

Date of Notice: 2nd Sep 2024

Market Notice

Changes to the MTF rulebook resulting from the addition of OTCX UK MTF to the list of authorised MTFs and OTFs covered by CFTC No action letter

OTCX Trading Limited is now included on the list of authorised MTFs and OTFs covered by the CFTC No action letter.

<https://www.cftc.gov/csl/24-11/download>

As a result of this OTCX has amended its rulebook as follows: -

Section 1.3 The Rules has the following definitions have been added:

“CFTC” means Commodities Futures Trading Commission

“DCO” means a CFTC-registered derivatives clearing organization;

“Exempt DCO” means a clearing organization that has been exempted from registration as derivatives clearing organization by the CFTC pursuant to U.S. CEA section 5b(h);

“FCM” means a CFTC-registered futures commission merchant;

“U.S. CEA” means United States Commodity Exchange Act;

“U.S. Person” U.S. Person bears the meaning set out in the Commodity Futures Trading Commission’s Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, 78 Fed. Reg. 45292, as may be amended or further interpreted from time to time.

The following sections are added:

4.1.5 To the extent that a Participant is a U.S. Person (as defined in 1.3 The Rules) and/or OTCX MTF is accessed by or on behalf of any Participant in the United States, the Participant represents and warrants that the Participant is an “eligible contract participant” as defined in CEA Section 1a, as amended. The Participant agrees to promptly provide the Operator with such information or documentation as the Operator may request from time to time to support the representations and warranties in the preceding sentence.

29.9 When a swap Transaction executed by a U.S. Person on OTCX MTF is.

i) a “customer” position subject to U.S. CEA section 4d, the Transaction, if intended to be cleared, must be cleared through an FCM at a CFTC-registered derivatives clearing organization.

ii) a “proprietary” position under CFTC Regulation 1.3, the Transaction, if intended to be cleared, must be cleared either through a CFTC-registered derivatives clearing organization or a clearing organization that has been exempted from registration as derivatives clearing organization by the CFTC pursuant to U.S. CEA section 5b(h) (an “Exempt DCO”);

Date of Notice: 2nd Sep 2024

Market Notice

29.10 When a swap Trade is subject to the CFTC's clearing requirement under Part 50 of the CFTC's regulations, and is entered into by a Person that, pursuant to U.S. CEA section 2(h)(1), is subject to such clearing requirement the Trade must be cleared either through a CFTC-registered derivatives clearing organization or an Exempt DCO; provided that if the Trade is a "customer" position subject to U.S. CEA section 4d, it must be cleared through an FCM at a CFTC-registered derivatives clearing organization, and cannot be cleared through an Exempt DCO.

A full version of the new rulebook can be found <https://info.otcxtrading.com/>

Please direct any questions regarding this Market Notice to: Email: compliance@otcxtrading.com

Post: OTCX Trading Limited, 49 Queen Victoria St, London EC4N 4SA, United Kingdom