

ABN AMRO Clearing USA LLC Disclosure Document

Commodity Futures Trading Commission Rule 1.55(k)

August 2, 2024

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The Commodity Futures Trading Commission (“CFTC”) requires each futures commission merchant (“FCM”), including ABN AMRO Clearing USA LLC (f/k/a ABN AMRO Clearing Chicago LLC) (“AAC-USA” or “the Firm”), to provide the following information to a customer prior to the time the customer first enters into an account agreement with the FCM or deposits money or securities (funds) with the FCM. Except as otherwise noted, the information set out is as of August 2, 2024. The Firm’s financial data is current as of its most recent FOCUS filing made on June 30, 2024. AAC-USA will update this information annually and as necessary to take account of any material change to its business operations, financial condition, or other factors that AAC-USA believes may be material to a customer’s decision to engage in future business with the Firm. Nonetheless, AAC-USA’s business activities and financial data are not static, and will change in non-material ways frequently throughout any 12-month period.

NOTE: AAC-USA is a subsidiary of ABN AMRO Clearing Holdings USA LLC. ABN AMRO Clearing Holdings USA LLC is a subsidiary of ABN AMRO Clearing Bank N.V. which is a subsidiary of ABN AMRO Bank N.V. Information that may be material with respect to AAC-USA for purposes of the Commission’s disclosure requirements may not be relevant and/or material to ABN AMRO Bank N.V. or any of their affiliates for purposes of applicable securities laws.



The Firm

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The Firm's Principals

Name, Title, and Business Address ¹	Business Background, Areas of Responsibility, and Nature of Duties
Boudewijn Duinstra Chief Executive Officer Member of the Board of Managers (as of September 20, 2021)	Boudewijn (Bou) was appointed Chief Executive Officer of ABN AMRO Clearing USA LLC (AAC-USA) on September 6, 2021, after nearly four years as the Head of Risk Management for ICE Clear Europe in London UK, one of the largest clearing houses in the world dealing in many different asset classes. Previously, Bou spent many years working for ABN AMRO in several different capacities, most recently as the Global Chief Risk Officer (CRO) at ABN AMRO Clearing Bank (AACB) from 2013 to 2017. In that role, he was responsible for all clearing risk management teams worldwide. He also was an AACB Executive Board Member. Prior to that, Bou was the CRO at ABN AMRO Clearing USA LLC from 2007 to 2011 where he monitored the risk of AAC-USA's client base, supervised AAC-USA's credit and market risk teams, the branch office management and reporting team, and was a member of the AAC-USA Management Team. During his time at ABN AMRO, he also was the AACB Global Head of Strategy and worked for the AACB predecessor entity, Fortis Bank Global Clearing, in a risk management capacity. Bou holds a master degree in Economics (University of Tilburg, the Netherlands) and has completed several post graduate courses on portfolio management and risk management.
Robert Pooler Chief Financial Officer	Robert (Bob) Pooler was appointed Chief Financial Officer of AAC-USA on October 3, 2022, after spending the past few months as the Chief Financial Officer of 3Stix Capital, LLC. Previously, Bob was at AAC-USA as its controller from January 2021 through February 2022. Prior to that, Bob spent the past 26 + years working for Ronin Capital, LLC and its processor entities, in several different capacities, most recently as the Chief Financial Officer since 2011. In that role, he was responsible for all finance and treasury teams worldwide and was a member of the Board of Managers. Bob started his career at Checkers, Simon & Rosner (now RSM US, LLP), a Chicago-based CPA firm with a strong presence in the financial industry. Bob holds a Master of Business Administration in Finance (University of Chicago), a Master of Science in Taxation (DePaul University) and a Bachelor's degree in Accounting (DePaul University.) He currently holds a Series 24, 27 and 56.
Jeff Arnold Chief Operations Officer	Jeff was appointed COO of AAC-USA in April 2022. Prior to his appointment, Jeff was the Head of Global IT Application Support at AAC-USA and a member of the U.S. IT Management team. Jeff joined AAC-USA in October 2013 bringing with him over 20 years industry experience in a variety of back office and trading roles. Prior to joining AAC-USA, Jeff spent 10 years, as a sole proprietor, trading on the floor of the CBOE followed by time as a Treasury Options trader at the Chicago Board of Trade. Jeff started his career in Option Balancing at First Options of Chicago before transitioning to a trading career by joining the Derivatives Trading desk at Mellon Bank. Jeff holds a BA in Finance from the University of Illinois and an MBA from Northwestern - Kellogg Graduate School of Management.
Ronald Breault Chief Commercial Officer, ad interim	Ron joined the firm in 1997 when it was still O'Connor & Co. In addition to his appointment as Chief Commercial Officer, ad interim, Ron also holds the role of US Head of Sales. Ron has also held roles in Relationship Management and as the Head of NYSE Floor Business. Prior to joining the firm, Ron worked as a NASDAQ Market Maker for Lehman Brothers beginning in 1989. Ron was originally in Lehman Brothers San Francisco office before moving to New York. Ron holds Series 3, 7, 9, 10, 24, 55 and 63 registrations.
Scott Mollner Chief Risk Officer	Scott originally joined AAC-USA in the Market Risk Management team in 2016 and was appointed Head of the Market Risk Team in 2017. He later relocated to Singapore in 2020 to serve as the Chief Risk Officer for the Singapore branch of AACB. Scott returned to Chicago in July 2022 to be the Chief Risk Officer of AAC-USA. Prior to joining AAC-USA, Scott was with GE Capital where he worked in the Risk Analytics and Reporting team for nearly 4 years. Scott began his career in the mid 90's as a market maker on the floor of the CBOE, and has had over 20 years of experience in trading and risk management across a variety of financial markets and products, including futures, options, equities, and commercial paper.

¹ If different from principal address.

Monika Tyrichtrova
Chief Compliance Officer

Monika Tyrichtrova was appointed Chief Compliance Officer for the FCM business in August of 2022. Monika has been previously acting as the enterprise wide Chief Compliance Officer from September 2011 to September 2012. In September of 2012 she focused on the firm's broker dealer business and the AML program. Monika has an extensive compliance expertise with 15+ years of Chief Compliance Officer experience. She holds FINRA licenses 4, 7, 14, 24, 63 and 99 and has earned a law degree from Charles University School of Law, Prague, Czech Republic and Northwestern University School of Law, Chicago. Monika's responsibilities at the Firm include oversight of the Firm's compliance and AML program for both the Broker-dealer and FCM business, and acting as the main liaison with all regulators for inquiries, audits and examinations.

Simon Byrne
Global Head of Global Execution Services

Simon Byrne joined AAC-USA from its affiliate ABN AMRO Clearing Bank N.V. London Branch in August 2022. Prior to joining ABN AMRO Clearing, Mr. Byrne worked for ING Bank N.V London Branch. Mr Byrne is the Global Head of Global Execution Services within ABN AMRO Clearing responsible for electronic execution, pre-trade risk management and regulatory compliance. Mr. Byrne holds a Bachelor's degree and Master in Business Studies from University College Dublin and an MBA from BPP Business School in London.

Yulia O'Neill
Supervisor

Yulia O'Neill joined AAC-USA in 2017. Ms. O'Neill's primary responsibilities include new account approvals, periodic credit reviews and risk assessment of clients including the credit and risk limit setting. Ms. O'Neill is a CFA® charterholder.

Rutger Schellens
Chief Executive Officer, ABN AMRO Clearing Bank, N.V.
Member of the Board of Managers

Gustav Mahlerlaan 10
Amsterdam 1082 PP
The Netherlands

Rutger Schellens started working with ABN AMRO in 1985 after finishing his bachelors degree in Economics at the Higher Economic School of Amsterdam. At ABN AMRO he held various roles in market making, proprietary trading, sales and repo business in international government and corporate bonds and Treasury products. Mr. Schellens left ABN AMRO in 2002 to lead the Capital Markets business for Rabobank after which he became a Member of the Managing Board of Rabobank International and Head of Global Financial Markets. In 2009, Mr. Schellens was made Vice Chairman of Rural & Retail Banking and Head of International Retail at Rabobank International. Mr. Schellens re-joined ABN AMRO in 2011 and was made overall responsible for the relationships and business with Financial Institutions and Commercial Real Estate customers of the bank. In November 2013 he was appointed as head of ABN AMRO's Global Markets business, which included the clearing business. In Spring 2017, Mr. Schellens was appointed ad interim CEO of ABN AMRO Clearing Bank NV, and his appointment was made official in June 2017. From 2004 to 2009 Mr. Schellens was also a Member of the Board of the International Capital Markets Association and a deputy Chairman for 3 years.

Pauline Engelberts
Global Chief Operations Officer, ABN AMRO Clearing Bank, N.V.
Member of the Board of Managers

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Pauline Engelberts is the Global Chief Operations Officer for ABN AMRO Clearing Bank, N.V. and responsible for sustainability world-wide, based in Amsterdam. She started her career in the leisure industry in London in 1986, working for the Trusthouse Forte Hotel chain, understanding the importance of client service expectations & execution, as well as how to run a business financially and commercially. Ms. Engelberts switched to financial services in New Zealand at Tower Life in 1990 and joined ABN AMRO in the Netherlands in the Investment Banking division in 1994. She has held management positions in IT, Commercial Sales in Capital Markets and Product Management in Private Banking before joining ABN AMRO Clearing in 2016. In 2018 she started the Global Data group which is instrumental in making ABN AMRO Clearing a Data Driven organization. Ms. Engelberts became a member of the AEX Steering Committee, Euronext in December 2020, and served on the board of ABN AMRO Funds (SICAV), an Investment vehicle based in Luxembourg, from 2014 to 2022. Aside from her professional work, Ms. Engelberts is co-founder of the Khazana Foundation (www.khazanafoundation.org) to support initiatives that contribute to financial inclusion and literacy. Ms. Engelberts has a Bachelors in Business Administration, is a qualified trainer and a mediator.

The Firm's Business

AAC-USA is engaged in the execution and/or clearing of listed equities, options, and futures. AAC-USA does not engage in any proprietary or securities trading. AAC-USA does not clear swaps at this time.

AAC-USA is a registered broker-dealer and futures commission merchant. AAC-USA is a member of the National Futures Association ("NFA") and the Financial Industry Regulatory Authority ("FINRA").

Primary Business Activities

In the following chart, the "Inventory by Business Line" represents Firm-owned assets, not customer-owned or customer-invested assets. The Firm does not engage in any proprietary trading. As such, the Firm's customer-owned or customer-invested assets are included under "Fixed and all Other Assets," most of the capital usage represented in that category is from charges under SEC Regulation 15c3-1(c)(2)(x) (which is a charge to capital for market maker client haircuts), unsecured client debits, and non-allowable assets.

Activity/Product Line	Percentage of Assets	Percentage of Capital
Financing (Resales, Borrows)	26.969%	1.82%
Inventory by Business Line:		
FICC	0%	0%
Equities	<1%	0%
Other Inventory	0%	0%
Goodwill and Intangible Assets	<1%	<1%
Receivable from Broker Dealers and Customers	28.665%	<1%
Investments in Subsidiaries and Receivable from Affiliates	<1%	<1%
Fixed and All Other Assets	44.158%	98.044%

FCM Customer Business

AAC-USA executes and clears all listed markets (financial, agricultural, energy, interest rates, and currency futures and options on futures, security futures, equities, and options on equities and exchange traded funds) on behalf of a predominantly institutional or professional customer base. AAC-USA's equities customers enter all their orders electronically or through third party brokers. AAC-USA supports both voice and electronic execution for futures orders. Through its affiliates and other third party brokers, AAC-USA can access markets in Europe, Asia, and Latin America.

Types of Customers²

Customer Type	Approximate Percentage of Total Customers
Institutional (asset managers, insurance companies, pension funds, banks)	5.0%
Retail (individual or household accounts)	0%
Commercial (agricultural, energy, transportation)	33%
Professional (broker-dealers, proprietary trading firms)	62%

US Futures Exchange³ Access

U.S. Futures Exchanges
Cboe Futures Exchange, LLC
Chicago Board of Trade
Chicago Mercantile Exchange
ICE Futures US, Inc.
Minneapolis Grain Exchange, LLC
New York Mercantile Exchange/Commodity Exchange Inc.
Small Exchange
Nodal Exchange
LMX Labs, LLC dba Coinbase Derivatives fka FairX

Outside of the U.S., AAC-USA is also able to access Dubai Mercantile Exchange Limited, ICE Futures Europe and ICE Futures Abu Dhabi. AAC-USA is not a member of any Swap Execution Facility.

² AAC-USA also maintains accounts for its affiliates and their customers

³ In addition to the referenced futures exchanges, AAC-USA is also a member of all primary U.S. equities and equity options exchanges. A list of those exchanges is available upon request.

Clearing Houses Used

Clearing Organization	AAC-USA a Member?	AAC-USA Affiliate a Member?
ASX Clear	No	Yes
ASX Clear (Futures)	No	Yes
Chicago Mercantile Exchange	Yes	No
Eurex Clearing	No	Yes
HKFE Clearing Corporation Ltd.	No	Yes
ICE Clear U.S. Inc.	Yes	No
ICE Clear Europe Limited	Yes	Yes
ICE Clear Credit LLC	No	No
Japan Commodity Clearing House	No	No
Japan Securities Clearing Corporation	No	Yes
LCH Clearnet LLC	No	No
LCH Clearnet Limited	No	Yes
LCH Clearnet SA	No	Yes
LME (London Metals Exchange)	No	Yes
Minneapolis Grain Exchange Clearing House	Yes	No
Nodal Clear LLC	Yes	No
North American Derivatives Exchange Clearing	No	No
Options Clearing Corporation	Yes	No
Singapore Exchange Derivatives Clearing	No	Yes

Clearing Brokers Used

Carrying Broker	Affiliated with AAC-USA?
ABN AMRO Clearing Bank N.V.	Yes
ABN AMRO Clearing Sydney Pty Ltd.	Yes
ABN AMRO Clearing Hong Kong Ltd.	Yes
ABN AMRO Clearing Bank N.V. Singapore Branch	Yes
ABN AMRO Clearing Tokyo Co., Ltd.	Yes
CIBC World Markets Inc.	No
Nissan Securities Co. Ltd.	No

Permitted Depositories and Counterparties

The following describes AAC-USA's policies and procedures concerning the choice of bank depositories, custodians and counterparties to permitted transactions under §1.25.

The Firm has used BMO Harris Bank as a custodian bank for futures customers' funds and securities for over 10 years. The Firm also uses Brown Brothers Harriman as a custodian bank to facilitate the ICE Clear Europe settlements.⁴ If the Firm were to change custodian banks, the Firm selects banks based on the accessibility of the bank's staff during relevant settlement hours of the clearing organization and AAC-USA's deposits cannot constitute more than 15% of the bank's equity capital as reported by the bank in its most recent Call Report.

As shown above, AAC-USA predominantly uses affiliates as its carrying brokers and custodians outside of the US provided such affiliate is sufficiently capitalized if it is not a branch of ABN AMRO Clearing Bank. ABN AMRO Clearing Bank has IFRS equity capital in excess of EUR 1.3 billion. Where possible, AAC-USA selects its affiliates as they are subject to the same global risk policies as AAC-USA and AAC-USA has greater insight into their general risk tolerances and procedures. The following criteria will apply to the choice of custodians other than affiliates: (1) custodian must be a clearing member of the foreign clearing organization; and (2) the custodian must be approved by the ABN Street Side Acceptance Committee (SAC). Brokers, unless executing broker (DVP trading only), require credit approval by the US Credit Committee and the Head Office Credit Committee. Limits are set based on the internal credit analysis of the counterparty and set of criteria related to the quality, size, and reputation of the counterparty. Moreover, approval of the SAC is required.

For reverse repurchase agreements (Reverse Repos) made with customer funds, the Firm uses the SIFMA Master Repurchase Agreement or Government Master Repurchase Agreement with an addendum covering the additional terms set forth by the CFTC in Regulation 1.25. In addition, the following procedures apply with respect to the counterparties:

- a. Reverse Repo agreements must be for U.S. government or Agency underlying securities only; no other Reverse Repo arrangements are allowed;
- b. Counterparties are to be approved by AAC-USA Risk Management and by the relevant US and Netherlands ABN AMRO credit committee; and
- c. AAC-USA Finance monitors contract value versus market value for capital charges. Any deficits are included in the daily capital computation of AAC-USA and AAC-USA's Treasury Department issues a margin call to the counterparty.

In general, the Firm does not make investments with its own funds other than investments pledged as guaranty funds at the clearing organizations. Those pledges may be in cash, US Treasury securities, and money market funds. As of the date of this document, AAC-USA only invests in US Treasury securities and engages in US Treasury security reverse repurchase agreements in such guaranty funds as well as pledging cash.

⁴ The Firm also utilizes US Bank as a custodian for its Special Reserve Bank Accounts in accordance with the formula set forth in SEC Rule 15c3-3.

Material Risks

The material risks of entrusting funds to AAC-USA, include, without limitation:

- i) the nature of investments made by AAC-USA (including credit quality, weighted average maturity and weighted average coupon) are;

All investments made with customer funds are made pursuant to CFTC Regulation 1.25. AAC-USA limits investments within Regulation 1.25 to the following:

- U.S. government securities limited to less than two years to maturity;
- Reverse repurchase agreements with broker-dealers that have a parent company with a minimum rating of A+ by S&P. All such counterparties must be approved by the Local Credit Committee of the U.S. and by the Head Office Credit Committee in the Netherlands; and
- Money market funds (“MMF”). To be eligible, AAC-USA requires the MMF to meet all of following criteria:
 - the MMF must be approved by the CME to be part of the CME’s Interest Earning Facility 2 (IEF 2),
 - MMF must have a duration of commercial paper and WAM of 90 days or less,
 - total amount of assets under management must be at least US \$10 billion,
 - MMF must be audited by an accredited firm registered with the Public Company Accounting Oversight Board, and
 - MMF must be run by a well-known Tier 1 bank.
 - Any MMF not meeting the above requirements would require additional Credit Committee approvals.

All treasury securities pledged by customers for futures margin are pledged to the clearing organizations, held in custody as customer segregated or secured funds or pledged to a carrying broker for margin. AAC-USA does not currently engage in repurchase agreements with customer pledged treasury securities. The Firm will accept pass-through letters of credit on a limited basis where permissible by an exchange or clearing organization.

- ii) AAC-USA’s creditworthiness, leverage, capital, liquidity, principal liabilities, balance sheet leverage and other lines of business;

AAC-USA is not rated, however, as of the date of this document, ABN AMRO Bank N.V. maintains a long term credit rating of A from S&P (see all the bank’s credit ratings at this link: <http://www.abnamro.com/en/investor-relations/credit-ratings/index.html>).

The Firm’s measure of leverage is defined under NFA Financial Requirements Section 16: total balance sheet assets, less any instruments guaranteed by the U.S. government and held as an asset or to collateralize an asset (e.g., a reverse repo) divided by total capital (the sum of stockholder’s equity and subordinated debt) all as computed in accordance with U.S. GAAP. AAC-USA’s leverage as of the date of this document is calculated in pre-populated fields within the WinJammer system and as of June 30, 2024 was 7.23.

AAC-USA does not engage in proprietary trading. AAC-USA’s affiliates may provide loans to AAC-USA’s qualifying futures customers for margin. As a broker-dealer, AAC-USA clears for market professionals (market makers and other broker-dealers) to which it may extend good faith margin or offer risk based haircuts thus increasing the leverage to such customers in accordance with applicable securities rules and regulations.



AAC-USA applies a proprietary Correlation Haircut model (COH) which is a risk system that calculates the market risk of clients of AAC-USA on an overnight and intraday basis. It calculates the maximum theoretical loss of a trading portfolio under a set of (stress) scenarios.

The COH model is based on a scenario grid approach. Main risk factors are price and volatility, which determine grid points in the grid. For each scenario in the grid, the risk system identifies potential profits and losses by using theoretical (derivatives) valuation models. The haircut value is determined by selecting the individual scenarios in a correlated way. This ensures a margin offset between positions in correlated products.

COH computes a theoretical worst-case loss (haircut) of a client's portfolio. COH general approach is to determine major risk factors for every product, build a scenario grid of profit-loss (P/L), and finally to determine the haircut number by shifting risk factors in a correlated manner. However, under no circumstances is a customer permitted to deposit less than margin required by an exchange or a regulation.

AAC-USA's adjusted net capital and segregated and secured funds amount is set forth on its website at: <https://www.abnamro.com/clearing/en/product/customer-disclosures-America>.

AAC-USA's primary liquidity sources beyond its capital are two credit lines, one from each of its parent companies ABN AMRO Clearing Bank NV (uncommitted) and ABN AMRO Bank NV (committed). In addition, AAC-USA has secured uncommitted credit lines at two unrelated banks. As a broker-dealer, AAC-USA utilizes securities lending capabilities to finance its customers' stock positions.

- iii) risks to AAC-USA created by its affiliates and their activities, including investment of customer funds in an affiliated entity; and

Although AAC-USA does not invest any customer funds with its affiliates on a proprietary basis, as noted above, the vast majority of the non-US carrying brokers used by AAC-USA are its parent and affiliates, which exposes AAC-USA to custodian risk as to those entities. Further, as with any non-US broker, the laws in each such entity's jurisdiction may affect the ability of AAC-USA to recover assets if limited by local bankruptcy law. As stated above, the majority of unsecured liquidity financing is derived from the parent or ABN related entities.

In addition, AAC-USA's affiliates also hold their omnibus accounts with AAC-USA and, as discussed further in Section 10, one of the affiliates' accounts are included in the accounts, which make up the top 50% of segregated funds held by AAC-USA.

- iv) any significant liabilities, contingent or otherwise, and material commitments;

There are no current significant liabilities, contingent or otherwise. In addition to the aforementioned risks, AAC-USA has begun a project to consolidate and centralize the vast majority of its US-based IT assets in two primary EU data centers as well as source the shared infrastructure support with a vendor. This effort will be sustained for the next 18 months and while it will be critically and carefully managed, the migration presents additional opportunities for disruption. As with all changes, AAC-USA will have thorough pre-testing, contingency plans and roll-back procedures associated with every step of the migration.

Regulation of the Firm

AAC-USA's designated self-regulatory organization (DSRO) is the Chicago Board of Trade, which can be reached through its website at www.cmegroup.com.

The Firm's annual audited financial statements are available upon request or are located on its website at: <https://www.abnamro.com/clearing/en/product/customer-disclosures-America>.

Material Complaints or Enforcement Actions

Pending Material Administrative, Civil, Enforcement, or Criminal Complaints or Actions

Not applicable.

Enforcement Complaints or Actions Filed in Last 3 Years

On February 13, 2019, AAC-USA was served with a complaint filed in the U.S. District Court for the Southern District of New York in which Plaintiffs, identified as David A. Ford, Individually and on behalf of all others similarly situated, sued Proshares Trust II and its related parties (the "Trust"), along with approximately 21 other financial institutions, including AAC-USA, that acted as authorized participants for the creation and redemption of shares in various exchange traded funds issued by the Trust. With respect to the authorized participants, Plaintiffs alleged that the registration statement, which was filed by the Trust, was "inaccurate and misleading, contained untrue statements of material fact, omitted to state other facts that were necessary to make the statements made not misleading, and omitted to state material facts required to be stated therein." Plaintiffs further alleged that the authorized participants were responsible for the content and dissemination of the registration statement filed by the Trust, and that none of the authorized participants made a reasonable investigation into the statements contained in the registration statement. Plaintiffs believe that the authorized participants violated §11 of the Securities Act of 1933, as amended, and are seeking unspecified damages. Several other "copy cat" class action suits that are substantially similar to the Ford claim subsequently were filed in the SDNY, and AAC-USA believes these claims will all be combined into one matter. A similar action was filed in the District Court of Vermont by a Canadian resident. AAC-USA believes that the Plaintiffs' claims are without merit and has joined a defense group consisting of the vast majority of the authorized participant defendants for the initial motion to dismiss phase of the proceedings. In early January 2020, the court granted the defendants' motion to dismiss. Plaintiffs had the options to appeal (30 days), seek reconsideration (conservatively 14 days), or file a motion seeking leave to file an amended complaint (no fixed deadline). The Plaintiffs filed a motion for appeal in the U.S. Court of Appeals for the Second Circuit in January 2020. In late March, 2020, Plaintiffs requested an extension of time by which to file their appeal. The submission will not be due until mid-May, 2020, at which point, Defendants will have until mid-August, 2020, to reply. AAC-USA will continue to monitor developments and participate in the joint defense group. Additionally, the Judge in Vermont ruled that service was not properly effected on the AP's and all claims against the authorized participants were dismissed without prejudice by the District Court for the District of Vermont in September 2019. AAC-USA will, nevertheless, continue to monitor events in this case. On November 30, 2020, an amended complaint for trading in United States Oil Fund, LP ("USO") was filed in the U.S. District Court for the Southern District of New York. The complaint contains allegations that are similar to those in the matters described above, however, this complaint was related to activity in USO from the end of February 2020 through the end of April 2020. The complaint was amended to include the authorized participants, a group that includes AAC-USA. The AP's will proceed with the same joint defense group from the previous two matters and, as with the other matters, the APs currently are being indemnified. The defense group must file its motion to dismiss by the end of January 2020.

On February 6, 2020, an administrative action was brought by the SEC ("SEC Order") against AAC-USA. The matter involved borrowing and lending practices related to ADR's during the time period from 2013-2015. The SEC Order found that AAC-USA failed reasonably to supervise its associated persons within the meaning of Section 15(b)(4)(e) of the Securities Exchange Act of 1934 in that its supervisory policies and procedures were not reasonably designed to prevent and detect violations of Section 17(a)(3) of the Securities Act of 1933 by associated persons of the Firm. AAC-USA consented to the issuance of the SEC Order without admitting or denying the SEC's findings. The SEC ordered that AAC-USA: (i) be censured; (ii) pay disgorgement of \$326,096.87 and prejudgment interest of \$80,970.35; and (iii) pay a civil monetary penalty in the amount of \$179,353.27. The SEC Order acknowledged AAC-USA's cooperation with the SEC staff's investigation. AAC-USA complied in full with the SEC Order.

AAC-USA has received fines and sanctions in the course of operating both the broker-dealer and FCM from other self-regulatory agencies, none of which AAC-USA considers material. All reportable matters can be read on NFA's BASIC at: <http://www.nfa.futures.org/basicnet/> and all equities and equity options reportable matters may be located on FINRA's Broker Check at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/>.

Customer Funds Segregation

Customer Accounts: FCMs may maintain up to three different types of accounts for customers, depending on the products a customer trades:

- i) a **Customer Segregated Account** for customers that trade futures and options on futures listed on US futures exchanges;
- ii) a **30.7 Account** for customers that trade futures and options on futures listed on foreign boards of trade; and
- iii) a **Cleared Swaps Customer Account** for customers trading swaps that are cleared on a DCO registered with the Commission.

The requirement to maintain these separate accounts reflects the different risks posed by the different products. Cash, securities and other collateral (collectively, **Customer Funds**) required to be held in one type of account, *e.g.*, the Customer Segregated Account, may not be commingled with funds required to be held in another type of account, *e.g.*, the 30.7 Account, except as the Commission may permit by order. For example, the Commission has issued orders authorizing ICE Clear Europe Limited, which is registered with the Commission as a DCO, and its FCM clearing members: (i) to hold in Cleared Swaps Customer Accounts Customer Funds used to margin both (a) Cleared Swaps and (b) foreign futures and foreign options traded on ICE Futures Europe, and to provide for portfolio margining of such Cleared Swaps and foreign futures and foreign options; and (ii) to hold in Customer Segregated Accounts Customer Funds used to margin both (c) futures and options on futures traded on ICE Futures US and (d) foreign futures and foreign options traded on ICE Futures Europe, and to provide for portfolio margining of such transactions.

Customer Segregated Account. Funds that customers deposit with an FCM, or that are otherwise required to be held for the benefit of customers, to margin futures and options on futures contracts traded on futures exchanges located in the US, *i.e.*, designated contract markets, are held in a **Customer Segregated Account** in accordance with section 4d(a)(2) of the Commodity Exchange Act and Commission Rule 1.20.

Customer Segregated Funds held in the Customer Segregated Account may not be used to meet the obligations of the FCM or any other person, including another customer.

All Customer Segregated Funds may be commingled in a single account, *i.e.*, a customer omnibus account, and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside of the US that has in excess of \$1 billion of regulatory capital; (iii) an FCM; or (iv) a DCO. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's customers. Unless a customer provides instructions to the contrary, an FCM may hold Customer Segregated Funds only: (i) in the US; (ii) in a money center country;⁵ or (iii) in the country of origin of the currency.

An FCM must hold sufficient US dollars in the US to meet all US dollar obligations and sufficient funds in each other currency to meet obligations in such currency. Notwithstanding the foregoing, assets denominated in a currency may be held to meet obligations denominated in another currency (other than the US dollar) as follows: (i) US dollars may be held in the US or in

⁵ Money center countries means Canada, France, Italy, Germany, Japan, and the United Kingdom.

money center countries to meet obligations denominated in any other currency; and (ii) funds in money center currencies⁶ may be held in the US or in money center countries to meet obligations denominated in currencies other than the US dollar.

30.7 Account. Funds that **30.7 Customers** deposit with an FCM, or that are otherwise required to be held for the benefit of customers, to margin futures and options on futures contracts traded on foreign boards of trade, *i.e.*, **30.7 Customer Funds**, and sometimes referred to as the **foreign futures and foreign options secured amount**, are held in a **30.7 Account** in accordance with Commission Rule 30.7.

Funds required to be held in the 30.7 Account for or on behalf of 30.7 Customers may be commingled in an omnibus account and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside the US that has in excess of \$1 billion in regulatory capital; (iii) an FCM; (iv) a DCO; (v) the clearing organization of any foreign board of trade; (vi) a foreign broker; or (vii) such clearing organization's or foreign broker's designated depositories. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's 30.7 Customers. As explained below, Commission Rule 30.7 restricts the amount of such funds that may be held outside of the US.

Customers trading on foreign markets assume additional risks. Laws or regulations will vary depending on the foreign jurisdiction in which the transaction occurs, and funds held in a 30.7 Account outside of the US may not receive the same level of protection as Customer Segregated Funds. If the foreign broker carrying 30.7 Customer positions fails, the broker will be liquidated in accordance with the laws of the jurisdiction in which it is organized, which laws may differ significantly from the US Bankruptcy Code. The return of 30.7 Customer Funds to the US will be delayed and likely will be subject to the costs of administration of the failed foreign broker in accordance with the law of the applicable jurisdiction, as well as possible other intervening foreign brokers, if multiple foreign brokers were used to process the US customers' transactions on foreign markets.

If the foreign broker does not fail but the 30.7 Customers' US FCM fails, the foreign broker may want to assure that appropriate authorization has been obtained before returning the 30.7 Customer Funds to the FCM's trustee, which may delay their return. If both the foreign broker and the US FCM were to fail, potential differences between the trustee for the US FCM and the administrator for the foreign broker, each with independent fiduciary obligations under applicable law, may result in significant delays and additional administrative expenses. Use of other intervening foreign brokers by the US FCM to process the trades of 30.7 Customers on foreign markets may cause additional delays and administrative expenses.

To reduce the potential risk to 30.7 Customer Funds held outside of the US, Commission Rule 30.7 generally provides that an FCM may not deposit or hold 30.7 Customer Funds in permitted accounts outside of the US except as necessary to meet margin requirements, including prefunding margin requirements, established by rule, regulation, or order of the relevant foreign boards of trade or foreign clearing organizations, or to meet margin calls issued by foreign brokers carrying the 30.7 Customers' positions. The rule further provides, however, that, in order to avoid the daily transfer of funds from accounts in the US, an FCM may maintain in accounts located outside of the US an additional amount of up to 20 percent of the total amount of funds necessary to meet margin and prefunding margin requirements to avoid daily transfers of funds.

Cleared Swaps Customer Account. NOTE: AAC-USA does not currently clear any swaps on behalf of customers. Funds deposited with an FCM, or otherwise required to be held for the benefit of customers, to margin swaps cleared through a registered DCO, *i.e.*, **Cleared Swaps Customer Collateral**, are held in a **Cleared Swaps Customer Account** in accordance with the provisions of section 4d(f) of the Act and Part 22 of the Commission's rules. Cleared Swaps Customer Accounts are sometimes referred to as LSOC Accounts. LSOC is an acronym for "legally separated, operationally

⁶ Money center currencies mean the currency of any money center country and the Euro.

commingled.” Funds required to be held in a Cleared Swaps Customer Account may be commingled in an omnibus account and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside of the US that has in excess of \$1 billion of regulatory capital; (iii) a DCO; or (iv) another FCM. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM’s Cleared Swaps Customers.

Investment of Customer Funds. Section 4d(a)(2) of the Act authorizes FCMs to invest Customer Segregated Funds in obligations of the United States, in general obligations of any State or of any political subdivision thereof, and in obligations fully guaranteed as to principal and interest by the United States. Section 4d(f) authorizes FCMs to invest Cleared Swaps Customer Collateral in similar instruments.

Commission Rule 1.25 authorizes FCMs to invest Customer Segregated Funds, Cleared Swaps Customer Collateral and 30.7 Customer Funds in instruments of a similar nature. Commission rules further provide that the FCM may retain all gains earned and is responsible for investment losses incurred in connection with the investment of Customer Funds. However, the FCM and customer may agree that the FCM will pay the customer interest on the funds deposited.

Permitted investments include:

- i) Obligations of the United States and obligations fully guaranteed as to principal and interest by the United States (U.S. government securities);
- ii) General obligations of any State or of any political subdivision thereof (municipal securities);
- iii) Obligations of any United States government corporation or enterprise sponsored by the United States government (U.S. agency obligations);⁷
- iv) Certificates of deposit issued by a bank (certificates of deposit) as defined in section 3(a)(6) of the Securities Exchange Act of 1934, or a domestic branch of a foreign bank that carries deposits insured by the Federal Deposit Insurance Corporation;
- v) Commercial paper fully guaranteed as to principal and interest by the United States under the Temporary Liquidity Guarantee Program as administered by the Federal Deposit Insurance Corporation (commercial paper);
- vi) Corporate notes or bonds fully guaranteed as to principal and interest by the United States under the Temporary Liquidity Guarantee Program as administered by the Federal Deposit Insurance Corporation (corporate notes or bonds); and
- vii) Interests in money market mutual funds.

The duration of the securities in which an FCM invests Customer Funds cannot exceed, on average, two years.

An FCM may also engage in repurchase and reverse repurchase transactions with non-affiliated registered broker-dealers, provided such transactions are made on a delivery versus payment basis and involve only permitted investments. All funds or securities received in repurchase and reverse repurchase transactions with Customer Funds must be held in the appropriate Customer Account, i.e., Customer Segregated Account, 30.7 Account or Cleared Swaps Customer Account. Further, in accordance with the provisions of Commission Rule 1.25, all such funds or collateral must be received in the appropriate Customer Account on a delivery versus payment basis in immediately available funds.⁸

⁷ Obligations issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Association are permitted only while these entities operate under the conservatorship or receivership of the Federal Housing Finance Authority with capital support from the United States.

⁸ As discussed below, NFA publishes twice-monthly a report, which shows for each FCM, *inter alia*, the percentage of Customer Funds that are held in cash and each of the permitted investments under Commission Rule 1.25. The report also indicates whether the FCM held any Customer Funds during that month at a depository that is an affiliate of the FCM.

No SIPC Protection. Although AAC-USA is a registered broker-dealer, it is important to understand that the funds you deposit with AAC-USA for trading futures and options on futures contracts on either US or foreign markets or cleared swaps are not protected by the Securities Investor Protection Corporation.

Further, Commission rules require the Firm to hold funds deposited to margin futures and options on futures contracts traded on US designated contract markets in Customer Segregated Accounts. Similarly, the Firm must hold funds deposited to margin cleared swaps and futures and options on futures contracts traded on foreign boards of trade in a Cleared Swaps Customer Account or a 30.7 Account, respectively. In computing its Customer Funds requirements under relevant Commission rules, AAC-USA may only consider those Customer Funds actually held in the applicable Customer Accounts and may not apply free funds in an account under identical ownership but of a different classification or account type (e.g., securities, Customer Segregated, 30.7) to an account's margin deficiency. In order to be used for margin purposes, the funds must actually transfer to the identically-owned undermargined account.

For additional information on the protection of customer funds please see the Futures Industry Association's "Protection of Customer Funds Frequently Asked Questions" located at <https://www.fia.org/articles/protection-customer-funds-frequently-asked-questions>.

Filing a Complaint Against AAC-USA

A customer that wishes to file a complaint about AAC-USA or one of its employees with the Commission can contact the Division of Enforcement either electronically at <https://forms.cftc.gov/Forms/Complaint/Screen1> or by calling the Division of Enforcement toll-free at 866-FON-CFTC (866-366-2382).

A customer that wishes to file a complaint about the Firm or one of its employees with the Chicago Board of Trade as the Firm's DSRO may do so electronically at: <http://www.cmegroup.com/market-regulation/file-complaint.html> or by calling the CBOT at 312-341-3286.

A customer that wishes to file a complaint about AAC-USA or one of its employees with the National Futures Association may do so electronically at <http://www.nfa.futures.org/basicnet/Complaint.aspx> or by calling NFA directly at 800-621-3570.

Relevant Financial Data

In addition to its audited financial statements as discussed in Section 6, the following financial data of the Firm is current as of June 30, 2024 (the most recent month-end when this Disclosure Document was prepared).

- i) AAC-USA's total equity, regulatory capital, and net worth, all computed in accordance with U.S. Generally Accepted Accounting Principles and Rule 1.17, as applicable;⁹

Firm's Equity	\$658,342,480
Regulatory Capital (Firm Equity + Subordinated Debt)	\$1,033,342,480
Net Worth (Firm Equity excluding JBO Deposit)	\$658,162,480

- ii) the dollar value of AAC-USA's proprietary margin requirements¹⁰ as a percentage of the aggregate margin requirement for futures customers, cleared swaps customers, and 30.7 customers;

January	February	March	April	May	June
≤1%	≤1%	≤1%	≤1%	≤1%	≤1%

AAC-USA has affiliates which may engage in trading futures and derivatives for risk management purposes, such as ABN AMRO Bank N.V., however, AAC-USA does not carry those accounts directly. In some cases, some of the affiliates maintain their accounts with another affiliate which in turn has an omnibus account with AAC-USA. However, the proprietary margin requirement on AAC-USA's books remains very small as a percentage of customer margin held by AAC-USA.

- iii) the number of futures customers, cleared swaps customers, and 30.7 customers that comprise 50 percent of the FCM's total funds held for futures customers, cleared swaps customers, and 30.7 customers, respectively;

	Customer Segregated (4d)		Customer Secured (30.7)	
	Requirement	# of Clients consisting of 50% of Requirement	Requirement	# of Clients consisting of 50% of Requirement
June	\$3,686,767,300	5	\$222,010,514	3

Please note that as of June 30, 2024, 1 of the 5 customers comprising the top 50% of the Customer Segregated (4d) requirement was AAC-USA's affiliates' omnibus accounts for their customers. Also note that the Firm does not clear any swaps.

⁹ JBO stands for Joint Back Office and is a margin treatment for broker-dealers pursuant to Section 220.7 of Regulation T. Under this regulation, the Firm establishes a joint back office arrangement where the broker-dealer invests in its clearing firm and is afforded special margin treatment. JBO broker-dealers must maintain liquidating equity of \$1,000,000.

¹⁰ As noted previously, AAC-USA does not engage in proprietary trading, although some of its affiliates may do so.



- iv) the aggregate notional value, by asset class, of all non-hedged, principal over-the counter transactions into which AAC-USA has entered;

AAC-USA does not participate in any proprietary trading and hold any non-hedge or principal over-the counter transactions.

In the normal course of business, the Firm accepts and clears futures contracts and options on futures contracts for the accounts of its customers, primarily exchange members and institutional firms. As such, AAC-USA guarantees to the respective clearing houses or other brokers, its customers' performance under these contracts. To reduce its risk, AAC-USA requires its customers to meet, at minimum, the margin requirement established by each of the exchanges at which contracts are traded. Margin requirements for exchange members may be significantly less than those required from other customers. Margin is a good faith deposit from the customer that reduces risk to the Firm of failure on behalf of the customer to fulfill any obligation under these contracts. To minimize its exposure to risk of loss due to market variation, the Firm adjusts these margin requirements as needed.

Customers may also be required to deposit additional funds, securities, or other collateral. As a result of market variation, AAC-USA may satisfy margin requirements by liquidating certain customer positions. Management believes that the margin deposits and collateral held is adequate to minimize the risk of material loss that could be created by positions held.

AAC-USA is engaged in various clearing activities, whose counterparties include clearing organizations, brokers and dealers, futures commission merchants, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Firm may be exposed to risk. The risk of default depends on credit worthiness of the counterparty or issuer of the financial instrument. It is the Firm's policy to review, as necessary, the credit standing of each counterparty with which it conducts business as discussed above.

- v) the amount, generic source and purpose of any committed unsecured lines of credit (or similar short-term funding) the FCM has obtained but not yet drawn upon;

AAC-USA has four separate funding lines which consist of unsecured and secured financing. AAC-USA has a USD \$5 billion uncommitted line with its parent ABN AMRO Clearing Bank and USD \$675 million committed line with a related ABN AMRO entity. AAC-USA also has two additional uncommitted, secured funding lines with third party banks in the amount of USD \$325 million. All funding lines are used to support the customer clearing business as AAC-USA has no proprietary trading. All funding lines are available for use at the Firm for any purpose, including the broker-dealer aspect of AAC-USA's business as well as the FCM.

Total funding availability is \$6,075,000,000 with AAC-USA's four banking relationships. As of June 30, 2024, 65% was utilized, leaving \$2,125,000,000 or 35% left open on the line of credit.

- vi) the aggregated amount of financing AAC-USA provides for customer transactions involving illiquid financial products for which it is difficult to obtain timely and accurate prices;

AAC-USA provides clearing services for exchange listed products only and is a direct member of all major US Futures Exchanges. Acting as an FCM, the Firm provides no direct financing for futures products although its affiliates may provide margin financing for such listed futures products to the Firm's customers. The average amount of financing provided by AAC-USA's parent bank or affiliates to AAC-USA's customers is approximately USD \$350 million on a daily basis. The Firm does provide additional financing beyond Regulation T to certain securities

customers through portfolio margining and risk-based haircuts as provided by applicable securities laws and regulations, however, such financing is only for the customers' listed equities and options trading.

- vii) the percentage of futures customer, cleared swaps customer, and 30.7 customer receivable balances that AAC-USA had to write-off as uncollectable during the past 12-month period, as compared to the current balance of funds held for futures customers, cleared swaps customers, and 30.7 customers.

AAC-USA did not have any material write-offs concerning its futures customers, cleared swap customers, and 30.7 customer receivables during the past 12-month period.

Additional financial information on all FCMs is also available on the Commission's website at: <http://www.cftc.gov/MarketReports/financialfcmdata/index.htm>.

Customers should be aware that the NFA publishes on its website certain financial information with respect to each FCM. The FCM Capital Report provides each FCM's most recent month-end adjusted net capital, required net capital, and excess net capital. (Information for a twelve-month period is available.) In addition, NFA publishes twice-monthly a Customer Segregated Funds report, which shows for each FCM: (i) total funds held in Customer Segregated Accounts; (ii) total funds required to be held in Customer Segregated Accounts; and (iii) excess segregated funds, *i.e.*, the FCM's Residual Interest. This report also shows the percentage of Customer Segregated Funds that are held in cash and each of the permitted investments under Commission Rule 1.25. Finally, the report indicates whether the FCM held any Customer Segregated Funds during that month at a depository that is an affiliate of the FCM.

The report shows the most recent semi-monthly information, but the public will also have the ability to see information for the most recent twelve-month period. A 30.7 Customer Funds report and a Customer Cleared Swaps Collateral report provides the same information with respect to the 30.7 Account and the Cleared Swaps Customer Account.

The above financial information reports can be found by conducting a search for a specific FCM in NFA's BASIC system (<http://www.nfa.futures.org/basicnet/>) and then clicking on "View Financial Information" on the FCM's BASIC Details page.

Risk Practices, Controls, and Procedures

AAC-USA maintains both local and global risk policies. In order to identify, control and manage its risk, in 2012 AAC-USA implemented the ABN AMRO Three Lines of Defense model and in 2014 further strengthened this risk environment by incorporating the Three Lines of Defense into its newly implemented Risk Management Program (RMP) in accordance with CFTC Regulation 1.11.

In the Three Lines of Defense model, the first line owns the risk and is responsible for identifying the risk, defining and applying controls, measuring the controls effectiveness, producing detailed procedures for all processes, and reporting and implementing necessary improvements.

The second line is responsible for oversight, monitoring and reporting on first line risks, controls and procedures and their effectiveness, being proactive with the first line in implementing changes and periodic reporting to management of the results.

The third line is represented by Group Audit who is responsible for giving an independent opinion on the design and operation of the internal control framework, assessing the control effectiveness of risk management efforts in the first and second lines and the interaction between them and provides feedback to the Management Team for improvement. In fact, in 2019, AAC-USA will increase the independence of this audit opinion further by using an external third party auditor on top of the annual ABN AMRO group Audits.

As part of the RMP, AAC-USA has established a Risk Management Unit (RMU) that reports directly to AAC-USA's Management Team. It should be noted that in some cases members of the RMU are also members of the Management Team. AAC-USA's Management Team is comprised of the heads of each department. The Risk and Finance Department heads that handle customer funds for risk management and control purposes report to the CEO, not to the business unit of the Firm.

AAC-USA's RMP considers the following:

- Risks posed by the AAC-USA's affiliates, business lines and trading activities;
- Ten specific risk categories and a description of risk tolerance limits ("RTL") for each risk, including segregation risk, capital risk, operational risk, market risk, credit risk, liquidity risk, foreign currency risk, legal risk, settlement risk and technological risk;
- Other risks identified by AAC-USA;
- Process to detect breaches of RTL, the RMP and procedures to escalate breaches to supervisors within the RMU and AAC-USA's Management Team;
- Creation, distribution and retention of the Risk Exposure Report to AAC-USA's senior Management Team and governing body;
- Supervision of the RMP;
- Review and Testing of the RMP; and
- Recordkeeping requirements.

RTLs are reviewed and approved quarterly by AAC-USA's senior Management Team and annually by AAC-USA's governing body. RTLs will be re-evaluated and Risk Exposure Reports will be provided to senior management and the governing body upon detection of a material change in the risk exposure of AAC-USA.

Periodic review and testing of the RMP occurs annually by qualified internal audit staff that are independent of the business unit, or by a qualified third party audit service reporting to staff that are independent of the business unit. The results of the

review and testing are promptly reviewed by the AAC-USA's Compliance Officer, Management Team and the Board of Managers.

The RMP and any material changes thereto are approved by both AAC-USA's Senior Management and governing body.

A paper copy of this document is available upon request to your account representative.

This Disclosure Document was first used on August 2, 2024.