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Regulation Through Substitution as Policy Tool: Swap Futurization Under Dodd-Frank

April 21, 2013 | Articles & Books

Recently, much attention has been paid to a trend known a "futurization"—the recasting of economic arrangements previously transacted as "swaps" to trade as "futures" as a result of the new regulation of the swaps markets under the Dodd-Frank Act. Proponents of futurization view it as a desired transition from previously opaque swap markets to more transparent futures markets. Opponents of futurization view it as regulatory arbitrage and a thwarting of congressional intent.

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