



## U.S. COMMODITY FUTURES TRADING COMMISSION

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Division of  
Market Oversight

CFTC Letter No. 13-65  
No-Action  
October 17, 2013  
Division of Market Oversight

Mr. Alex Bobinski  
Chief Compliance Officer  
GTX SEF LLC  
Bedminster One  
135 Route 202/206  
Bedminster, NJ 07921

Re: Time-Limited No-Action Relief for GTX SEF LLC from the  
Registration Requirements of Section 5h(a)(1) of the Commodity  
Exchange Act and Commission Regulation 37.3(a)(1)

Dear Mr. Bobinski:

This is in response to your letter dated October 1, 2013 (“Letter”), to the Division of Market Oversight (“DMO”) of the Commodity Futures Trading Commission (“Commission” or “CFTC”). In the Letter, you request, on behalf of GTX SEF LLC (“GTX SEF”), that DMO not recommend that the Commission take enforcement action against GTX SEF for failure to register as a swap execution facility (“SEF”), or against any market participants for use of, or other relationships with, GTX SEF. Specifically, GTX SEF requests that DMO confirm it will not recommend to the Commission that it commence an enforcement action against GTX SEF for violation of Section 5h(a)(1) of the Commodity Exchange Act (the “Act”)<sup>1</sup> or Commission Regulation 37.3(a)(1),<sup>2</sup> or against any other market participant that uses or has other relationships with GTX SEF, based on GTX SEF’s failure to register as a SEF.

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<sup>1</sup> Section 5h(a)(1) of the Act provides that “No person may operate a facility for the trading or processing of swaps unless the facility is registered as a swap execution facility or as a designated contract market under this section.” 7 U.S.C. § 7b-3.

<sup>2</sup> Commission Regulation 37.3(a)(1) provides that “Any person operating a facility that offers a trading system or platform in which more than one market participant has the ability to execute or trade swaps with more than one other market participant on the system or platform shall register the facility as a swap execution facility under this part or as a designated contract market under part 38 of this chapter.” 17 CFR 37.3(a)(1).

GTX SEF currently operates a U.S.-based multilateral trading platform which brings together multiple third-party buying and selling interests in various foreign exchange products, including non-deliverable foreign exchange forwards.

On September 30, 2013, GTX SEF submitted to the Commission, pursuant to Commission Regulation 37.3(b), an application for SEF registration. As part of that application, GTX SEF requested a grant of temporary SEF registration pursuant to Commission Regulation 37.3(c).

In its October 1, 2013 no-action relief request, GTX SEF represented that its SEF application was complete. In addition, GTX SEF represented that it would, as a condition of any relief (1) comply with all of the substantive requirements applicable to SEFs under the Commodity Exchange Act and the Commission's regulations; and (2) comply with any CFTC staff-issued guidance or no-action relief applicable to SEFs issued on or after September 26, 2013.

Given GTX SEF's pending SEF application and its representations regarding conditions of relief, DMO will not recommend that the Commission take enforcement action against GTX SEF for failure to register as a SEF under section 5h(a)(1) of the Act or Commission Regulation 37.3(a)(1), or against any market participants for use of, or other relationships with, GTX SEF, based on GTX SEF's failure to register as a SEF. This no-action relief will commence on October 17, 2013 and shall expire upon the earlier of (1) the date that the Commission grants or denies temporary SEF Registration to GTX SEF; or (2) November 19, 2013 at 12:01 am EST.

This letter, and the no-action position taken herein, represents the views of DMO only, and does not necessarily represent the positions or views of the Commission or of any other division or office of the Commission's staff. The no-action positions taken herein do not excuse GTX SEF from compliance with any other applicable requirements of the Act or the Commission's regulations thereunder. As with all no-action letters, DMO retains the authority to condition further, modify, suspend, terminate or otherwise restrict the terms of the no-action relief provided herein, in its discretion. Nothing in this letter presupposes the merits of GTX SEF's SEF application. That application is pending DMO review and subject to requests for additional information and/or changes.

If you have any questions concerning this correspondence, please contact David Van Wagner, Chief Counsel, Division of Market Oversight, at (202) 418-5481 or [dvanwagner@cftc.gov](mailto:dvanwagner@cftc.gov) or Nancy Markowitz, Deputy Director, Division of Market Oversight, at (202) 418-5453 or [nmarkowitz@cftc.gov](mailto:nmarkowitz@cftc.gov).

Sincerely,

Vincent McGonagle  
Director