



## FACT SHEET

# Memorandum of Understanding Between the Securities and Exchange Commission and the Commodity Futures Trading Commission

At a pivotal moment for U.S. markets, this Memorandum of Understanding (MOU) on harmonization will guide coordination and collaboration between the two agencies to support lawful innovation, uphold market integrity, and promote investor and customer protection.

**Under the MOU, the SEC and CFTC will work to build a framework in which the agencies coordinate seamlessly, reduce duplicative regulation, and provide clarity to market participants by:**

- Clarifying product definitions through joint interpretations and rulemakings.
- Modernizing clearing, margin, and collateral frameworks.
- Reducing frictions for dually registered exchanges, trading venues, and intermediaries.
- Providing a fit-for-purpose regulatory framework for crypto assets.
- Streamlining regulatory reporting for trade data, funds, and intermediaries.
- Coordinating cross-market examinations, economic analyses, risk monitoring, surveillance, and enforcement.

**The agreement outlines specific procedures for coordination between the two agencies:**

- **Regular meetings:** Representatives of both agencies will endeavor to meet regularly and as needed to identify and discuss, at early stages, issues of regulatory interest to either or both agencies and the regulatory implications of such issues.
- **Sharing data:** Both agencies agree to share data, upon request, regarding issues of common regulatory interest in connection with or related to a specific incident, event, or activity, or other matter deemed appropriate.
- **Ongoing notifications:** To the extent practicable and as appropriate, both agencies will endeavor to inform the other in advance of issues that may impact the regulatory interests of the other agency and/or affect entities, products, or markets under common jurisdiction.
- **Cross training:** Cross training appropriate staff to enhance each agency's understanding of the other's mission and jurisdiction so that both agencies can effectively protect the public.

**The MOU outlines procedures for coordination across Examinations, Enforcement, and Economic Analysis and Risk Monitoring and Surveillance:**

- **Examinations:** To avoid duplicative examinations, both agencies will strive to conduct coordinated exam planning, joint or aligned examinations where appropriate, and share exam findings and supervisory insights.
- **Enforcement:** To promote consistency, efficiency, and proportionality in enforcement outcomes while avoiding duplicative relief and conflicting remedial obligations, the agencies will endeavor, as practicable and as appropriate in the circumstances and in a manner that provides for the preservation of any applicable legal privilege or protection, to consult regarding enforcement investigations in a manner consistent with each agency's independent statutory authority and regulatory interests.
- **Economic Analysis, Risk Monitoring, and Surveillance:** The agencies will work toward practical interoperability where feasible, including compatible data standards and analytical tools that enhance each agency's ability to detect market abuse and operational vulnerabilities.