

Primer: What is a SIFMU?

A **Systemically Important Financial Market Utility**, otherwise known as a SIFMU, is an organization that is vital to the U.S. financial system and any failure or disruption could threaten the stability of the markets.

The Dodd-Frank Act of 2010:

- Established the **Financial Stability Oversight Council** (Council) to provide comprehensive monitoring of the stability of the U.S. financial system
- Authorized the Council to designate a Financial Market Utility like OCC as 'systemically important' if it determines that any failure or serious disruption could threaten the stability of the U.S. financial system
- Created a heightened oversight regime for SIFMUs to promote robust risk management, safety and soundness

SIFMUs are required to meet prescribed risk management standards and are subject to heightened regulatory oversight by the federal agency that has primary jurisdiction over it under federal banking, securities, or commodity futures laws. These regulators are: the **Board of Governors of the Federal Reserve System**, the **Securities and Exchange Commission**, and the **Commodity Futures Trading Commission**.

To date, only eight firms have been given the SIFMU designation.

