Occupy the SEC

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Occupy the SEC works to ensure that financial regulators protect the interests of the public, not Wall Street.

FOR IMMEDIATE RELEASE:

Occupy the SEC Submits Letter to CFTC Re: Position Limits Regulations

New York, NY – August 7, 2014

Occupy the SEC ("OSEC") has submitted a comment letter to the Commodity Futures Trading Commission ("CFTC") regarding that agency's notice of re-proposed rulemaking regarding position limits on certain commodities contracts and derivatives.

The position limits framework, an important part of the Dodd-Frank financial overhaul, has been a contentious issue in the last few years. Representatives of industry previously succeeded in litigating against the CFTC and delaying the implementation of the position limits regime on purely technical grounds. The Commission has finally been able to re-propose this vital reform after significant delay.

Commodities position limits are necessary to restrain price speculation in commodities trading. Speculative commodities trading has repeatedly led to catastrophic failures, such as the collapse of Amaranth Advisors LLC in 2006 following gross overinvestment in the natural gas markets. The CFTC has proposed rules with a view towards correcting such market failures.

Unfortunately, the proposed position limits regime is rife with numerous exemptions, such as broadly permissive provisions for hedging. The CFTC's proposed rules also fail to adequate regulate commodities speculation in non-spot months. In its comment letter OSEC has recommended that the Commission promulgate simple and effective per se regulations that are both transparent and useful in regulating market conduct.

Occupy the SEC is a group of concerned citizens, activists, and financial professionals that works to ensure that financial regulators protect the interests of the public, not Wall Street. For further information, visit http://occupythesec.org or email info@occupythesec.org.

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