



# Template Disclosures for FCMs Regarding Separate Accounts<sup>\*</sup>

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<sup>\*</sup> These template disclosures are intended to assist firms that are registered with the U.S. Commodity Futures Trading Commission (“CFTC”) as “Futures Commission Merchants” in complying with certain terms and conditions of no-action relief under Rule 39.13(g)(8)(iii) set forth in CFTC Staff Letter 19-17 regarding the margin treatment of separate accounts of the same beneficial owner. These disclosures are not intended, nor should they be interpreted, to constitute legal or regulatory advice. FIA specifically disclaims any legal responsibility for any errors or omissions and disclaims any liability for any losses or damages incurred through the use of these disclosures. FIA undertakes no obligations to update these disclosures following the date of publication.

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## **PART 190 DISCLOSURE REGARDING SEPARATE ACCOUNTS**

If you establish or maintain more than one account with a futures commission merchant (“FCM”) for the purpose of trading (a) futures and options on futures (collectively, “futures”) on either U.S. or foreign futures exchanges, or (b) cleared swaps (each, a “**separate account**”), it is important that you read and understand the following disclosure. Such separate accounts may be: (i) managed by different asset management firms, introducing brokers or associated persons; (ii) managed as separate investment portfolios by the same asset management firm, introducing broker or associated person; (iii) subject to liens in connection with operating loans that contractually obligate an FCM to treat the accounts separately; or (iv) otherwise required for regulatory or appropriate business purposes.

You should be aware that:

- In the unlikely event of your FCM’s bankruptcy, you will be treated no differently from other customers as a result of having maintained separate accounts with the FCM. In particular, all separate accounts maintained for you or on your behalf will be combined in determining your rights and obligations under the applicable provisions of the U.S. Bankruptcy Code and Part 190 of the Commodity Futures Trading Commission’s Regulations.

## **RULE 1.55(K) DISCLOSURE STATEMENT REGARDING SEPARATE ACCOUNTS**

*[Consider including this insert in the section on the FCM's business on behalf of its customers, including types of customers, markets traded, international businesses, and clearinghouses and carrying brokers used.]*

[FCM] permits certain customers to establish and maintain separate accounts with [FCM]. Such separate accounts may be: (i) managed by different asset management firms, introducing brokers or associated persons; (ii) managed as separate investment portfolios by the same asset management firm, introducing broker or associated person; (iii) subject to liens in connection with operating loans that contractually obligate an FCM to treat the accounts separately; or (iv) otherwise required for regulatory or appropriate business purposes. Subject to the terms and conditions of CFTC Letter No. 19-17 (<https://www.cftc.gov/csl/19-17/download>), [FCM] treats such separate accounts as accounts of separate entities. Among other things, [FCM] may calculate the margin requirements for each separate account independently from all other separate accounts of the same customer and may disburse excess funds from one separate account notwithstanding that another separate account is undermargined.

Among other terms and conditions set out in CFTC Letter No. 19-17, [FCM] is required to advise its customers that are permitted to maintain separate accounts that, in the unlikely event of [FCM's] bankruptcy, the customer will be treated no differently from other customers, as a result of having maintained separate accounts with [FCM]. In particular, all separate accounts maintained for or on behalf of any such customer will be combined in determining such customer's rights and obligations under the applicable provisions of the U.S. Bankruptcy Code and Part 190 of the Commodity Futures Trading Commission's Regulations.