



U.S. COMMODITY FUTURES TRADING COMMISSION

Three Lafayette Centre
1155 21st Street, NW, Washington, DC 20581
Telephone: (202) 418-5430
Facsimile: (202) 418-5547
www.cftc.gov

Division of Clearing and Risk

Re: Withdrawal of CFTC Staff Advisory 23-07

The Division of Clearing and Risk (“DCR”) of the Commodity Futures Trading Commission (“CFTC”) hereby withdraws CFTC Staff Advisory 23-07, Review of Risks Associated with Expansion of DCO Clearing of Digital Assets (“Advisory”). The Advisory, noting increased industry interest in new clearing activities related to digital assets, stated that in connection with these activities, “DCO registrants and applicants should expect that DCR will be placing emphasis on the potential risks and DCO core principles related to system safeguards, physical settlement procedures, and conflicts of interest,” and then elaborated on those areas of emphasis.

DCR is withdrawing the Advisory to ensure that it does not suggest that its regulatory treatment of digital asset derivatives will vary from its treatment of other products. DCR conducts its supervision of clearing activities and oversight of compliance with the Commodity Exchange Act and Commission regulations consistently, regardless of the specific commodity underlying relevant contracts. This withdrawal will not impact DCR’s ability to oversee the financial integrity of cleared transactions and avoidance of systemic risk in the derivatives markets, while promoting responsible innovation.

DCR encourages market participants to continue their customary open communications with staff regarding the clearing of digital asset derivatives. If you have any questions regarding the withdrawal of the Advisory, please contact Tad Polley, Supervisory Attorney Advisor, DCR, at tpolley@cftc.gov.

Sincerely,

Richard Haynes
Acting Director
Division of Clearing and Risk