



U.S. COMMODITY FUTURES TRADING COMMISSION

Three Lafayette Centre
1155 21st Street, NW, Washington, DC 20581
Telephone: (202) 418-5000

Division of
Market Oversight

Dorothy DeWitt
Director

**Re: No-Action Positions for Swap Execution Facilities to Extend Submission
Timeframes for Annual Compliance Reports and Fourth Quarter Financial Reports
in Response to the COVID-19 Pandemic**

Ladies and Gentlemen:

This letter is in response to requests received by the Division of Market Oversight (“**DMO**”) of the Commodity Futures Trading Commission (“**CFTC**” or “**Commission**”) from multiple swap execution facilities (“**SEFs**”).¹

The World Health Organization declared the coronavirus disease 2019 (“**COVID-19**”) outbreak a global pandemic on March 11, 2020. DMO understands from SEFs that the COVID-19 pandemic may present challenges in timely meeting certain of their obligations under the Commodity Exchange Act (“**CEA**”) and Commission regulations. These SEFs may have significant operations in affected areas or areas that may become affected by the COVID-19 pandemic. Disruptions in transportation and limited access to facilities and support staff as a result of the COVID-19 pandemic could hamper efforts of SEFs to meet their regulatory obligations. In light of these developments, DMO is issuing this letter to assist SEFs with responding to the COVID-19 pandemic by providing temporary relief from certain obligations under the CEA and Commission regulations.

In connection with an industry-wide response to the COVID-19 pandemic, SEFs have had to refocus their “resources for business continuity purposes and the continued maintenance of an orderly market.”² As a result, SEFs have reprioritized and reallocated personnel that otherwise would have been involved in the preparation and submission of reports such as the annual compliance report.³ Therefore, SEFs have requested no-action relief from the timing

¹ This letter responds to requests received from Bloomberg SEF LLC and LatAm SEF, LLC.

² Bloomberg SEF LLC’s Letter at 1.

³ LatAm SEF, LLC’s Letter at 1.

requirements for a SEF Chief Compliance Officer (“**CCO**”) to submit annual compliance reports (“**ACRs**”) as well as the timing requirements for submitting fourth quarter financial reports in order to allow them to respond to the COVID-19 pandemic.⁴

I. DMO No-Action Positions

In order to support an orderly response to the COVID-19 pandemic, DMO believes that the no-action relief set forth herein is warranted. DMO further expects that as COVID-19-related risks decrease, SEFs will return to compliance with all regulatory obligations from which relief has been provided.

DMO will not recommend that the Commission take an enforcement action against any SEF or SEF CCO for failure to submit an ACR within the 60-day period prescribed in Commission regulation 37.1501(f)(2);⁵ provided, that:

- (A) The ACR was required to be submitted to the Commission prior to September 1, 2020, pursuant to Commission regulation 37.1501(f)(2); and
- (B) The ACR is submitted to the Commission not later than 120 days after the end of the SEF’s fiscal year.

DMO will not recommend that the Commission take an enforcement action against any SEF or SEF CCO for failure to submit the fourth quarter financial report pursuant to Commission regulation 37.1306(d), within the 60-day period prescribed in Commission regulation 37.1306(d);⁶ provided, that:

- (A) The fourth quarter financial report was required to be submitted to the Commission prior to September 1, 2020, pursuant to Commission regulation 37.1306(d); and
- (B) The fourth quarter financial report is submitted to the Commission no later than 120 days after the end of the SEF’s fiscal year.

⁴ Currently, SEF CCOs are receiving relief which allows for the CCO ACR to be submitted not later than 90 days after the end of the SEF’s fiscal year. *See* CFTC Letter No. 17-61, No-Action Relief for Swap Execution Facilities from Compliance with the Timing Requirements of Commission Regulation 37.1501(f)(2) Relating to Chief Compliance Officer Annual Compliance Reports and Commission Regulation 37.1306(d) Relating to Fourth Quarter Financial Reports, Nov. 20, 2017 (“CFTC NAL No. 17-61”). The SEFs are requesting relief beyond what is provided in CFTC NAL No. 17-61.

⁵ For avoidance of doubt, please note that the relief in this letter does not alter, amend, suspend, or otherwise affect the relief granted to SEFs and SEF CCOs related to the submission of ACRs under CFTC NAL No. 17-61.

⁶ For avoidance of doubt, please note that the relief in this letter does not alter, amend, suspend, or otherwise affect the relief granted to SEFs and SEF CCOs related to the submission of fourth quarter financial reports under CFTC NAL No. 17-61.

II. Conclusion

DMO recognizes that SEFs may require additional or different relief in their efforts to comply with the requirements of the CEA and Commission regulations. As a result, any SEFs that require other relief are encouraged to contact DMO staff. DMO staff will address issues on a case-by-case basis in light of the requesting SEF's particular fact and circumstances.

This letter, and the positions taken herein, represent the views of DMO only, and do not necessarily represent the position or view of the Commission or of any other office or division of the Commission. The relief issued by this letter does not excuse persons relying on it from compliance with any other applicable requirements contained in the CEA or in Commission regulations. Further, this letter, and the positions taken herein, are based upon the facts and circumstances presented to DMO. Any different, changed, or omitted material facts or circumstances might render the relief provided by this letter void.

Finally, as with all staff letters, the DMO retains the authority to condition further, modify, suspend, terminate, or otherwise restrict the terms of relief provided herein, in its discretion.

If you have any questions concerning this correspondence, please contact Nancy Markowitz, Deputy Director, DMO, at (202) 418-5453 or nmarkowitz@cftc.gov; Roger Smith, Special Counsel, DMO, at (202) 418-5344 or rsmith@cftc.gov; or Israel Goodman, Special Counsel, DMO, at (202) 418-6715 or igoodman@cftc.gov.

Sincerely,

Dorothy D. DeWitt
Director
Division of Market Oversight



**Request for No-Action Relief:
Commission Regulation 37.1501(f)(2)**

March 16, 2020

Ms. Dorothy D. DeWitt, Director
Division of Market Oversight
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Request for Division of Market Oversight to Provide Time-Limited No-Action Relief to LatAm SEF, LLC from the 2019 Annual Compliance Report Filing Deadline

Dear Ms. DeWitt:

LatAm SEF, LLC ("LatAm") is submitting this request pursuant to 17 CFR §140.99 and §37.1501(f)(4) to request that the Commodity Futures Trading Commission Division of Market Oversight provide time-limited no-action relief to LatAm from the 2019 Annual Compliance Report ("ACR") filing deadline established under §37.1501(f)(2) and extended under CFTC Letter No. 17-61.

LatAm notes that the ACR filing requires contributions and participation from staff throughout the LatAm organization as well as from independent directors who have high-ranking and critical roles in their own companies. The extraordinary circumstances of the COVID-19 global pandemic have resulted in the reprioritization and reallocation of resources at LatAm and at the various employers of LatAm independent directors that would otherwise be allocated for the preparation, review and execution of the ACR. Under the current circumstances, an extension of the ACR due date would alleviate some pressure created by the ACR deadline and provide for thorough and quality contributions and participation from all parties involved in the ACR filing. Based on all of the above, LatAm respectfully requests that the ACR filing deadline be extended by one month to April 30, 2020.

Thank you for your consideration of this matter. Please contact me if you have questions or require additional details.

Regards,

A handwritten signature in blue ink that reads "Joseph Skelly".

Joseph Skelly
Chief Compliance Officer
LatAm SEF

Cc. Nancy Markowitz, CFTC Division of Market Oversight
Rachel Berdansky, CFTC Division of Market Oversight
Roger Smith, CFTC Division of Market Oversight
Eduardo Riba Aspe, CEO LatAm SEF

Bloomberg SEF LLC
731 Lexington Avenue
New York, NY 10022

March 16, 2020

Submitted via email

Dorothy DeWitt, Director Division of Market Oversight
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581
via email: ddewitt@cftc.gov

Re: Bloomberg SEF LLC – Request for No-Action Relief from Compliance with the Timing Requirements of Commission Regulation 37.1501(f)(2) Relating to Chief Compliance Officer Annual Compliance Reports and Commission Regulation 37.1306(d) Relating to Fourth Quarter Financial Reports

Dear Ms. DeWitt,

Please allow this correspondence to serve as Bloomberg SEF LLC's ("BSEF") request for no-action relief from the requirement in 17 CFR § 37.1501(f)(2) and 17 CFR § 37.1306(d) (and subsequent CFTC No-Action Letter 17-61 dated November 20, 2017) which requires a SEF's Chief Compliance Officer to file an Annual Compliance Report ("ACR") with the Commission not later than 90 calendar days after the end of the SEF's fiscal year and file the ACR concurrently with the SEF's fourth fiscal quarter financial report. In order to manage COVID-19 related concerns, including maintaining resources for business continuity purposes and the continued maintenance of an orderly market, BSEF requests an extension of 30 days to file both the ACR and the fourth quarter financial reports. The requested extension will effectively allow the CCO to: (1) file the ACR with the Commission not later than 120 calendar days after the fiscal year end, rather than the 90 calendar days currently required, and (2) concurrently submit the fourth fiscal quarter financial report to the Commission not later than 120 calendar days after the fiscal year-end, rather than the 90 calendar days currently required.

Please contact me at (212) 617-3918 with any questions regarding this matter.

Very truly yours,



Devi Shanmugham
Chief Compliance Officer