

# Rules and Regulations

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This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents.

## FARM CREDIT ADMINISTRATION

### 12 CFR Part 620

RIN 3052-AD37

#### District Financial Reporting

**AGENCY:** Farm Credit Administration.

**ACTION:** Notification of effective date.

**SUMMARY:** The Farm Credit Administration (FCA or we) is amending our regulations governing how a Farm Credit bank presents information on its related associations when preparing annual bank financial statements on a stand-alone basis. The final rule provides two presentation options when disclosing related association financial information in an annual bank report: By footnote or attached in a supplement.

**DATES:** The regulation amending 12 CFR part 620 published on October 8, 2020 (85 FR 63428) is effective on December 4, 2020.

#### FOR FURTHER INFORMATION CONTACT:

*Technical information:* Joi Neal, Senior Accountant, Office of Regulatory Policy, (703) 883-4223, TTY (703) 883-4056, [nealj@fca.gov](mailto:nealj@fca.gov).

*Legal information:* Laura McFarland, Senior Counsel, Office of General Counsel, (703) 883-4020, TTY (703) 883-4056, [mcfarlandl@fca.gov](mailto:mcfarlandl@fca.gov).

**SUPPLEMENTARY INFORMATION:** On October 8, 2020, FCA issued a final rule to improve shareholder access to district financial information by providing an additional method of presenting financial information on a bank's related associations to those banks preparing annual financial statements on a stand-alone basis.

In accordance with 12 U.S.C. 2252(c)(1), the effective date of the rule is no earlier than 30 days from the date of publication in the **Federal Register** during which either or both Houses of Congress are in session. Based on the records of the sessions of Congress, the effective date of the regulation is December 4, 2020.

Dated: December 7, 2020.

**Dale Aultman,**

*Secretary, Farm Credit Administration Board.*

[FR Doc. 2020-27191 Filed 1-4-21; 8:45 am]

**BILLING CODE 6705-01-P**

## COMMODITY FUTURES TRADING COMMISSION

### 17 CFR Part 23

RIN 3038-AF08

#### Portfolio Reconciliation Requirements for Swap Dealers and Major Swap Participants—Revision of “Material Terms” Definition

**AGENCY:** Commodity Futures Trading Commission.

**ACTION:** Interim final rule; request for comment.

**SUMMARY:** The Commodity Futures Trading Commission (“Commission” or “CFTC”) is adopting, and invites comments on, an interim final rule (“Interim Final Rule”) to amend the definition of “material terms” to maintain current portfolio reconciliation requirements for swap dealers and major swap participants following the effective date of changes to a recently amended Commission regulation.

#### DATES:

*Effective Date.* This interim final rule is effective January 5, 2021.

*Comment Date:* Comments must be received on or before March 8, 2021.

Comments submitted by mail will be accepted as timely if they are postmarked on or before that date.

**ADDRESSES:** You may submit comments, identified by RIN 3038-AF08, by any of the following methods:

- *CFTC Comments Portal:* <https://comments.cftc.gov>. Select the “Submit Comments” link for this rulemaking and follow the instructions on the Public Comment Form.

- *Mail:* Send to Christopher Kirkpatrick, Secretary of the Commission, Commodity Futures Trading Commission, Three Lafayette Center, 1155 21st Street NW, Washington, DC 20581.

- *Hand Delivery/Courier:* Follow the same instructions as for Mail, above.

Please submit your comments using only one of these methods. Submissions through the CFTC Comments Portal are encouraged.

*Instructions:* All submissions received must include the agency name and RIN number for this rulemaking. For additional details on submitting comments, see the “Public Participation” heading of the **SUPPLEMENTARY INFORMATION** section of this document.

#### FOR FURTHER INFORMATION CONTACT:

Joshua Sterling, Director, (202) 418-6056, [jsterling@cftc.gov](mailto:jsterling@cftc.gov); Jacob Chachkin, Special Counsel, (202) 418-5496, [jchachkin@cftc.gov](mailto:jchachkin@cftc.gov); or Gregory Scopino, Special Counsel, [gscopino@cftc.gov](mailto:gscopino@cftc.gov), 202-418-5175, Market Participants Division (“MPD”), Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW, Washington, DC 20581.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

Commission regulation 23.502<sup>1</sup> requires swap dealers (“SDs”) and major swap participants (“MSPs”), as defined in § 1.3 of the Commission’s regulations,<sup>2</sup> to reconcile their swap portfolios with one another and provide non-SD and non-MSP counterparties with regular opportunities for portfolio reconciliation.<sup>3</sup> Commission regulation 23.500(i) defines “portfolio reconciliation” as any process by which the two counterparties to one or more swaps exchange the material terms and valuations of all swaps in the swap portfolio between the counterparties and resolve any identified discrepancy in such material terms and valuations.<sup>4</sup> Commission regulation 23.500(g) defines “material terms” to mean the minimum “primary economic terms” of a swap, as defined in appendix 1 of part 45 of the Commission’s regulations, with the exception of 24 enumerated terms that were excluded from the definition of “material terms” as part of a Commission effort to reduce the regulatory burden on SDs and MSPs by eliminating the need to reconcile data field terms that were static or did not

<sup>1</sup> 17 CFR 23.502. Commission regulations referred to herein are found at 17 CFR chapter I.

<sup>2</sup> 17 CFR 1.3.

<sup>3</sup> 17 CFR 23.502; see Confirmation, Portfolio Reconciliation, Portfolio Compression, and Swap Trading Relationship Documentation Requirements for Swap Dealers and Major Swap Participants, 77 FR 55904, 55926 (Sept. 11, 2012) (“Portfolio Reconciliation Final Rule”).

<sup>4</sup> 17 CFR 23.500(i).