

MEMO# 32357

April 6, 2020

Your Feedback Requested - Suspension of Oversight Trading in KOSPI 200 Futures on CME Globex After April 6

[32357]

April 6, 2020 TO: Derivatives Markets Advisory Committee

ICI Global Regulated Funds Committee

ICI Global Trading & Markets Committee RE: Your Feedback Requested - Suspension of Oversight Trading in KOSPI 200 Futures on CME Globex After April 6

On Monday, April 6, the Korean Exchange (KRX) issued the attached press release announcing that, due to the recent change in the regulatory status of the KOSPI 200 index, futures contracts on the KOSPI 200 will no longer be available via Globex after the close of the April 6 Globex trading session.[\[1\]](#) KOSPI 200 futures and KOSPI 200 mini futures will continue to be available for trading directly via KRX during Korean daytime hours. Both contracts will only be available, however, to non-US persons and to certain institutional US investors that comply with an order issued by the SEC in 2009[\[2\]](#) and a 2010 advisory issued by the staff of the Commodity Futures Trading Commission[\[3\]](#) and that comply with all other US legal and regulatory requirements.

Please let us know as soon as possible if this change will be a problem for your firm by contacting Sarah Bessin (sarah.bessin@ici.org) and Nhan Nguyen (nhan.nguyen@ici.org). If you have concerns, please provide a detailed explanation. We are seeking this feedback to determine whether we should join other groups in seeking relief or clarification from the SEC on behalf of members.

Sarah A. Bessin
Associate General Counsel

Nhan Nguyen
Counsel, Securities Regulation

[Attachment](#)

endnotes

[1] Effective April 1, 2020, the KOSPI 200 index shifted from being a “broad-based” index to a “narrow-based” index under US law. As a result, effective April 1, 2020, futures contracts and mini futures contracts listed by the KRX on the KOSPI 200 index became regulated as “security futures products” under the US securities and commodities laws.

[2] Order under Section 36 of the Securities Exchange Act of 1934 Granting an Exemption from Exchange Act Section 6(h)(1) for Certain Persons Effecting Transactions in Foreign Security Futures and under Exchange Act Section 15(a)(2) and Section 36 Granting Exemptions from Exchange Act Section 15(a)(1) and Certain Other Requirements, Release No. 34-60194 (June 30, 2009), *available at* <https://www.sec.gov/rules/exorders/2009/34-60194.pdf>.

[3] CFTC Letter No. 10-35 (Sept. 27, 2010), *available at* https://www.cftc.gov/LawRegulation/CFTCStaffLetters/letters.htm?title=&field_csl_letter_types_target_id%5B%5D=711&field_csl_letter_year_value=2010.

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