

Cash Collateral Management for Regulatory Cash

CFTC Rule 1.20 Commodity Customer Segregated Funds Account

CFTC Rule 30.7 Customer Secured Amount Funds Account

CFTC Customer Cleared OTC Derivatives Sequestered Account

J.P. Morgan offers trust ledger bank accounts that allow futures commission merchants (FCMs) and derivatives clearing organizations (DCOs) to receive compensation on regulatory cash balances held under CFTC Rules 1.20, 30.7, and 190.01. These accounts offer convenience and safety while fully meeting regulatory requirements. To protect client assets, these CFTC Rules require FCMs and DCOs to place customer funds in accounts holding either cash or qualified securities.

CFTC Regulatory Cash Bank Accounts provide the potential for better returns than other alternatives available to FCMs and DCOs. J.P. Morgan's solutions provide firms required to maintain accounts in accordance with CFTC Rules with the flexibility to enhance returns and preserve liquidity, with deposits securely held in one of the world's most capable and trusted financial institutions.

BENEFITS AND FEATURES

Benefit	Features
Increase Efficiency	<ul style="list-style-type: none"> Futures commission merchants (FCMs) and derivatives clearing organizations (DCOs) can simply transfer funds into their regulatory cash accounts No securities trades to settle or possibly fail Simple and straightforward reconciliation Supported by an experienced client service team that understands the time-sensitive nature of managing regulatory cash Accounts can be monitored and managed electronically using J.P. Morgan's comprehensive suite of Client Access tools
Mitigate Risks	<ul style="list-style-type: none"> Cash deposited is held in trust ledger accounts with JPMorgan Chase Bank, N.A. These accounts are designed to meet the specific requirements of CFTC Rules Accounts accept and maintain only cash Cash is fully liquid at all times Similar to other deposit accounts, trust ledger accounts have priority over other general unsecured creditors of the Bank under the Federal Deposit Insurance Act Deposits are insured up to applicable FDIC limits
Enhance Returns	<ul style="list-style-type: none"> These accounts provide FCMs and DCOs with the opportunity to diversify among CFTC-eligible investments Trust ledger accounts offer the potential for better returns

Highlights

- Supports compliance with regulatory requirements set forth by CFTC Rules
- FDIC insurance up to applicable limits
- Accounts can be held in multiple currencies, including the U.S. Dollar, British Pound, Euro and Yen

Leadership and Innovation

- Billions of dollars of collateral managed daily for the world's leading broker-dealers and financial institutions
- Ongoing investment and innovation, including a multi-year, multi-million dollar capital improvement program
- Services delivered by the market leader in collateral management solutions
- Introduced groundbreaking specialized cash collateral management structures
 - CME Group IEF®5 Program
 - SEC Rule 15c3-3 Special Reserve Bank Account Service
 - Mortgage Servicing Bank Account Program

Associated Products from Treasury Services

- Client Access (balance and transaction reporting)
- Funds Transfer
- Foreign Currency Accounts

For more information, please contact your J.P. Morgan representative or visit jpmorgan.com/wss