U.S. COMMODITY FUTURES TRADING COMMISSION

CHARTER OF THE MARKET RISK ADVISORY COMMITTEE

(1) Committee's Official Designation.
The advisory committee's official designation is the Market Risk Advisory Committee ("MRAC").

(2) Authority.
The MRAC is a discretionary advisory committee and is established by the authority of the U.S. Commodity Futures Trading Commission ("Commission") in accordance with the Federal Advisory Committee Act ("FACA"), as amended, 5 U.S.C. App. 2.

(3) Objectives and Scope of Activities.
The MRAC's objectives and scope of activities shall be to conduct public meetings and submit reports and recommendations to the Commission on matters of public concern to clearinghouses, exchanges, intermediaries, market makers, end-users and the Commission regarding systemic issues that threaten the stability of the derivatives markets and other financial markets, and to otherwise assist the Commission in identifying and understanding the impact and implications of an evolving market structure and movement of risk across clearinghouses, intermediaries, market makers and end-users.

(4) Description of Duties.
In accordance with 5 U.S.C. App. 2 § 9(b) of the FACA the duties of the MRAC shall be solely advisory. The MRAC will monitor and advise the Commission with respect to the effects that developments in the structure of the derivatives markets have on the systemic issues that threaten the stability of the derivatives markets and other financial markets. The MRAC will also make recommendations to the Commission on how to improve market structure and mitigate risk to support the Commission's mission of ensuring the integrity of the derivatives markets and monitoring and managing systemic risk. Determinations of actions to be taken and policy to be expressed with respect to the reports or recommendations of the MRAC shall be made solely by the Commission.

(5) Agency or Official to Whom the Committee Reports.
The MRAC shall submit its reports and recommendations to the Commission through the Chairman of the Commission, a Commissioner, or other designee of the Commission. The designee shall be the MRAC's "sponsor," and shall submit the reports and recommendations of the MRAC to the Commission.

(6) Support.
The Commission shall provide any necessary support services for the MRAC.

(7) Estimated Annual Operating Costs and Staff Years.
The estimated annual operating costs are expected to be approximately $35,000, which includes an estimated .15 staff years per year of Commission personnel time that will be

needed to support the MRAC on a continuing basis. The Commission will not pay for member travel expenses or provide a per diem to members.

(8) **Designated Federal Officer.**
The Commission shall appoint a full-time or permanent part-time Commission employee to serve as the Designated Federal Officer ("DFO") of the MRAC. The DFO shall approve or call all of the MRAC's and subcommittees' meetings, prepare and approve all meeting agendas, attend all MRAC and subcommittee meetings, adjourn any meeting when the DFO determines adjournment to be in the public interest, and chair meetings when directed to do so by the primary sponsor.

(9) **Estimated Number and Frequency of Meetings.**
The MRAC shall meet at such intervals as are necessary to carry out its functions. It is estimated that meetings of the MRAC will occur two to four times per year; meetings of the subcommittees of the full MRAC may occur more frequently.

(10) **Duration.** Continuing until the Chairman of the Commission, with the concurrence of the other Commissioners, directs that the MRAC terminate on an earlier date.

(11) **Termination.**
The MRAC shall terminate two years from the date of establishment (from filing date in section 15), unless the charter is renewed in accordance with Section 14(a)(2) of the FACA prior to such time.

(12) **Membership and Designation.**
Members shall be appointed and may be removed by vote of the Commission at any time. The primary sponsor shall designate a member of the MRAC to serve as Chairman, who shall serve absent the objection of a majority of the Commission. No individual who is a federally registered lobbyist shall be appointed to serve as a member.

Each member who is not a regular government employee shall serve on the MRAC as the representative of an organization or identifiable group of persons with interests affected by the work of the MRAC. Representative members serve on the MRAC primarily to convey to the Commission and to the MRAC the views and interests of the organizations or groups they represent.

Though the precise number of members in any category may vary over time, the Commission expects the MRAC to have approximately 20-25 members, with the following types of entities with interests in the derivatives markets and systemic risk being represented (and their approximate number): (i) exchanges (3-5), (ii) clearinghouses (1-3), (iii) intermediaries (1-4), (iv) market makers (5-8), (v) end-users (4-6), (vi) academia (1-2) and (vii) regulators (1-2).

(13) **Subcommittees.**
The Commission may appoint and dissolve subcommittees. Any subcommittees shall report to the MRAC and not directly to the Commission. Subcommittees may include as

members individuals who are members of the full MRAC and/or other individuals who shall be appointed in the same manner as members of the full MRAC.

(14) Recordkeeping.
Records of the MRAC and any subcommittees are maintained in accordance with Commission records disposition schedule N1-180-00-1 as well as the General Records Schedule 26, Item 2. Records of open MRAC meetings are available to the public on the Commission's website. All other MRAC and subcommittee records that are not exempt from disclosure under the Freedom of Information Act shall be posted on the Commission's website.

(15) Filing Date.
This charter has been filed with the Senate Committee on Agriculture, Nutrition and Forestry, the House of Representatives Committee on Agriculture, the Library of Congress, and the Secretariat of the U.S. General Services Administration on June 2, 2014.

Melissa Jurgens
Secretary of the Commission

Dated: June 2, 2014
Washington, D.C.