



**DISCIPLINARY DECISION**  
**Cboe Futures Exchange, LLC**  
**File No. URE-243-09**  
**BNP Paribas Securities Corp.**

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 Rules**

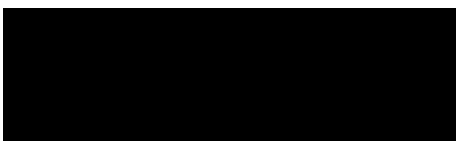
CFE Rule 410A – Reporting Open Interest Information to the Clearing Corporation

**Sanction**

A monetary fine in the amount of \$45,000.

**Effective Date**

December 6, 2023



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

**Cboe Futures Exchange, LLC**  
**LETTER OF CONSENT**  
**File No. URE-243-09**

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In the Matter of:

BNP Paribas Securities Corp.,

Subject

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Pursuant to the provisions of Cboe Futures Exchange, LLC (“CFE” or the “Exchange”) Rule 703 – Expedited Proceeding, BNP Paribas Securities Corp. (“BNP” 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, the Firm was a CFE Trading Privilege Holder. 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 effect, and 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.”

**Open Interest Reporting**

3. During the period from in or about January 2023 through in or about July 2023, in approximately 25 instances, the Firm misreported open interest (“OI”) to the Options Clearing Corporation in the January and February expirations of iBoxx iShares \$ High Yield Corporate Bond Index (“IBHY”) and iBoxx iShares \$ Investment Grade Corporate Bond Index (“IBIG”) Futures contracts. The Firm’s misreporting of OI caused the Exchange to misstate the OI of the IBHY and IBIG Futures contracts.

4. The acts, practices, and conduct described in Paragraph 3 constitute violations of CFE Rule 410A.

### **SANCTION**

5. The Firm has no relevant disciplinary history.
6. In light of the alleged rule violations described above and prior relevant disciplinary history, the Firm consents to the imposition of the following sanction:
  - a. A monetary fine in the amount of \$45,000.

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 CFE 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") Hearing Panel. 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 by the BCC 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 CFE 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 CFE or any other regulator against the Firm. The Letter of Consent will be published on a website maintained by the Exchange.

The Firm understands that it may not deny the charges or make any statement that is inconsistent with the Letter of Consent. The Firm may attach a Corrective Action Statement to this Letter of Consent that is a statement of demonstrable corrective steps taken to prevent future misconduct. Any such statement does not constitute factual or legal findings by the Exchange, nor does it reflect the views of the Exchange or its staff.

**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:** 11/15/2023

**BNP Paribas Securities Corp.**

**By:** 

**Name:** Stephane Pellerin  
Managing Director

**Title:** \_\_\_\_\_