



**Derivatives & Commodities**

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**STRADLEY  
RONON**

## Overview

Stradley Ronon's derivatives and commodities practice group is an integrated, multidisciplinary team that advises asset managers, collective investment vehicles and other institutional market participants on the evolving regulatory landscape for transactions in derivatives resulting from the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act) in the United States and similar regulatory initiatives abroad. We assist our clients in navigating the emerging global regulatory regimes that affect derivatives trading and staying abreast of developments. This involves drawing on our experience with derivatives regulations established by the U.S. Commodity Futures Trading Commission (CFTC) and the Securities and Exchange Commission (SEC) under Title VII of the Dodd-Frank Act, as well as providing advice from a cross-border perspective by incorporating consideration of the emerging derivatives regimes in the EU (EMIR), Canada and other non-U.S. jurisdictions.



## Our Highly Experienced Team

We have extensive experience in structuring and negotiating documentation for both over-the-counter and exchange-traded derivatives transactions. We focus in particular on helping clients develop and implement the infrastructure necessary for derivatives trading in the post Dodd-Frank markets, including establishing new relationships, and assisting with the documentation necessary for centrally cleared swaps and trading on swap execution facilities (SEFs).

We also assist with developing policies and procedures for operating in new markets and under new regulations. These include establishing onboarding procedures such as protocols for determining the regulatory status of parties to derivatives transactions as eligible contract participants (ECPs) and U.S. persons under CFTC regulations; special aggregation and "block trade" procedures appropriate

for swaps and other non-securities transactions; and procedures for keeping pace with new record-keeping, reporting and disclosure requirements.

Our derivatives and commodities attorneys routinely counsel clients on their status and regulatory obligations as commodity pool operators (CPO) and commodity trading advisors (CTA) under the Commodity Exchange Act (CEA) and related regulations of the CFTC and National Futures Association (NFA), as well as on available exemptions from CPO and CTA regulation. We have particular experience assisting SEC and FINRA regulated entities in structuring their businesses and derivatives transactions, and related compliance programs, to address dual regulation by the SEC and FINRA, on the one hand, and the CFTC and NFA, on the other hand, and, to the extent possible, we help them minimize the impact of multiple regulators.

## Our Clients

Our clients include financial institutions, such as investment advisers, banks, broker-dealers and insurance companies, as well as pooled vehicles such as registered investment companies, collective trusts, hedge funds and other private funds. They range in size from some of the largest financial institutions in the world to some of the smallest, fastest-growing companies. We counsel experienced CFTC registrants, such as asset managers that have been registered as CPOs or CTAs for some time, as well as financial institutions that have more recently become subject to CFTC registration and other derivatives regulation as a result of the Dodd-Frank Act, equivalent non-U.S. regulation or new CFTC rules. Stradley Ronon's long-standing practice of representing SEC-registered investment advisers and broker-dealers enables the derivatives and commodities practice group to advise clients on the intricacies of dual SEC and CFTC regulation, and clients benefit from the valuable market perspective of our broad practice.

## Our Diverse Capabilities

### **Swaps and Derivatives Documentation and Regulatory Compliance**

We regularly counsel a wide variety of financial institutions on establishing and modifying their derivatives trading documentation, including:

- ISDA Master Agreements
- Repurchase Agreements
- Securities Lending Agreements
- Futures Agreements

- Execution Agreements, Futures Commission Merchant (FCM) and Central Counterparty Agreements, and other documents related to centrally cleared swap transactions
- SEF Participant/User Agreements
- ISDA Protocols relating to Dodd-Frank, EMIR, Foreign Account Tax Compliance Act (FATCA) and other issues
- Master Securities Forward Transaction Agreements (TBA Market)
- Collateral Account Control Agreements
- Master Confirmation Agreements
- Master Netting Agreements
- Underlying Trade Confirmations

We also counsel clients in keeping apprised of and in compliance with changing regulatory requirements, including:

- New swap reporting and record-keeping requirements under the CEA, EMIR and NFA rules, and other regimes
- Emerging uncleared swap margin requirements
- Block trading, off-facility trading, cross-border and other swaps trading issues
- Special calls for reports on CFTC Form 40 and Form 40S
- Rules established by SEFs
- Speculative position limits

Our attorneys engage in advocacy with regulators on behalf of our clients' evolving regulatory issues, including customer protection, cross-border application of CFTC swap rules and application of position limits to asset managers.

### **Commodity Pool Operator and Commodity Trading Advisor Regulation**

We assist fund sponsors, advisers and pooled vehicles with complex questions regarding their status as CPOs, CTAs and commodity pools, including:

- Evaluating organization-wide activities and entities for CPO/CTA status applicable exemptions
- Considering organizational adjustments to take advantage of available exclusions and exemptions
- Guiding clients through NFA registration requirements for CPOs, CTAs and introducing brokers
- Advising on licensing requirements and related exemptions for associated persons
- Assisting registered investment companies and their advisers in complying with the CFTC's Rule 4.5 and "harmonization" regime
- Evaluating swaps and derivatives risks and other disclosures in fund offering documents
- Assisting with CFTC and NFA compliance programs, on-going compliance obligations and NFA exams
- Providing interpretive advice on new disclosure forms, including Forms CPO-PQR and CTA-PR
- Addressing complex issues involving offshore funds, unconventional pools, funds-of-funds and unit investment trusts
- Engaging in direct advocacy with CFTC and NFA on interpretive and policy issues arising from dual regulation

For more information on our Derivatives & Commodities practice, visit  
[www.stradley.com/derivatives](http://www.stradley.com/derivatives).



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## ABOUT STRADLEY RONON

For more than 95 years, Stradley Ronon has helped private and public companies – from small businesses to Fortune 500 corporations – achieve their goals. With eight offices and more than 200 attorneys, Stradley Ronon is proud to help companies manage their legal challenges and grow their businesses.

[www.stradley.com](http://www.stradley.com)

## LOCATIONS

Philadelphia  
Washington, D.C.  
Chicago  
New York

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