

## U.S. and U.K. Regulators Focus on “Opportunistic Strategies” in Credit Default Swaps

June 26, 2019 | Client Update

The U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission and the U.K. Financial Conduct Authority issued a joint statement Monday saying that so-called manufactured credit events and other “opportunistic strategies” related to credit default swaps “may adversely affect the integrity, confidence and reputation” of the markets. The statement appears to suggest that some of these strategies could run afoul of antifraud laws, and it says the agencies will pursue collaborative efforts, with industry input, to address their concerns. Although short on specifics, the statement is noteworthy and we expect more to come.

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.

**Maurice Blanco**

+55 11 4871 8402  
+1 212 450 4086  
maurice.blanco@davispolk.com

**Brian M. Burnovski**

+1 212 450 4666  
brian.burnovski@davispolk.com

**Bruce K. Dallas**

+1 650 752 2022  
bruce.dallas@davispolk.com

**Joseph A. Hall**

+1 212 450 4565  
joseph.hall@davispolk.com

**Michael Kaplan**

+1 212 450 4111  
michael.kaplan@davispolk.com

**James C. Lin**

+852 2533 3368  
james.lin@davispolk.com

**Paul Spagnoletti**

+1 212 450 4577  
paul.spagnoletti@davispolk.com

**Richard D. Truesdell, Jr.**

+1 212 450 4674  
richard.truesdell@davispolk.com

**Randall Derek Walters**

+1 212 450 4235  
derek.walters@davispolk.com

*This communication, which we believe may be of interest to our clients and friends of the firm, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. This may be considered attorney advertising in some jurisdictions. Please refer to the firm's privacy notice for further details.*

## Related materials

[2019-06-26\\_us\\_and\\_uk\\_regulators\\_focus\\_on\\_opportunistic\\_strategies.pdf](#)