On December 13, the CFTC published a final rule that establishes a timetable for mandatory clearing through a clearinghouse of interest rate and credit default swaps. “Clearing” is the process by which parties to a transaction reduce their exposure to each other by each transferring their portion of the transaction to a clearinghouse. The clearinghouse becomes the counterparty to each side of the transaction, thus reducing the counterparty risk of each of the transacting parties to the other. Compliance with the clearing requirements will be required as soon as March 2013 for some types of swap counterparties.

Read: "CFTC sets the clock ticking for mandatory clearing of interest rate and credit default swaps"

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