

III.

The Commission finds the following:

A. Summary

Under Regulations 19.00(a)(1) and 19.01, 17 C.F.R. §§ 19.00(a)(1) and 19.01 (2015), all persons holding or controlling reportable futures and options positions in certain agricultural commodities—including wheat, corn, oats, soybeans, soybean oil, and soybean meal—pursuant to Regulation 15.00(p)(2), 17 C.F.R. § 15.00(p)(2) (2015), and any part of which constitute *bona fide* hedging positions as defined in Regulation 1.3(z), 17 C.F.R. § 1.3(z) (2015), are required to make a CFTC Form 204 report on the last Friday of the month, and to file such a report not later than the third business day following the date of the 204 report showing the composition of the fixed price cash position of each such commodity hedged. During the Relevant Period, Respondent failed on five occasions to file a CFTC Form 204 report as required by Regulation 19.01.

B. Respondent

Golden Agri International Pte Ltd., a private limited company formed in Singapore and a wholly-owned subsidiary of Golden Agri-Resources Ltd. (“GAR”), operates as a processor and/or trader of crude palm oil and was responsible for filing CFTC Form 204 reports. Golden Agri’s principal place of business is Singapore. Golden Agri has never been registered with the Commission.

C. Facts

Golden Agri is an entity that operates as a processor and trader of crude palm oil, which it hedges with futures contracts. It is a subsidiary of GAR, which is located in Indonesia and is a palm oil plantation company which cultivates and harvests oil palm trees, processes fruit bunch into crude palm oil and palm kernel and then merchandises and refines crude palm oil into value-added products such as cooking oil, margarine and shortening. During the Relevant Period, Respondent failed on five occasions to file CFTC Form 204 reports as required under CFTC Regulations.

Respondent was responsible for making and filing CFTC Form 204 reports with the Commission. The CFTC Form 204 report is to be made monthly, as of the close of business on the last Friday of the month, and filed with the Commission not later than the third business day following the date of the 204 report showing the composition of the reporting entity’s fixed price cash position of each commodity hedged. A purpose of the Form 204 report is to check compliance with speculative position limits by ensuring that filers classify their futures positions as hedging cash positions that are actually owned or controlled.

Respondent held or controlled soybean oil futures positions that were reportable pursuant to Regulation 15.00(p) (2) and based on records provided by Golden Agri, constituted *bona fide*

hedging positions as defined in Regulation 1.3(z). Therefore, Respondent was required to file 204 Reports within 3 business days from the last Friday of the month. Respondent, however, failed to file five CFTC 204 reports as required by CFTC Regulations. Four CFTC Form 204 reports were subsequently filed with the Commission 15 months after they were required to be filed and only after Commission staff contacted Respondent regarding its failure to file such Reports, and a fifth report was subsequently filed with the Commission five months after it was required to be filed.

IV

LEGAL DISCUSSION

a. Statutory Background

Regulation 150.3 exempts positions that qualify as *bona fide* hedging transactions (as defined in Regulation 1.3(z), 17 C.F.R. § 1.3(z) (2015)) from the speculative position limits for various agricultural commodities set forth in Regulation 150.2. However, such *bona fide* hedging transactions are subject to the Commission's reporting requirements pursuant to Regulations 19.00(a)(1) and 19.01, 17 C.F.R. §§ 19.00(a)(1) and 19.01 (2015).

Regulation 19.00(a)(1) requires that persons holding or controlling futures and options positions in certain agricultural commodities that are reportable pursuant to Regulation 15.00(p)(2), 17 C.F.R. § 15.00(p)(2), and any part of which constitute *bona fide* hedging positions as defined in Regulation 1.3(z), 17 C.F.R. § 1.3(z), must file CFTC Form 204 reports showing the composition of the fixed price cash position of each such commodity hedged (the "Form 204 commodities," which include wheat, corn, oats, soybeans, soybean oil and soybean meal). Reportable positions under Regulation 15.00(p)(2) are any combined futures and futures-equivalent option open contract position as defined in Part 150 of the Regulations in any one month or in all months combined, either net long or net short in any commodity on any one reporting market, which positions at the close of the market on the last business day of the week exceed the net quantity limit in spot, single or in all-months fixed in Regulation 150.2 for the Form 204 commodities.

b. Respondent's Violations of Regulation 19.01, 17 C.F.R. § 19.01 (2015)

During the Relevant Period, Respondent held reportable positions in the Form 204 commodities and was required by Regulation 19.00(a)(1) to file Form 204 reports. Regulation 19.01 requires Form 204 reports to show the quantities of the fixed price purchase and sale open cash positions of each of the Form 204 commodities hedged.

On five occasions during the Relevant Period, Respondent did not comply with Regulation 19.01, 17 C.F.R. § 19.01, when it was required to file CFTC Form 204 reports but failed to submit such reports no later than 3 business days after the last Friday of the relevant month.

Therefore, Respondent violated Regulation 19.01, 17 C.F.R. § 19.01 (2015).

V.

FINDINGS OF VIOLATION

Based on the foregoing, the Commission finds that Respondent violated Regulation 19.01, 17 C.F.R. § 19.01 (2015).

VI.

OFFER OF SETTLEMENT

Respondent has submitted the Offer in which it, without admitting or denying the findings and conclusions herein:

- A. Acknowledges receipt of service of this Order;
- B. Admits the jurisdiction of the Commission with respect to all matters set forth in this Order and for any action or proceeding brought or authorized by the Commission based on violation of or enforcement of this Order;
- C. Waives:
 - 1. the filing and service of a complaint and notice of hearing;
 - 2. a hearing;
 - 3. all post-hearing procedures;
 - 4. judicial review by any court;
 - 5. any and all objections to the participation by any member of the Commission's staff in the Commission's consideration of the Offer;
 - 6. any and all claims that it may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 (2012) and 28 U.S.C. § 2412 (2012), and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Regulations, 17 C.F.R. §§ 148.1-30 (2014), relating to, or arising from, this proceeding;
 - 7. any and all claims that it may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, §§ 201-253, 110 Stat. 847, 857-868 (1996), as amended by Pub. L. No. 110-28, § 8302, 121 Stat. 112, 204-205 (2007), relating to, or arising from, this proceeding; and
 - 8. any claims of Double Jeopardy based on the institution of this proceeding or the entry in this proceeding of any order imposing a civil monetary penalty or any other relief;

- D. Stipulates that the record basis on which this Order is entered shall consist solely of the findings contained in this Order to which Respondent has consented in the Offer; and
- E. Consents, solely on the basis of the Offer, to the Commission's entry of this Order that:
1. makes findings by the Commission that Respondent violated Regulation 19.01, 17 C.F.R. § 19.01 (2015);
 2. orders Respondent to cease and desist from violating Regulation 19.01, 17 C.F.R. § 19.01 (2015);
 3. orders Respondent to pay a civil monetary penalty in the amount of \$150,000 within ten (10) days of the date of entry of this Order, plus post-judgment interest; and
 4. orders Respondent and its successors and assigns to comply with the conditions and undertakings consented to in the Offer and as set forth in Part VII of this Order.

Upon consideration, the Commission has determined to accept the Offer.

VII.

ORDER

Accordingly, IT IS HEREBY ORDERED THAT:

- A. Respondent shall cease and desist from violating Regulation 19.01, 17 C.F.R. § 19.01 (2015).
- B. Respondent shall pay a civil monetary penalty in the amount of one hundred fifty thousand dollars (\$150,000) within ten (10) days of the date of entry of this Order (the "CMP Obligation"). If the CMP Obligation is not paid in full within ten (10) days of the date of entry of this Order, then post-judgment interest shall accrue on the CMP Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961 (2012). Respondent shall pay the CMP Obligation by electronic funds transfer, U.S. postal money order, certified check, bank cashier's check, or bank money order. If payment is to be made other than by electronic funds transfer, then the payment shall be made payable to the Commodity Futures Trading Commission and sent to the address below:

Commodity Futures Trading Commission
Division of Enforcement
ATTN: Accounts Receivables
DOT/FAA/MMAC/AMZ-341
CFTC/CPSC/SEC
6500 S. MacArthur Blvd.

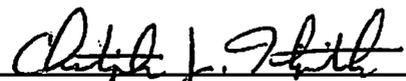
Oklahoma City, OK 73169
(405) 954-7262 office
(405) 954-1620 fax
nikki.gibson@faa.gov

If payment is to be made by electronic funds transfer, Respondent shall contact Nikki Gibson or her successor at the above address to receive payment instructions and shall fully comply with those instructions. Respondent shall accompany payment of the CMP Obligation with a cover letter that identifies the paying Respondent and the name and docket number of this proceeding. The paying Respondent shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581, and to the Deputy Director, Division of Enforcement, Commodity Futures Trading Commission, 140 Broadway, 19th Floor, New York, NY 10005.

- C. Respondent and its successors and assigns shall comply with the following conditions and undertakings set forth in the Offer:
1. **Undertakings:** Respondent will undertake to adopt, maintain and implement internal controls that are reasonably designed to ensure that it complies fully with Regulation 19.01, 17 C.F.R §§ 19.01 (2015).
 2. **Public Statements:** Respondent agrees that neither it nor any of its successors and assigns, agents or employees under its authority or control shall take any action or make any public statement denying, directly or indirectly, any findings or conclusions in this Order or creating, or tending to create, the impression that this Order is without a factual basis; provided, however, that nothing in this provision shall affect Respondent's: (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. Respondent and its successors and assigns shall undertake all steps necessary to ensure that all of its agents and employees under its authority or control understand and comply with this agreement.
 3. **Cooperation with the Commission:** Respondent shall cooperate fully and expeditiously with the Commission, including the Commission's Division of Enforcement, and any other governmental agency in this action, and in any investigation, civil litigation, or administrative matter related to the subject matter of this action or any current or future Commission investigation related thereto, including any matter in which the Respondent has previously provided information.
 4. **Partial Satisfaction:** Respondent understands that any acceptance by the Commission of partial payment of Respondent's CMP Obligation shall not be deemed a waiver of Respondent's obligation to make further payments pursuant to this Order or a waiver of the Commission's right to seek to compel payment of any remaining balance.

The provisions of this Order shall be effective as of this date.

By the Commission.



Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission

Dated: July 11, 2016