



**CHICAGO BOARD OF TRADE
NOTICE OF DISCIPLINARY ACTION**

FILE NO.: CBOT 24-1744-BC
MEMBER: The Toronto-Dominion Bank
CBOT RULE VIOLATIONS: Rule 538.C. Related Position

The related position component of an EFRP must be the cash commodity underlying the Exchange contract or a by-product, a related product or an OTC derivative instrument of such commodity that has a reasonable degree of price correlation to the commodity underlying the Exchange contract. The related position component of an EFRP may not be a futures contract or an option on a futures contract.

Each EFRP requires a bona fide transfer of ownership of the underlying asset between the parties or a bona fide, legally binding contract between the parties consistent with relevant market conventions for the particular related position transaction. The execution of an EFRP transaction may not be contingent upon the execution of another EFRP or related position transaction between the parties where the transactions result in the offset of the related position without the incurrence of market risk that is material in the context of the related position transactions.

The facilitation of the execution of an EFRP by any party that knows such EFRP is non bona fide shall constitute a violation of this Rule.

Rule 534 Wash Trades Prohibited

No person shall place or accept buy and sell orders in the same product and expiration month, and, for a put or call option, the same strike price, where the person knows or reasonably should know that the purpose of the orders is to avoid taking a bona fide market position exposed to market risk (transactions commonly known or referred to as wash trades or wash sales). Buy and sell orders for different accounts with common beneficial ownership that are entered with the intent to negate market risk or price competition shall also be deemed to violate the prohibition on wash trades. Additionally, no person shall knowingly execute or accommodate the execution of such orders by direct or indirect means.

FINDINGS:

Pursuant to an offer of settlement in which The Toronto-Dominion Bank (“TD Bank”) neither admitted nor denied the rule violations or factual findings upon which the penalty is based, on September 10, 2025, a Panel of the Chicago Board of Trade (“CBOT”) Business Conduct Committee (“Panel”) found that on June 20, 2023, TD Bank executed an Exchange for Physical (“EFP”) transaction in the September 2023 Short-Term Treasury Note futures (2-Year) market that consisted of the simultaneous exchange of futures positions without the exchange of related cash positions, resulting in the execution of a non-bona fide EFP, as there was no bona fide transfer of ownership of the underlying asset. The Panel further found that TD Bank executed the transaction in order to transfer the futures position between accounts with common beneficial ownership, and knew or reasonably should have known that the purpose of the orders was to avoid taking a bona fide market position exposed to market risk.

The Panel concluded that TD Bank thereby violated CBOT Rules 538.C. and 534.

PENALTY:

In accordance with the settlement offer, the Panel ordered TD Bank to pay a \$25,000 fine.

**EFFECTIVE
DATE:**

September 12, 2025