

Joint Audit Committee

Regulatory Update

0105

TO: Chief Financial Officers
Chief Compliance Officers

DATE: September 20, 2001

SUBJECT: Temporary Relief from Certain Commission Regulations
As A Result of the World Trade Center Disaster

Attached is [a copy of the relief](#) granted by the Commodity Futures Trading Commission from certain regulations in response to the attacks on the World Trade Center and resulting disruption in the financial markets. The Self Regulatory Organizations are in agreement with the relief granted and invite member firms that are in need of additional relief to contact your DSRO for assistance in coordinating further regulatory relief.

The following is a summary of the relief granted. **All Futures Commission Merchants (FCMs) are granted relief in the following areas:**

- ◆ FCMs need not count September 11, 12, 13, and 14 as business days for the purpose of filing the August financial statements or for other filing requirements outlined in Commission Regulation 1.10. August financial filings are due October 2, 2001.
- ◆ FCMs need not count September 11, 12, 13, and 14 as business days when computing the minimum financial requirements. This relief includes the computation of current assets, the computation of commodity undermargin capital charges, the aging of margin calls and any other requirements that fall within Commission Regulation 1.17.

It should be noted that firms operating from disaster recovery sites may have to re-install Winjammer™ or may have PIN number concerns. For assistance in this area, please contact your DSRO.

The Joint Audit Committee is a representative committee of U.S. futures exchanges and regulatory organizations including the: ACC, BTEX, CBOT, CME, COMEX, CSC, KCBOT, MESL, MGE, NYCE, NYFE, NYMEX, PBOT, and the NFA

JAC Update #0105

FCMs that had their physical operations disrupted as a result of the attacks are granted the following additional relief:

- ◆ For a one-month period, books and records and records of cash, futures and options transactions created on or before September 11, 2001 do not have to be readily accessible. This includes records stored on micrographic or electronic media.
- ◆ Firms not able to access time stamping devices are not required to comply with time stamping requirements from September 11, 2001 through September 21, 2001, as long as they use reasonable alternative methods to record the time sequence of orders.
- ◆ FCMs unable to prepare the Statement of Segregation Requirements and Funds in Segregation and the Statement of Secured Amounts and Funds Held in Separate Accounts for September 11, 12, 13, and 14, will not be in violation of Commission Regulations.
- ◆ The deadline for preparing the Segregation and the Secured Amounts Statements is extended to the close of business for the period from September 17, 2001 through October 11, 2001.
- ◆ FCMs are not required to provide daily trade confirmations and offset and close out positions in accordance with Commission Regulation 1.46(a) for September 11, 12, 13, and 14.

The Commission is also giving relief to FCMs that had their physical operations disrupted as a result of the attacks in regard to bulk transfer notification, and relief to commodity pool operators with regard to reporting to pool participants and record keeping.

If you have any additional questions, or need further assistance, please contact your DSRO.