

April 28, 2022

Via Electronic Delivery
Mr. Christopher J. Kirkpatrick, Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, NW
Washington, DC 20581

RE: Comments Responding to Commission Publication of FTX's Request for Amended DCO
Registration Order

Dear Mr. Kirkpatrick,

We appreciate this opportunity to comment on the above captioned proposal which was filed by Ledger LLC, d/b/a FTX US Derivatives ("FTX"). We believe that non-intermediated, margined products would be a positive evolution to the market structure here in the United States. The recent events surrounding LME Nickel markets demonstrate the opportunities that exist to modernize the existing model of mutualizing losses across clearing members. In the traditional intermediated model, a dependence on a limited number of clearing organizations creates a systematic concentration of risk. Additionally, the methodology of continuous margin calculation combined with an incremental auto-liquidation technique serve as deterrents of liquidation cascades, as well as strengthen counterparty confidence and market stability. Further, with many non-US digital asset markets already operating 24/7 there is ample evidence that sufficient liquidity will be available for times that currently would be considered "off hours." Many of the volatility events happen around trading sessions' openings and closings, and this model should smooth out some of those inefficiencies, as well as eliminate overnight/weekend credit risk.

As previous comment letters have pointed out, the proposal would also make crypto trading in the United States much safer, allowing the real-time transparent flow of data and the monitoring of transactions for suspicious behavior. As others have noted, the CFTC has an opportunity to minimize market risk by enabling platforms, such as FTX, to provide direct access to trading on margin without required intermediation. This suggested reform would take out an additional layer of complexity in transactions, reducing the interconnection risk between organizations and overall systemic financial risk in the United States.

Respectfully,



Richard J. McDonald
Chief Regulatory Counsel
Susquehanna International Group, LLP