U.S. COMMODITY FUTURES TRADING COMMISSION
Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581
www.cftc.gov

Division of Market Oversight

Frank Fisanich
Acting Director

Re: Amendment to Appendix A to Staff Letter Providing No-Action Positions in Connection with Certain Previously Granted Commission Determinations and Exemptions in Response to the Withdrawal of the United Kingdom from the European Union

I. Introduction

The Division of Market Oversight ("**DMO**") of the Commodity Futures Trading Commission ("**CFTC**" or "**Commission**") is issuing this letter to amend Appendix A to CFTC Staff Letter 24-11[1] related to the withdrawal of the United Kingdom ("**UK**") from the European Union ("**EU**") (known as "**Brexit**"). DMO is amending Appendix A in response to requests from His Majesty's Treasury ("**HMT**") and the UK Financial Conduct Authority ("**FCA**") to include within the scope of Appendix A an additional UK multilateral trading facility ("**MTF**") and an additional UK organized trading facility ("**OTF**").

II. Background

CFTC Staff Letter 24-11 extended and revised certain no-action positions previously provided by Commission staff in connection with Brexit.[2] In CFTC Staff Letter 24-11, DMO stated that, for the reasons set forth in the letter and subject to certain conditions, DMO "will not recommend that the Commission take an enforcement action against: (a) An MTF or OTF that is authorized within the UK and listed in Appendix A to this letter (each, an "**Eligible UK Facility**"), for failure to register as a SEF pursuant to [Commodity Exchange Act ("**CEA**")] section 5h(a)(1) and

[1] CFTC Staff Letter 24-11, Extended and Revised No-Action Positions in Connection with Certain Previously Granted Commission Determinations and Exemptions, in Response to the Withdrawal of the United Kingdom from the European Union (August 8, 2024), *available at* https://www.cftc.gov/csl/24-11/download ("**CFTC Staff Letter 24-11**").

[2] These no-action positions are meant to maintain the status quo of certain existing Commission determinations and exemptions applicable to certain EU-based swap dealers, as well as certain EU-based MTFs, OTFs, and their market participants (defined as the "**Existing Commission Actions**" in CFTC Staff Letter 24-11), while the Commission works with the relevant UK authorities to analyze relevant UK law and, where appropriate, replicate the Existing Commission actions for UK entities.

Commission Regulation 37.3(a)(1); or (b) A counterparty that is subject to the trade execution requirement pursuant to CEA section 2(h)(8), if such counterparty executes a swap that is subject to such trade execution requirement on an Eligible UK Facility" ((a) and (b), collectively, the "**DMO No-Action Positions**").

HMT and FCA staff have, respectively, requested that DMO amend Appendix A to CFTC Staff Letter 24-11 to include as Eligible UK Facilities an additional MTF, OptAxe Limited, and an additional OTF, Capitolis UK Limited, each of which are authorized within the UK. FCA staff have represented that OptAxe Limited and Capitolis UK Limited are, for purposes of the DMO No-Action Positions, each similarly situated to those UK MTFs and OTFs that are currently listed in Appendix A, and that OptAxe Limited and Capitolis UK Limited each meet the conditions for the DMO No-Action Positions as set forth in CFTC Staff Letter 24-11.[3]

Staff Position

Based on the representations of FCA staff, DMO is amending Appendix A to CFTC Staff Letter 24-11 to include OptAxe Limited and Capitolis UK Limited as additional Eligible UK Facilities. Amended Appendix A is attached to this letter and will become effective immediately upon

[3] As stated in CFTC Staff Letter 24-11, the DMO No-Action Positions do not affect any other requirements under the CEA or the Commission's regulations. In particular, swap transactions executed on Eligible UK Facilities must still comply with:

(1) The reporting requirements of Parts 43 and 45 of the Commission's regulations, which continue to apply to counterparties that are subject to such reporting requirements;

(2) The swap trading eligibility requirement of CEA section 2(e); and

(3) The following clearing-related requirements:

   (i) When a swap transaction executed by a U.S. person on an Eligible UK Facility is a "customer" position subject to CEA section 4d, the transaction, if intended to be cleared, must be cleared through a Commission-registered futures commission merchant ("FCM") at a Commission-registered derivatives clearing organization ("DCO");

   (ii) When a swap transaction executed by a U.S. person on an Eligible UK Facility is a "proprietary" position under Commission Regulation 1.3, the transaction, if intended to be cleared, must be cleared either through a Commission-registered DCO or a clearing organization that has been exempted from DCO registration by the Commission pursuant to CEA section 5b(h) (an "Exempt DCO"); and

   (iii) When a swap transaction is subject to the Commission's clearing requirement under Part 50 of the Commission's regulations, and is entered into by a person that, pursuant to CEA section 2(h)(1), is subject to such clearing requirement, the transaction must be cleared either through a Commission-registered DCO or an Exempt DCO; provided that, consistent with (i) above, if the transaction is a "customer" position subject to CEA section 4d, it must be cleared through a Commission-registered FCM at a Commission-registered DCO, and cannot be cleared through an Exempt DCO.

If, as a result of the clearing arrangements that an Eligible UK Facility has in place, some swap transactions executed on the Eligible UK Facility are cleared by a clearing organization that is not a Commission-registered DCO, the Eligible UK Facility must, as a condition of receiving the above no-action position from the SEF registration requirement, have a rule in its rulebook that requires the types of swap transactions described in clauses (i), (ii) and (iii) above, if intended to be cleared, to be cleared in a manner consistent with the requirements described in clauses (i), (ii) and (iii), respectively.

issuance, superseding the original Appendix A to CFTC Staff Letter 24-11. All terms of CFTC Staff Letter 24-11 not amended by this letter are unchanged and remain in effect.

III. Conclusion

This letter is provided in accordance with the Joint Statement by UK and US Authorities on Continuity of Derivatives Trading and Clearing Post-Brexit of February 25, 2019.[4]

This letter, and the position 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. This letter and the no-action position taken herein are not binding on the Commission.[5] The staff position taken in 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 position taken herein, are based upon the facts and circumstances presented to DMO. Any different, changed, or omitted material facts or circumstances might render the staff position taken in this letter void.

Finally, as with all staff letters, DMO retains the authority to condition further, modify, suspend, terminate, or otherwise restrict the terms of this letter, and the position taken herein, in its discretion.

If you have any questions concerning this correspondence, please contact Roger Smith, DMO, at (202) 418-5344 or rsmith@cftc.gov.

Sincerely,

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Frank N. Fisanich
Acting Director
Division of Market Oversight

[4] Available at https://www.cftc.gov/PressRoom/PressReleases/7876-19. Pursuant to the Joint Statement, the Commission committed to extending existing regulatory relief granted by the CFTC to EU firms, including UK firms, to UK firms at the point of the UK's withdrawal from the EU.

[5] *See* § 140.99(a)(2), 17 CFR 140.99(a)(2) ("A no-action letter binds only the issuing Division . . . and not the Commission or other Commission staff.").

Amended Appendix A

List of UK-Authorized MTFs and OTFs covered by DMO No-Action Positions in CFTC Staff No-Action Letter 24-11

Trading Facility Name	Category (MTF or OTF)	Home Country
360 Trading Networks UK Limited	MTF	United Kingdom
Bloomberg Multilateral Trading Facility Limited	MTF	United Kingdom
BGC Brokers LP - OTF	OTF	United Kingdom
Capitolis UK Limited	OTF	United Kingdom
Creditex Brokerage LLP - MTF	MTF	United Kingdom
Digital Vega MTF	MTF	United Kingdom
Dowgate	MTF	United Kingdom
EBS UK MTF	MTF	United Kingdom
FX Connect - MTF	MTF	United Kingdom
GFI Securities LTD - MTF	MTF	United Kingdom
GFI Securities LTD - OTF	OTF	United Kingdom
ICAP Securities OTF	OTF	United Kingdom
Integral MTF	MTF	United Kingdom
iSWAP MTF	MTF	United Kingdom
Kyte Broking Limited	OTF	United Kingdom
OptAxe Limited	MTF	United Kingdom
OTCX UK MTF	MTF	United Kingdom
Refinitiv Transaction Services Limited	MTF	United Kingdom
TP ICAP UK MTF	MTF	United Kingdom
Trad-X	MTF	United Kingdom
Tradeweb Europe Limited MTF	MTF	United Kingdom
Tradition OTF	OTF	United Kingdom
Tradition-NEX OTF	OTF	United Kingdom
Tullett Prebon Europe OTF	OTF	United Kingdom
Tullett Prebon Europe MTF	MTF	United Kingdom