

## BROKER-DEALER

### **Gary Gensler Names Initial Senior Staff Members**

On April 19, the Securities and Exchange Commission announced the appointments of SEC Chair Gary Gensler's senior staff, who will be responsible for advising Gensler on matters before the SEC. Prashant Yerramalli, appointed as SEC's Chief of Staff, will continue to serve the role, which he has held since January under Acting Chair Allison Herren Lee. Heather Slavkin Corzo, appointed as Policy Director, will lead a team of policy experts who will advise Gensler on SEC rulemakings. Kevin Burris, appointed as Counselor to the Chair and Director of the Office of Legislative and Intergovernmental Affairs, will serve as the SEC's primary liaison to Members of Congress, other federal agencies and state governments. He is responsible for developing legislative strategy, coordinating Congressional testimony and responding to Congressional requests. Scott Schneider, appointed as Counselor to the Chair and Director of the Office of Public Affairs, will be Gensler's principal advisor on communications, and will oversee media relations, digital strategy, speechwriting, public engagement and internal agency communications.

[SEC Press Release](#)

### **Alex Oh Named SEC Director of Enforcement**

On April 22, the Securities and Exchange Commission announced the appointment of Alex Oh as Director of the Division of Enforcement. Earlier in her career, Oh was an Assistant US Attorney in the Criminal Division of the US Attorney's Office for the Southern District of New York, where she was a member of the Securities & Commodities Fraud Task Force and the Major Crimes Unit.

[SEC Press Release](#)

### **FINRA Reminds Members About Requirements When Using Predispute Arbitration Agreements for Customer Accounts**

On April 21, the Financial Industry Regulatory Authority (FINRA) issued Regulatory Notice 21-16 (Notice) to remind member firms about requirements when using predispute arbitration agreements for customer accounts.

FINRA published the Notice to remind member firms that when they use mandatory arbitration clauses in their customer agreements, they must follow the applicable FINRA Rules. The FINRA Rules: (1) establish minimum disclosure requirements regarding the use of arbitration clauses; (2) prohibit predispute arbitration agreements from including conditions that, among other things, limit or contradict FINRA Rules; and (3) prohibit class action claims in FINRA arbitration. Accordingly, FINRA Rules prohibit member firms from incorporating provisions that would prevent customers from bringing or participating in judicial class actions by adding waiver language into customer agreements (class action waivers) and prohibit member firms from enforcing arbitration agreements against members of a certified or putative class action.

The Notice urges member firms to take prompt steps to ensure their customer agreements fully comply with FINRA Rules and reminds member firms that if they fail to comply, they may be subject to disciplinary action.

[Regulatory Notice 21-16](#)

## DERIVATIVES

See “*CFTC Issues Conditional Relief from Reporting Fully Collateralized Binary Option Data to Swap Data Repositories*” in the CFTC section.

## CFTC

### **CFTC Issues Conditional Relief From Reporting Fully Collateralized Binary Option Data to Swap Data Repositories**

On April 22, the Commodity Futures Trading Commission’s Division of Data, Division of Market Oversight and Division of Clearing and Risk (collectively, the Divisions) issued CFTC Letter No. 21-11, which (1) provides no-action relief to KalshiEX LLC (Kalshi), a designated contract market, and LedgerX, LLC (LedgerX), a derivatives clearing organization, from reporting to swap data repositories data for binary option transactions executed on or subject to the rules of Kalshi and cleared by LedgerX; and (2) exempts Kalshi and LedgerX from certain related recordkeeping requirements.

This relief is subject to certain conditions, including, but not limited to, the following:

1. all binary options covered by the relief being fully collateralized, as the term is defined in CFTC regulations;
2. Kalshi clearing all binary options through LedgerX and LedgerX clearing all of Kalshi’s binary options;
3. Kalshi providing the CFTC with all transaction information as required in CFTC Regulation 16.02;
4. Kalshi and LedgerX each complying with all remaining applicable reporting and recordkeeping requirements;
5. no Kalshi participant is clearing a product covered by the relief through a third-party clearing member; and
6. Kalshi and LedgerX continuing to keep records not included in the relief open to inspection upon request by any of several regulators, including the CFTC, and providing copies of such records on the request of such regulators, at the expense of Kalshi or LedgerX, as applicable.

The Divisions noted that this relief is similar to and consistent with prior no-action relief granted for binary options transactions in CFTC Letter Nos. 17-31 and 17-32.

[CFTC Letter No. 21-11](#)

## UK DEVELOPMENTS

### **UK Announces New Central Bank Digital Currency Taskforce**

On April 19, the Bank of England (BoE) and HM Treasury announced the joint creation of a Central Bank Digital Currency (CBDC) Taskforce to explore a potential UK CBDC. A CBDC would be a new form of digital money issued by the BoE and would exist alongside cash and bank deposits to be used by households and businesses.

The CBDC Taskforce aims to:

- coordinate exploration of the benefits and risks of a potential UK CBDC;
- evaluate the design features necessary to display a CBDC;
- produce a rigorous and comprehensive assessment of a potential UK CBDC; and
- monitor international CBDC developments to ensure the UK stays at the forefront of global innovation.

The BoE also announced the creation of the following:

- CBDC Engagement Forum to engage stakeholders and gather all non-technological information of CBDC to understand the practical challenges of the system and how it may affect public and private sectors.
- CBDC Technology Forum to engage stakeholders and gather all technological information of CBDC to understand the technological challenges.
- CBDC Unit to act as the BoE's internal exploration surrounding CBDC and engage with other UK and international authorities.

[Bank of England Statement on Central Bank Digital Currency](#)

For additional coverage on financial and regulatory news, visit [Bridging the Week](#), authored by Katten's [Gary DeWaal](#).

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FINANCIAL MARKETS AND FUNDS

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UK DEVELOPMENTS

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