



Strategic Plan

2020-2024

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COMMODITY FUTURES TRADING COMMISSION

Chairman's Letter



Like most of the employees I have had the pleasure to meet with and work beside, I am immensely proud – also humbled – to serve the American people by helping to lead the Commodity Futures Trading Commission (CFTC, or Commission). The CFTC is the world's premier derivatives regulator. Few agencies have such a broad, consequential, and unique mission. Futures, swaps, and options provide critical risk management and price discovery tools that can promote long-term stability and growth in the real economy.

Strategic planning plays a crucial role in helping achieve the mission of any successful organization. Shortly after my confirmation I began working with all CFTC employees to revise **our** mission statement. And for the first time, we adopted a vision statement and identified a set of core values. The word "our" is emphasized because we wrote them together; every CFTC employee was given an opportunity to provide input and then vote as a community.

I am pleased to present these key ingredients to organizational excellence – they create the foundation upon which our success will be built, and will ensure that we continue to row in the same direction.

The CFTC's New Mission Statement, Vision Statement and Core Values

Mission Statement

To promote the integrity, resilience, and vibrancy of the U.S. derivatives markets through sound regulation.

Vision Statement

To be the global standard for sound derivatives regulation.

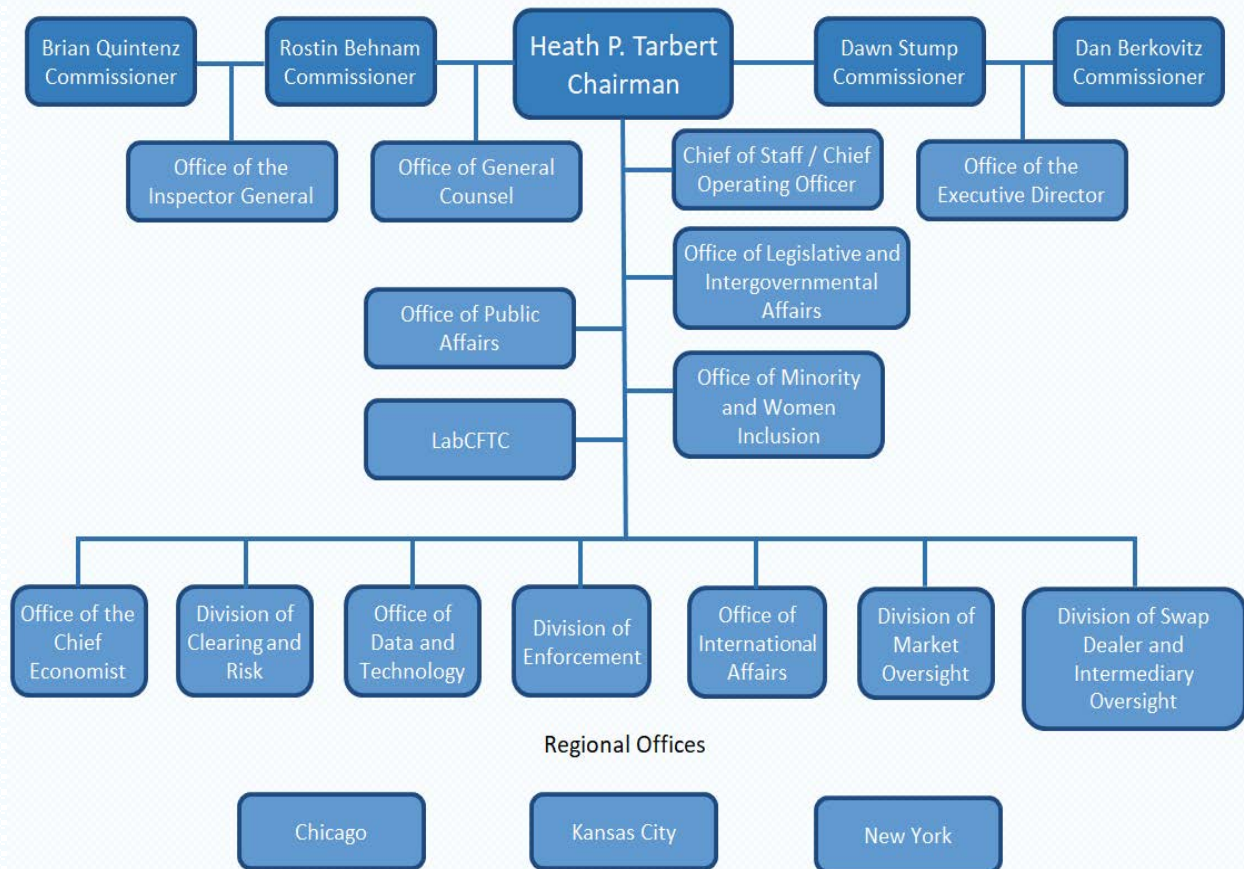
Core Values

- | | |
|---------------------------------|---|
| <u>Commitment:</u> | <i>Bringing our best to work every day and holding ourselves to the highest professional standards.</i> |
| <u>Forward-thinking:</u> | <i>Challenging ourselves to stay ahead of the curve.</i> |
| <u>Teamwork:</u> | <i>Valuing diverse skill sets and backgrounds to achieve our mission.</i> |
| <u>Clarity:</u> | <i>Providing transparency to market participants about our rules and processes.</i> |

The strategic goals and objectives that are encapsulated in this plan will guide and prioritize our efforts to achieve the CFTC's mission. This mission includes a special obligation to ensure our derivatives markets support the U.S. free enterprise system in innovative ways. We will meet these obligations with an eye toward serving the interests of Main Street Americans, making sure these voices are heard and their concerns are addressed.

Our success is built on the expertise, skill, and dedication of the CFTC's vital workforce. Our workforce has made it possible for U.S. futures, options, and swaps markets to serve as the global standard, because these markets are deep, open, liquid, transparent, and soundly regulated. Together, we are committed to maintain and strengthen these qualities, and achieve the CFTC's essential mission of promoting the integrity, resilience, and vibrancy of the U.S. derivatives markets through sound regulation.

The CFTC Organization and Responsibilities



To promote market integrity, the CFTC regulates and polices the derivatives markets, seeking to lower the risk of the futures and swaps markets to the economy and the public. The agency oversees a variety of individuals and organizations, including derivatives clearing organizations (DCOs), swap execution facilities (SEFs), designated contract markets (DCMs), swap data repositories (SDRs), swap dealers (SDs), futures commission merchants (FCMs), commodity pool operators (CPOs), and other entities.

Established by statute as an independent agency in 1974, the CFTC assumed responsibilities previously belonging to the Department of Agriculture since the 1920s. The Commission historically has been charged by the Commodity Exchange Act (CEA) with regulatory authority over the commodity futures and options markets. These markets have existed since the 1860s, beginning with agricultural commodities.

Over [time](#), these markets, known as [DCMs](#), regulated by the Commission, have grown to include those for energy and metals commodities such as crude oil, heating oil, gasoline, copper, gold, and silver. The agency now also oversees DCMs for financial products such as interest rates, stock indexes, and foreign currency. Most recently, the CFTC has granted DCM licenses for exchanges specializing in futures relating to digital assets.

In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act ([Dodd-Frank Act](#)) directed the agency to oversee the U.S. swaps market, which is more than \$400 trillion in notional value; about twelve times the size of the futures market. This link includes the [laws and regulations](#) that guide the Commission's work.

Futures, options, and swaps markets are essential to our economy and the way that businesses and investors manage risk and uncertainties regarding future commodity price movements. Farmers, ranchers, commercial companies, municipalities, pension funds, and others use these markets to lock in a price or rate, helping them focus on innovating, producing goods and services, creating jobs, and reducing the risks of investing. The CFTC works to ensure market participants can use markets with confidence.

Strategic Goal 1

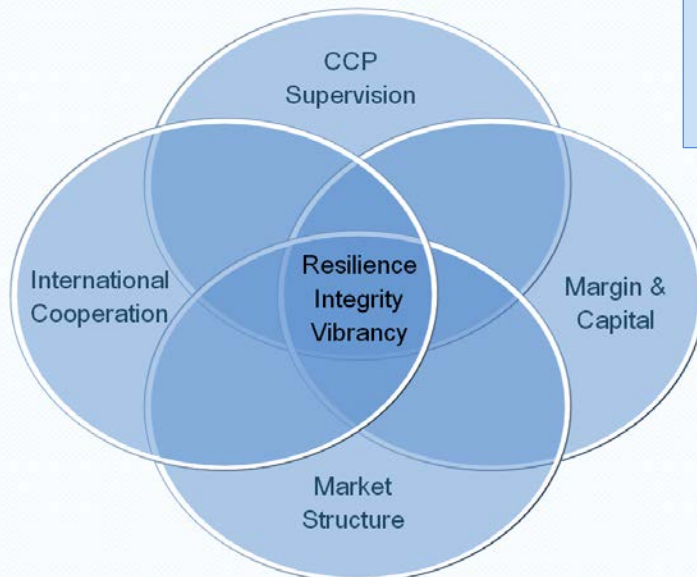
Strengthen the resilience and integrity of our derivatives markets while fostering their vibrancy.

Derivatives markets strengthen the U.S. and global economy by helping market participants manage price risks. This frees up capital for business investment and job creation. To foster economic growth, our markets must be open and competitive so that price discovery reflects the forces of supply and demand, unaltered by fraud, manipulation, or other abuses.

The CFTC's unique challenge is to achieve the dual goals of protecting and advancing the world's leading derivatives markets. Protecting these markets will bolster confidence in their integrity. Taking steps to avoid systemic risk will not only protect market participants, but increase confidence in the soundness of the U.S. derivatives markets. As the Commission develops and implements regulations consistent with statutory mandates, we commit to do so in a way that retains the vibrancy derivatives markets need to perform their fundamental risk-management functions. As our markets continue to rapidly evolve, the CFTC remains committed to maintaining its role as a global leader in sound derivatives regulation.

The CFTC will achieve the following outcomes tied to Strategic Goal 1:

- The CFTC will demonstrate coherent and consistent central counterparty (CCP) oversight.
- The CFTC will use risk-based analysis to develop and implement derivatives markets regulations.



Strategic Goal 1: Strategic Objectives

1.1 Ensure our central counterparties remain the soundest in the world.

Sound CCPs are essential to the efficiency and stability of derivatives markets, as they provide crucial services and reduce counterparty risk.

1.2 Work with our international counterparts to reduce market fragmentation.

A regulatory structure relying on international cooperation and comity reduces fragmentation by avoiding inconsistent or contradictory risk management requirements.

1.3 Effectively monitor and work to ensure optimal requirements for margin and capital in our markets.

Finalizing capital rules for swap dealers and addressing operational difficulties in implementation of margin for uncleared swaps requirements will bolster the resilience of our markets.

1.4 Advance policies that deepen liquidity and increase transparency in our markets without reducing the risk-mitigating benefits of regulations.

A lack of liquidity and transparency can negatively impact the ability of derivatives markets participants to manage and mitigate risk.

Strategic Goal 2

Regulate our derivatives markets to promote the interests of all Americans.

The significant benefits that the commodity futures, swaps, and options markets bring to the lives of everyday Americans often go unnoticed. These markets enable businesses to provide more stable and predictable prices to consumers for everything from groceries to gasoline and heating bills to home mortgages. In regulating derivatives markets and their financial instruments, the CFTC serves a critical role in our free-enterprise system. In regulating these markets, we must not lose sight of their underlying purpose: to serve the needs of all Americans.

America's farmers and ranchers have relied on derivatives markets to hedge production and costs for more than 100 years. Those markets provide fair value for farmers' and ranchers' hard work and enable more stable prices for consumers. The Commission will demonstrate commitment to the agricultural community and its stakeholders by understanding and addressing issues that positively and negatively impact agricultural commodity derivatives markets. We will also focus on ensuring that Main Street institutions are not unnecessarily burdened by regulatory requirements.

The CFTC will achieve the following outcomes tied to Strategic Goal 2:

- The CFTC will demonstrate improved protection of and market accessibility to end users.
- The CFTC will take actions to right-size regulations for Main Street financial institutions and smaller FCMs.

Strategic Goal 2: Strategic Objectives

2.1 Deepen our commitment to stakeholders in the agricultural community.

When derivatives markets are not working to benefit our farmers and ranchers, they are not working. The CEA's cornerstone is to provide our agricultural sector tools to hedge risk and receive fair prices.

2.2 Consider the unique role played by Main Street financial institutions and smaller FCMs.

With fewer resources, small financial institutions and FCMs may bear a disproportionate compliance burden relative to the risk they contribute to the larger financial system. Where appropriate, regulations should take into account the size of relevant entities and the risk profiles of their activities.

2.3 Make markets more accessible to end users.

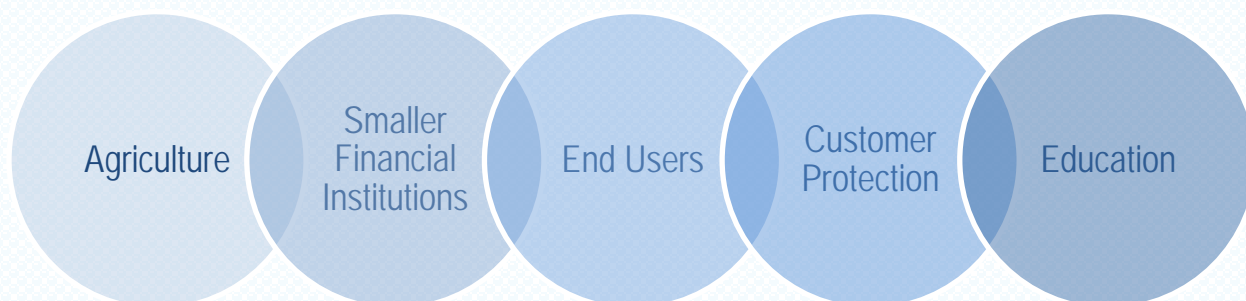
We must ensure that our regulations and their implementation do not discourage or penalize commercial end users who need to hedge risk.

2.4 Increase protections for customer assets and information.

The Commission works vigilantly to protect customer assets and information. We are identifying potential rule revisions and orders that promote asset and information protection.

2.5 Educate the American public on derivatives and the CFTC's mission.

Knowledge of derivatives and the CFTC mission will help Main Street Americans gain access to valuable risk management tools and help them to avoid fraud.



Strategic Goal 3

Encourage innovation and enhance the regulatory experience for market participants at home and abroad.

How we regulate is just as important as what we regulate. All our actions are aimed at developing and implementing regulations that are efficient, effective, and appropriately tailored. When crafting and revising regulations, we will be guided by the important outcomes of resiliency, avoiding systemic risk, and improving the integrity of derivatives markets and advancing the interests of Main Street. Econometric analysis will help inform how we achieve those outcomes. Where appropriate, we will emphasize the principles we expect industry to adhere to. Where appropriate, a principles-based approach can help our markets remain fair, innovative, and vibrant.

Financial markets quickly adopt emerging technologies, and our derivatives markets have experienced an amazing digital transformation that presents opportunities as well as risks. Market regulation needs to keep pace and even lead, as our mandate to encourage responsible innovation is important to the Nation. The CFTC must promote responsible innovation, avoiding rules and approaches reflective of business practices long gone.

The CFTC will achieve the following outcomes tied to Strategic Goal 3:

- The CFTC will increase agency decision-making transparency.
- The CFTC will reduce burdens that serve no regulatory purpose.

Strategic Goal 3: Strategic Objectives

3.1 Emphasize our tradition of principles-based regulation where appropriate.

The CFTC's principles-based regulatory tradition has allowed markets to evolve to meet the economy's changing demands while reducing systemic risk. "Principles-based" is not a euphemism for "deregulation." Apply a principles-based approach, where appropriate, will help our markets remain fair, innovative, and vibrant.

3.2 Increase the transparency of our agency's decision-making processes.

Because our regulatory decisions often have a broad and deep impact on derivatives markets, the economy, and all Americans, our decision-making must be open and transparent.

3.3 Harmonize regulations for market participants subject to concurrent CFTC and SEC jurisdiction.

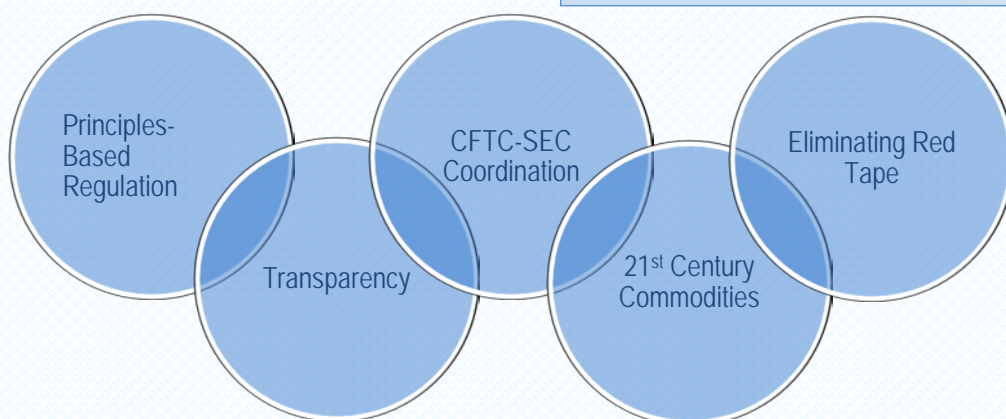
Firms dually registered with the CFTC and the SEC risk duplication and redundancy burdens. Harmonizing oversight reduces burdens through consistent requirements.

3.4 Address the risks and opportunities arising from "21st century commodities."

We will develop a holistic framework to promote responsible innovation in digital assets.

3.5 Address any regulations that no longer serve a regulatory purpose.

We are maintaining regulatory effectiveness while reducing burdens where the burden on market participants is disproportionate to the regulatory purpose served.



Strategic Goal 4

Be tough on those who break the rules.

Derivatives markets function well only when there is confidence in their integrity. The CFTC is committed to protecting the public from misconduct in our markets. For this reason, the CFTC's Division of Enforcement (DOE) focuses on detecting, investigating, and prosecuting misconduct that could potentially undermine market integrity. Such misconduct includes fraud, manipulation, spoofing, and disruptive trading.

The CFTC's strong enforcement program emphasizes being tough on those who break the rules but also being fair and consistent. We recognize that the best way to preserve market integrity is by deterring potential bad actors from engaging in misconduct in the first place. The CFTC's enforcement efforts to obtain remedial sanctions and maximize deterrence against future violations increase public confidence and trust in our derivatives markets.

The CFTC will achieve the following outcomes tied to Strategic Goal 4:

- The CFTC will demonstrate coordination with other criminal and civil enforcement authorities.
- The CFTC will implement its recently published Enforcement Manual.

Strategic Goal 4: Strategic Objectives

4.1 Provide fairness, consistency, and predictability across enforcement matters.

Certainty, consistency, and transparency are key criteria in guiding CFTC enforcement. The policies and procedures governing DOE's efforts are found in its [Enforcement Manual](#).

4.2 Leverage the CFTC's expertise and resources by coordinating with other criminal and civil enforcement authorities.

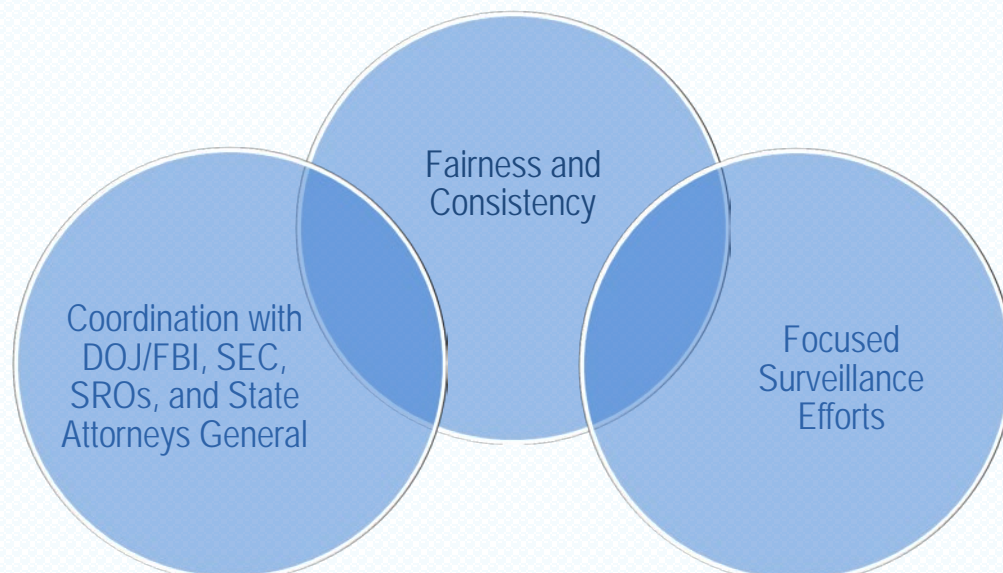
Misconduct is not limited to regulatory boundaries or international borders, so we must work closely with our domestic and international enforcement partners to protect our markets.

4.3 Where necessary and appropriate, create bright-line rules to prevent market manipulation.

Attempts to corner or squeeze the market pose such a critical risk to participants that they merit the straightforward, predictable, and consistent application of bright-line rules.

4.4 Focus market surveillance on areas where fraud and manipulation are most likely.

Prioritizing surveillance of products and markets where fraud and manipulation are most likely to occur, we are improving market integrity by using sophisticated data analytics to increase the probability of identifying potential violations of the CEA and CFTC regulations.



Strategic Goal 5

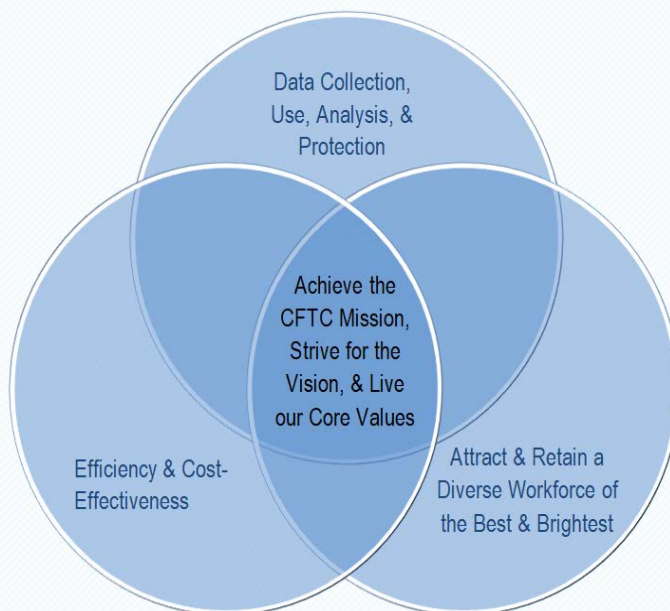
Focus on our unique mission and improve our operational effectiveness.

The CFTC recently went through the valuable exercise of revising our mission statement, developing a vision statement, and identifying a set of core values. This was not a top-down effort, but one in which everyone in the agency was given an opportunity to provide input and then vote – so they are truly our mission, vision, and values. Together, with this strategic plan, the CFTC is creating a cohesive, results-driven workplace, and turning our aspirations into accomplishments. We are proud of our unique mission, with responsibilities for derivatives markets and their vast impact on the national economy.

Because the CFTC has been entrusted with a critical mission and the resources to carry it out, it is our duty to improve our operational effectiveness. This will ensure that our resources are dedicated exclusively to achieving our mission.

The CFTC will achieve the following outcomes tied to Strategic Goal 5:

- The CFTC will demonstrate improved operational efficiency.
- The CFTC will improve data collection, use, analysis, and protection.



Strategic Goal 5: Strategic Objectives

5.1 Reformulate a shared mission statement, vision statement, and list of core organizational values for the agency.

The CFTC is building a culture of excellence, just like every successful organization, through three essential ingredients: 1) a clear mission, 2) a strategic vision, and 3) a set of core values.

5.2 Improve the agency's collection, use, analysis, and protection of data.

We are improving the CFTC's data analysis competency and using advanced and sophisticated modeling techniques, such as machine learning, to improve data quality and validation and to identify potential harm to our markets and consumers.

5.3 Be good stewards of taxpayer dollars by improving our efficiency, streamlining processes, and cutting unnecessary costs.

Two ways the CFTC maximizes limited resources are streamlining and centralizing business management functions and improving space administration. Our organizational structure must evolve; prioritizing resources to best help us achieve our unique mission.

5.4 Attract, retain, and promote a diverse workforce of the best and the brightest.

We continually review our human capital programs to ensure the CFTC consistently attracts, retains, and develops a diverse and high-performing workforce. We identify and address competency gaps to keep pace with market developments and maintain high performance.

Planning, Evaluation, & Enterprise Risk Management

The CFTC has a robust process for executing its strategic plan and achieving the CFTC's mission. The Commission is in the midst of incorporating annual operating plans at the division and office level to implement and reinforce the CFTC Strategic Plan.

To reinforce our strategic priorities, we are also improving the connection between the strategic goals and priorities in this plan to our corporate performance management practices. After extensive recent analysis and associated recommendations of the CFTC's performance management system, we intend to add rigor to performance management practices. The intended result is to improve alignment between employee, management, and executive performance standards and assessments with the CFTC's mission, strategic goals, and priorities.

Another essential component to achieving the CFTC mission is Enterprise Risk Management (ERM). The Commission is currently standing up what will become a robust and mature ERM program. The CFTC ERM program will improve and integrate strategic planning, performance monitoring, and risk management capabilities to identify and proactively manage risks that threaten accomplishment of our mission. The aim of the ERM program is to establish an awareness of risk throughout the CFTC that will allow us to anticipate, examine, and systematically address risks the CFTC faces in its operations.

External Factors

External factors can materially affect the CFTC's strategies, plans, and priorities. They include:

- Legislation could be enacted that adds to or reduces the CFTC's scope of action and its operations.
- The level of appropriations could impact how strategies are applied and whether there are sufficient resources to achieve our goals.
- World and U.S. economies could expand or contract dramatically.
- Demand for or supply of commodities and other goods and services that affect derivatives trading could change significantly.
- Court decisions may alter the CFTC's workload projections, business processes, and resource requirements.
- Information technology capabilities could materially change, improving or hindering the CFTC's ability to monitor market and participant behavior and analyze transactions.
- New derivative products, processes, or market participants may develop, having a positive or negative impact on the Commission's ability to oversee the market.
- Global security matters could disrupt the CFTC's ability to fulfill its mission.
- Critical staff attrition – especially for those staff members with hard to replace competencies – could impact our performance.
- Unforeseen domestic and global risks with potentially catastrophic consequences (pandemic events, natural disasters, etc.).

Appendix A – CFTC Divisions and Offices

Offices of the Chairman and the Commissioners

The Offices of the Chairman and the Commissioners provide executive direction and leadership to the CFTC as it implements the Commodity Exchange Act (CEA).

Division of Clearing and Risk

The Division of Clearing and Risk (DCR) oversees derivatives clearing organizations (DCOs) and other market participants in the clearing process. These include futures commission merchants, swap dealers, major swap participants, and large traders. DCR monitors the clearing of futures, options on futures, and swaps by DCOs, assesses DCO compliance with the CEA and Commission regulations, and conducts risk assessment and surveillance. DCR also makes recommendations on DCO applications and eligibility, rule submissions, and which types of swaps must be cleared.

Division of Enforcement

The Division of Enforcement (DOE) identifies, investigates, and prosecutes alleged violations of the CEA and Commission regulations. Potential violations include fraud, misappropriation, manipulation, and disruptive trading practices. DOE's Whistleblower Office receives tips, complaints, and referrals of potential violations, and its market surveillance program analyzes trade data to identify trading or positions that warrant further enforcement inquiry.

Division of Market Oversight

The Division of Market Oversight (DMO) oversees derivatives platforms and swap data repositories. DMO reviews new applications for designated contract markets, swap execution facilities, swap data repositories, and foreign boards of trade and examines existing trading platforms and swap data repositories to ensure their compliance with regulatory requirements, including system safeguards. DMO also evaluates new platform-traded products to ensure that they are not susceptible to manipulation, and reviews entity rules to ensure compliance with the CEA and Commission regulations. DMO's data analysis informs CFTC policymaking.

Division of Swap Dealer and Intermediary Oversight

The Division of Swap Dealer and Intermediary Oversight (DSIO) oversees the registration and compliance of intermediaries and futures industry self-regulatory organizations, including U.S. derivatives exchanges and the National Futures Association (NFA). DSIO also develops and monitors compliance with regulations addressing registration, business conduct standards, capital adequacy, and margin requirements for swap dealers and major swap participants.

Office of the Chief Economist

The Office of the Chief Economist (OCE) conducts economic and econometric analysis of derivatives markets. It also partners with other CFTC divisions and offices to integrate economic reasoning and data analysis into Commission policy and cost-benefit considerations.

Office of Data and Technology

The Office of Data and Technology (ODT) provides technology and data management support for Commission market and financial oversight, surveillance, enforcement, legal support, and public transparency activities. ODT also provides general network, communication, storage, computing, and information management infrastructure and services.

Office of the Executive Director

The Office of the Executive Director (OED) leads the innovative and strategic management of employee, financial, and operational resources in support of the CFTC's mission. By delegation of the Chairman, the OED directs the internal management of the Commission, ensuring the Commission's continued success, continuity of operations, and adaptation to the ever-changing markets it is charged with regulating. The OED directs effective and efficient allocation of CFTC resources, develops and implements management and administrative policy, and ensures program performance is measured and tracked agency-wide.

Office of General Counsel

The Office of General Counsel (OGC) provides legal services and support to the Commission and all of its programs. These services include: engaging in defensive, appellate, and amicus curiae litigation; assisting the Commission in the performance of its adjudicatory functions; providing legal advice and support for Commission programs; assisting other program areas in preparing and drafting Commission regulations; interpreting the CEA; overseeing the Commission's ethics program and compliance with laws of general applicability; and providing advice on legislative, regulatory issues and financial technology innovation.

Office of the Inspector General

The Office of the Inspector General (OIG) is an independent organizational unit at the CFTC. Its mission is to detect waste, fraud, and abuse and to promote integrity, economy, efficiency, and effectiveness in the CFTC's programs and operations. In accordance with the Inspector General Act of 1978, the OIG issues semiannual reports detailing its activities, findings, and recommendations.

Office of International Affairs

The Office of International Affairs (OIA) advises the Commission on all international regulatory initiatives, provides guidance regarding international issues raised in Commission matters, represents the Commission in international groups (such as the Financial Stability Board (FSB)), standard setting bodies (such as the International Organization of Securities Commissions (IOSCO)) and bilateral fora, and provides technical assistance to non-U.S. authorities.

Office of Legislative and Intergovernmental Affairs

The Office of Legislative and Intergovernmental Affairs (OLIA) is the Commission's official liaison with Members of Congress, federal agencies, and the Administration. OLIA develops and executes legislative strategy on behalf of the Chairman and Commission, manages congressional testimony, and works with the various divisions to provide technical assistance on legislation.

Office of Minority and Women Inclusion

The Office of Minority and Women Inclusion (OMWI) leads the CFTC's civil rights, equal employment opportunity, diversity, and inclusion programs.

Office of Public Affairs

The Office of Public Affairs (OPA) is the Commission's primary public-facing office that provides honest, timely, and useful information across all communication platforms in order to serve internal and external stakeholders in all sectors to accomplish and facilitate the Commission's mission. OPA proactively conducts outreach and creates messages designed to raise awareness of the CFTC brand in order to promote the public's trust.

Appendix B – Glossary of Acronyms

CEA	Commodity Exchange Act
CCP	Central Counterparty
CFTC	Commodity Futures Trading Commission
Commission	Commodity Futures Trading Commission
CPO	Commodity Pool Operator
DCM	Designated Contract Market
DCO	Derivatives Clearing Organization
DCR	Division of Clearing and Risk
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
DOE	Division of Enforcement
DMO	Division of Market Oversight
DSIO	Division of Swap Dealer and Intermediary Oversight
ERM	Enterprise Risk Management
FCM	Futures Commission Merchant
FSB	Financial Stability Board
IOSCO	International Organization of Securities Commissions
NFA	National Futures Association
OCE	Office of the Chief Economist
ODT	Office of Data and Technology
OED	Office of the Executive Director
OGC	Office of General Counsel
OIG	Office of the Inspector General
OIA	Office of International Affairs
OLIA	Office of Legislative and Intergovernmental Affairs
OMWI	Office of Minority and Women Inclusion
OPA	Office of Public Affairs
PMPR	Performance Management and Pay Reform
SD	Swap Dealer
SDR	Swap Data Repository
SEF	Swap Execution Facility

Appendix C – CFTC Planning & Accountability Roadmap

