

MEMORANDUM

Date: October 3, 2012

To: Shagufta Ahmed and Nicholas Fraser, Office of Management and Budget (OMB), Office of Information and Regulatory Affairs

From: Christopher Cummings
Commodity Futures Trading Commission (CFTC)
Division of Swap Dealer and Intermediary Oversight

Re: Justification Statement for Non-Substantive Revisions to CFTC Form 7-R

Form 7-R is the CFTC's form by which a firm applies for registration with the CFTC. By signing Form 7-R the firm makes a set of certifications, acknowledgments and undertakings. In addition, if the applicant is a foreign firm, the firm agrees to provide its books and records for inspection by the CFTC, the National Futures Association ("NFA") or the U.S. Department of Justice ("DOJ") upon request and in a specified manner. Included is a statement that the foreign firm is not subject to any blocking, privacy or secrecy laws, and that failure to provide the books and records in the manner specified could result in enforcement action, denial or revocation of registration or other consequences.

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, certain foreign firms will be required to register with the CFTC by a date certain as swap dealers, and these firms may, in fact, be subject to blocking, privacy or secrecy laws in their home jurisdictions that could limit or prevent production by those firms of their books and records in accordance with the procedures they would be agreeing to by signing Form 7-R. In order to permit these firms to register as required by U.S. law, without violating their home country laws, the CFTC is making the terms of the agreement in Form 7-R that a firm produce its books and records upon CFTC, NFA or DOJ request subject to the provisions of any applicable blocking, privacy or secrecy laws.

The changes to Form 7-R consist entirely of insertion of qualifying language in four places in the agreement text at the end of the form.