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

Division of Market Oversight
Division of Clearing and Risk

Re: Supplemental No-Action Position with Respect to Commission Regulations 38.8(b), 38.10, 38.951 (in Part), 39.20(b)(2), and Parts 43 and 45, for Certain Contracts Traded on or Pursuant to the Rules of Gemini Titan LLC and Cleared by Gemini Olympus, LLC

Introduction

The Division of Market Oversight ("DMO") and the Division of Clearing and Risk ("DCR" and, together with DMO, the "Divisions") of the Commodity Futures Trading Commission ("CFTC" or "Commission") are issuing this letter in response to a request[1] (the "Request") from Gemini Titan LLC ("Titan") and Gemini Olympus, LLC ("Olympus"). Titan and Olympus request a no-action position, on their own behalf and on behalf of their participants, from the swap data reporting and recordkeeping requirements of regulations 38.8(b), 38.10, 38.951 (to the extent that regulation 38.951 requires compliance with Part 45 of the Commission's regulations), 39.20(b)(2), along with Parts 43 and 45 of the Commission's regulations (collectively, the "Relevant Regulations"). Titan and Olympus request a no-action position with respect to reporting contracts with a binary payout structure and contracts with a variable payout structure with the features described in this letter, traded and cleared pursuant to Titan and Olympus's rules. Titan is a designated contract market ("DCM") and Olympus is a registered derivatives clearing organization ("DCO").

The Divisions have previously granted a similar request applicable to contracts traded on Titan and cleared through QC Clearing LLC d/b/a Polymarket Clearing ("QC").[2] For the same reasons the Divisions granted that previous request, the Divisions have decided to grant a supplemental no-action position[3] addressing contracts with the features described in this letter that are cleared through Olympus.

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[1] Letter from N. Ignoffo to R. Varma and R. Haynes re: Gemini Olympus, LLC - Regarding No-Action Position for Commission Regulations 38.8(b), 38.10, 38.951 (In Part), and 39.20(b)(2), and Parts 43 and 45, for Contracts Cleared by Gemini Olympus, LLC and Traded On or Pursuant to the Rules of Gemini Titan, LLC (Dec. 12, 2025) (the "Request").

[2] CFTC Letter No. 25-44 (Dec. 11, 2025), *available at* https://www.cftc.gov/csl/25-44/download.

[3] The Request seeks a no-action position "to extend the previously granted relief to Olympus on an equal basis with QC." Request at 1 n.1.

Background

The Request states that Titan lists "contracts on the outcomes of various events" (the "Titan Contracts").[4] The Titan Contracts "have a settlement structure that (i) can result in a payout to both counterparties to the contract (although by definition, only one side of the contract can profit, meaning receive a payout in excess of basis) and (ii) whose settlement obligations vary based on the amplitude by which the price at expiration exceeds the strike or strike price."[5] The Request states that Titan Contracts "are fully collateralized" and require "each participant to post at execution sufficient funds to cover the position's maximum potential loss. Consequently, Titan does not create uncollateralized credit exposure typical of traditional swaps."[6] The Request further states that the Titan Contracts have "preset price caps and floors that limit potential profit and loss."[7] In addition, the Request indicates that Titan "intends to permit participants to clear Titan Contracts through third-party clearing members who are registered clearing members of QC or Olympus."[8]

The Request represents that Titan Contracts are swaps under the Commodity Exchange Act ("CEA") as they "provide for a payment that is dependent on the occurrence, nonoccurrence, or the extent of the occurrence of an event or contingency associated with a potential financial, economic, or commercial consequence."[9] However, as stated in the Request, "the Titan Contracts share most of the characteristics of exchange traded futures or options thereon (fungibility, offset, exchange traded with standardized terms on a single marketplace) with few of the indicia of traditional swaps (bilateral, traded over-the-counter, and customized)."[10] The Request further stated that "potential market participant exposures associated with the Titan Contracts are anticipated to be far lower than those associated with traditional swaps and with swaps market participants."[11] As such, the requesters believe that "the regulatory goals of Part 43 and Part 45 have limited to negligible application to Titan Contracts."[12]

CEA section 4c(b), in relevant part, prohibits any person from offering, entering into, or confirming the execution of a transaction involving any commodity regulated under the CEA that "is of the character of, or is commonly known to the trade as, an 'option' . . ." contrary to any Commission rule prohibiting the transaction or allowing it pursuant to specified terms and conditions.[13] When promulgating Commission Regulation 32.2, the Commission stated that "the swap definition . . . includes options . . . (whether or not traded on a DCM)[.]"[14] Commission Regulation 32.2 states, in relevant part, that commodity option transactions must be conducted in compliance with the CEA and the Commission's regulations related to swaps.[15]

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[4] Request at 1.
[5] Request at 2.
[6] Request at 1.
[7] Request at 2.
[8] *Id.*
[9] *Id.*
[10] Request at 4.
[11] *Id.*
[12] *Id.*
[13] 7 U.S.C. § 6c(b).
[14] Commodity Options, 77 Fed. Reg. 25320, 25321, n.6 (Apr. 27, 2012).
[15] 17 C.F.R. § 32.2.

The Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act")[16] amended the CEA by adding a definition of "swap."[17] The Dodd-Frank Act required the Commission and the Securities and Exchange Commission to further define jointly the term "swap," and in 2012, the Commissions jointly adopted such further definition.[18]

Pursuant to the Dodd-Frank Act, the Commission promulgated various regulations applicable to swaps, including the Relevant Regulations. The Relevant Regulations apply swap reporting and recordkeeping obligations to DCMs, DCOs, and other market participants. In particular, Parts 43 and 45 require, respectively, real-time reporting of swap transaction and pricing data to swap data repositories ("SDRs") for purposes of public dissemination and reporting of broader swap data to SDRs for the Commission's use in fulfilling its surveillance and market analysis missions.

No-Action Position Requested

Titan and Olympus request that the Divisions not recommend the Commission take enforcement action against Titan or Olympus or their participants for failure to report Titan Contracts to an SDR or to fulfill any of the other requirements of the Relevant Regulations. In requesting that no-action position, Titan and Olympus seek to extend the no-action position taken with respect to Titan and QC in CFTC Letter No. 25-44.[19] Titan and Olympus state that the requested no-action position is comparable to the no-action positions concerning reporting of similar contracts provided in Commission Letters Nos. 17-31, 17-32, 21-11, 24-09, 24-12, 25-02, 25-23, 25-45, 25-47, and 25-48, in addition to CFTC Letter No. 25-44.[20] Titan and Olympus make the following representations:

- Titan will require that all Titan Contracts be fully collateralized;
- Titan will clear the Titan Contracts only through QC or Olympus;
- Titan will publish on its website the following time and sales data for all Titan Contracts transactions promptly after execution thereof: trade timestamp, contract, quantity, and price (in USD);
- Titan shall provide the Commission with transactional information as described in Commission Regulation 16.02;
- Titan and Olympus shall continue to comply with all swap reporting and recordkeeping requirements of the CEA and Commission regulations, other than the Relevant Regulations, including (without limitation) the applicable requirements of Parts 38 and 39 of the CFTC's regulations (the "Required Records"); and

[16] Public Law 111–203, 124 Stat. 1376 (2010).
[17] 7 U.S.C. § 1a(47).
[18] Further Definition of "Swap," "Security-Based Swap," and "Security-Based Swap Agreement"; Mixed Swaps; Security-Based Swap Agreement Recordkeeping, 77 Fed. Reg. 48207, 48236 (Aug. 13, 2012).
[19] Request at 1 n.1.
[20] *See* Request at 5; *see infra* n.21.

- Titan and Olympus shall keep the Required Records open to inspection upon request by any representative of the Commission, the United States Department of Justice, the Securities and Exchange Commission, or by any representative of a prudential regulator as authorized by the Commission. Copies of all such records shall be provided at the expense of the producing party (Titan or Olympus) to any representative of the Commission upon request. The producing party (Titan or Olympus) shall provide copies of the Required Records either by electronic means, in hard copy, or both, as requested by the Commission, with the sole exception that copies of records originally created and exclusively maintained in paper form may be provided in hard copy only.

No-Action Position and Related Conditions

The Divisions have decided to take a no-action position consistent with the Request, subject to certain conditions described below, based on Titan and Olympus's representations and statements in support of the Request. The Divisions note that this no-action position is similar to previous no-action positions taken with respect to reporting certain binary options transactions and similar transactions.[21] Pursuant to this letter and CFTC Letter No. 25-44, the Divisions will not recommend that the Commission initiate an enforcement action against Titan, QC, Olympus, or their participants with respect to Titan Contracts for failure to comply with: Commission regulations 38.8(b), 38.10, 38.951 (only to the extent that regulation 38.951 requires compliance with Part 45 of the Commission's regulations), 39.20(b)(2), the applicable provisions of Parts 43 and 45, or CEA provisions pursuant to which the Relevant Regulations were promulgated. The no-action position includes the following conditions:[22]

[21] *See* CFTC Letter No. 17-31 (June 30, 2017), *available at* https://www.cftc.gov/csl/17-31/download; CFTC Letter No. 17-32 (June 30, 2017), *available at* https://www.cftc.gov/csl/17-32/download; CFTC Letter No. 21-11 (Apr. 22, 2021), *available at* https://www.cftc.gov/csl/21-11/download; CFTC Letter No. 24-09 (July 12, 2024), *available at* https://www.cftc.gov/csl/24-09/download; CFTC Letter No. 24-12 (Sept. 3, 2024), *available at* https://www.cftc.gov/csl/24-12/download; CFTC Letter No. 24-15 (Oct. 4, 2024), *available at* https://www.cftc.gov/csl/24-15/download; CFTC Letter No. 25-02 (Jan. 31, 2025), *available at* https://www.cftc.gov/csl/25-02/download; CFTC Letter No. 25-23 (Jul. 22, 2025), *available at* https://www.cftc.gov/csl/25-23/download; CFTC Letter No. 25-26 (Aug. 7, 2025), *available at* https://www.cftc.gov/csl/25-26/download; CFTC Letter No. 25-28 (Sept. 3, 2025), *available at* https://www.cftc.gov/csl/25-28/download; CFTC Letter No. 25-35 (Sept. 30, 2025), *available at* https://www.cftc.gov/csl/25-35/download; CFTC Letter No. 25-44 (Dec. 11, 2025), *available at* https://www.cftc.gov/csl/25-44/download; CFTC Letter No. 25-45 (Dec. 11, 2025), *available at* https://www.cftc.gov/csl/25-45/download; CFTC Letter No. 25-47 (Dec. 11, 2025), *available at* https://www.cftc.gov/csl/25-47/download; CFTC Letter No. 25-48 (Dec. 11, 2025), *available at* https://www.cftc.gov/csl/25-48/download; and CFTC Letter 26-01 (Jan. 8, 2026), *available at* https://www.cftc.gov/csl/26-01/download.

[22] Some of these conditions regarding the no-action position may constitute a collection of information, as that term is defined in the Paperwork Reduction Act, 44 U.S.C. §§ 3501 et. seq. The Office of Management and Budget ("OMB")—in accordance with 44 U.S.C. § 3507(d) and 5 C.F.R. §§ 1320.8 and 1320.10—has approved collection 3038-0049, entitled "Procedural requirements for requests for interpretative, no-action and exemptive letters," for such purposes. This collection would encompass collections made as part of exemptive or no-action position from the Commission or its staff. The public is not required to respond to a collection of information that does not have a valid OMB control number.

1) Titan will require all Titan Contracts to be fully collateralized positions, as defined by Commission regulation 39.2;[23]

2) Titan will clear all Titan Contracts through QC or Olympus and QC or Olympus will clear all Titan Contracts;

3) Titan will publish on its website the following time and sales data for all Titan Contract transactions promptly after execution thereof: trade timestamp, contract, quantity, and price;

4) Titan will provide the Commission with all transactional information as described in Commission regulation 16.02;

5) Titan, QC, and Olympus will comply with all reporting and recordkeeping requirements of the CEA and CFTC regulations applicable to them in their respective capacities as a DCM and a DCO, other than the Relevant Regulations, including, but not limited to, the applicable requirements of Parts 38 and 39 of the Commission's regulations (the records required to be retained by this condition (5) are referred to below as the "Required Records"); and

6) Titan, QC, and Olympus will keep the Required Records open to inspection upon request by any representative of the Commission, the United States Department of Justice, or the Securities and Exchange Commission, or by any representative of a prudential regulator as authorized by the Commission. Copies of all such records shall be provided, at the expense of Titan, QC, and Olympus, to any representative of the Commission upon request. Titan, QC, and Olympus shall provide copies of the Required Records either by electronic means, in hard copy, or both, as requested by the Commission, with the sole exception that copies of records originally created and exclusively maintained in paper form may be provided in hard copy only.

[23] Commission regulations define "fully collateralized position" as "a contract cleared by a derivatives clearing organization that requires the derivatives clearing organization to hold, at all times, funds in the form of the required payment sufficient to cover the maximum possible loss that a party or counterparty could incur upon liquidation or expiration of the contract." 17 C.F.R. § 39.2.

This letter expresses a staff position only with respect to enforcement of the Relevant Regulations. This letter does not state any legal conclusion regarding the characteristics or legality of Titan Contracts or the conduct of any person covered by the no-action position.[24] This letter and the no-action position taken herein represent the views of the Divisions only, and do not necessarily represent the positions or views of the Commission or of any other Commission division or office. This letter and the no-action position taken herein are not binding on the Commission.[25] Except as explicitly provided in this letter, the no-action position taken herein does not excuse persons from compliance with any applicable requirements of the CEA or Commission regulations.

Further, this letter, and the no-action position contained herein, are based upon the representations made to the Divisions, including the representations made by Titan and Olympus that are described herein. Any different, changed, or omitted material facts or circumstances may render this letter void. To the extent this Supplemental Staff Letter modifies CFTC Letter No. 25-44, the no-action position provided in this letter supersedes CFTC Letter No. 25-44. In all other respects, CFTC Letter No. 25-44 continues to be in effect. As with all no-action letters, the Divisions retain the authority to, in their discretion, further condition, modify, suspend, terminate or otherwise restrict the terms of the no-action position provided herein. This letter will expire at the time that the Commission adopts amendments to its regulations that address event contract reporting.

If you have any questions concerning this letter, please contact Paul Chaffin, Division of Market Oversight, at (202) 418-5185 or pchaffin@cftc.gov; Alicia Silverman, Division of Market Oversight, at (202) 418-5219 or asilverman@cftc.gov; Isabella Bergstein, Division of Market Oversight, at (202) 993-1384 or ibergstein@cftc.gov; Owen Kopon, Division of Market Oversight, at (202) 418-5360 or okopon@cftc.gov; or Daniel O'Connell, Division of Clearing and Risk, at (202) 418-5583 or doconnell@cftc.gov.

Sincerely,

Joshua Beale	Richard Haynes
Acting Director	Acting Director
Division of Market Oversight	Division of Clearing and Risk

[24] For the avoidance of doubt, this letter is not intended to address whether any of the Titan Contracts are consistent with any statutory or regulatory requirement, including with respect to the requirements of CEA section 5c(c)(5)(C) or Commission regulation 40.11. 17 C.F.R. § 40.11.

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