

**UNITED STATES OF AMERICA**  
**Before the**  
**COMMODITY FUTURES TRADING COMMISSION**

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**In the Matter of the Application of**  
**Eris Clearing, LLC**  
**For Registration as a Derivatives Clearing Organization**

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**ORDER OF REGISTRATION**

On July 1, 2019, the Commodity Futures Trading Commission (the “Commission”) issued an order (the “Original Order”) pursuant to Section 5b of the Commodity Exchange Act (the “Act”), 7 U.S.C. § 7a-1, granting Eris Clearing, LLC (“Eris Clearing”) registration as a derivatives clearing organization (“DCO”) for the clearing of fully collateralized virtual currency futures.

On July 21, 2020, Eris Clearing requested that the Commission amend the Original Order to permit Eris Clearing to clear fully collateralized futures and swaps, in each case without the requirement that the products pertain to virtual currency. The Commission has reviewed the request, along with supporting information, and finds that Eris Clearing has demonstrated compliance with the requirements of the Act and applicable Commission regulations thereunder.

In light of the foregoing, **IT IS ORDERED**, pursuant to Section 5b of the Act, 7 U.S.C. § 7a-1, that the Original Order is superseded and Eris Clearing is granted registration as a DCO, subject to the terms and conditions specified herein:

(1) Cleared Products. Eris Clearing is permitted to clear, in its capacity as a DCO, fully collateralized futures and swaps. A contract cleared by Eris Clearing will be considered fully collateralized if Eris Clearing holds, at all times, funds sufficient to cover the maximum possible loss a counterparty could incur upon liquidation or expiration of the contract, in the form of the required payment.

(2) Commencement of Clearing. Eris Clearing shall not commence clearing under this order prior to demonstrating to the satisfaction of the Division of Clearing and Risk (“Division”) compliance with separate commitments made to the Division.

(3) Treatment of Funds. Funds held in the Member Property Accounts (as this term is defined in Eris Clearing’s rulebook) shall be considered member property, as that term is defined in the Bankruptcy Code. Eris Clearing shall at all times maintain funds of its clearing members separate and distinct from its own funds.

(4) Insurance. Eris Clearing shall obtain and endeavor to maintain to the extent commercially reasonable insurance coverage for theft or loss of participant virtual currency collateral.

(5) Risk Disclosure. Eris Clearing shall fully disclose to any potential clearing member, in plain language, material risks associated with the clearing of fully collateralized virtual currency contracts, including, without limitation, the theft, loss, or hacking of the underlying virtual currency. The disclosure may include a discussion of any mitigating insurance or similar policies so long as the scope and limitations of any policy are clearly explained.

(6) Report on Internal Controls of Financial Reporting. Within three years of the date of this order, Eris Clearing shall require its independent certified public accountant to have performed a System and Organization Controls (“SOC”) 1 – Type II audit, a copy of which shall be provided to the Division within 30 days following the issuance of the report. Prior to the execution of the audit agreement, Eris Clearing shall report to the Division the name of the certified public accounting firm that has been selected to perform the audit, the scope of the audit, and a timeline for completion of the audit.

(7) Virtual Currency Audit. Eris Clearing shall engage an independent certified public accountant to audit Eris Clearing’s virtual currency balances and issue an opinion on the accounting treatment of virtual currency held by Eris Clearing on an annual basis.

(8) Virtual Currency Third-Party Service Providers. Eris Clearing shall obtain and provide to the Division, as available to Eris Clearing, a copy of any SOC 1 – Type I or Type II audit report of any third-party service provider used in the custody or storage of any virtual currencies held on behalf of clearing members.

(9) Compliance with Certain Statutes. Eris Clearing shall comply with the Bank Secrecy Act (31 U.S.C. § 5311 *et seq.*), the International Emergency Economic Powers Act (50 U.S.C. § 1701 *et seq.*), the Trading with the Enemy Act (50 U.S.C. § 4301 *et seq.*), and the Executive Orders and regulations issued pursuant thereto, including the regulations issued by the U.S. Department of the Treasury and, as applicable, the Commission as if Eris Clearing were a covered “financial institution” within the meaning of 31 C.F.R. § 1010, *et seq.*

(10) Compliance with the Act and Commission Regulations. Eris Clearing shall comply, and shall demonstrate compliance as requested by the Commission, with applicable provisions of the Act, including the core principles set forth in Section 5b of the Act (“Core Principles”), and Commission regulations, as may be amended or adopted from time to time. Eris Clearing shall fulfill each of the representations it has made to the Commission relating to compliance with the Core Principles and Commission regulations.

(11) Self-Regulatory Function. Eris Clearing shall ensure the performance of all self-regulatory functions required of it as a registered DCO under the Act and Commission regulations, including, without limitation: monitoring and enforcing clearing member compliance with Eris Clearing admission and continuing eligibility standards; and enforcing

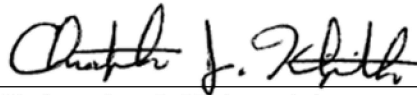
clearing member compliance with the terms of all other Eris Clearing rules, regulations, and procedures.

(12) New Regulations. Should the Commission promulgate or amend a regulation addressing or otherwise affecting any aspect of this order, then such regulation will apply and supersede the applicable term(s) in this order.

(13) Reservation of Rights. This order is based upon the representations made and supporting material provided to the Commission by Eris Clearing. In the event of any changes to or omissions in the material facts or circumstances pursuant to which this order is issued, or for any reason in its own discretion, the Commission may condition, modify, suspend, terminate, or otherwise restrict the terms of this order, as appropriate and as permitted by law, on its own motion.

Issued in Washington, D.C. on this 2nd day of November, 2020.

By the Commission,



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Christopher J. Kirkpatrick  
Secretary of the Commission