



FINANCIAL REGULATORY REFORMS UPDATE

Title XVI — Section 1256 Contracts

- The Act clarifies that certain swaps are not treated as Section 1256 Contracts.
- Clarification That Certain Swaps Are Not Treated as Section 1256 Contracts. Section 1603 of the Act amends Section 1256 of the Internal Revenue Code to exclude from the definition of a Section 1256 contract “any interest rate swap, currency swap, basis swap, interest rate cap, interest rate floor, commodity swap, equity swap, equity index swap, credit default swap, or similar agreement.” See “Title VII—Over-the-Counter Derivatives,” above.

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