

TO: ALL FIA MEMBER FIRMS
FROM: FIA'S LAW & COMPLIANCE DIVISION
RE: NEW AND REVISED INTERNATIONAL UNIFORM BROKERAGE EXECUTION SERVICES
GIVE-UP AGREEMENT VERSIONS AND ENHANCED GIVE-UP AGREEMENT DEFINITIONS

Approximately 20 years have elapsed since the FIA's Law & Compliance Division (the "L&C") (in special consultation with the Futures and Options Association ("FOA"), the Managed Futures Association ("MFA") and representatives from several leading law firms, exchanges and FCMs) developed the International Uniform Execution Services ("Give-up") Agreement ("Agreement") that today is the standard agreement by which futures industry participants document give-up transactions globally. Over time, however, changes in the way futures contracts are traded (particularly the proliferation of electronic futures trading) created the need to bring the Agreement up-to-date. Prior to the revisions that are the subject of this memo, the Agreement was last updated in 2008 to consider developments such as the establishment of the FIA Electronic Give-up System (now operating as Accelerate Docs™) and new London Metal Exchange requirements.

Now, nine years later, the L&C revised the Agreement once again; this time incorporating terms relating to electronic billing, the Foreign Account Tax Compliance Act, pre-execution discussions, cross trades and client qualifications required to engage in certain types of transactions. Additionally, L&C created new "Customer Version with Order Passing Broker" and "Trader Version with Order Passing Broker" versions of the Agreement that parties may use to govern trade flow with respect to orders that are transmitted first to a broker (the "Order Passing Broker") who subsequently transmits the order to an unaffiliated broker (the "Executing Broker") for execution and give-up to the Clearing Broker. Use of these new versions will ensure that the Agreement clearly delineates parties to the relevant execution and clearing relationship in situations where an Order Passing Broker is handling a futures order (but is not necessarily in the operational flow at the exchange/clearinghouse level), making it easier for all parties to resolve any out trades and other operational matters.

Finally, L&C has enhanced the definitions published on FIA's website often relied upon by parties to Agreements executed on Accelerate Docs™ and manually. The enhancements are intended to provide additional guidance with respect to when it is appropriate to use an Order Passing Broker version of the Agreement, as well as guidance with respect to how market participants should think about bilateral vs. give-up transactions from a contractual and CFTC regulatory perspective.

Appearing on the FIA US Documentation Library at <https://www.fiadocumentation.org/fia/pages/new-standard-give-up-agreements> are (i) a copy of this memo, (ii) the revised versions of the template Agreements and (iii) the newly created Order Passing Broker versions of the Agreement. Consistent with prior template revisions, there is no requirement to re-document with the new templates.

We strongly encourage you to forward this memo to all of your firm's global employees who are involved in any way with the give-up process.

FIA Law & Compliance Division