



**March 23, 2015**

## **CFTC Orders Marubeni America Corporation to Pay \$800,000 for Inaccurately Reporting Positions in Multiple Grains**

**Washington, DC** – The U.S. Commodity Futures Trading Commission (CFTC) today issued an Order filing and simultaneously settling charges against **Marubeni America Corporation** (Marubeni), a dealer and merchant of agricultural commodities and the largest overseas subsidiary of Japan-based Marubeni Corporation, for failing to comply with its legal obligation to submit accurate monthly CFTC Form 204 Reports, regarding the composition of Marubeni's fixed price cash grain purchases and sales, in violation of the reporting requirements in CFTC Regulation 19.01.

As the CFTC Order states, under CFTC Regulations all persons holding or controlling reportable futures and options positions in certain agricultural commodities (including wheat, corn, oats, soybeans, soybean oil, and soybean meal) and any part of which constitute bona fide hedging positions as defined in CFTC Regulation 1.3(z), are required to file CFTC Form 204 reports showing the composition of their fixed price cash position in each such commodity hedged. According to the Order, a purpose of the Form 204 report is to check compliance with speculative position limits by ensuring that filers that classify their futures positions as hedging actually own or control offsetting cash positions.

The Order finds that during the period from July 2010 through August 2013, Marubeni held reportable positions in Form 204 commodities and was required to file Form 204 reports showing the quantities of the fixed price purchase and sale open cash positions of such commodities it hedged. The Order further finds that during the relevant period Marubeni filed 38 Form 204 reports with the CFTC that did not accurately state the quantities of Marubeni's fixed price cash positions of each such commodity it hedged. Specifically, the Order finds that Marubeni included in its Form 204 reports both basis and fixed priced cash positions. As noted in the CFTC Order, Marubeni thereafter submitted corrected Form 204 reports.

The CFTC Order requires Marubeni to pay an \$800,000 civil monetary penalty and to cease and desist from committing further violations of CFTC Regulation 19.01.

Consistent with this filing, the CFTC's Division of Market Oversight has issued an advisory regarding the obligation of market participants to submit accurate Form 204 reports (see CFTC Staff Advisory No. 13-42, *Obligation of Reportable Market Participants to File CFTC Form 204 Reports*, which is linked in CFTC Press Release [6639-13](#), July 8, 2013).

The Division of Market Oversight staff members responsible for this matter are Matthew Hunter, Harry Hild, Eugene Kunda, and David Amato. The Division of Enforcement staff members responsible for this action are Jordon Grimm, Linda Y. Peng, Trevor Kokal, David W. MacGregor, Lenel Hickson, Jr., and Manal M. Sultan.

### **Media Contact**

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