

April 9, 2024

The Honorable Rostin Behnam
Chairman
U.S. Commodity Futures Trading Commission
1155 21st Street, NW
Washington, DC 20581

Commission Staff
U.S. Commodity Futures Trading Commission
1155 21st Street, NW
Washington, DC 20581

Dear Chairman Behnam and Commission Staff:

The Market Risk Advisory Committee (MRAC or Committee) of the U.S. Commodity Futures Trading Commission (Commission or CFTC) serves to provide the Commission with insights, guidance, and recommendations regarding market trends and conditions as well as regulatory initiatives.¹ Over the course of the last two years, the MRAC Market Structure Subcommittee (Subcommittee) met frequently to investigate the increasing decline of futures commission merchants (FCMs) in U.S. and global derivatives markets. In March, July, and December of 2023, the Subcommittee presented its findings to the MRAC. On April 3, 2024, the Subcommittee voted to approve distribution of this letter articulating its findings regarding trends among FCMs to the MRAC. On April 9, 2024, the MRAC voted to approve distribution of this letter to the Commission.

Background

As shown in the accompanying data and analysis, the FCM Capacity Workstream² (Workstream) of the Subcommittee examined the current state of the market for FCMs.

¹ Commissioner Kristin N. Johnson is the sponsor of the MRAC, and Alicia Crighton is the Chair of the MRAC. The views, analyses, and conclusions expressed herein reflect the work of the Market Structure Subcommittee of the MRAC, and do not necessarily reflect the views of the MRAC, the Commission or its staff, or the U.S. government. Reference to any products, services, websites, organizations, or enterprises, or the use of any organization, trade, firm, or corporation name is for informational purposes only and does not constitute endorsement, recommendation, or favoring by the U.S. government.

² The Workstream lead is Ashwini Panse, Head of Risk Oversight for ICE Clear Netherlands, and Chief Risk Officer for the North American Clearinghouses, Intercontinental Exchange, Inc. Workstream members include: Stephen Berger, Managing Director, Global Head of Government & Regulatory Policy, Citadel, LLC; David Bowman, Senior Associate Director, Board of Governors of the Federal Reserve System; Neil Constable, Head of Quantitative Research and Investments, Fidelity; Edward Dasso, Senior Vice President-Market Regulation, National Futures Association; David Horner, Chief Risk Officer, LCH Ltd., London Stock Exchange Group; Ernie W. Kohnke, General Counsel, Vitol, Commodity Markets Council; Andrew Nash, Managing Director and Head of Regulatory Affairs, Morgan Stanley; Marnie Rosenberg, Managing Director, Global Head of Central Counterparty Credit Risk and Strategy, JPMorgan Chase & Co.; Nathaniel Wuerffel, Head of Market Structure, The Bank of New York Mellon; and Huan Zhang, Chief Risk Officer, Nodal Clear, LLC. The Subcommittee co-Chairs are Ann Battle, Senior Counsel, Market Transitions & Head of Benchmark Reform, ISDA, and Biswarup Chatterjee, Managing Director and Head of Partnerships & Innovation for the Services Division, Citigroup.

FCMs serve as intermediaries that enable institutional, corporate, and retail customers to clear and execute trades in interest rate, credit, currency and commodity futures, options on futures, retail foreign exchange contracts, and swaps.

The Workstream sought to examine the structural changes that have occurred within the FCM industry over the last twenty years. To facilitate its analysis, the Workstream assembled a database from reports prepared by the Commission,³ available publicly. These reports contain, among other data, select financial information taken from FCM regulatory filings. The data looks at trends relating to the number of FCMs, FCM activity over the years, client margins, and FCM capital requirements.

The data reflects information for a twenty-year period running from 2003 through 2023. Among other observations, the Workstream noted industry consolidation as well as structural changes. Among the structural changes, the Workstream noted an increased concentration of bank-affiliated FCMs. The Workstream also noted increased concentration among FCMs that are dually registered as broker-dealers (BDs).

In addition to the aggregation of the data and these observations, the Workstream began to explore the potential underlying causes for the concentration and the implications of this concentration on competition. Among other issues observed, the Workstream noted the significance of two notable regulatory initiatives. The first followed the 2008 financial crisis, and the second resulted from the failure of two significant FCMs after those FCMs faced catastrophic losses resulting from fraudulent activities and misconduct involving customer funds.

FCMs serve a critical role in facilitating the clearing of swaps and futures products for end-users who are managing risk or investing through these markets. Client funds (cash, securities, and other collateral) deposited into accounts at FCMs are used to support the initial and variation margin requirements for swaps and futures trading. FCMs compete on several bases, including the fees charged for brokerage and clearing, quality of trade execution, market access, funding and lending support, collateral management, and customer service and advice.

Methodology

Our analysis seeks to enhance our understanding of the regulatory and organizational structure of this important sector of financial markets. In doing so, our analysis highlights two essential safeguards applied to FCMs to promote the integrity of the cleared derivatives industry: protecting the integrity and promoting the resilience of the broader financial system and protecting customer assets. To achieve these objectives, regulations and internal FCM protocols establish guidelines for (a) the maintenance of a minimum level of capital, which provides a layer of protection to an FCM's customer base from potential large trading losses of a customer which could exhaust the customer's assets and potentially expose other customers of the FCM to the risk of losing their own funds

³ FCMs and retail foreign exchange dealers (RFEDs) must file monthly financial reports with the CFTC's Market Participants Division (MPD) within 17 business days after the end of the month. Financial data for FCMs is available [here](#).

and, notably, (b) the segregation of customer funds from proprietary funds and trading activities of an FCM and its affiliates.

Protecting customer funds is among the most fundamental tenets of cleared swaps and futures market regulation. It is equally important that customer funds be separated from and not commingled with an FCM's own funds and proprietary trading activities, hence, the reference to such funds as *segregated* or *secured* funds. Customer funds held in customer segregated accounts are associated with trading on domestic U.S. futures exchanges, funds held in secured accounts are associated with trading on exchanges located outside of the U.S., and funds held in segregated cleared swaps customer accounts are associated with cleared swaps.

Preliminary Findings

Significant FCM Consolidation:

The futures industry has experienced significant FCM consolidation over the period from 2003 through 2023. The Workstream observed a 69% decline in the total number of FCMs, primarily led by the exit of many independent FCMs. These FCMs are neither dually registered as BDs nor affiliated with banks or bank holding companies. We refer to these entities as “shell” FCMs.

Beyond the decline that is attributable to the departure of many “shell” FCMs, we observed a decline in “non-carrying” FCMs. We refer to these entities as FCMs that do not hold customer funds. In addition to this shrinkage, we find a decline in FCMs that hold customer funds intended for futures trading. We describe these FCMs as “carrying” FCMs.

Our findings indicate a ninety-one percent (91%) decline in the total number of “non-carrying” FCMs and a fifty-eight percent (58%) decline in the total number of “carrying” FCMs. As of today, only 4 “shell” FCMs remain.

Increased Regulatory Obligations:

Contemporaneous with the decline in the total number of FCMs, we observe regulatory obligations that increase minimum capital requirements. We believe that these increases may be among the factors influencing the viability of “shell” FCMs.

Following the adoption of Basel bank capital requirements and certain leverage limitations, some bank-affiliated FCMs have exited the futures business. Discussions with these FCMs suggest that they found carrying futures accounts to be insufficiently profitable. The number of firms conducting cleared business has declined from 23 in 2014 to only 17 in 2023. We have observed exits and downsizing by some notable firms in recent years, including BNY Mellon, State Street, Jefferies, Nomura, RBS Securities, and New Edge, which all exited the cleared swap business in 2015; followed by Deutsche Bank Securities in 2017; and Credit Suisse, which had begun reducing client activity even prior to its sale.

Increased Clearing Activity:

Alongside the decline in the total number of FCMs, there has been a marked increase in the volume of customer funds held by FCMs and clearing activity.

The Workstream examined the growth in customer funds and adjusted net capital across firms during the same twenty-year period where we observed a decline in the number of FCMs.

We observed an increase of more than seven hundred percent (700%) in the holding of customer funds. In 2003, client margin requirements in the aggregate totaled more than \$60 billion. In 2023, FCMs managed more than \$500 billion in client margin requirements. This is the highest level of client margin held by FCMs to date.

Today, a disproportionate percentage of the remaining FCMs are affiliated with larger bank and FCM-BDs, who now hold all top 10 industry positions in terms of holdings of customer funds. These 10 FCMs account for more than eighty percent (80%) of all customer funds.

In addition to consolidation of eighty percent (80%) of customer funds holdings by 10 FCMs, we observed an increase of two-hundred ninety-six percent (296%) in overall adjusted net capital. Twenty years ago, the sum of all firm-adjusted net capital was \$45+ billion. In 2023, it was north of \$179 billion. Many of the remaining FCMs hold significant excess capital relative to the CFTC minimum requirements. Many of the FCM-BDs and the bank-affiliated FCMs hold greater levels of capital than non-bank-affiliated FCMs. Many FCMs have continued to provide clearing services despite rising costs stemming from regulatory requirements and technological advances.

Fewer New Entrants:

We find few new FCMs in the years since the financial crisis. This may suggest a number of issues.

Providing FCM services has become an increasingly high fixed-cost business. The costs of infrastructure and regulatory compliance have increased following the adoption of the Dodd-Frank Act. This makes scale critical to running a successful FCM. As a result, smaller FCMs may not be able to generate enough revenue to justify the costs of operations. Some clients seek only the largest FCMs. FCMs across the board have been able to absorb the growth in client activity and meet margin requirements, including during periods when margin levels increased sharply due to market volatility as experienced following Russia's invasion of Ukraine and the onset of the COVID-19 global pandemic.

In addition, regulatory initiatives triggered by the financial crisis and the failure of prominent FCMs may have influenced decisions regarding the future viability of certain FCM businesses. Changes in Basel bank capital requirements and new leverage rules tied to amounts of customer funds held may have influenced some FCMs' decision to exit the cleared derivatives business.

In some instances, bank-affiliated FCMs may have elected to restrict the services offered, particularly following the implementation of a new capital framework for the

calculation of counterparty credit risk known as the Standardized Approach for Counterparty Credit Risk (SA-CCR), which influenced the cost factor for offering these services. Some market makers may have exited markets where capital requirements increased, impacting liquidity and the cost of hedging for commercial participants.

In other instances, some of the FCM business migrated to the uncleared over-the-counter (OTC) market. We have seen recently, as a result of the heightened volatility in certain energy markets, large increases in margin requirements during the same period. As a result, many commercial participants using cleared markets to hedge commercial price risk have hit binding thresholds such as capital thresholds with their FCMs. The result is that these commercial participants either migrated their hedges to uncleared OTC products or in some cases took the hedges off altogether. Tying up too much capital has the effect of reducing the headroom available when market stresses occur.

FCM concentration, coupled with the new capital rules, may make the porting of client positions more challenging. When Lehman Brothers failed in 2008, Barclays accepted transfer of all the clients. It is unclear whether such a successful porting exercise could be achieved today in the case of the failure of a large FCM. According to a recent International Swaps and Derivatives Association (ISDA) paper,⁴ portability may be difficult and FCM capacity may be constrained in some contexts. The obligation to allocate capital, maintain liquidity, and ensure global systemically important bank (G-SIB) surcharge capacity for their businesses may limit some FCMs' ability to accommodate additional client clearing business in the event of an FCM default. In this context, it is unclear whether a pre-arranged clearing arrangement with an alternate FCM would be available for porting an entire client's portfolio.⁵

Next Steps

Given the extensive focus over several years on the interplay of FCM, BD, and bank holding company regulatory standards, as applied to client clearing franchises, the Workstream is of the opinion that additional analysis, and potentially feedback from market participants, is necessary to understand whether introduction of new mandates and regulatory reforms would impact FCMs' risk profile and FCM clearing capacity, efficiency, or market structure.

⁴ International Swaps and Derivatives Association, Inc., Addressing Porting Challenges (Oct. 2023), available [here](#).

⁵ The interplay of FCM and Bank Holding Company (BHC) regulation has been widely discussed in recent years. The CFTC's regulatory standards for FCMs directly govern U.S. customer clearing in swaps and futures. As noted above, the largest FCMs are subsidiaries of U.S. BHCs, which are subject, on a consolidated basis, to Federal Reserve Bank (FRB) capital, liquidity, stress testing, and recovery and resolution standards. As a result, most client clearing businesses are, in effect, subject to both CFTC and FRB regulatory capital standards, which are designed in some areas to achieve distinct policy objectives. Unlike FCM capital regulation, the FRB's BHC capital standards include balance sheet-based leverage capital requirements, including for on-balance sheet segregated customer assets. In 2023, the U.S. prudential regulators published proposals which would increase capital requirements for BHCs, including for FCM-related activities. The industry has raised questions about these proposals that could potentially impact client clearing franchises and have the potential to further reduce capacity in cleared markets. The Workstream may study these issues in the coming months.

Respectfully submitted,

The Market Risk Advisory Committee

Data and Analysis Regarding FCM Capacity Trends

*Summary of the FCM Capacity Workstream of the Market Structure Subcommittee of the
Market Risk Advisory Committee*

April 9, 2024

Futures Commission Merchants and Broker-Dealers

FCMs are the counterparts to BDs who support client trading in security markets. While BDs must register with and report to the U.S. Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA) self-regulatory organization, FCMs register with and report to the CFTC and the National Futures Association (NFA). Many FCMs are also dually registered as BDs.

FCMs engage principally in two activities. First, they solicit or accept orders from customers to buy or sell futures and options on futures. Over time these products have expanded to include retail foreign exchange contracts and, more recently, cleared swaps.

Second, FCMs accept customer funds and other assets to support such orders. These funds are then used to meet initial and variation margin requirements associated with customers' trades that are routed or "cleared" through clearinghouses. To facilitate the execution of customer orders, most FCMs are clearing members; if not, a non-clearing FCM will route its customer trades through an FCM that is set up as a clearing member.

Customer Funds and Capital Requirements

The Commodity Exchange Act (CEA), which provides the governing law over derivatives trading in the U.S., has historically imposed two principal requirements on FCMs.

The first requirement is to keep customer funds segregated from the proprietary funds and trading activities of the FCM. The second requirement is to adhere to rules regarding reporting, recordkeeping and, importantly, the maintenance of minimum capital levels. Clients wishing to trade futures and cleared swaps must maintain cash or other assets in their accounts with FCMs. The FCM must keep these customer funds apart from its own and not convert them for purposes of using them to trade on its own account. Often, FCMs will hold these customer funds in a single, commingled account (referred to as a customer omnibus

account) that will be held at a bank, clearinghouse, or FCM. Further, FCMs are prohibited from using one customer's funds to margin or settle positions of other customers.

A technical distinction is made among customer funds intended for trading domestic futures contracts, foreign futures contracts, and cleared swaps. Specifically, customer accounts to support transactions on domestic U.S. futures exchanges are referred to as "segregated accounts," while accounts to support transactions on approved non-U.S. futures exchanges are referred to as "secured accounts." Industry parlance often refers to customer funds held in segregated accounts as "*seg funds*" as well as Section 4d(a)(2) or "*4d funds*." Similarly, customer funds held in secured accounts are referred to as "*secured funds*" as well as CFTC Rule 30.7 or "*Part 30 funds*." Customer funds representing the total amount of money, securities, and property held in cleared swap customer accounts for cleared swap customers are referred to as "*4d(f) funds*" or "*Part 22 funds*."

The second regulatory pillar of customer protection is the imposition and maintenance of minimum net capital requirements as set forth in CFTC Rule 1.17. Net capital is defined as the amount by which an FCM's current assets exceed its liabilities. Whenever an FCM becomes under-capitalized, meaning its net capital has fallen below the minimum requirement, it must immediately report this to the CFTC and its designated self-regulatory organization (DSRO). We note, however, that many FCMs will hold capital levels in excess of the CFTC's required minimums as they may be clearing members at affiliated clearinghouses whose financial eligibility requirements are more stringent than CFTC requirements.

In addition, many FCMs are affiliated with banking organizations and hold capital in accordance with banking regulations. Prior to September 2004, the CFTC minimum capital requirements were equal to the greater of (1) \$250,000, (2) 4% of the total funds required to

be segregated or secured, or (3) for FCMs also registered as BDs, the amount of net capital requirement under SEC Rule 15c3-1(a). Funds held in non-customer accounts were not taken into account in the computation of the capital requirement. The September 2004 amendments increased the 4% requirement to 8% for customer positions and applied it instead to the margin or performance bonds required to support such positions (risk margin).

In addition, funds in non-customer accounts were added to the rule with the minimum capital requirement changed to the greater of (1) \$250,000, (2) 8% of the total risk margin of customer accounts plus 4% of non-customer accounts, or (3) for FCMs also registered as BDs, the amount of net capital requirement under SEC Rule 15c3-1(a). In 2009, CFTC Rule 1.17 was further amended to increase the minimum capital requirement from \$250,000 to \$1,000,000, to increase the risk margin for non-customer accounts from 4% to 8%, and to extend the 8% to include any cleared swaps positions. In December 2016, the CFTC proposed rules that raised the minimum to \$20 million for FCMs also registered as swap dealers.

FCM Failures and Regulatory Consequences

Certain FCM bankruptcies led the CFTC to add regulations intended to increase protections for customer funds.

Two of the more notable failures that did not entail customer seg fund violations represent failures of significantly large FCMs that resulted in all customer accounts being successfully liquidated and/or transferred to other FCMs.

- ❑ Refco, which petitioned for protection under Chapter 11 in October 2005, was the subject of fraudulent behavior and related-party transactions by its CEO. Upon its failure, the majority of the firm's FCM business was sold to Man Financial.
- ❑ Lehman Brothers, a large FCM-BD, filed for Chapter 7 bankruptcy in September 2008 following the failure of its parent holding company due to losses related to investments

in subprime mortgages. Lehman's customer funds and futures positions were quickly returned to customers or transferred to Barclays Capital and other firms.

Three notable FCM failures involved customer seg fund violations.

- ❑ Sentinel Management Group petitioned for protection under Chapter 11 in August 2007. Sentinel was a registered FCM-BD that engaged in a number of fraudulent activities, including commingling customer funds with its own proprietary funds, and using client funds to collateralize a line of credit. According to estimates reported by the NFA, Sentinel's customer losses were over \$130 million.
- ❑ MF Global became the 8th largest U.S. firm to file for bankruptcy when it filed for protection under Chapter 11 in October 2011. MF Global was formerly Man Financial (the same FCM that acquired the customer accounts of Refco following its failure in 2005). In 2007, the Man Group spun off Man Financial and changed its name to MF Global. MF Global's new CEO decided to seek additional channels of revenue for the firm through proprietary trading. Part of this strategy included making investments in European sovereign debt involving repurchase agreements, which by 2011 exceeded \$6 billion. It was subsequently discovered that approximately \$1 billion in customer funds had been improperly transferred to meet losses on these investments. As a result of recoveries in the bankruptcy process and payouts in other legal settlements, the total recoveries in MF Global as of August 2013 were 96% for seg fund customers (leaving a \$205 million shortfall), and 90% for Part 30 customers (or a \$100 million shortfall). There were reports that MF Global customers ultimately received all funds back. The collapse of MF Global may have also affected the level of industry customer funds as anecdotal evidence suggests that customers became more reluctant to leave excess funds in their accounts, and to regularly sweep back excess funds beyond those directly needed

to support margin requirements. Following the collapse of MF Global, the amount of excess funds left in customer accounts had been cut in half.

- ❑ Peregrine Financial Group filed for bankruptcy on July 10, 2012, on the same date that the CFTC filed an injunction against the firm. It was discovered that the firm's CEO had embezzled customer funds for several years and had submitted false statements to the CFTC and auditors at the NFA to cover up his actions. It is estimated that Peregrine customers ultimately experienced a shortfall of about \$200 million or 50% of customer seg funds.

In response to the above events, the CFTC took initiatives to provide additional protections for customer funds. In 2011, the CFTC approved final rules amending CFTC Rule 1.25 (effective February 17, 2012) to restrict FCMs from investing customer funds in foreign sovereign debt. On October 30, 2013, the CFTC approved final rules (effective January 13, 2014) to require FCMs to maintain residual interest balances in any customer seg fund, secured fund, or cleared swap accounts that they hold.

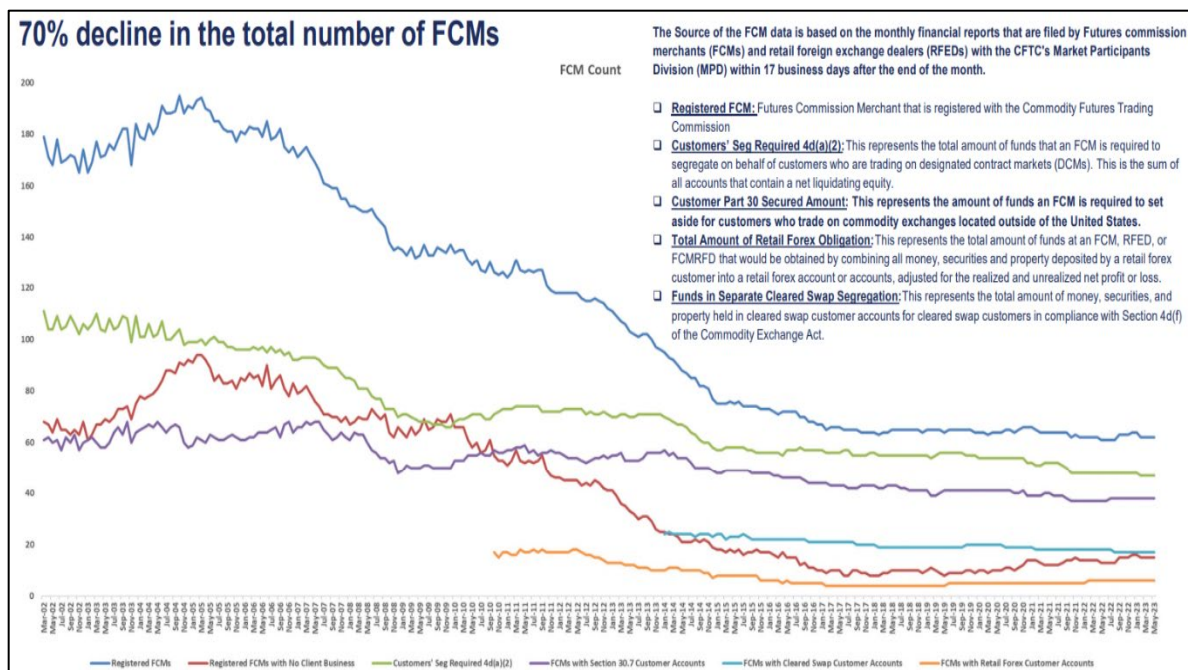
These rules also impose requirements on FCMs to file daily segregation reports with the CFTC and their DSROs; require depositories used by FCMs to hold customer assets to provide the CFTC with direct read-only electronic access to transaction and account balance information; and require FCMs to establish risk management programs to oversee the protection of customer accounts.

Decline in the number of FCMs

As can be seen in chart below, there has been significant attrition in the number of FCMs over a twenty-year period. A significant component of this decline is attributable to the number of FCMs who do not hold customer funds. These FCMs include both (1) those regarded as “shell” FCMs, and (2) those that operate as “non-carrying” FCMs. The

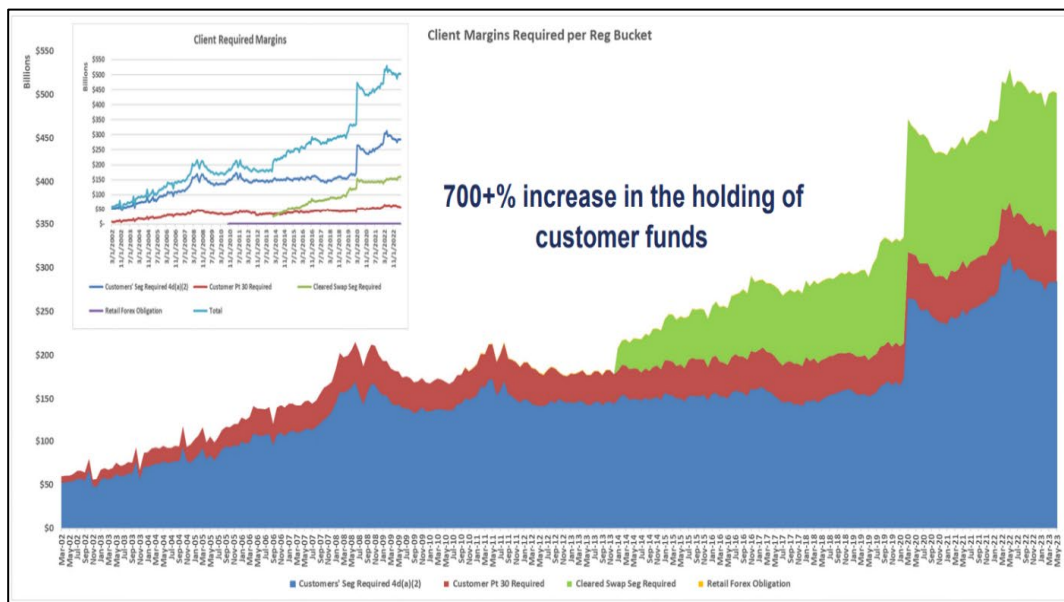
Commodity Futures Modernization Act of 2000 (CFMA) required retail forex dealers who conducted no futures-related business to register with one of several alternative regulatory bodies as a condition for conducting retail forex operations. In turn, many of these entities chose FCM registration due to its low minimum capital requirement, which was only \$250,000 at the time. The minimum has increased over time and ultimately reached \$20 million in 2009. As the minimum capital requirement rose, the number of these “shell” FCMs conducting retail forex business via FCM registration has in turn declined.

The second group of FCMs who do not hold customer funds are the “non-carrying” FCMs. If these FCMs need to provide clients with futures trading support, they will direct customer funds to other FCMs for carrying and clearing. These FCM types are quite common, and many are well-recognized names. To illustrate, Jefferies LLC announced in October 2015 that while it would still maintain its FCM registration status, it would cease being a full-service FCM. While Jefferies may execute certain customer or proprietary futures orders, it no longer clears such transactions. All such activity is now carried and cleared through other FCMs.



Customer Funds and Market Concentration

We next report trends in the amounts of customer funds held by FCMs. There is a steady increase in total customer funds from \$85+ billion in December 2003 to a peak of \$500+ billion in 2023. To further illustrate the increasing dominance of FCM-BDs, in charts below, we present lists of firm names. In December 2003, the top 10 positions collectively held \$57 billion or 66.0% of total customer funds. In May 2023, FCM-BDs comprised all top 10 positions and held \$416 billion or 83% of all customer funds.



December 2003

Rank	FirmName	Cumulative %	Cumulative Total	Firm Total	Seg	Part 30	Swaps	Retail Forex
1	GOLDMAN SACHS & CO	14.25%	\$ 12,320,190,557	\$ 12,320,190,557	\$ 8,321,318,995	\$ 3,998,871,562		
2	JP MORGAN FUTURES INC	21.93%	\$ 18,964,463,868	\$ 6,644,273,311	\$ 5,952,690,183	\$ 691,583,128		
3	CITIGROUP GLOBAL MARKETS INC.	29.07%	\$ 25,131,923,539	\$ 6,167,459,671	\$ 6,045,421,262	\$ 122,038,409		
4	MERRILL LYNCH PIERCE FENNER & SMITH	35.78%	\$ 30,933,157,329	\$ 5,801,233,790	\$ 5,097,388,514	\$ 703,845,276		
5	UBS SECURITIES LLC	42.00%	\$ 36,318,789,604	\$ 5,385,632,275	\$ 4,202,463,802	\$ 1,183,168,473		
6	CARR FUTURES INC	47.88%	\$ 41,295,456,912	\$ 5,076,667,308	\$ 3,412,784,244	\$ 1,663,883,064		
7	MORGAN STANLEY & CO INCORPORATED	52.93%	\$ 45,762,895,923	\$ 4,367,439,011	\$ 3,047,081,696	\$ 1,320,357,315		
8	MAN FINANCIAL INC	57.75%	\$ 49,935,476,450	\$ 4,172,580,527	\$ 3,440,162,150	\$ 732,418,377		
9	FIMAT USA INC	62.57%	\$ 54,096,779,211	\$ 4,161,302,761	\$ 3,389,899,422	\$ 771,403,339		
10	REFCO LLC	66.53%	\$ 57,521,200,955	\$ 3,424,421,744	\$ 3,341,528,198	\$ 82,893,546		
11	MORGAN STANLEY DW INC	69.41%	\$ 60,012,549,820	\$ 2,491,348,865	\$ 898,433,188	\$ 1,592,915,677		
12	CREDIT SUISSE FIRST BOSTON LLC	72.03%	\$ 62,283,888,104	\$ 2,271,338,284	\$ 1,723,599,368	\$ 547,738,916		
13	DEUTSCHE BANK SECURITIES INC	74.64%	\$ 64,533,588,237	\$ 2,249,700,133	\$ 1,759,746,908	\$ 489,953,225		
14	BARCLAYS CAPITAL INC	77.16%	\$ 66,720,549,643	\$ 2,186,961,406	\$ 1,990,969,332	\$ 255,992,074		
15	BEAR STEARNS SECURITIES CORP	79.68%	\$ 68,894,687,049	\$ 2,174,137,405	\$ 1,820,188,536	\$ 353,948,870		
16	ABN AMRO INCORPORATED	81.99%	\$ 70,890,336,859	\$ 1,995,649,810	\$ 1,904,493,644	\$ 91,156,166		
17	LEHMAN BROTHERS INC	84.28%	\$ 72,871,370,859	\$ 1,981,034,000	\$ 1,864,189,000	\$ 116,845,000		
18	CARGILL INVESTOR SERVICES INC	85.89%	\$ 74,267,694,386	\$ 1,396,323,527	\$ 1,317,912,177	\$ 78,411,350		
19	PRUDENTIAL EQUITY GROUP INC	87.48%	\$ 75,635,167,386	\$ 1,367,473,000	\$ 1,219,652,000	\$ 147,821,000		
20	UBS FINANCIAL SERVICES INC.	89.02%	\$ 76,974,927,377	\$ 1,339,759,991	\$ 1,264,415,339	\$ 75,344,652		
Total across all FCMs : December 2003				\$ 86,464,870,875	\$ 71,164,652,838	\$ 15,300,218,037	\$ -	\$ -

December 2008

Rank	FirmName	Cumulative %	Cumulative Total	Firm Total	Seg	Part 30	Swaps	Retail Forex
1	GOLDMAN SACHS & CO	16.03%	\$ 32,130,575,446	\$ 32,130,575,446	\$	22,594,034,044	\$	9,536,541,402
2	NEWEDGE USA LLC	29.89%	\$ 59,920,201,501	\$ 27,789,626,055	\$	20,363,888,012	\$	7,425,738,043
3	JP MORGAN FUTURES INC	41.25%	\$ 82,682,609,137	\$ 22,762,407,636	\$	19,870,559,358	\$	2,891,848,278
4	UBS SECURITIES LLC	51.64%	\$ 103,516,168,799	\$ 20,833,559,662	\$	15,420,748,125	\$	5,412,811,537
5	CITIGROUP GLOBAL MARKETS INC	60.31%	\$ 120,892,033,184	\$ 17,375,864,385	\$	15,736,421,042	\$	1,639,443,343
6	MERRILL LYNCH PIERCE FENNER & SMITH	66.24%	\$ 132,766,534,568	\$ 11,874,501,384	\$	10,429,695,890	\$	1,444,805,494
7	MORGAN STANLEY & CO INCORPORATED	70.83%	\$ 141,960,366,777	\$ 9,213,832,209	\$	4,982,674,544	\$	4,231,157,665
8	BARCLAYS CAPITAL INC	75.31%	\$ 150,950,276,094	\$ 8,969,909,317	\$	5,993,650,575	\$	2,976,258,742
9	MF GLOBAL INC	79.26%	\$ 158,872,106,909	\$ 7,921,830,815	\$	7,429,554,145	\$	492,276,670
10	DEUTSCHE BANK SECURITIES INC	82.93%	\$ 166,227,717,158	\$ 7,355,610,249	\$	6,282,995,014	\$	1,072,615,235
11	CREDIT SUISSE SECURITIES (USA) LLC	85.29%	\$ 170,956,011,220	\$ 4,728,294,062	\$	3,107,519,933	\$	1,620,774,129
12	PRUDENTIAL BACHE COMMODITIES LLC	87.05%	\$ 174,490,184,220	\$ 3,534,173,000	\$	3,101,633,000	\$	432,540,000
13	BNP PARIBAS COMMODITY FUTURES INC	88.61%	\$ 177,604,510,358	\$ 3,114,326,138	\$	2,668,759,643	\$	445,566,495
14	RBC CAPITAL MARKETS CORPORATION	89.58%	\$ 179,561,061,518	\$ 1,956,551,160	\$	1,067,694,053	\$	888,857,107
15	ADM INVESTOR SERVICES INC	90.55%	\$ 181,497,460,220	\$ 1,936,398,702	\$	1,864,327,056	\$	72,071,646
16	RJ O'BRIEN & ASSOCIATES LLC	91.49%	\$ 183,384,998,447	\$ 1,887,538,227	\$	1,854,991,988	\$	32,546,239
17	RBS GREENWICH CAPITAL INC	92.39%	\$ 185,181,816,447	\$ 1,796,818,000	\$	1,714,234,000	\$	82,584,000
18	GOLDMAN SACHS EXECUTION & CLEARING LP	93.23%	\$ 186,875,036,544	\$ 1,693,220,097	\$	1,674,320,331	\$	18,899,766
19	JP MORGAN CLEARING CORP	93.94%	\$ 188,292,803,719	\$ 1,417,767,175	\$	1,020,408,180	\$	397,358,995
20	HSBC SECURITIES USA INC	94.62%	\$ 189,662,355,038	\$ 1,369,551,319	\$	1,311,779,397	\$	57,771,922
21	FORTIS CLEARING AMERICAS LLC	95.14%	\$ 190,706,040,370	\$ 1,043,685,332	\$	883,423,029	\$	160,262,303
22	BANC OF AMERICA SECURITIES LLC	95.65%	\$ 191,730,855,865	\$ 1,024,815,495	\$	1,007,978,026	\$	16,837,469
23	ROSENTHAL COLLINS GROUP LLC	96.16%	\$ 192,734,588,056	\$ 1,003,732,191	\$	976,326,801	\$	27,405,390
Total across all FCMs : December 2008				\$ 200,441,092,738	\$ 158,534,030,594	\$ 41,907,062,144	\$ -	\$ -

December 2013

Rank	FirmName	Cumulative %	Cumulative Total	Firm Total	Seg	Part 30	Swaps	Retail Forex
1	GOLDMAN SACHS & CO	15.28%	\$ 27,285,187,152	\$ 27,285,187,152	\$	19,505,062,033	\$	7,780,125,119
2	JP MORGAN SECURITIES LLC	26.08%	\$ 46,562,276,665	\$ 19,277,089,513	\$	16,068,072,825	\$	3,209,016,688
3	NEWEDGE USA LLC	35.12%	\$ 62,704,651,748	\$ 16,142,375,083	\$	13,164,428,650	\$	2,977,946,433
4	DEUTSCHE BANK SECURITIES INC	42.58%	\$ 76,033,212,310	\$ 13,328,560,562	\$	12,402,354,155	\$	926,206,407
5	MERRILL LYNCH PIERCE FENNER & SMITH	49.79%	\$ 88,897,008,197	\$ 12,863,795,887	\$	10,097,450,250	\$	2,766,345,637
6	MORGAN STANLEY & CO LLC	56.85%	\$ 101,521,124,445	\$ 12,624,116,248	\$	10,233,308,793	\$	2,390,807,455
7	UBS SECURITIES LLC	63.58%	\$ 113,531,515,995	\$ 12,010,391,550	\$	8,191,731,999	\$	3,818,659,551
8	CREDIT SUISSE SECURITIES (USA) LLC	69.58%	\$ 124,238,356,117	\$ 10,706,840,122	\$	7,918,920,731	\$	2,787,919,391
9	BARCLAYS CAPITAL INC	75.52%	\$ 134,851,138,687	\$ 10,612,782,570	\$	6,377,915,171	\$	4,234,867,399
10	CITIGROUP GLOBAL MARKETS INC	78.70%	\$ 140,534,779,161	\$ 5,683,640,474	\$	4,844,742,715	\$	838,897,759
11	RJ O'BRIEN ASSOCIATES LLC	80.87%	\$ 144,407,722,824	\$ 3,872,943,663	\$	3,703,754,600	\$	168,623,374
12	ADM INVESTOR SERVICES INC	82.61%	\$ 147,510,814,130	\$ 3,103,091,306	\$	2,931,401,486	\$	171,689,820
13	MIZUHO SECURITIES USA INC	84.06%	\$ 150,099,586,160	\$ 2,588,772,030	\$	2,054,124,905	\$	534,647,125
14	INTERACTIVE BROKERS LLC	85.34%	\$ 152,380,594,678	\$ 2,281,008,518	\$	1,939,801,946	\$	300,433,178
15	ABN AMRO CLEARING CHICAGO LLC	86.53%	\$ 154,516,960,123	\$ 2,136,365,445	\$	1,981,333,752	\$	155,031,693
16	BNP PARIBAS PRIME BROKERAGE INC	87.67%	\$ 156,538,476,586	\$ 2,021,516,463	\$	2,019,918,460	\$	1,598,000
17	JEFFERIES BACHE LLC	88.80%	\$ 158,555,620,586	\$ 2,017,144,000	\$	1,879,889,000	\$	137,255,000
18	FCSTONE LLC	89.71%	\$ 160,190,751,608	\$ 1,635,131,022	\$	1,582,727,766	\$	52,403,256
19	RBS SECURITIES INC	90.56%	\$ 161,700,782,957	\$ 1,510,031,349	\$	1,449,331,490	\$	60,699,859
20	ROSENTHAL COLLINS GROUP LLC	91.36%	\$ 163,140,567,573	\$ 1,439,784,616	\$	1,412,661,189	\$	27,123,427
21	MACQUARIE FUTURES USA LLC	92.06%	\$ 164,381,739,520	\$ 1,241,171,947	\$	1,228,662,410	\$	12,509,537
22	HSBC SECURITIES USA INC	92.70%	\$ 165,522,398,380	\$ 1,140,658,860	\$	1,048,317,517	\$	92,341,343
23	JP MORGAN CLEARING CORP	93.32%	\$ 166,627,456,004	\$ 1,105,057,624	\$	700,772,180	\$	404,285,444
24	RBC CAPITAL MARKETS LLC	93.87%	\$ 167,619,281,265	\$ 991,825,261	\$	913,109,618	\$	78,715,643
25	GOLDMAN SACHS EXECUTION & CLEARING LP	94.36%	\$ 168,499,508,196	\$ 880,216,931	\$	847,350,112	\$	32,876,819
26	BNP PARIBAS SECURITIES CORP	94.85%	\$ 169,366,695,720	\$ 867,187,524	\$	867,187,524	\$	-
27	MERRILL LYNCH PROFESSIONAL CLEARING CORP	95.28%	\$ 170,137,039,578	\$ 770,343,858	\$	768,875,721	\$	1,468,137
Total across all FCMs : December 2013				\$ 178,561,604,053	\$ 143,741,158,888	\$ 34,219,663,358	\$ 600,781,807	

December 2018

Rank	FirmName	Cumulative %	Cumulative Total	Firm Total	Seg	Part 30	Swaps	Retail Forex
1	CITIGROUP GLOBAL MARKETS INC	12.89%	\$ 38,127,013,601	\$ 38,127,013,601	\$	10,073,230,917	\$	2,883,689,309
2	GOLDMAN SACHS & CO LLC	25.62%	\$ 75,787,812,674	\$ 37,660,799,073	\$	23,161,036,039	\$	8,306,101,441
3	MORGAN STANLEY & CO LLC	38.22%	\$ 113,083,215,455	\$ 37,295,400,781	\$	16,932,979,813	\$	5,225,735,238
4	JP MORGAN SECURITIES LLC	50.70%	\$ 150,002,633,655	\$ 36,919,418,200	\$	20,552,368,013	\$	4,484,427,422
5	MERRILL LYNCH PIERCE FENNER & SMITH INCORPORATED	59.88%	\$ 177,155,835,111	\$ 27,153,201,456	\$	15,734,898,983	\$	4,719,194,906
6	SG AMERICAS SECURITIES LLC	66.85%	\$ 197,789,261,162	\$ 20,633,426,051	\$	14,368,890,561	\$	5,868,221,535
7	CREDIT SUISSE SECURITIES (USA) LLC	73.16%	\$ 216,475,088,766	\$ 18,685,827,604	\$	5,745,407,839	\$	3,048,965,544
8	BARCLAYS CAPITAL INC	77.76%	\$ 230,066,469,194	\$ 13,991,380,428	\$	4,710,924,626	\$	2,901,646,601
9	WELLS FARGO SECURITIES LLC	81.46%	\$ 241,018,573,525	\$ 10,952,104,331	\$	3,261,775,305	\$	2,659,900,246
10	UBS SECURITIES LLC	84.03%	\$ 248,620,504,100	\$ 7,601,990,575	\$	5,296,506,408	\$	1,613,413,351
11	ADM INVESTOR SERVICES INC	85.51%	\$ 252,998,074,879	\$ 4,377,570,779	\$	4,093,633,205	\$	279,323,820
12	INTERACTIVE BROKERS LLC	86.98%	\$ 257,346,199,438	\$ 4,948,124,559	\$	3,847,462,576	\$	437,338,700
13	BNP PARIBAS SECURITIES CORP	88.31%	\$ 261,294,054,191	\$ 3,947,854,753	\$	2,953,075,113	\$	144,925,370
14	MIZUHO SECURITIES USA LLC	89.62%	\$ 265,170,487,071	\$ 3,876,432,880	\$	3,305,314,597	\$	569,845,887
15	RJ O'BRIEN ASSOCIATES LLC	90.86%	\$ 268,825,337,319	\$ 3,654,850,248	\$	3,498,850,742	\$	160,999,506
16	HSBC SECURITIES USA INC	91.92%	\$ 271,961,211,699	\$ 3,135,874,380	\$	2,112,738,452	\$	1,127,262,997
17	ABN AMRO CLEARING CHICAGO LLC	92.95%	\$ 275,014,763,806	\$ 3,053,552,107	\$	2,958,078,065	\$	95,474,042
18	DEUTSCHE BANK SECURITIES INC	95.97%	\$ 278,035,586,871	\$ 3,020,823,065	\$	2,315,541,830	\$	705,281,235
19	RBC CAPITAL MARKETS LLC	94.86%	\$ 280,675,075,040	\$ 2,639,488,169	\$	1,911,857,985	\$	267,953,514
20	INTL FCSTONE FINANCIAL INC	95.63%	\$ 282,944,620,310	\$ 2,269,545,270	\$	2,151,587,853	\$	117,957,417
21	MACQUARIE FUTURES USA LLC	96.36%	\$ 285,097,794,154	\$ 2,153,173,844	\$	2,127,115,780	\$	23,976,108
22	ED & F MAN CAPITAL MARKETS INC	96.84%	\$ 286,530,314,741	\$ 1,432,520,587	\$	1,395,689,053	\$	36,242,220
23	ROSENTHAL COLLINS GROUP LLC	97.26%	\$ 287,764,355,042	\$ 1,234,040,301	\$	1,216,201,810	\$	17,838,491
24	MERRILL LYNCH PROFESSIONAL CLEARING CORP	97.65%	\$ 288,906,300,589	\$ 1,141,945,547	\$	1,141,945,547	\$	-
25	WEDBUSH SECURITIES INC	97.97%	\$ 289,880,924,126	\$ 974,623,537	\$	963,200,256	\$	11,423,281
Total across all FCMs : December 2018				\$ 295,872,501,184	\$ 161,080,254,754	\$ 42,538,604,313	\$ 564,490,823	\$ 91,689,151,294

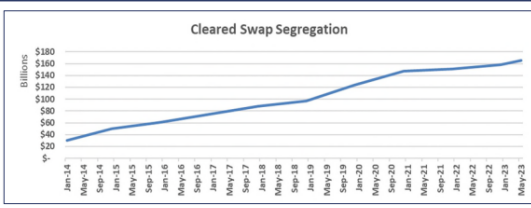
March 2020

Rank	FirmName	Cumulative %	Cumulative Total	Firm Total	Seg	Part 30	Swaps	Retail Forex	Adjusted Net Capital	ANC/Client Margin
1	JP MORGAN SECURITIES LLC	14.36%	\$ 67,826,462,102	\$ 67,826,462,102	\$ 41,233,907,548	\$ 6,915,933,683	\$ 15,676,620,871	-	\$ 17,287,996,462	25%
2	MORGAN STANLEY & CO LLC	27.83%	\$ 131,404,170,859	\$ 63,577,768,757	\$ 26,826,061,957	\$ 7,071,556,996	\$ 29,680,089,804	\$ -	\$ 10,886,543,804	17%
3	GOLDMAN SACHS & CO LLC	40.71%	\$ 192,238,601,915	\$ 60,834,431,056	\$ 40,663,674,549	\$ 10,151,904,519	\$ 10,078,848,988	\$ -	\$ 18,660,795,245	31%
4	CITIGROUP GLOBAL MARKETS INC	53.45%	\$ 252,372,604,551	\$ 60,134,002,636	\$ 17,587,576,602	\$ 4,720,545,647	\$ 37,825,880,387	\$ -	\$ 6,767,095,455	11%
5	BOFA SECURITIES INC	62.99%	\$ 297,433,261,748	\$ 45,062,657,197	\$ 26,744,325,263	\$ 5,976,675,351	\$ 12,341,456,583	\$ -	\$ 12,045,330,393	27%
6	CREDIT SUISSE SECURITIES (USA) LLC	68.81%	\$ 324,884,453,943	\$ 27,449,192,197	\$ 19,563,723,877	\$ 4,257,029,923	\$ 14,026,438,397	\$ -	\$ 7,699,492,578	28%
7	SG AMERICAS SECURITIES LLC	73.87%	\$ 348,818,986,363	\$ 23,934,532,418	\$ 16,815,232,718	\$ 2,350,577,040	\$ 884,733,660	\$ -	\$ 4,315,850,938	18%
8	WELLS FARGO SECURITIES LLC	78.74%	\$ 371,783,708,424	\$ 22,964,722,061	\$ 6,873,121,419	\$ 842,455,685	\$ 15,249,138,957	\$ -	\$ 8,668,850,041	38%
9	BARCLAYS CAPITAL INC	83.21%	\$ 392,888,985,966	\$ 21,105,277,542	\$ 5,506,986,287	\$ 2,559,891,847	\$ 8,952,579,408	\$ -	\$ 5,104,998,737	24%
10	UBS SECURITIES LLC	85.53%	\$ 403,843,443,233	\$ 10,954,457,267	\$ 8,786,154,534	\$ 1,200,411,069	\$ 955,881,664	\$ -	\$ 4,311,180,083	39%
11	MIZUHO SECURITIES USA LLC	86.97%	\$ 410,663,723,341	\$ 6,820,280,108	\$ 5,901,260,470	\$ 518,694,570	\$ 325,068	\$ -	\$ 905,319,289	13%
12	INTERACTIVE BROKERS LLC	88.41%	\$ 417,436,700,833	\$ 6,772,977,492	\$ 6,149,774,289	\$ 550,233,077	\$ -	\$ 72,950,126	\$ 5,136,877,599	76%
13	BNP PARIBAS SECURITIES CORP	89.68%	\$ 423,443,158,036	\$ 6,006,457,203	\$ 4,242,337,793	\$ 140,427,481	\$ 1,623,691,929	\$ -	\$ 1,989,319,331	33%
14	HSBC SECURITIES USA INC	90.94%	\$ 429,389,659,902	\$ 5,946,501,666	\$ 4,441,682,697	\$ 292,165,364	\$ 1,212,453,805	\$ -	\$ 1,474,721,791	25%
15	DEUTSCHE BANK SECURITIES INC	92.00%	\$ 434,397,890,744	\$ 5,008,230,842	\$ 4,565,331,166	\$ 265,299,998	\$ 168,937	\$ -	\$ 334,932,961	7%
16	ADM INVESTOR SERVICES INC	93.02%	\$ 439,228,691,845	\$ 4,830,801,101	\$ 4,565,331,166	\$ 265,299,998	\$ 168,937	\$ -	\$ 334,932,961	7%
17	RJ OBRIEN ASSOCIATES LLC	94.04%	\$ 444,055,889,012	\$ 4,827,197,167	\$ 4,681,004,378	\$ 146,132,789	\$ -	\$ -	\$ 258,401,861	5%
18	RBC CAPITAL MARKETS LLC	94.84%	\$ 447,807,152,353	\$ 3,751,263,341	\$ 2,693,656,590	\$ 263,426,711	\$ 794,180,040	\$ -	\$ 1,890,913,819	50%
19	ABN AMRO CLEARING CHICAGO LLC	95.63%	\$ 451,543,928,816	\$ 3,736,774,463	\$ 3,736,774,463	\$ 2,776,939,914	\$ 91,434,549	\$ -	\$ 832,048,242	22%
20	MACQUARIE FUTURES USA LLC	96.23%	\$ 454,359,090,178	\$ 2,815,163,362	\$ 2,776,939,914	\$ 36,766,186	\$ 1,406,408	\$ -	\$ 285,117,244	10%
21	INTL FCSTONE FINANCIAL INC	96.78%	\$ 456,995,180,842	\$ 2,636,090,664	\$ 2,485,873,808	\$ 149,951,287	\$ 265,569	\$ -	\$ 176,748,337	7%
22	MERRILL LYNCH PROFESSIONAL CLEARING CORP	97.23%	\$ 459,077,098,808	\$ 2,081,917,966	\$ 2,081,917,966	\$ -	\$ -	\$ -	\$ 5,913,760,720	284%
23	SANTANDER INVESTMENT SECURITIES INC	97.66%	\$ 461,117,957,225	\$ 2,040,858,417	\$ 2,040,858,417	\$ -	\$ -	\$ -	\$ 428,315,228	21%
24	E D & F MAN CAPITAL MARKETS INC	98.04%	\$ 462,900,292,892	\$ 1,782,335,667	\$ 1,700,939,095	\$ 81,071,497	\$ 326,075	\$ -	\$ 162,140,071	6%
25	MAREX NORTH AMERICA LLC	98.36%	\$ 464,436,978,824	\$ 1,536,685,932	\$ 1,493,087,776	\$ 43,598,156	\$ -	\$ -	\$ 97,238,180	9%
26	NATWEST MARKETS SECURITIES INC	98.64%	\$ 465,771,392,332	\$ 1,334,413,408	\$ 1,322,656,874	\$ 11,776,534	\$ -	\$ -	\$ 634,900,093	48%
27	WEBBUSH SECURITIES INC	98.92%	\$ 467,091,702,392	\$ 1,320,310,160	\$ 1,309,199,764	\$ 11,110,396	\$ -	\$ -	\$ 189,914,445	13%
Total across all FCMs - March 2020				\$ 472,177,815,335	\$ 264,622,419,883	\$ 53,654,632,186	\$ 153,344,557,074	\$ 556,206,192		

May 2023

Rank	FirmName	Cumulative %	Cumulative Total	Firm Total	Seg	Part 30	Swaps	Retail Forex	Adjusted Net Capital	ANC/Client Margin
1	JP MORGAN SECURITIES LLC	14.31%	\$ 71,819,570,602	\$ 71,819,570,602	\$ 42,239,417,619	\$ 7,099,114,776	\$ 22,481,038,207	\$ -	\$ 23,680,275,802	36%
2	GOLDMAN SACHS & CO LLC	28.26%	\$ 141,849,229,225	\$ 70,029,658,623	\$ 37,914,432	\$ 11,268,473,135	\$ 20,846,994,036	\$ -	\$ 22,793,076,376	33%
3	MORGAN STANLEY & CO LLC	41.21%	\$ 208,863,482,203	\$ 65,014,252,978	\$ 37,986,473,938	\$ 9,083,074,369	\$ 27,944,704,671	\$ -	\$ 17,916,269,146	28%
4	CITIGROUP GLOBAL MARKETS INC	52.52%	\$ 263,624,901,019	\$ 56,761,418,818	\$ 18,546,454,622	\$ 5,314,171,276	\$ 32,900,812,918	\$ -	\$ 16,389,514,625	29%
5	BOFA SECURITIES INC	62.75%	\$ 314,978,914,464	\$ 51,574,073,445	\$ 29,804,504,741	\$ 5,245,136,322	\$ 17,014,396,382	\$ -	\$ 19,915,978,956	39%
6	BARCLAYS CAPITAL INC	69.28%	\$ 347,793,979,912	\$ 32,700,999,448	\$ 14,814,343,300	\$ 4,044,149,001	\$ 13,922,907,147	\$ -	\$ 5,930,402,267	18%
7	SG AMERICAS SECURITIES LLC	74.64%	\$ 374,629,631,580	\$ 26,869,657,638	\$ 18,389,800,754	\$ 7,354,172,425	\$ 1,125,402,459	\$ -	\$ 5,173,903,575	19%
8	WELLS FARGO SECURITIES LLC	78.75%	\$ 395,287,643,383	\$ 20,658,011,833	\$ 5,690,268,395	\$ 628,086,192	\$ 14,339,716,706	\$ -	\$ 9,762,659,549	47%
9	MIZUHO SECURITIES USA LLC	80.97%	\$ 406,403,690,178	\$ 11,116,946,795	\$ 9,574,946,500	\$ 1,545,000,295	\$ 1,545,000,295	\$ -	\$ 1,223,253,420	10%
10	UBS SECURITIES LLC	82.91%	\$ 416,151,083,281	\$ 9,747,393,101	\$ 5,992,373,843	\$ 1,898,860,671	\$ 1,856,156,589	\$ -	\$ 4,988,802,471	51%
11	BNP PARIBAS SECURITIES CORP	84.79%	\$ 425,578,898,317	\$ 9,424,615,036	\$ 5,696,540,306	\$ 804,182,206	\$ 2,923,864,490	\$ -	\$ 2,122,552,478	22%
12	ADM INVESTOR SERVICES INC	86.49%	\$ 434,120,471,555	\$ 8,544,773,238	\$ 8,081,518,724	\$ 463,254,514	\$ -	\$ -	\$ 562,810,342	7%
13	INTERACTIVE BROKERS LLC	88.02%	\$ 441,805,269,763	\$ 7,684,736,208	\$ 6,986,544,008	\$ 664,893,437	\$ -	\$ 33,302,963	\$ 6,854,617,769	89%
14	HSBC SECURITIES USA INC	89.40%	\$ 448,703,969,582	\$ 6,898,759,819	\$ 4,359,018,812	\$ 172,573,038	\$ 2,367,167,969	\$ -	\$ 1,103,748,902	16%
15	RJ OBRIEN ASSOCIATES LLC	90.64%	\$ 454,961,316,768	\$ 6,257,347,186	\$ 5,975,441,616	\$ 281,905,570	\$ -	\$ -	\$ 321,802,422	5%
16	STONEX FINANCIAL INC	91.84%	\$ 460,982,170,212	\$ 6,020,853,444	\$ 5,812,152,440	\$ 208,701,004	\$ -	\$ -	\$ 353,843,666	6%
17	WEBBUSH SECURITIES INC	92.94%	\$ 466,475,463,344	\$ 5,493,293,132	\$ 5,451,747,755	\$ 41,545,377	\$ -	\$ -	\$ 259,582,781	9%
18	RBC CAPITAL MARKETS LLC	93.95%	\$ 471,576,464,313	\$ 5,101,000,969	\$ 3,160,878,248	\$ 210,091,260	\$ 1,780,091,461	\$ -	\$ 2,156,446,028	42%
19	MACQUARIE FUTURES USA LLC	94.78%	\$ 475,723,151,712	\$ 4,196,897,399	\$ 4,045,073,176	\$ 101,824,223	\$ -	\$ -	\$ 601,533,490	15%
20	MAREX CAPITAL MARKETS INC	95.60%	\$ 479,833,688,046	\$ 4,130,516,973	\$ 4,025,103,868	\$ 79,413,666	\$ -	\$ -	\$ 310,448,203	8%
21	MAREX NORTH AMERICA LLC	96.32%	\$ 483,478,865,314	\$ 3,634,916,610	\$ 3,475,297,181	\$ 149,839,819	\$ -	\$ -	\$ 244,113,174	7%
22	ABN AMRO CLEARING USA LLC	97.04%	\$ 487,084,433,370	\$ 3,605,848,056	\$ 3,482,531,401	\$ 123,314,655	\$ -	\$ -	\$ 702,573,420	19%
23	DEUTSCHE BANK SECURITIES INC	97.61%	\$ 489,942,116,575	\$ 2,857,763,605	\$ 2,055,599,770	\$ 802,163,835	\$ -	\$ -	\$ 4,948,755,972	173%
24	MERRILL LYNCH PROFESSIONAL CLEARING CORP	98.12%	\$ 492,504,456,814	\$ 2,562,239,819	\$ 2,562,239,819	\$ -	\$ -	\$ -	\$ 2,700,479,369	281%
25	SANTANDER US CAPITAL MARKETS LLC	98.62%	\$ 494,886,157,679	\$ 2,481,700,865	\$ 2,481,700,865	\$ -	\$ -	\$ -	\$ 468,002,091	19%
Total across all FCMs - May 2023				\$ 501,929,251,475	\$ 284,161,795,927	\$ 57,786,358,044	\$ 159,453,127,197	\$ 527,970,307		

Funds in Separate Cleared Swap Segregation: This represents the total amount of money, securities, and property held in cleared swap customer accounts for cleared swap customers in compliance with Section 4d(f) of the Commodity Exchange Act.



Rank in the size of Swap Margin	May-23	Dec-22	Dec-21	Dec-20	Dec-19	Dec-18	Dec-17	Jan-14
1	1	1	1	1	1	1	3	3
2	2	2	2	2	2	2	2	5
3	3	3	3	3	3	3	4	4
4	4	4	4	4	4	4	6	6
5	5	5	6	7	6	7	8	8
6	6	7	4	4	5	5	9	9
7	7	6	7	8	7	8	6	6
8	8	8	9	9	10	12	13	13
9	9	10	11	10	10	9	11	13
10	10	12	13	12	11	11	10	10

	May-23	Dec-22	Dec-21	Dec-20	Dec-19	Dec-18	Dec-15	Jan-14
Top 1	20%	21%	21%	23%	26%	27%	18%	18%
Top 2	37%	38%	39%	40%	43%	42%	33%	34%
Top 3	52%	52%	51%	51%	57%	56%	45%	49%
Top 4	65%	64%	62%	64%	67%	67%	57%	60%
Top 5	75%	75%	72%	72%	76%	75%	66%	71%
Top 6	84%	84%	81%	81%	82%	82%	74%	80%
Top 7	93%	93%	89%	89%	90%	89%	83%	85%
Top 8	95%	95%	94%	95%	96%	96%	89%	89%
Top 9	97%	97%	96%	97%	97%	97%	92%	92%
Top 10	98%	98%	97%	98%	98%	98%	94%	95%
Top 10 Margin (\$bn)	162	155	147	144	121	95	58	29
Total Margin in Cleared Swap Segregation	166	158	151	148	124	97	61	31

FirmName	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ADM Investor Services Inc	x	x	x	x	x	x	x	x	x	x
Barclays Capital Inc	x	x	x	x	x	x	x	x	x	x
BNP Paribas Securities Corp	x	x	x	x	x	x	x	x	x	x
BIV/Nation Clearing LLC	x									
BOCI Commodities & Futures USA LLC	x	x	x	x	x	x	x	x	x	x
BOFA Securities Inc (previously Merrill Lynch)	x	x	x	x	x	x	x	x	x	x
CHS Hedging LLC	x	x	x	x	x	x	x	x	x	x
Citigroup Global Markets Inc	x	x	x	x	x	x	x	x	x	x
Credit Suisse Securities USA LLC	x	x	x	x	x	x	x	x	x	x
Deutsche Bank Securities Inc	x	x	x	x	x	x	x	x	x	x
E D & F Man Capital Markets Inc	x	x	x	x	x	x	x	x	x	x
Goldman Sachs & Co LLC	x	x	x	x	x	x	x	x	x	x
HSBC Securities USA Inc	x	x	x	x	x	x	x	x	x	x
INTL FCStone Financial Inc	x									
Jeffries LLC										
JP Morgan Securities LLC	x	x	x	x	x	x	x	x	x	x
Macquarie Futures USA LLC	x	x	x	x	x	x	x	x	x	x
Mizuho Securities USA LLC	x	x	x	x	x	x	x	x	x	x
Morgan Stanley & Co LLC	x	x	x							

Capital Requirements and Trends

The imposition of capital requirements is an important tool traditionally used by regulators for protecting against insolvency, as well as mitigating systemic risk in the financial system. Capital provides an added layer of protection to an FCM's customer base from losses incurred by fellow customers via loss mutualization in each of the CFTC Rule 1.20, 30.7 or 22.2 customer asset pools (fellow-customer risk). Still, it is possible that large trading losses of a customer could exhaust the customer's assets and thus expose other customers of the FCM to fellow-customer risk. In these cases, an FCM's capital provides a backup layer of protection as it can be used to offset fellow-customer risk.

We next compute the total monthly dollar amounts of FCMs' (1) CFTC required minimum net capital, (2) adjusted net capital (i.e., current assets less liabilities less charges against capital), and (3) excess net capital. The time series of these three capital measures are reported in the chart above. Particularly notable is the magnitude of excess capital held in relation to required amounts. This finding, however, is susceptible to misinterpretation. As discussed previously, many FCMs hold excess levels of capital relative to CFTC minimum requirements in order to adhere to more stringent requirements set by the different futures clearinghouses where they are members. Furthermore, FCMs affiliated with banks or bank holding companies hold capital levels in excess of CFTC's minimum net capital requirements.

Permissible Investments

FCMs generate revenues from fees charged for executing and clearing customer orders; thus, the level of their customers' futures trading activity is an important driver of these revenues. Less understood is that FCMs may earn additional profits through investing excess customer funds. Hence, their available investment opportunity set, as well as level of interest rates, are important drivers of this source of revenues. Also, while the FCM earns all

of the profits on these investments, they must also bear all of the losses as customers are protected from all FCM investment losses. Further, FCMs are allowed to pay customers interest on the use of these excess funds. FCMs are subject to risk-related restrictions on the set of instruments in which they may invest excess customer funds, which are expressly set out and governed by conditions included in CFTC Rule 1.25.

Several changes in this rule occurred over our study period. In December 2000, rule amendments expanded permitted investments to include general obligations of any enterprise sponsored by the U.S. government, sovereign debt, bank certificates of deposit (CDs), commercial paper, money market mutual funds, and some corporate notes. At the same time, the CFTC added provisions to limit exposures to the credit, liquidity, and market risks of these products. In 2004, the CFTC amended its Rule 1.25 to allow repurchase agreements. Further amendments in 2005 allowed investments in eligible instruments having embedded derivative features, and in adjustable-rate securities tied to benchmark rates on a variety of previously approved instruments. In December 2011, in response to the financial crisis, and in reaction to the failure of MF Global, the CFTC approved amendments (effective February 2012), which tightened the list of eligible investments.

Of note was the removal of corporate debt whose interest and principal payment obligations were not guaranteed by the U.S. government (which essentially eliminated most corporate debt), the prohibition of investments in foreign sovereign debt, the elimination of in-house and affiliate transactions such as those involving repurchase agreements, and additional limitations placed on investments in money market mutual funds. The CFTC also harmonized the list of eligible investments for the investment of CFTC Rule 30.7 secured funds and Part 22 cleared swaps to match those in CFTC Rule 1.25 for segregated funds. Prior to 2012, secured funds and cleared swaps funds were not technically subject to CFTC Rule

1.25, but the CFTC reminded FCMs of their fiduciary duty and to use CFTC Rule 1.25 as guidance.⁶

Residual Interest

FCMs are responsible for monitoring and determining on a daily basis whether each customer account is properly funded taking into account the required performance bonds (i.e., margins) necessary for supporting the customer's positions as well as any gains and losses on positions. That is, each day, an FCM must determine a customer's open trade equity and current margin requirements to ensure that the customer has sufficient funds.

If there is a deficit, the customer must rectify it. Further, if the FCM determines that there is an *aggregate* net shortage in its customers' funds, the FCM must report this immediately to the CFTC and its DSRO. To avoid the regulatory consequences of becoming underfunded or "*under-seg*," FCMs will establish a buffer by depositing some of their own house funds into their customer accounts (which are then considered customer assets and is not a prohibited commingling of FCM and customer assets), with such funds referred to as "*residual interest*." The use of residual interest to avoid becoming under-seg is important as violations are viewed seriously by regulators. In March 2013, the CFTC amended its Rule 1.22 to mandate that FCMs maintain residual interest in amounts equal or greater to the customers' aggregated under-margined amounts.

Retail Forex

The Commodity Futures Trading Commission Act of 1974 created the CFTC and gave it exclusive jurisdiction over futures trading, including that on foreign exchange (forex). However, at the behest of the U.S. Department of the Treasury, an amendment was included to provide a regulatory exclusion for non-futures types of trading in forex (commonly

⁶ The CFTC proposed further amendments to CFTC Rule 1.25 in 2023, which, as of the date hereof, have not been finalized.

referred to as the “Treasury amendment”). The basis for this exclusion was that this trading was primarily conducted between banks and institutional investors, and thus already regulated by banking law.

Still, over the subsequent years, there has been a significant number of enforcement actions in response to forex abuses. The resulting litigation questioned whether the scope of the Treasury amendment exclusion extended to forex trading by retail investors (retail forex). In 2000, Congress passed the CFMA, which attempted to bring clarity to the regulation of retail forex. Specifically, the CFMA required retail forex trades to be conducted through a regulated entity such as a financial institution, BD, insurance company, financial or investment bank holding company, or, importantly, an FCM.

As a consequence, many previously unregulated entities that wished to participate as counterparties in retail forex trading then registered as FCMs due to their relatively low capital requirement, which at the time was only \$250,000. These firms were often referred to as “shell” FCMs as they were registered as FCMs but did not hold any customer segregated funds. Following additional enforcement actions and court decisions questioning the CFTC’s reach to police retail forex, in 2008, Congress passed the CFTC Reauthorization Act that gave the CFTC jurisdiction over retail forex and created a new category of registrants—the retail foreign exchange dealer (RFED). Importantly, this Reauthorization Act established a minimum capital requirement of \$20 million for RFEDs and FCMs offering retail forex contracts.

Despite the enabling legislation being enacted on June 18, 2008, the CFTC delayed passing final rules. Due to this delay, language was included in the Dodd-Frank Act that gave the CFTC a deadline of October 19, 2010 to pass rules, otherwise a large portion of the retail forex market would be shut down. The rules ultimately were passed and became effective on

October 18, 2010. While some retail forex dealers complied with the new regulation and met the \$20 million capital requirement, many others either closed their business or moved their operations offshore.