

## **CFTC Reg. 22.16 Required Disclosures to Cleared Swap Customers**

Mizuho Securities USA LLC (“MSUSA”) currently clears swap transactions for its clients as a clearing member of the CME Group. The CME Group is registered with the CFTC as a Derivatives Clearing Organization (“DCO”). In the unlikely event of MSUSA’s insolvency, customer rights would be determined pursuant to the commodity broker liquidation provisions of the US Bankruptcy Code and the CFTC’s Part 190 Rules regarding the return to clients of assets in segregated, secured/30.7, and customer cleared swap accounts. However, if the DCO or the insolvency proceeding is outside the US, local insolvency law could affect a customer’s ability to recover funds and securities or the speed of any such recovery. DCO’s have rules that govern the use of cleared swaps customer collateral, and/or the transfer, neutralization of risks, and liquidation of cleared swaps in the event of a default relating to a cleared swap customer account. Rulebooks are posted at their respective websites.