



November 13, 2023

Mrs. Amanda Olear
Director, Market Participants Division
Commodity Futures Trading Commission
1155 21st Street. NW
Washington, DC 20581

Dear Mrs. Olear,

We understand that CFTC Regulation 48.4 permits certain firms direct access to Foreign Boards of Trade (FBOTs). Specifically, U.S. Futures Commission Merchants (FCMs), proprietary trading firms, and Commodity Pool Operators (CPOs) and Commodity Trading Advisors (CTAs) may have direct access to FBOTs under CFTC Regulation 48.4(b) with certain qualifying conditions. We further understand that Eurex has requested that the CFTC undertake a rulemaking to expand Regulation 48.4 to allow U.S. registered Introducing Brokers (IBs) direct access to FBOTs under 48.4(b).

FIA believes that the requested change will benefit U.S. markets and is in the public interest for the potential benefits it will bring to U.S. customers seeking access to certain foreign products that cannot be accessed without the requested change. Specifically, IBs have been filling an increasingly critical execution role for US participants with respect to block trading. IBs can scout the market for anonymous clients and then execute the trades on their behalf and subsequently give the trades up for clearing. With IBs currently not allowed FBOT direct access under 48.4(b), U.S. participants are left without this access route after EU-based IBs close, usually around 1 p.m. Eastern time. Updating the rules to expand direct access to U.S.-registered IBs would allow U.S. market participants continued access to the relevant foreign markets after the closure of those broker firms in Europe that provide access earlier in the day. This is especially important for U.S. participants' ability to conduct their risk management during periods of high market volatility, such as those experienced with the collapse of Silicon Valley Bank and Russian invasion of Ukraine.

We support a change to Regulation 48.4 (b) that is consistent with the current version of that rule that allows direct access to Commodity Pool Operators (CPOs) and Commodity Trading Advisors (CTAs) in Regulation 48.4 (b)(3). Specifically, we support an amendment to Regulation 48.4(b) to add to the list of approved direct access entities registered IBs "provided that a futures commission merchant or a firm exempt from such registration pursuant to [section] 30.10 of this chapter acts as a clearing firm and guarantees, without limitation, all such trades of the [Introducing Broker] effected through submission of orders to the trading system." We believe updating the Regulation to provide this access, while still ensuring that all orders submitted by the Introducing Broker will be cleared by an FCM or a Part 30.10 firm, will serve the CFTC's regulatory goals set forth in the FBOT rulemaking.

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Accordingly, we support the pending Eurex request to update Regulation 48.4. Please do not hesitate to contact me at alurton@fia.org or 202-772-3057 if you have any questions about this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Allison Lurton". The signature is written in a cursive, flowing style.

Allison Lurton
General Counsel & Chief Legal Officer