



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah
Department of Commerce
Division of Securities

FRANCINE A. GIANI
Executive Director

THOMAS A. BRADY
Deputy Director

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December 6, 2018

Kathryn M. Trkla
FOLEY & LARDNER LLP
321 North Clark Street Suite 2800
Chicago, IL 60654-5313

Via U.S. Mail and email: ktrkla@foley.com

Re: IG US LLC - Request for an Order of Exemption or No Action Letter

Dear Ms. Trkla:

The Utah Division of Securities ("Division") has reviewed your November 20, 2018 request for an order of exemption or, alternatively, a no-action letter concerning the proposed activities of IG US LLC (the "Company"). Your request for relief from the Division is authorized by Section 61-1-25(5) of the Utah Uniform Securities Act ("Act") and Utah Administrative Code Rule R164-25-5.

Your letter describes the Company's anticipated primary business activity in Utah as offering forex transactions, including options on foreign currencies, to persons who are not eligible contract participants as defined in the United States Commodities Exchange Act ("CEA"). As set forth in your letter, the Company is registered as a Retail Foreign Exchange Dealer ("RFED") with the United States Commodity Futures Trading Association ("CFTC") under the CEA. The Company is also registered as an introducing broker under the CEA with respect to exchange-listed futures and options on futures, and is a member of the National Futures Association ("NFA"), where it is designated as a forex dealer member of NFA. As further indicated in your letter, any individual who represents the Company in providing its services and is acting as an "associated person" with respect to forex, as defined under CFTC regulations, is or will be registered by the Company with the CFTC in that capacity, and each such person is or will be an associate member of NFA.

Your letter further notes that the Company is regulated by extensive CFTC regulations and NFA rules.

Based upon the representations in your letter, we will not recommend any enforcement or administrative disciplinary action should the activities proceed in Utah as outlined in your request. As this recommendation is based upon the representations made to the Division, any different facts or conditions of a material nature might require a different conclusion. Furthermore, the relief granted herein is expressly limited to the Company and will have no precedential effect whatsoever for any other party. This response does not purport to express any legal conclusions regarding the applicability of statutory or regulatory provisions of federal or state securities laws to the questions presented. It merely expresses the position of the Division staff on enforcement or administrative actions. Finally, the issuance of a no-action letter does not absolve any party from complying with the anti-fraud provisions contained in Section 61-1-1 of the Act.

Very truly yours,

UTAH DIVISION OF SECURITIES



Charles M. Lyons
Securities Analyst

cc: Ken Barton, Director of Compliance
Bryan Cowley, Director of Registration and Licensing

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Department of Commerce
Division of Securities

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CLIENT/MATTER NUMBER
116628-0101

November 20, 2018

Via Fed Ex

Department of Commerce
Division of Securities
160 East 300 South, 2nd Floor
Salt Lake City, UT 84111

Re: Request for an Order of Exemption or No-Action Letter

Ladies and Gentlemen:

On behalf of IG US LLC ("**Company**"), we respectfully ask the Director of the Division of Securities ("**Director**") to confirm our understanding that the Company is not required to register as a "broker-dealer" and that its officers, employees, members, managers or agents are not required to register as "agents," as those terms are defined, respectively, under the Utah Uniform Securities Act ("**Act**"), by virtue of engaging in proposed activities in the State of Utah pursuant to the Company's registration as a Retail Foreign Exchange Dealer ("**RFED**") under the U.S. Commodity Exchange Act ("**CEA**"). In addition, we ask the Director to please confirm our understanding that transactions involving foreign currencies are exempt from securities registration under Sec. 61-1-14(2)(r). Alternatively, we ask the Director to issue a "no-action" letter from the registration requirements relating to the Company's proposed activities as an RFED.

Background Information

The Company is a Delaware limited liability company and an indirect wholly-owned subsidiary of IG Group Holdings plc ("**IG Group**"). IG Group is listed on the London Stock Exchange and headquartered in London. It was first established in 1974, and offers a range of financial products to investors globally through various subsidiaries. IG Group formed the Company in October 2017 primarily for the purpose of engaging in business as a dealer in retail foreign currency ("**forex**") transactions pursuant to registration under the CEA. The Company has not commenced such activities in the State of Utah.

Effective October 15, 2018, the Company became registered as an RFED with the U.S. Commodity Futures Trading Commission ("**CFTC**") under the CEA and approved as a member of the National Futures Association ("**NFA**"), with the further designation as a forex dealer member of NFA (NFA

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ID #0509630).¹ Any individual who represents the Company in providing its services and who is acting as an “associated person” with respect to forex (as defined under CFTC Regulation 5.1) is or will be registered by the Company with the CFTC in that capacity, as required under CFTC Regulation 5.3.² In addition, each such individual is or will be an associate member of NFA.

The Company is not registered as a broker or dealer with the Securities and Exchange Commission (“SEC”) under the federal securities laws.

The Company’s primary business is to offer forex transactions (including options on foreign currencies) to persons that are not eligible contract participants as defined in CEA Section 1a(18) (7 U.S.C. §1a(18)) and CFTC Regulation 1.3, which are considered “retail” for CEA purposes. The forex transactions will be executed on a bilateral, or over-the-counter (“OTC”), basis. As an RFED, the Company’s forex dealer activities are regulated under the CFTC Part 5 Regulations. Among other requirements:

- The Company is subject to minimum financial requirements under which it must maintain net capital equal to or exceeding the greater of (i) \$20 Million, (ii) the minimum amount required by the NFA or (iii) \$20 Million plus 5% of its total retail forex obligation in excess of \$10 Million. (CFTC Regulation 5.7.)
- The Company must “diligently supervise the handling by its partners, officers, employees and agents...of all retail forex accounts...introduced by the registrant and all other activities of its partners, officer, employees and agents.” (CFTC Regulation 5.21.)
- The Company is subject to express anti-fraud proscriptions. (CFTC Regulation 5.2.)
- The Company must provide customers with a prescribed form of risk disclosure statement. (CFTC Regulation 5.5).

As a forex dealer member, the Company is also subject to myriad NFA rules governing its retail forex activities, in areas such as minimum capital requirements and financial reporting, trading, collection of minimum security deposits, recordkeeping, promotional materials, and sales practices. NFA rules also require the Company to observe high standards of commercial honor and just and equitable principles of trade in connection with the retail forex business and to supervise its employees. NFA describes the regulatory obligations that apply to the forex activities of NFA

¹ The Company also became registered effective October 15, 2018 as an introducing broker under the CEA, with respect to exchange-listed futures and options on futures.

² CFTC regulations are set out in Chapter 17 of the Code of Federal Regulation.

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members under CFTC and NFA requirements in its *Forex Transactions – A Regulatory Guide*, which is available at <https://www.nfa.futures.org/members/member-resources/files/forex-regulatory-guide.html>

Basis for Relief

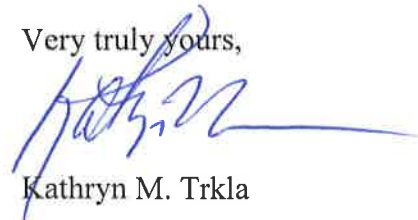
We believe the Company is excluded from the definition of “broker-dealer” pursuant to Sec. 61-1-13(1)(c)(ii)(H) of the Act, as a “person effecting transactions in commodity contracts or commodity options.” The transactions at issue involve foreign currencies, which are included in the “commodity” definition in Sec. 61-1-13(1)(f)(v) of the Act, and accordingly the transactions are either “commodity contracts” or “commodity options,” as those terms are defined in Sec. 61-1-13(1)(g)(i) and 61-1-13(1)(h)(i). We also believe that the transactions are exempt from securities registration under Sec. 61-1-14(2)(r), which is available to a “transaction involving a commodity contract or commodity option.” We request the Director to please confirm our understanding that the broker-dealer, agent and securities registration provisions under the Act do not apply based on these provisions.

Alternatively, we request that the Director issue a “no-action” letter allowing the Company to engage in the activities described above without the Company and its associated persons being licensed as a broker-dealer or agents, respectively, under the Act, and without registration of the forex transactions in which the Company will engage as securities, on the basis that such registrations are not necessary or appropriate for the protection of investors in the state given the extensive regulation that will apply to the Company and its retail forex activities as an RFED.

Two copies of this request letter are provided, along with a check in the amount of \$120.00 in payment of this request.

If you have any questions regarding this request or require additional information, please call me at (312) 832-5179, or call Melissa Villaveces at (407) 244-3234. We look forward to your response.

Very truly yours,



Kathryn M. Trkla

Enclosure

cc: Rupert Osborne, IG US
Emma Forbes, IG Group
Melissa Villaveces, Foley & Lardner LLP