

Treasury Issues FX Swap and FX Forward Exemption

November 19, 2012 | Client Update

On November 16, 2012, the Secretary of the Treasury issued a much awaited determination that foreign exchange (“FX”) swaps and forwards should not be regulated as swaps under the Commodity Exchange Act for most purposes, including registration, mandatory clearing and trade execution, and margin. As was the case in the proposed determination, FX derivatives other than FX swaps and forwards, such as FX options, currency swaps and non-deliverable forwards, are not exempted from the definition of swap.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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