient and fair default rules and procedures; 7) adequate rule enforcement and dispute resolution procedures; and 8) adequate and appropriate systems safeguards, emergency procedures, and plans for disaster recovery. The Commission conducts periodic reviews of DCOs for their compliance with core principle requirements. The Commission surveys DCO exposures on a daily basis and compares such exposures to DCO financial resources. Additionally, the CFTC may review and approve DCO rules.

With the implementation of the Dodd-Frank Act, the Commission will have substantially greater responsibilities, including oversight of newly registered derivatives dealers, as well as implementation of enhanced compliance requirements for intermediaries and new core principle requirements for DCOs. The Commission also will be responsible for determining the initial eligibility or the continuing qualification of a DCO to clear swaps, as well as for the review of swaps submitted to the Commission for a determination as to whether the swaps are required to be cleared. The Commission also will be implementing new statutory provisions regarding review of new rules and rule amendments submitted by DCOs. In addition, the scope of the Commission's reviews of DCOs, designated self-regulatory organizations (DSROs), and intermediaries will be expanded to include swap transactions and swap intermediaries.

The Dodd-Frank Act creates a new category of systemically important DCOs. These entities will have to comply with heightened risk management and other prudential standards. The Commission will be required to examine systemically important DCOs at least yearly. The Commission also has to ensure that all DCOs comply and bring their rules up to the new Dodd-Frank Act core principles and thus, the Commission intends to examine all DCOs on an annual basis. The Commission likely will see an increase in the number of DCOs seeking registration, including entities that are located outside the United States, from 15 (January 10, 2011) to at least 20. The additional clearinghouses that will register as DCOs likely will clear many more products that will require analysis. The risk profile of these cleared products will be more complex than traditional futures and options. As such, the clearing oversight program's risk surveillance function will have to grow so that the CFTC can continue to effectively discharge its statutory duty to reduce systemic risk.

To implement these authorities, the CFTC will create a new group for the oversight of swaps dealers and intermediaries. A significant increase in staff focused on the development and implementation of regulations and programs in this previously unregulated arena will also be necessary.

Objective 2.1 Clearing organizations and firms participating in the derivatives industry are financially sound.

In ensuring the financial integrity of transactions and the mitigation of systemic risk, the Commission's main priorities are to avoid disruptions to the system for clearing and settling contract obligations and to protect the funds that customers entrust to FCMs. Clearing organizations and FCMs are integral to the operation of a sound clearing and settlement system as their financial well being mitigates the systemic risk posed by the financial difficulties of one market participant. The Commission will have to expand its program to assess the way these entities, and new entrants into the regulatory environment, mitigate these risks.

Strategy 2.1.1 Monitor, review, and assess DCOs' compliance with core principles.

To ensure the sound financial condition of DCOs, the Commission oversees DCOs' compliance with core principles. The Commission processes requests for orders addressing the regulatory treatment of certain cleared products. The Commission is required to examine systemically important DCOs at least yearly, and intends to examine all DCOs on an annual basis.

Performance Measure 2.1.1.1 Review systemically important DCOs annually. Percentage of systemically important DCOs reviewed.	
FY 2011	75%
FY 2012	100%
FY 2013	100%
FY 2014	100%
FY 2015	100%

Performance Measure 2.1.1.2 On a risk-based basis, review all other DCOs annually to assess compliance with DCO core principles and Commission requirements.	
FY 2011	100%
FY 2012	100%
FY 2013	100%
FY 2014	100%
FY 2015	100%

Performance Measure 2.1.1.3 Percent of requests for Commission orders that are completed following review under the applicable provisions of the CEA.	
FY 2011	90%
FY 2012	92%
FY 2013	94%
FY 2014	96%
FY 2015	98%

Strategy 2.1.2 Review and assess DCMs' applications for compliance with the financial integrity provisions of the CEA.

Under the core principles, DCMs must establish and enforce rules to ensure the financial integrity of contracts traded, including the clearance and settlement of the transactions with a DCO or SEF, and rules to ensure the financial integrity of FCMs and the protection of customer funds. Commission staff review DCM applications to determine whether they demonstrate compliance with the requirements of the core principles, and also review DCMs with respect to enforcement of their rules regarding financial integrity of FCMs and protection of customer funds.

Performance Measure 2.1.2.1 Applications are reviewed and a determination made regarding compliance with financial integrity provisions of the CEA within statutory time frames. Percent in compliance with financial integrity provisions.	
FY 2011	100%
FY 2012	100%
FY 2013	100%
FY 2014	100%
FY 2015	100%

Strategy 2.1.3 Review and analyze monthly and annual filings and conduct risk-based direct examination of FCMs' and RFEDs' compliance with financial requirements.

Capital and segregation requirements protect markets from systemic risk and protect FCM customers against risks posed by other customers and the FCMs themselves. Commission staff closely monitor exceptions in financial filings and required notices regarding noncompliance with financial and segregation requirements and address them promptly. Commission staff conduct examinations of the FCMs that present the most concern regarding possible financial risk, within available resources. With the implementation of financial and other requirements for RFEDs in 2010, the Commission will monitor financial filings from RFEDs as well. As the provisions of the Dodd-Frank Act are implemented, changes regarding the computation and application of capital and segregation requirements will occur, and thus require additional resources to be devoted to this activity.

Performance Measure 2.1.3.1 All material exceptions in monthly and annual financial filings by FCMs and RFEDs and notices of noncompliance with respect to minimum capital and segregation are reviewed and assessed within one business day. Percent completed within one business day.	
FY 2011	100%
FY 2012	100%
FY 2013	100%
FY 2014	100%
FY 2015	100%

Performance Measure 2.1.3.2 On a risk-based basis, conduct direct examinations of FCMs and RFEDs, identify deficiencies, and confirm that all deficiencies identified are corrected within the specified period of time. Percent corrected within specified time period.	
FY 2011	90%
FY 2012	92%
FY 2013	94%
FY 2014	96%
FY 2015	98%

Strategy 2.1.4 Review swaps submitted to the Commission for a determination regarding whether such swaps are required to be cleared.

The Dodd-Frank Act requires the Commission to adopt rules for the review of swaps to make a determination as to whether the swaps should be required to be cleared. In addition, the Dodd-Frank Act directs the Commission to prescribe criteria, conditions, or rules under which the Commission will determine the initial eligibility or the continuing qualification of a DCO to clear swaps.

Performance Measure 2.1.4.1 Reviews of swaps submitted to the Commission are completed within statutory and regulatory deadlines.	
FY 2011	100%
FY 2012	100%
FY 2013	100%
FY 2014	100%
FY 2015	100%

STRATEGY 2.1.5 Review new rules and rule amendments submitted by DCOs.

DCOs are required to submit new rules and rule amendments to the Commission. Under the Dodd-Frank Act, a new rule or rule amendment will become effective 10 business days after the certified rule or rule amendment is received by the Commission. If the Commission determines that the new rule or rule amendment presents novel or complex issues, is certified with an inadequate explanation, or is potentially inconsistent with the CEA or the Commission's regulations, the Commission may stay the review for 90 days and must provide a 30-day public comment period within the 90-day review period.

Performance Measure 2.1.5.1 Reviews of DCO rules submitted to the Commission are completed within statutory and regulatory deadlines.	
FY 2011	100%
FY 2012	100%
FY 2013	100%
FY 2014	100%
FY 2015	100%

STRATEGY 2.1.6 Review and analyze financial risks on large trader and clearing member positions and determine whether they are being appropriately managed by traders, firms, and DCOs.

The Commission uses stress testing of large trader and clearing member positions to determine whether a firm would pose systemic risk in the event of a major market move and, thereby, necessitate action to mitigate such risk. On a risk-based basis, staff meet with large traders and FCMs to discuss in more detail the risks of their positions, the resources available to cover them, and the risk-mitigating steps taken by the traders or FCMs. These activities will be expanded to encompass the newly regulated instruments and entities, and to determine the appropriate risk analysis techniques to address changes in the marketplace precipitated by the Dodd-Frank Act.

Performance Measure 2.1.6.1 Perform risk analysis and stress testing on large trader and clearing member positions to ascertain those with significant risk and confirm that such risks are being appropriately managed. Number of positions analyzed.	
FY 2011	500,000
FY 2012	550,000
FY 2013	600,000
FY 2014	650,000
FY 2015	700,000

Performance Measure 2.1.6.2 On a risk-based basis, meet with large traders, FCMs, swap dealers, and other industry participants to discuss risk management issues. Number of entities met with and risk issues reviewed.	
FY 2011	110
FY 2012	122
FY 2013	132
FY 2014	143
FY 2015	154

OBJECTIVE 2.2 Registered intermediaries meet standards for fitness and conduct.

Pursuant to the CEA and Commission regulations, all intermediaries registered with the Commission are mandated to satisfy certain standards regarding fitness and conduct to ensure the protection of market participants and the financial soundness of the market. The Dodd-Frank Act will increase the number of entities required to register, including swap dealers, thus increasing the portion of the Commission's resources required to execute this function.

STRATEGY 2.2.1 Review swap dealers and major swap participants to ensure that they comply with the CEA and Commission regulations.

Under the Dodd-Frank Act, entities operating as and meeting the definition of a swap dealer or major swap participant will be required to register and to comply with applicable requirements regarding business conduct, reporting and record-keeping, and capital and margin.

These entities will be subject to review by the Commission or a self-regulatory organization (SRO) with respect to their compliance with the applicable requirements.

Performance Measure 2.2.1.1 Conduct direct examinations of swap dealers and major swap participants identify deficiencies, and confirm that all deficiencies identified are corrected within specified period of time.	
FY 2011	100%
FY 2012	100%
FY 2013	100%
FY 2014	100%
FY 2015	100%

Strategy 2.2.2 Review registered futures associations to ensure they fulfill their statutory and delegated responsibilities.

Registered futures associations (RFAs), which are also SROs, must adopt and enforce comprehensive membership programs to implement the CEA and the Commission's regulations. Further, RFAs, to the extent that the Commission has delegated certain responsibilities to them, must ensure the full implementation of such delegated authorities. Pursuant to the CEA, changes and additions to the RFA's rules must be submitted to the Commission.

Performance Measure 2.2.2.1 Under a risk-based approach, conduct reviews of selected programs of all RFAs to assess fulfillment of statutory and delegated responsibilities and confirm that any deficiencies identified are corrected within the specified period of time. Percent of deficiencies corrected within specified time period.	
FY 2011	90%
FY 2012	92%
FY 2013	94%
FY 2014	96%
FY 2015	98%

Performance Measure 2.2.2.2 Percentage of RFA rules submitted for which determinations are made within statutory time frames.	
FY 2011	90%
FY 2012	92%
FY 2013	94%
FY 2014	96%
FY 2015	98%

Strategy 2.2.3 Conduct risk-based examination of intermediaries not holding customer funds to ensure they are in compliance with Commission requirements.

The Commission oversees the activities of registrants other than FCMs and RFEDs with respect to their compliance with the CEA and Commission regulations. Commission staff conduct examinations of the firms that present the most concern, within available resources.

Performance Measure 2.2.3.1 On a risk-based basis, conduct direct examinations of non-FCM intermediaries, identify deficiencies, and confirm that any deficiencies identified are corrected within the specified period of time. Percent of time that deficiencies are corrected within specified time period.	
FY 2011	90%
FY 2012	92%
FY 2013	94%
FY 2014	96%
FY 2015	98%

Objective 2.3 Ensure that SROs fulfill their financial surveillance responsibilities.

As a key aspect of assuring financial integrity of CFTC-regulated transactions and the mitigation of systemic risk, the Commission oversees futures industry SROs, which include exchanges and RFAs, to ensure that they fulfill their responsibilities for monitoring and ensuring the financial integrity of market intermediaries and for protecting customer funds. As more entities enter the regulatory arena, due to the Dodd-Frank Act provisions all demands on SROs and their oversight will increase, and in some areas such increase might be larger than others.

Strategy 2.3.1 Conduct oversight of the financial surveillance programs of SROs.

The Commission has initiated a program to increase the frequency of its assessments of financial surveillance programs. The goal is to conduct an annual assessment of certain core regulatory functions carried out by SROs. This effort allows the Commission to have current information on the effectiveness of the surveillance programs and to identify and address potential issues on a more timely basis. The number of entities that must be assessed may increase significantly as a result of the Dodd-Frank Act, which could limit any increases in the frequency of assessments.

Performance Measure 2.3.1.1 On a risk-based basis, review all SROs annually to assess compliance with CEA and Commission requirements, identify deficiencies, and confirm that any deficiencies identified are corrected within the specified period of time. Percent of time in which deficiencies are corrected within specified time period.	
FY 2011	90%
FY 2012	92%
FY 2013	94%
FY 2014	96%
FY 2015	98%

Performance Measure 2.3.1.2 Percentage of direct examinations of registered intermediaries that confirm proper execution of SRO programs.	
FY 2011	90%
FY 2012	92%
FY 2013	94%
FY 2014	96%
FY 2015	98%

Objective 2.4 Ensure that IT systems support the Commission's existing and expanded responsibilities to ensure financially sound markets, mitigate systemic risk, and monitor intermediaries.

To fulfill its mission successfully, the Commission must continuously work to refine and improve its technology systems to allow more efficient examination and monitoring of clearing organizations, SROs, and intermediaries. This will also include new functionality with respect to swaps activities, such as reviewing swaps that may be required to be cleared; new registration requirements; and oversight of swap dealers. Further, under the Dodd-Frank Act the Commission is required to collect new systemic risk data from commodity pool operators (CPOs) and commodity trading advisors (CTAs) that advise private funds. While this data collection is in a proposed rule, with the proposed collection delegated to an existing RFA, the Commission will need regular and complete access to that new data collection to fulfill its responsibilities under the Dodd-Frank Act.

More broadly, it is critical that the Commission works to identify data relationships and overlapping business needs, reduce inefficiencies and duplications in transmission and processing of data, and develop strategies to integrate its technology systems, in order to maximize its resources. Modernizing current systems, fully implementing the electronic submission of documents and data, and improving access to and integration with SROs' and other regulators' systems and data will allow staff to increase the amount of time they spend on analysis and allow staff to conduct analysis with more effective tools.

Strategy 2.4.1 Deliver technology infrastructure, systems, and services that support the financial integrity of derivatives transactions, the mitigation of systemic risk, and the fitness and soundness of intermediaries.

Performance Measure 2.4.1.1 Program redesign to cover new registrants monitored by the regulatory statement review (RSR) and Stressing Positions at Risk (SPARK) systems. Percentage of system redesign accomplished.	
FY 2011	80%
FY 2012	90%
FY 2013	95%
FY 2014	98%
FY 2015	100%

Performance Measure 2.4.1.2 Program design to cover new data collection requirements to monitor systemic risk posed by CPOs and CTAs advising private funds, and new registration of swap dealers. Percentage of system design accomplished.	
FY 2011	80%
FY 2012	90%
FY 2013	95%
FY 2014	98%
FY 2015	100%

Goal 3

Protect the public and market participants through a robust enforcement program.

An increasing segment of the population has money invested in the derivatives markets, either directly or indirectly through pension funds or ownership of shares in publicly held companies that participate in the markets. Commission staff work to protect market users and the public by promoting compliance with and deterring violations of the CEA and Commission regulations. The range of available enforcement actions (including manipulation, disruptive trading practices, and anti-fraud, for example) will broaden beginning July 2011 when relevant provisions of the Dodd-Frank Act become effective. By providing a formalized structure and government oversight, the commodity laws carefully balance the desire for open, accessible, and competitive markets with the need to protect market users.

This third Strategic Goal is to ensure that firms and individuals who come to the marketplace to fulfill their business and trading needs are in compliance with laws and regulations. In addition, market users and others must be protected from possible wrongdoing that may affect or tend to affect the integrity of the markets. The derivatives markets provide a great benefit to the U.S. economy; preserving the integrity of the markets ensures their continued vibrancy and promotes public confidence. Continuing IT investment in the eLaw program will support all Goal 3 objectives by improving staff productivity, providing staff with a level IT playing field with those it investigates and effective tools to collaborate internally with oversight and clearing staff as well as with other regulators, and facilitating the use of information to identify high impact enforcement actions.

Objective 3.1 Identify and stop violations of the CEA and Commission regulations; deter others from engaging in future misconduct.

The Commission identifies, investigates, and, where appropriate, takes action against parties alleged to have engaged in activities that violate the CEA or Commission regulations. The Commission anticipates that sources of investigatory leads and evidence material to prosecutions may increase following implementation of the Dodd-Frank Act whistleblower provisions. In addition to taking direct action against violators, the Commission uses cooperative enforcement, deterrence, and public education to protect market users, ensure market integrity, and deter future violative conduct.

Strategy 3.1.1 Investigate and prosecute potential violations of the CEA and Commission regulations.

The Commission investigates and prosecutes alleged violations of the CEA or Commission regulations. Individuals and firms subject to such actions may include those who are or should be registered with the Commission, market users who engage directly or indirectly in trading on any registered entity, those who improperly market commodity futures or option transactions, and those who engage in certain off-exchange transactions. The Commission prosecutes violations either through administrative actions before the Commission or civil actions before the Federal courts. The Commission has available to it a variety of sanctions against wrongdoers, including revocation or suspension of registration, prohibitions on futures trading, cease and desist orders, civil monetary penalties, and restitution orders. The Commission may seek Federal court injunctions, restraining orders, asset freezes, receiver appointments, and disgorgement orders. If evidence of criminal activity is found, matters are referred as appropriate to the U.S. Department of Justice or state authorities for prosecution of violations of the CEA or Federal and state criminal statutes, such as mail fraud, wire fraud, and conspiracy, as well as obstruction of justice and perjury.

Performance Measure 3.1.1.1 Percentage of enforcement investigations concluded within one year of opening.	
FY 2011	65%
FY 2012	70%
FY 2013	75%
FY 2014	75%
FY 2015	80%

Performance Measure 3.1.1.2 The CFTC will bring claims in due recognition of the broadened enforcement mandate provided by the Dodd-Frank Act, and will seek proportionate remedies, including civil monetary penalties, undertakings, and restitution, that have the highest impact on and greatest deterrent effect against potential future violations.	
FY 2011	TBD
FY 2012	TBD
FY 2013	TBD
FY 2014	TBD
FY 2015	TBD

Objective 3.2 Increase cooperative enforcement.

The Commission will refer matters that may involve misconduct within the civil or criminal jurisdiction of its domestic counterparts, for their investigation and potential civil or criminal prosecution.

In addition, the CFTC works extensively with foreign authorities to sustain and encourage cooperative relationships in nations with both developed and emerging markets. The Commission's strategies to enhance international enforcement efforts are outlined in Goal 4.

Strategy 3.2.1 Leverage resources through active cooperative enforcement with domestic entities.

The CFTC strives to cooperate with SROs, other Federal agencies, state governmental agencies, and law enforcement entities to gain information for law enforcement purposes, coordinate prosecutions, share technical expertise, provide enforcement assistance, and share vital information concerning markets, intermediaries, and regulatory structure.

Performance Measure 3.2.1.1 Percentage of CFTC case filings that include referrals to domestic civil and criminal cooperative authorities.	
FY 2011	60%
FY 2012	65%
FY 2013	70%
FY 2014	75%
FY 2015	75%

Goal 4

Enhance integrity of U.S. markets by engaging in cross-border cooperation, promoting strong international regulatory standards, and encouraging ongoing convergence of laws and regulation worldwide.

The Commission recognizes that markets are global as the result of electronic access, linkages, mergers, and cooperative business arrangements. The CFTC historically has supported programs that facilitate cross-border access to markets and products, such as the Commission's recognition program for intermediaries and its registration category for foreign boards of trade. Both of these programs are based on recognition of foreign home country regulators that comparably and comprehensively provide oversight, allowing the CFTC to rely on this foreign regulation. These programs reflect the understanding that no one regulator alone will have all of the information or authority to supervise global business.

Effective regulation of such markets therefore requires international coordination, and necessitates that the Commission cooperate with foreign market authorities to supervise U.S. markets and protect U.S. customers. Additionally, the Commission works closely with its regulatory counterparts abroad, as well as with relevant international organizations, to promote high-quality derivatives regulation worldwide and convergence where possible. The CFTC also provides technical assistance to emerging and recently-emerged markets to help these jurisdictions in establishing and implementing laws and regulations that foster global market integrity.

The Dodd-Frank Act increases the need for international outreach. Section 752 of that Act states that the Commission "shall consult and coordinate" with foreign authorities to establish "consistent international standards" regarding regulation of swaps. Many of the new entities subject to regulation under the Dodd-Frank Act are located abroad and the Commission will closely coordinate with foreign regulators in order to supervise these global entities.

Objective 4.1 Cooperate and coordinate with domestic and foreign regulatory authorities.

Events taking place in markets outside the United States may affect U.S. markets. Additionally, entities under the Commission's jurisdiction may be subject to oversight by other domestic or foreign authorities. Cooperating and coordinating with these authorities, including the development of information sharing arrangements, supports the Commission's regulatory efforts in the United States by helping to identify and address potential systemic or other risks that may impact U.S. markets, strengthening the Commission's supervision of global entities, and enhancing the Commission's cross-border enforcement efforts. International information and data standards will improve data consistency and quality, allowing regulators to more quickly identify cross-border issues and risk. The Commission has a long history of working with foreign authorities and will continue to develop supervisory cooperation arrangements with foreign authorities in order to facilitate the exchange of information and coordinate supervision of duly regulated or recognized entities.

Strategy 4.1.1 Develop arrangements for expeditious cooperation with foreign governments.

The CFTC regularly communicates with foreign authorities to coordinate and collaborate on supervision, regulation, policy approaches, and enforcement matters. Under the Dodd-Frank Act, the expansion of the CFTC's regulatory oversight to cover OTC derivatives may increase the frequency of consultations with foreign governments. In addition, Section 752 of the Dodd-Frank Act encourages the CFTC to enter into information sharing arrangements with foreign regulators. The Commission will therefore develop new arrangements contemplated under the Dodd-Frank Act and, once such arrangements are in place, the Commission will cooperate with foreign jurisdictions pursuant to the terms of such arrangements.

In addition to its regulatory efforts, the Commission works extensively with its international partners to sustain and encourage cooperative relationships in an enforcement context. The Commission will continue to assist and cooperate with international authorities.

Performance Measure 4.1.1.1 Days allotted for acknowledgment of incoming requests for enforcement assistance from the CFTC's international counterparts pursuant to information sharing arrangements.	
FY 2011	5 Days
FY 2012	4 Days
FY 2013	3 Days
FY 2014	2 Days
FY 2015	2 Days

Performance Measure 4.1.1.2 Regular issuance of outgoing international requests for enforcement assistance and referrals made by the CFTC to foreign regulators pertaining to matters involving their jurisdictions.	
FY 2011	TBD
FY 2012	TBD
FY 2013	TBD
FY 2014	TBD
FY 2015	TBD

Objective 4.2 Promote high levels of internationally accepted standards of best practice.

Derivatives markets under the Commission's jurisdiction are part of a global industry. Promoting high standards internationally supports the Commission's regulatory efforts in the United States and encourages strengthened oversight worldwide. In addition, the use of consistent standards around the world allows market participants to determine where to deploy their capital based on objective factors such as cost, innovation, and an appropriate regulatory environment, rather than a perceived gap in regulation in one jurisdiction that might distort competition and result in regulatory arbitrage. This can be achieved through active CFTC participation in standard-setting bodies that encourage the development of high regulatory standards.

Strategy 4.2.1 Promote high-quality principles internationally.

The Commission participates in the International Organization of Securities Commission (IOSCO), the standard setting body for derivatives and securities regulation. Within IOSCO, the Commission participates in five of the seven standing committees and various task forces, including co-chairing the Task Force on Commodity Futures Markets and the OTC Derivatives Task Force. Additionally, the Commission participates in the Financial Stability Board, G20 Working Groups, and other international bodies that facilitate the development of best practices. When participating in international standard setting bodies and working groups, the CFTC will strive to ensure that high-quality principles or best practices are promulgated in a manner consistent with the Commission's overall regulatory policies.

Performance Measure 4.2.1.1 Number of international regulatory and standard-setting working groups in which the Commission participates.	
FY 2011	9
FY 2012	9
FY 2013	9
FY 2014	9
FY 2015	9

Objective 4.3 Provide global technical assistance.

The CFTC provides technical assistance to emerging and recently-emerged markets to assist these jurisdictions in establishing and implementing laws and regulations that minimize the likelihood of regulatory arbitrage and promote cross-border enforcement and supervisory assistance. The passage of the Dodd-Frank Act is likely to increase the number of requests for technical assistance in developing OTC policies.

Strategy 4.3.1 Provide technical assistance to foreign regulators.

The CFTC will continue to provide technical assistance to foreign regulators in a wide variety of subject areas. Such technical assistance may take various forms, including targeted programs in specific areas of concern, such as enforcement training and oversight of the OTC market.

Performance Measure 4.3.1.1 Number of non-U.S. regulators trained.	
FY 2011	60
FY 2012	65
FY 2013	70
FY 2014	75
FY 2015	75

Goal 5

Promote Commission excellence through executive direction and leadership, organizational and individual performance management, and effective management of resources.

Commission excellence reflected in the achievement of its strategic mission and goals depends on clear executive direction, strong and focused management, and a well-resourced, dedicated, and productive workforce. These attributes of a high-performing organization combine to support and drive the critical work of the Commission to provide a sound regulatory oversight and enforcement program for the U.S. public. To ensure the Commission's continued success, continuity of operations, and adaptation to the ever-changing markets it is charged with regulating, the Commission must maintain a well-qualified workforce supported by a modern IT infrastructure and working environment.

During the next five years, the Commission will develop and implement a host of rules, many of which address the Dodd-Frank Act requirements and many of which will also alter and expand the Commission's mission and operation. To successfully develop, implement, and manage these rules, the Commission requires unambiguous and timely direction; and the right quantity and quality of staff, aligned in an optimal operating structure supported by the necessary training, development, tools, and resources.

To promote Commission excellence, the CFTC is taking a number of actions to ensure its:

- **Organization** is structured, aligned, and streamlined to successfully carry out its mission while flexible and adaptable to changes to its mission and available resources;
- **Planning Program** effectively develops and implements a resource management program to support the optimal operation and maintenance of a growing agency (scope and staff) with the capability and tools to achieve its mission;
- **Human Capital Program** attracts, retains, and continuously develops an exceptionally qualified, diverse, dedicated, capable, and productive staff;
- **Technology Program** is engineered at the enterprise level to support the mission as it:
  - sustains and maximizes the return on investment in various aspects of the program (infrastructure, systems, and services),
  - provides the capability and transparency to capture access, analyze, and report on data and mission-critical information,
  - transforms CFTC-wide business processes to benefit staff and to adapt to evolving markets; and
- **Financial Management Program** judiciously manages and administers the financial resources provided to the Commission while taking measures through integrity and management controls to prevent waste, fraud, and abuse.

Objective 5.1 An organizational structure that is aligned and streamlined to operate and carry out its mission efficiently and effectively.

The CFTC will assess, design, and implement organizational requirements for a modernized and growing CFTC based on existing authorities and the addition of new programs to oversee and regulate swaps. Under consideration is how to best structure and enhance the Commission's data management functions, implement formalized planning and business management processes, and coordinate heightened focus on the Commission's consumer education and protection functions. For example, as mentioned above, the Commission will create a new group for the oversight of swaps and consolidated oversight of intermediaries and will reorganize its technology and market data functions. It will also reorganize the Commission's current consumer education and protection functions, including, possibly, the reparations program, liaison functions in the Division of Enforcement (DOE), and representation on the Financial Literacy and Education Commission. It will create a new group charged with the design, implementation, and oversight of customer education and outreach initiatives and a group focused on implementing the whistleblower requirements of the Dodd-Frank Act. Potentially, the two groups may be housed together. These reorganization efforts will allow the Commission to avoid duplication of efforts and achieve optimal allocation of resources.

Strategy 5.1.1 Ensure organizational structure best reflects the needs of the CFTC.

To make certain the CFTC has the organizational structure it needs to carry out its new and expanded mission efficiently and effectively while remaining capable of adapting to changes in the markets, industries, and products it oversees and regulates, the CFTC will design, develop, implement, and manage newly created and restructured divisions and offices.

Performance Measure 5.1.1.1 Executive approval and Commission adoption of efficient and effective organizational design.	
FY 2011	Assess and identify organizational requirements. Prepare and design functional organization blueprints. Recommend and obtain approval for new organizational structure.
FY 2012	Complete implementation of new organizational structure: Identify and hire key leadership positions; assign/re-assign staff to new divisions and offices as required; and draft new career ladder and associated position descriptions as needed.
FY 2013	Use established organizational change procedures to adjust and improve organizational structure as needed.
FY 2014	N/A
FY 2015	N/A

Objective 5.2 Effectively respond to the regulatory needs of a dynamic and complex derivatives marketplace and efficiently allocate limited resources to the highest priority activities.

The CFTC's mission is to protect market users and to foster open, competitive, and financially sound derivatives markets. The political environment, regulatory requirements, and marketplace are continuously changing and adapting to new circumstances. As the CFTC works to achieve an expanded mission, today's complex environment is placing increased pressure on its operating model to effectively meet the many challenges it faces. Internal management and operational programs must change and adapt as the CFTC grows into a larger, more mature organization.

Reauthorization legislation which enhanced Commission regulatory authorities and the enactment of the Dodd-Frank Act are having a profound impact on the CFTC. Accordingly, the CFTC will grow in size, and greatly extend the scope of its regulatory mandate. To support this expansion, a number of critical mission support initiatives are underway to improve strategic and operational planning. Collectively these initiatives will be designed to provide a stronger base from which to make reasoned short and long-term decisions on Commission activities and allocation of resources. The CFTC will also be able to more quickly adapt to unanticipated events that demand the reallocation of resources. These initiatives will greatly reduce decisional risks and information gaps that currently exist.

Strategy 5.2.1 Develop and implement a set of integrated Strategic, Budget, and Operating Plan processes.

To effectively address a number of significant and interrelated planning challenges, the CFTC is developing, adopting, and implementing a comprehensive Management Framework Approach (Framework) which is underpinned by this Strategic Plan, the annual budget, and the development and implementation of an annual operational planning process. Through this management Framework effort, the CFTC will link and integrate these planning and resource requirements activities allowing it to continue to be successful in the years to come while maintaining a clear focus on its Mission and Strategic Goals.

The Framework is an organized and transparent process to lead and manage the CFTC as it grows. While the Framework is comprehensive, it is expected to lighten the workload for all CFTC staff by providing a structured, consistent, and integrated approach to efficiently managing and meeting the Commission's goals and mission within an ever-changing environment.

Performance Measure 5.2.1.1 Develop, adopt, and implement a comprehensive planning process.	
FY 2011	Develop and adopt well-defined and integrated planning process.
FY 2012	Track high-level projects; redefine budget program activity codes (BPACs).
FY 2013	Implement new BPAC; track major projects and activities; implement automated time and attendance.
FY 2014	Refine usage of BPAC and automated time and attendance system.
FY 2015	Execute FY 2015 Budget on full operational planning; continue budget development and execution on actual resource usage.

Objective 5.3 Attract, engage, develop, and retain an exceptionally qualified, diverse, and productive workforce.

Through its most valued resource—its people—the Commission is dedicated to creating and sustaining centers of excellence staffed with engaged individuals capable of achieving mission goals and objectives. To this end, a significant aspect of its human capital strategy is to ensure that its performance management program aligns with and connects directly to program goals and objectives.

The CFTC must be proactive in its efforts to retain and ensure the enthusiasm and productivity of its exceptional staff; the Commission will continually seek to enhance and improve its leadership, management, regulatory, and staff training. In addition, the CFTC will continue to focus its recruitment efforts, subject to budget availability, on identifying mission critical roles that must be developed and filled consistent with the organizational alignment and priority needs of the Commission. In doing so, the Commission will commit to developing staff internally to fill the most critical roles.

Strategy 5.3.1 Assess, develop, and implement automated hiring system.

To attract and hire the best talent with the specialized skills necessary to regulate derivatives, the Commission will continue to focus its human capital efforts and strategic initiatives on automating, refining, and improving manual recruitment systems and processes. Automating the time consuming manual processes will allow the Human Capital program to shift its focus from transactional processing to talent acquisition.

Performance Measure 5.3.1.1 Assess, develop, and implement automated hiring system.	
FY 2011	Assess and procure best fit system based on CFTC requirements. Develop and/or improve recruitment business processes to maximize efficiency gains from automation.
FY 2012	Implement automated hiring system and associated business processes.
FY 2013	Optimize automated hiring system and associated business processes. Demonstrate reduction in full-time equivalent (FTE) years dedicated to recruitment and staffing.
FY 2014	N/A
FY 2015	N/A

Performance Measure 5.3.1.2 Improve time to hire from 150 days to 80 days.	
FY 2011	Improve time to hire by 10% in each of the next five years—saving 15 days.
FY 2012	Improve time to hire by 10% in each of the next four years—saving 13.5 days.
FY 2013	Improve time to hire by 10% in each of the next three years—saving 12 days.
FY 2014	Improve time to hire by 10% in each of the next two years—savings 11 days.
FY 2015	Improve time to hire by 10% from previous year—saving 10 days.

Strategy 5.3.2 Develop, implement, execute, and sustain a workplace that is top in its class.

The Commission seeks to maintain a premier workplace of choice in the Federal government. In 2010, staff ratings through a third-party survey placed the Commission as one of the top 10 small agencies for which to work. If CFTC staff continue to rate the CFTC to be one of the best places to work, the Commission will have achieved a critical milestone in its efforts to provide a challenging and rewarding workplace that will retain its highly productive staff. By continuously interacting with staff, seeking comments and ideas, conducting "exit interviews," and focusing on low scoring areas in the survey, the CFTC can best learn of and address staff's concerns and improve the Commission's effectiveness.

Performance Measure 5.3.2.1 The CFTC is consistently rated by its employees as a small agency workplace of choice and listed annually as one of the top 10 best places to work in the Federal government (small agency category). The CFTC identifies low scores determined to be of most significance to the Commission year over year to inform its improvement plans.	
FY 2011	Top 10 rating. Identify low scoring areas for focused improvement.
FY 2012	Top 10 rating. Incorporate survey information into human capital planning.
FY 2013	Top 10 rating. Incorporate survey information into human capital strategic planning
FY 2014	Top 10 rating. Incorporate survey information into human capital strategic planning.
FY 2015	Top 10 rating. Incorporate survey information into human capital strategic planning.

Strategy 5.3.3 Develop, implement, and execute a robust learning program.

The CFTC will improve and expand its training program to bring to staff enriched training and development opportunities throughout the employee lifecycle. Learning will include technical and specialized training as well as leadership, management, and supervisory training. The CFTC will also develop a mentoring program designed to better and more quickly acclimate new staff to the CFTC workplace. The CFTC's efforts to improve in both of these areas will not only address the desires of staff, but also make staff more productive more quickly.

Performance Measure 5.3.3.1 Develop and implement comprehensive development and education program.	
FY 2011	Design learning plan to include legal, technical, regulatory, and specialized training as well as management and supervisory training. Where practical, ensure that programming meets the criteria for continuing education requirements applicable to lawyers and other professionals so that credits may be earned and applied. Implement supervisory training for all new supervisors.
FY 2012	Augment and expand in-house legal and technical training to a comprehensive CFTC regulatory training program. Develop leadership and management training curriculum.
FY 2013	Increase by 10 to 25% over previous year the percentage of CFTC employees participating in CFTC's training program as available funding and resources will allow.
FY 2014	N/A
FY 2015	N/A

Performance Measure 5.3.3.2 Assess requirements, design, and implement a comprehensive CFTC-wide mentoring program focused on enhancing the competencies of CFTC's current and future workforce.	
FY 2011	Assess and design program. Pilot program in the Office of the General Counsel.
FY 2012	Expand mentoring program to other offices and divisions.
FY 2013	Increase participation in mentoring program 5-10% over previous year.
FY 2014	Survey and compile feedback on mentoring program. Develop program improvement plan based on feedback.
FY 2015	Survey and compile feedback on mentoring program. Develop program improvement plan based on feedback.

Objective 5.4 IT supports and enhances mission accomplishment through effective and efficient infrastructure, systems, and services.

CFTC mission attainment is imperative to protect the public. IT development and enhancements will support critical business requirements through delivery of technological capability represented by quick, secure information access; analytical capabilities; and successful business process automation. To effectively accomplish its mission, the CFTC must keep pace with fundamental changes in the derivatives markets, increasing use of technology, and growing market complexity. The Commission must invest heavily and judiciously in IT to timely track market activity, understand the markets, and provide effective oversight. Prior year investments in infrastructure and system capabilities must be leveraged and built upon to provide services that multiply the effectiveness of staff, accomplishing integration between futures and swaps data and increased integration of CFTC systems and processes for monitoring registered entities, market and financial risk, market integrity, and trade practice, as well as systems and processes for enforcement and economic analysis.

In order to fulfill its mission, the CFTC depends heavily on its ability to quickly access and analyze large volumes of complex market data. The CFTC must use industry and government standards and best practices, with a focus on improving information management. Experience gained participating in using the Financial Information eXchange Markup Language (FIXML) standard for futures exchange Trade Capture Reports will be used to adopt a standards-based approach for all data interchanges and submissions, particularly for information needed by regulators. Managing information as a CFTC-wide asset will allow process automation and innovation to be accomplished more cost effectively and more flexibly, supporting the Commission as it adapts to constantly evolving markets and increasing the understanding of those markets. IT services will also be delivered with improved transparency to ensure that Commission strategies are effectively implemented. To facilitate this transformation, the CFTC is realigning its technology programs, creating an independent data collection, management, and analysis group reporting directly to the Chairman.

The CFTC will employ and leverage all legal, secure, and cost effective means of determining and assessing how and when to use IT to best enable CFTC to fulfill its surveillance, oversight, and enforcement responsibilities. The necessity to employ IT solutions is increasingly important in an environment of tight resources and as the Commission implements new regulations under the Dodd-Frank Act. CFTC staff will pursue arrangements with Federal research laboratories in order to pilot and apply where feasible advanced computing platforms for high-frequency and algorithmic trading surveillance and enforcement and will continually evaluate innovative commercial surveillance technology. The CFTC will continue to increase collaboration with other Federal financial regulators, sharing data, jointly analyzing market issues and trends (including systemic risk information), and coordinating on events like the May 6, 2010 Flash Crash. The CFTC will also share, to the extent practical, IT services and infrastructure as mandated by the Dodd-Frank Act.

Strategy 5.4.1 Ensure the highest practical return on both business and IT investments.

A focus on customer partnerships in requirements gathering and analysis will drive the delivery of responsive and efficient technological capabilities. IT will seek continuous improvement, ensuring that staff have the information access and analytical capabilities they need. The CFTC will deliver IT services that maximize the effectiveness of limited resources through the prioritization of investments based on mission impact or other productivity and efficiency measures. An enterprise-wide information and services architecture will support cost effective implementation of interdivisional and process-specific solutions. The CFTC will leverage the process and operational review necessitated by the Dodd-Frank Act to establish an enterprise-wide concept of operations and a consistent set of needs that will be addressed with a unified information and service framework.

Governance processes will reinforce close collaboration and open communication between program and IT staff. This transparency will help ensure that priorities and deliverables will add maximum value.

Performance Measure 5.4.1.1 Transparency and process maturity of IT governance for reinforcing business unit and IT partnership.	
FY 2011	Integrate Commission strategic planning with IT strategic planning.
FY 2012	Align IT governance with reengineered BPAC structure.
FY 2013	Institute CFTC-wide data management.
FY 2014	Establishment and sustainment of enterprise target architecture and transition strategy.
FY 2015	Mature enterprise architecture and IT governance processes and tools to support continuous CFTC business transformation.

To ensure CFTC business continuity, the Commission will move data and infrastructure from regional offices to headquarters and establish a collocation site for headquarters. This will not only isolate the Commission from IT service disruptions, but will also allow it to improve existing services and implement new services with minimal disruption.

Performance Measure 5.4.1.2 Implementation of IT strategy and architecture for business continuity.	
FY 2011	Establish remote data replication of Tier 1, 2, and 3 to the Commission's collocation facility.
FY 2012	Establish system service support at the collocation facility for Tier 1 and 2 applications and data sets.
FY 2013	Establish system service support at the collocation facility for Tier 3 applications and data sets.
FY 2014	Test Business Continuity Operational Headquarters Failover to the collocation facility.
FY 2015	Test Business Continuity Operational Headquarters Failover to the collocation facility.

STRATEGY 5.4.2 Facilitate the usefulness and usage of information, increasing its availability, ensuring quality, and reducing staff time necessary to analyze relevant data.

Information is a strategic asset and must be managed as a CFTC-wide, industry, and public resource. Enterprise-wide management of data will increase transparency and facilitate collaboration between regulators.

Adoption of standards and best practices will improve quality, reduce loading times, and lower costs, especially when information must be aggregated from various entities and across markets. As existing systems are revised and new data requirements and collections are established to cover new types of registrants, market participants, products, and markets, industry standards from the International Organization for Standardization (ISO), the FIX Protocol Limited (FPL), Financial products Markup Language (FpML), eXtensible Business Reporting Language (XBRL), and others will be evaluated and incorporated as appropriate.

Performance Measure 5.4.2.1 Implementation of enterprise data management for effective aggregation, correlation with external data, and increased collaboration with other regulators.	
FY 2011	Develop data management governance and policy framework. Develop enterprise data management roadmap.
FY 2012	Establish enterprise data warehouse and service oriented architecture for enterprise data management. Communicate enterprise data warehouse and service oriented architecture design to NFA, SEC, U.S. Department of the Treasury's Office of Financial Research (OFR), and other regulators. Integrate FILAC system into enterprise data warehouse.
FY 2013	Integrate TSS into enterprise data warehouse. Include swaps data in enterprise data warehouse.
FY 2014	Integrate Integrated Surveillance System (ISS) into enterprise data warehouse.
FY 2015	Link enterprise data warehouse with NFA, SEC, OFR, and other regulatory warehouses.

To the extent it is practical, IT investments by industry and regulators should not be duplicative or redundant. Greater use of direct access information (based on high quality authoritative source data) will improve the consistency and timeliness of data access for staff and the public.

Performance Measure 5.4.2.2 Direct Access to SROs and SDRs for effective oversight.	
FY 2011	Plan dedicated connections to high volume DCMs and SROs.
FY 2012	Implement dedicated connections to high volume DCMs and SROs.
FY 2013	Receive and process swaps data pushed from existing SDRs.
FY 2014	Integrate swaps data pushed from existing SDRs with existing systems.
FY 2015	Integrate swaps data pushed from existing SDRs with external systems.

STRATEGY 5.4.3 Automate key business processes.

Effective management of information enables and is enabled by automated processes that are critical to competitive environments and oversight of dynamic markets. Source information must be digital and should remain digital throughout all transactions and use. Use of automated data and analysis will reduce staff effort, ensure timely receipt of data, shorten time for data analysis, and improve data integrity, ultimately reducing regulatory burden on industry resources and enabling more efficient oversight. A number of mission-specific IT development activities have been discussed in the context of other CFTC strategic goals.

In addition, the Commission intranet will be completely redesigned as an all-CFTC employee portal to a full range of employee-related information. The Commission's administrative and management systems and electronic document management system will be implemented, and internal management and administrative processes will be automated to increase productivity and transparency, promote consistency of practice, and prevent loss of institutional knowledge, resulting in a CFTC operating environment that supports high performance.

Furthermore, the Commission will continue to comply with the Federal Information Security Management Act (FISMA) in order to protect proprietary industry data and sensitive personally identifiable information. In addition to migrating Internet connectivity to a Managed Trusted Internet Service Provider (MTIPS)—Trusted Internet Connection (TIC)—the Commission will implement two-factor authentication for remote access to the CFTC network, email sender verification (anti-spoofing) controls when sending email to or receiving it from other government agencies, and standard security configuration baselines for servers. The CFTC will also automate several security controls and achieve continuous monitoring by implementing the Consensus Audit Guidelines' 20 Critical Control recommendations.

Performance Measure 5.4.3.1 CFTC-wide document and records management and intranet solutions for improved data security collaboration, retention, sharing, and disposal.	
FY 2011	Automate rule making support. Implement Forensics Lab. Implement Web site preservation system. Implement CFTCnet. Re-host CFTC.gov to provide improved services.
FY 2012	Implement eDiscovery preservation and legal hold. Implement enhancements to document search and retrieval software. Implement Electronic Records Document Management (ERDM) enterprise search and taxonomy and metadata management. Division collaboration sites migrate to/integrate with CFTCnet.
FY 2013	Implement automation of enterprise tips, complaints, and referral management. Implement Early Case Assessment System. Implement ERDM workflow and version control (five process groups).
FY 2014	Implement enhancements to case management software. Implement enhancements to audio analytics. Implement ERDM workflow and version control (five additional process groups).
FY 2015	Expand enterprise search to include eLaw and enterprise data warehouse.

Objective 5.5 Ensure effective stewardship and management of CFTC financial resources.

Effective stewardship and management of Commission financial resources begins with protecting CFTC resources against waste, fraud, and abuse, and ensuring their use in compliance with Federal financial laws and regulations. The foundation for effective fiduciary stewardship of Commission financial resources develops from sound application of a number of interrelated financial programs and systems: budget formulation, execution, and justification; contracting and procurement; and accounting, audit, and financial reporting. With an annual budget nearly fully allocated to fund onboard staff compensation and benefits, technology, and space leases, rigorous centralized budgetary resources oversight ensures compliance with Federal financial laws and regulations. The Commission maintains a clean unqualified audit status, first earned in 2006.

Commission core financial systems ensure the CFTC effectively and efficiently allocates and expends limited funds and other resources. A robust annual internal control and management integrity program coupled with the third-party neutral annual audit of financial statements make sure staff expend funds and resources as intended and protect against financial fraud, waste, and abuse.

Over the next five years the Commission will take a number of steps to increase its vigilance, improve its processes, and increase the accuracy of its financial data.

Strategy 5.5.1 Reengineer budget program activity codes (BPACs).

The CFTC will reengineer, improve, and implement changes to CFTC's cost accounting system to ensure it is more flexible (more easily allowing for changes) and aligns with and allows annual, accurate reporting on Commission activities and objectives at the individual and organizational level.

Accurate capture of Commission labor hours by activity and objectives at the individual and organizational levels will improve labor-based information and add transparency to budgetary resource usage, program performance, and budget formulation and justification functions.

Performance Measure 5.5.1.1 Reengineer, improve, and implement CFTC's BPACs.	
FY 2011	Assess and procure reengineering options for BPAC. Design, develop, and implement BPAC repository to retain all cost accounting codes.
FY 2012	Choose best option for BPAC structure in line with operating and reporting needs and in light of available resources. Implement new codes for use in FY 2013 budget formulation process.
FY 2013	Improve and adapt business processes associated with cost accounting codes.
FY 2014	Staff using cost accounting codes properly with error rate documented at less than1%.
FY 2015	N/A

Strategy 5.5.2 Improve budget formulation and audit processes.

The CFTC will design and implement a robust, automated budget formulation application and business process to streamline the preparation of its annual budget and to provide single source input to its operating plans and performance accountability reports.

By automating the budget formulation process, the CFTC will add functionality to query, analyze, and forecast funding scenarios supporting timely and informed senior leadership financial decision-making in rapidly and continuously changing funding situations.

The Commission will review its programs and operations and identify and reduce any potential opportunities for waste, fraud, or abuse by developing and introducing, where appropriate, processes that promote integrity, efficiency, and effectiveness.

Performance Measure 5.5.2.1 Management control reviews are conducted and documented. Recommendations are implemented. The Chairman and the Chief Financial Officer (CFO) are able to give unqualified Federal Managers' Financial Integrity Act (FMFIA) management assurances.	
FY 2011	Conduct program and administrative risk assessments, prepare three-year plan, and begin conducting reviews.
FY 2012	Update program and administrative risk assessments and three-year plan; continue conducting reviews, developing remediation plans, and taking corrective actions.
FY 2013	Complete corrective action.
FY 2014	N/A
FY 2015	N/A

Strategy 5.5.3 Implement Web-based time and attendance system.

The CFTC will implement a Web-based time and attendance system (WebTA) that will enable staff to electronically record their time and the Commission to transmit and apply time records electronically with no transference or other degradation of data. Implementation of this automated system will reduce staff time spent reporting on time and attendance. This system will be paperless, faster, and significantly increase the accuracy of coding and capture of individual bi-weekly labor hours. The CFTC will also be able to more quickly and accurately track time and attendance, analyze the distribution of labor, and improve internal controls.

Performance Measure 5.5.3.1 Implement Web-based time and attendance system.	
FY 2011	Conceptualize BPAC structure and configure WebTA to accommodate.
FY 2012	Pilot WebTA.
FY 2013	Go live with WebTA.
FY 2014	N/A
FY 2015	N/A

CFTC Organization, Programs and Functions

The Commission consists of five Commissioners, one of which serves as Chairman. The President appoints and the Senate confirms the CFTC Commissioners to serve staggered five-year terms. No more than three sitting Commissioners may be from the same political party. With the advice and consent of the Senate, the President designates one of the Commissioners to serve as Chairman.

The Office of the Chairman oversees the Commission's principal divisions and offices that administer and enforce the CEA and the regulations, policies, and guidance thereunder.

The Commission is organized largely along programmatic and functional lines. The three programmatic Divisions—the Division of Market Oversight (DMO), the Division of Clearing and Intermediary Oversight (DCIO), and the Division of Enforcement (DOE)—are partnered with and supported by a number of offices, including the Office of the General Counsel (OGC), the Office of the Chief Economist (OCE), the Office of International Affairs (OIA), and the Office of the Executive Director (OED).

Following are brief descriptions of the organizational programs within the CFTC. These descriptions reflect the current pre-Dodd-Frank Act structure. Aspects of this structure will change once the Commission fully understands and implements the oversight requirements of the Dodd-Frank Act.

The Commission

The Office of the Chairman and the Commissioners provide executive direction and leadership to the Commission, particularly on policies that implement and enforce the CEA. The Offices of the Chairman include: Public Affairs, Legislative Affairs, the Inspector General, and Equal Employment Opportunity.

Division of Market Oversight

The DMO program fosters markets that accurately reflect the forces of supply and demand for the underlying commodities, and are free of disruptive activity. To achieve this goal, program staff oversee trade execution facilities and perform market and trade practice surveillance, review new and existing exchanges to ensure their compliance with the core principles, evaluate new products to ensure they are not susceptible to manipulation, and review exchange rules and actions to ensure compliance with the CEA and CFTC regulations.

Division of Clearing and Intermediary Oversight

The DCIO program oversees the compliance activities of DCOs, intermediaries, and the futures industry SROs, which include the U.S. derivatives exchanges and the NFA. Program staff develop regulations concerning registration, fitness, financial adequacy, sales practices, protection of customer funds, clearance and settlement activities, cross-border transactions, systemic risk and anti-money laundering programs, as well as policies for coordination with foreign market authorities and emergency procedures to address market-related events.

Division of Enforcement

The DOE program investigates and prosecutes alleged violations of the CEA and Commission regulations. Possible violations involve commodity derivatives trading on U.S. exchanges, or the improper marketing and sales of commodity derivatives products to the general public.

Office of the General Counsel

The OGC serves the Commission as its legal advisor representing the Commission in appellate litigation and certain trial-level cases, including bankruptcy proceedings involving futures industry professionals, and advises the Commission on the application and interpretation of the CEA and other administrative statutes.

Office of the Chief Economist

The OCE provides economic support and advice to the Commission, conducts research on policy issues facing the Commission, and provides education and training for Commission staff.

Office of International Affairs

The OIA advises the Commission regarding international regulatory initiatives; provides guidance regarding international issues raised in Commission matters; represents the Commission in international organizations, such as IOSCO; coordinates Commission policy as it relates to international initiatives of the G20, Financial Stability Board, and the U.S. Department of the Treasury; and provides technical assistance to foreign market authorities.

Office of the Executive Director

The Executive Director, by delegation of the Chairman, serves as the Chief Operating Officer (COO) directing the effective and efficient allocation and use of resources and developing the management and administrative policy and programs of the Commission. The OED includes Secretariat, Human Resources, Financial Management, Information and Technology Services, Management Operations, Proceedings (reparations), and the Library. The OED also ensures program performance is measured and improved effectively.

Many functions and activities occur across Divisions and Offices, increasing the efficiency and effectiveness of CFTC staff.

Attorneys across the Commission's Divisions and Offices represent the Commission in administrative and civil proceedings; assist U.S. Attorneys in criminal proceedings involving violations of the CEA; develop regulations and policies governing clearinghouses, exchanges, and intermediaries; and monitor compliance with applicable rules. In response to the globalization of the derivatives markets, attorneys represent the CFTC internationally in multilateral regulatory organizations and in bilateral initiatives with individual foreign regulators. Commission attorneys also participate in country dialogues organized by the U.S. Department of the Treasury. Much of the Commission's legal work involves complex and novel issues.

Auditors, risk analysts, trade practice analysts, and attorneys examine records and operations of derivatives exchanges, clearinghouses, and intermediaries for compliance with the provisions of the CEA and the Commission's regulations. Derivatives trading investigators and specialists perform regulatory and compliance oversight to detect potential fraud, market manipulations, and trade practice violations. Risk analysts also perform analyses, which include stress testing, to evaluate financial risks at the trader, firm, and clearinghouse levels.

Economists and analysts monitor trading activity and price relationships in derivatives markets to detect and deter price manipulation and other potential market disruptions. These analysts also monitor compliance with speculative position limits. Economists and analysts evaluate filings for new derivatives contracts and amendments to existing contracts to ensure that they meet the Commission's statutory and regulatory standards. Economists also analyze the economic effect of various Commission and industry actions and events, evaluate policy issues, and advise the Commission accordingly.

The CFTC is headquartered in Washington, D.C. Regional offices are located in Chicago, Kansas City, and New York.

Additional information about the Commission and its history can be obtained from the Commission's Office of Public Affairs or through its Web site, *http://www.cftc.gov*.

Legal Sufficiency and Consistency

As the CFTC's statutory legal advisor, the OGC ensures that the Commission speaks with one voice in interpreting and applying the CEA. OGC plays a central role in reviewing proposed rulemakings, enforcement actions and policy initiatives for consistency with the CEA and Commission rules. OGC also assures that proposed Commission actions comply with any other applicable statutes, such as the Administrative Procedure Act. In performing its review function, OGC works closely with attorneys in the Commission's operating divisions. OGC also assists the Commission in analyzing legislation and in preparing draft language for consideration by Congress.

OGC represents the Commission before U.S. courts of appeals and U.S. district courts in proceedings that involve derivatives industry professionals or that otherwise present questions falling within the scope of the CEA. In addition, OGC monitors bankruptcy proceedings involving derivatives industry participants and may seek to assist courts in interpreting and applying the commodity broker liquidation provisions of the U.S. Bankruptcy Code.

OGC assists the Commission in resolving appeals from decisions of the Commission's presiding officers in administrative enforcement and reparations cases and from decisions of industry SROs.

Finally, OGC assists the Commission in complying with government-wide statutes, such as the Federal Advisory Committee Act (FACA) and the Freedom of Information Act (FOIA), and works with the CFTC's management team to assure the legal sufficiency of the Commission's performance under personnel laws, rules governing records maintenance and disposition, and other laws of general applicability.

Planning and Operational Processes

Overview

The CFTC is transforming its planning processes to ensure all activities create a comprehensive and integrated approach to effectively fulfilling its mandate. To achieve this: 1) the CFTC's Mission Statement, Strategic Goals, and Objectives must articulate the Commission's direction and desired outcomes; 2) tactical or annual operating plans are developed, budgeted, and executed to implement the goals and objectives and day-to-day activities; and 3) performance metrics are established and applied to determine level of success and to provide a means for review, evaluation, and effective improvement. The CFTC's transformation is evident in many ways at the Division and Office levels and at the CFTC as a whole. A Manager for Strategic and Operational Planning has been hired as well as a Business Manager for each Division. New techniques are being employed to establish, assign responsibility, and track priorities to completion. Cross divisional teams are working on more than 60 rules and studies and all activities are being tracked and managed in one place with continuous oversight.

Together, these planning, execution, and review actions create a structure to best identify and accomplish priorities and make the most efficient use of CFTC resources. Development and communication of the Strategic Plan and operational activities inform all CFTC staff, other domestic and international agencies, derivatives market participants, and the public of the direction of the Commission and how it will measure success. These long-range planning and execution processes provide a framework to effectively adjust programs in response to market, financial, and regulatory contingencies.

Activities

The CFTC employed a more inclusive approach to develop, adopt, and implement this new long-range Strategic Plan. This Strategic Plan was created by the CFTC under the direction of CFTC's senior leaders, Commissioners, and the Chairman. As a result, the Strategic Plan represents the direction that will be taken to fulfill the regulatory mandate placed on the CFTC. This direction establishes the long-term programmatic requirements, which will be translated into mid and short-term operational activities.

Concurrent with the development of the Commission's Strategic Plan and the mid and short-term operational activities, staff determined the related resource requirements to carry out the proposed effort. The resource requirements include, among other things, staffing, IT, contractual, and ancillary needs. The anticipated resource requirements were reviewed for overall reasonableness and effectiveness before finalizing the Strategic Plan. The CFTC Strategic Plan and associated resource requirements were thoroughly vetted and approved by the Commission and the Chairman.

Looking Forward

The approved Strategic Plan forms the basis for each fiscal year's annual operating plan and associated activities and requirements. The proposed Annual Operating Plan establishes the basis and justification for the Commission's Office of Management and Budget (OMB) and Congressional budget requests. When the annual appropriation is finalized and placed into law, the fiscal year Annual Operating Plan is adjusted as necessary and executed by staff.

At the end of the fiscal year or at the conclusion of individual activities, staff evaluate performance and resource utilization against the performance measures identified in the Strategic Plan and in the budget. These evaluations tell the Commission how effective it has been and whether adjustments are needed in future program activities or resource allocations.

The described process, while informal, has been in place and has been effective. However, as the Commission grows in scope of work and size a more formal documented set of planning processes are being developed as described in Goal 5. The development and implementation of this formal set of processes will ensure the continued success and effectiveness of the CFTC.

External and Internal Factors

The CFTC must be prepared to modify or change its planned direction or level of effort if factors not within its control change in unanticipated ways. Some of the factors that could materially affect CFTC workload are:

Legislation could be enacted that adds to or reduces CFTC's scope of regulation or ability to access critical information.

Appropriations may be above or below the level requested.

World and U.S. economies could grow or contract dramatically.

Demand for or supply of commodities and other goods and services that affect commodity markets and derivatives trading could change significantly.

Court decisions may alter prior understandings on which the Commission based workload projections, business processes, or resource requirements.

IT capabilities could materially change, improving or hindering the Commission's ability to monitor market or participant behavior or analyze transactions.

New derivative products, processes, or market participants may develop, having a positive or negative effect on the Commission's ability to oversee the market.

War or terrorist activity could disrupt the Commission's ability to fulfill its responsibilities.

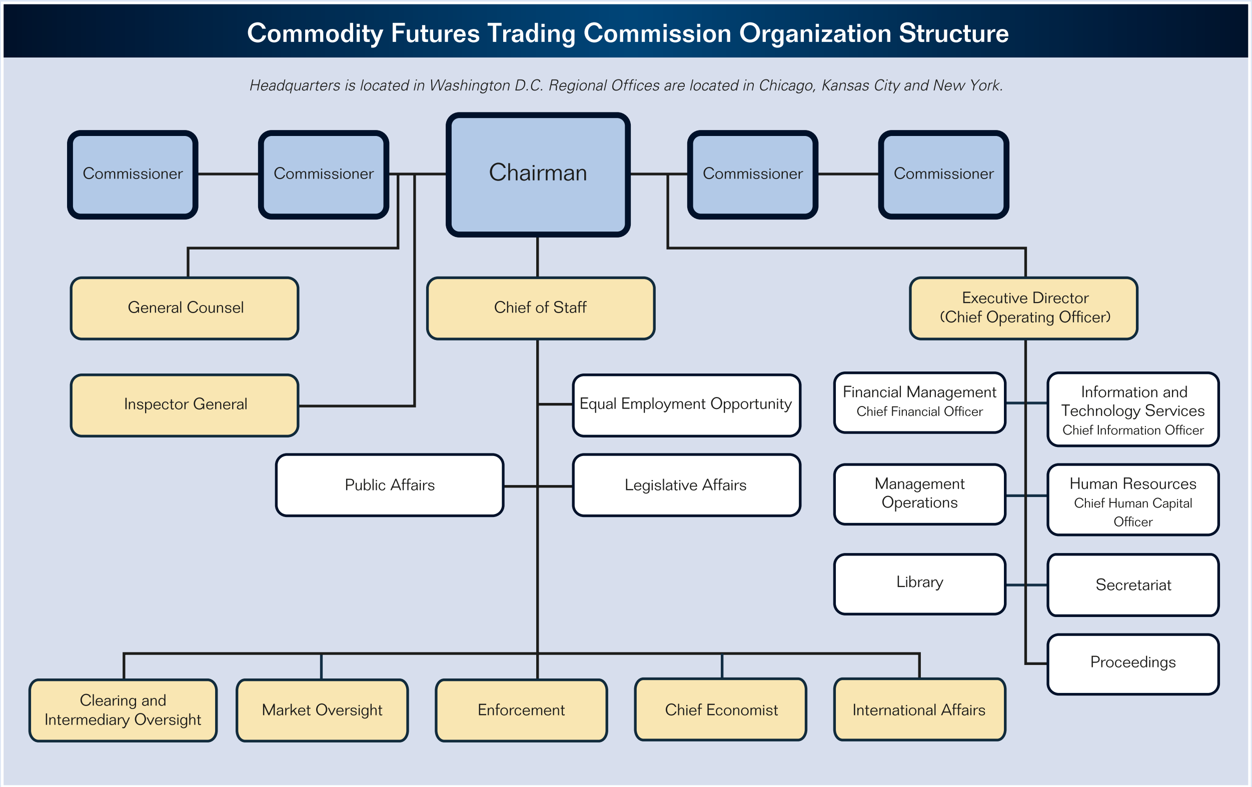
Critical staff with hard to replace competencies could leave or be unable to work for some period of time.

Glossary of Acronyms

BC-DR	Business Continuity and Disaster Recovery
BPAC	Budget Program Activity Code
CEA	Commodity Exchange Act
CFO	Chief Financial Officer
CFTC	Commodity Futures Trading Commission
COO	Chief Operating Officer
CPO	Commodity Pool Operator
CTA	Commodity Trading Advisor
ERDM	Electronic Records Document Management
DCIO	Division of Clearing and Intermediary Oversight (CFTC)
DCM	Designated Contract Market
DCO	Derivatives Clearing Organization
DMO	Division of Market Oversight (CFTC)
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act (2010)
DOE	Division of Enforcement (CFTC)
DSRO	Designated Self-Regulatory Organization
FACA	Federal Advisory Committee Act
FCM	Futures Commission Merchant
FILAC	Filings and Actions
FISMA	Federal Information Security Management Act
FIXML	Financial Information eXchange Markup Language
FMFIA	Federal Managers' Financial Integrity Act
FOIA	Freedom of Information Act
FPL	FIX Protocol Limited
FpML	Financial products Markup Language
GPRA	Government Performance and Results Act
IOSCO	International Organization of Securities Commission
ISO	International Organization for Standardization
ISS	Integrated Surveillance System

IT	Information Technology
MTIPS	Managed Trusted Internet Service Provider
NFA	National Futures Association
OCE	Office of the Chief Economist
OED	Office of the Executive Director
OFR	Office of Financial Research (U.S. Department of the Treasury)
OGC	Office of the General Counsel
OIA	Office of International Affairs
OITS	Office of Information Technology Services
OMB	Office of Management and Budget
OTC	Over-the-Counter
RER	Rule Enforcement Review
RFA	Registered Futures Association
RFED	Retail Foreign Exchange Dealer
RSR	Regulatory Statement Review
SEC	U.S. Securities and Exchange Commission
SEF	Swap Execution Facilities
SDR	Swap Data Repository
SPARK	Stressing Positions at Risk
SRO	Self-Regulatory Organization
TIC	Trusted Internet Connection
TSS	Trade Surveillance System
WebTA	Web-based Time and Attendance System
XBRL	eXtensible Business Reporting Language

The CFTC Organization



CFTC Releases List of Areas of Rulemaking for Over-the-Counter Derivatives

The Commodity Futures Trading Commission (CFTC) today released the list of 30 areas of rulemaking to implement the Wall Street Reform and Consumer Protection Act. Some of these areas will require only one rule, while others may require more. The CFTC is required to complete these rules generally in 360 days, though some are required to be completed within 90, 180 or 270 days.

"The CFTC, working along with the SEC and other regulators, will have a full and busy rule-writing agenda over the coming year," CFTC Chairman Gary Gensler said. "The financial reform bill presents new responsibilities and authorities for the Commission. The Commission looks forward to taking on these new responsibilities to lower risk, promote transparency, and protect the American public.

"We have begun preparing for the task of writing rules for the swaps marketplace by identifying 30 topic areas where we have determined rule-writing to be necessary. Teams of staff within the Commission have been assigned to each rule-writing area and will see the process through, from analyzing the statute's requirements, to broad consultation, to recommending proposed rulemakings to publishing final rules."

The rule-writing areas have been divided into eight groups: Comprehensive Regulation of Swap Dealers & Major Swap Participants; Clearing; Trading; Data; Particular Products; Enforcement; Position Limits; and Other Titles.

The Commission is requesting input from the public on each of the rule-writing areas. Instructions for submitting views can be accessed on the individual rule-writing pages on the CFTC's Web site at *http://www.cftc.gov/LawRegulation/DoddFrankAct/Rulemakings/index.htm*.

COMPREHENSIVE REGULATION OF SWAP DEALERS & MAJOR SWAP PARTICIPANTS:

I. Registration
II. Definitions, such as Swap Dealer, Major Swap Participant, Security-Based Swap Dealer and Major Security-Based Swap Participant, to be Written Jointly with SEC
III. Business Conduct Standards with Counterparties
IV. Internal Business Conduct Standards
V. Capital & Margin for Non-banks
VI. Segregation & Bankruptcy for both Cleared and Uncleared Swaps

CLEARING:

VII. DCO Core Principle Rulemaking, Interpretation & Guidance
VIII. Process for Review of Swaps for Mandatory Clearing
IX. Governance & Possible Limits on Ownership & Control
X. Systemically Important DCO Rules Authorized Under Title VIII
XI. End-user Exception

TRADING:

XII. DCM Core Principle Rulemaking, Interpretation & Guidance
XIII. SEF Registration Requirements and Core Principle Rulemaking, Interpretation & Guidance
XIV. New Registration Requirements for Foreign Boards of Trade
XV. Rule Certification & Approval Procedures (applicable to DCMs, DCOs, SEFs)

DATA:

XVI. Swap Data Repositories Registration Standards and Core Principle Rulemaking, Interpretation & Guidance
XVII. Data Record-keeping and Reporting Requirements
XVIII. Real-Time Reporting

PARTICULAR PRODUCTS:

XIX. Agricultural Swaps
XX. Foreign Currency (Retail Off-Exchange)
XXI. Joint Rules with SEC, such as "Swap" and "Security-Based Swap"
XXII. Portfolio Margining Procedures

ENFORCEMENT:

XXIII. Anti-Manipulation
XXIV. Disruptive Trading Practices
XXV. Whistleblowers

POSITION LIMITS:

XXVI. Position Limits, including Large Trader Reporting, Bona Fide Hedging Definition & Aggregate Limits

OTHER TITLES:

XXVII. Investment Adviser Reporting
XXVIII. Volcker Rule
XXIX. Reliance on Credit Ratings
XXX. Fair Credit Reporting Act and Disclosure of Nonpublic Personal Information

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