



**DISCIPLINARY DECISION**  
**Cboe Futures Exchange, LLC**  
**File No. URE-202-09**  
**Marex North America, LLC**

Pursuant to Exchange Rule 703, attached to and incorporated as part of this Decision is a Letter of Consent, accepted by the CFE Business Conduct Committee.

**Applicable Rule**

CFE Rule 410A – Reporting Open Interest Information to the Clearing Corporation

**Sanction**

A monetary fine in the amount of \$35,000.

**Effective Date**

September 20, 2023



**Richard Bruder**  
**Chair, CFE Business Conduct Committee**

**Cboe Futures Exchange, LLC**  
**LETTER OF CONSENT**  
**File No. URE-202-09**

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In the Matter of:

Marex North America, LLC  
140 East 45th Street,  
Floor 10 & 11  
New York, NY, 10017

Subject

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Pursuant to the provisions of Cboe Futures Exchange, LLC ("CFE" or the "Exchange") Rule 703– Expedited Proceeding, Marex North America, LLC ("Marex" or the "Firm") submits this Letter of Consent for the purpose of proposing a settlement of the alleged rule violations described below.

The Firm neither admits nor denies that violations of Exchange Rules have been committed, and the stipulation of facts and findings described herein do not constitute such an admission.

**BACKGROUND**

1. During all relevant periods herein, Marex was a CFE Trading Privilege Holder ("TPH"). The Firm's registration remains in effect.

**VIOLATIVE CONDUCT**

**Applicable Rules**

2. During all relevant periods herein, CFE Rule 410A – Reporting Open Interest Information to the Clearing Corporation was in full force and effect.
3. During all relevant periods herein, CFE Rule 410A provided in relevant part: "Each Clearing Member shall report to the Clearing Corporation, on each Business Day, gross position adjustment information as necessary to identify the actual open interest in each Clearing Member account at the Clearing Corporation based on the trading activity for that Business Day, to the extent required by and in accordance with the rules of the Clearing Corporation."

### **Inaccurate Open Interest Reporting**

4. From October 5, 2022, through October 10, 2022 ("Review Period"), due to a systems issue, Marex failed to net its long and short open positions before reporting its OI.
5. As a result of the Firm's failure to net short and long positions, the Firm inaccurately reported its Open Interest ("OI") on each day of the Review Period for the November 2022 and December 2022 expirations of the Cboe iBoxx iShares \$ Investment Grade Corporate Bond Index Futures (IBIG Futures) and Cboe iBoxx iShares \$ High Yield Corporate Bond Index Futures (IBHY Futures) contracts. These inaccurate reports caused Exchange OI to be misstated. In addition, the Firm inaccurately reported its OI in the October 2022, November 2022, December 2022, February 2023, and March 2023 expirations of Cboe Volatility Index (VX) Futures contracts, and the October 2022 expiration of Mini Cboe Volatility Index (VXM) Futures contracts. These inaccurate reports caused Exchange OI to be misstated.
6. The acts, practices, and conduct described in Paragraph 5 constitute violations of CFE Rule 410A by the Firm, in that the Firm reported inaccurate OI during the Review Period.

### **SANCTIONS**

7. The Firm does not have any prior relevant disciplinary history related to inaccurate OI reporting.
8. In light of the alleged rule violations described above, the Firm consents to the imposition of the following sanction:
  - a. A monetary fine in the amount of \$35,000.

If this Letter of Consent is accepted, the Firm acknowledges that it shall be bound by all terms, conditions, representations, and acknowledgements of this Letter of Consent, and, in accordance with the provisions of Exchange Rule 703, waives the right to review or to defend against any of these allegations in a disciplinary hearing before a CFE Business Conduct Committee ("BCC"). The Firm further waives the right to appeal any such decision to the Commodity Futures Trading Commission, a U.S. Federal District Court, or a U.S. Court of Appeals.

The Firm waives any right to claim bias or prejudgment of the BCC in connection with the BCC's participation in discussions regarding the terms and conditions of this Letter of Consent, or other consideration of this Letter of Consent, including acceptance or rejection of this Letter of Consent.

The Firm agrees to pay the monetary sanction upon notice that this Letter of Consent has been accepted and that such payment is due and payable. The Firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

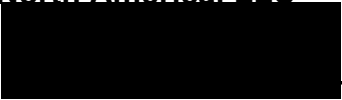
The Firm understands that submission of this Letter of Consent is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the BCC, pursuant to Exchange Rule 703. If the Letter of Consent is not accepted, it will not be used as evidence to prove any of the allegations against the Firm.

The Firm understands and acknowledges that acceptance of this Letter of Consent will become part of its disciplinary record and may be considered in any future actions brought by the Exchange or any other regulator against the Firm.

**The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this Letter of Consent and has been given a full opportunity to ask questions about it; that it has agreed to the Letter of Consent's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce the Firm to submit it.**

**Date:** 28 August 2023

**Marex North America, LLC**

**By:**  \_\_\_\_\_

**Name:** Michael Conti

**Title:** Head of Legal - North America