Gemini Space Station, Inc.
On behalf of Gemini Titan, LLC, Gemini Olympus, LLC, and Gemini Galactic Markets, LLC
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October 5, 2026

VIA ELECTRONIC SUBMISSION

Christopher Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre, 1155 21st Street, NW
Washington, DC 20581

Re: Conflicts and Affiliations—RIN 3038–AF76

Dear Secretary Kirkpatrick:

Gemini Space Station, Inc. and its affiliates (collectively, "Gemini") respectfully submit this letter in response to the Notice of Proposed Rulemaking issued by the Commodity Futures Trading Commission ("CFTC" or the "Commission") on August 6, 2026, regarding conflicts of interest and affiliations among self-regulatory organizations, designated contract markets ("DCMs"), swap execution facilities ("SEFs"), derivatives clearing organizations ("DCOs"), and futures commission merchants ("FCMs") (the "Proposal").

I. Statement of Interest

Gemini has a direct and immediate interest in the Proposal because it governs the corporate structure under which Gemini's affiliated CFTC registrants already operate:

- Gemini Titan, LLC ("Titan") is registered with the CFTC as a DCM and lists event contracts for trading. Titan's markets are supported by an affiliated market maker (the "Affiliate Market Maker") that is under common control with Titan and trades on Titan's markets as a self-clearing member.
- Gemini Olympus, LLC ("Olympus") is registered with the CFTC as a DCO and clears and settles the contracts Titan lists. Olympus plans to expand its risk management framework to support margined products.

- Gemini Galactic Markets, LLC ("Galactic") is a FINRA-registered broker-dealer and has applied to the National Futures Association to register as an FCM with the CFTC. Once registered, Galactic will be an affiliate FCM of Titan and Olympus within the meaning of the Proposal.

Because Gemini's corporate family already includes a DCM with an affiliated market maker, and will soon include an affiliated FCM alongside its DCM and DCO, the Proposal touches nearly every operative provision Gemini and its affiliates will need to comply with on an ongoing basis—not as a matter of abstract market structure, but as a description of Gemini's day-to-day operations. Gemini's comments below draw on that operating experience and are offered in the order of their practical significance to Gemini's business.

II. Gemini's Recommendations

A. Affiliate Market Maker Exception—Proposed Commission Regulation 38.852(b) and (c)

The liquidity of Titan's markets is generally supported by the Affiliate Market Maker. Many of these markets consist of contracts that are short-dated and, by their nature, are difficult for market makers to support; unaffiliated liquidity providers move in and out of these markets frequently as contracts list and expire. This is precisely the dynamic the Commission describes in the Proposal's discussion of why a conditioned affiliate market maker exception, rather than a flat prohibition, is warranted, and Gemini agrees with the Commission's preliminary judgment on that threshold question.

Gemini supports the Commission's decision to permit a conditioned affiliate market maker exception rather than a categorical prohibition on affiliate principal trading (the approach considered and rejected in Alternative 2). A flat prohibition would eliminate the liquidity that makes many of Titan's newly listed, short-dated event contracts viable in the first place, to the detriment of the very non-affiliated market participants the Proposal seeks to protect.

Gemini requests that the Commission calibrate three aspects of the conditioned exception to reflect the realities of a market structure like Titan's:

1. **Order-priority subordination and the sole-liquidity-provider case (Question 46)**. Proposed Commission Regulation 38.852(c)(1)(i) has no operative effect when the affiliate market maker is the only party quoting a given contract—there are no unaffiliated orders to which its bids and offers must be subordinated. The Commission has asked whether the remaining conditions adequately protect customers in that circumstance. Based on Gemini's experience operating Titan's markets, the remaining conditions—the market-making agreement's continuous quoting, spread, and hours requirements; independent verification by a Regulatory Service Provider ("RSP"); and disclosure—do meaningfully constrain an affiliate market maker's conduct even where subordination has no immediate bite, because they bind the affiliate to a defined,

fair-and-orderly-market obligation regardless of whether a competing order is present. Gemini urges the Commission not to treat the absence of a competing order as a gap requiring an additional volume- or value-based cap (Alternative 3). In markets characterized by frequent turnover of short-dated contracts and unaffiliated liquidity providers that can come and go unpredictably, a cap calibrated to any fixed point in time would be a poor proxy for the affiliate's actual market function and would risk removing liquidity precisely when the markets of Titan—and other similarly situated DCMs—can least afford to lose it.

2. **Disclosure delivery mechanics (Question 52, Question 53)**. Proposed Commission Regulation 38.852(c)(3) would require an interruptive, affirmatively acknowledged, full-text disclosure delivered before every trading session, by the DCM and by every intermediary and interface operator that provides access to the DCM. For a market with as much day-to-day turnover in listed contracts and participants as Titan's, building and maintaining that infrastructure across every access path—including eventual third-party order-entry interfaces Titan would not directly control—is a substantial and recurring operational undertaking. Gemini supports a one-time disclosure at account opening or first trade (Alternative 5), provided it is paired with prominent, persistent rulebook and website disclosure of the affiliate relationship and its terms. In the alternative, Gemini would support the split-delivery alternative described in the Proposal (Alternative 4), under which the DCM delivers the notice directly for direct-access orders while the delivery obligation for intermediated orders sits with the FCM or interface operator, coordinated with the customer-disclosure obligations proposed in Section V.

3. **Independent RSP capacity for market maker certification (Question 51).** Proposed Commission Regulation 38.852(c)(2) would require an independent third-party RSP to conduct financial surveillance of the affiliate market maker, monitor conflicts-of-interest compliance, and certify annually to the Commission and the DCM's board or ROC. Unlike the affiliate-FCM RSP function addressed elsewhere in the Proposal, this is a new function without an established provider base or track record, much less evidence regarding the availability, capacity, qualifications, or expected cost of retaining such a provider. Separately, proposed Regulation 38.852(c)(2) is in tension with the status of each DCM as a self-regulatory organization ("SRO") entrusted with responsibility for supervising its own markets and enforcing compliance with Commission regulations. The Commission should not impose an additional or duplicative layer of oversight, and its attendant costs, absent a demonstrated regulatory need that cannot be addressed through the DCM's existing self-regulatory framework. Gemini requests that the Commission clarify, or solicit further comment on, which entities are equipped to perform this role for a market maker (as distinct from an FCM). Otherwise the Commission should consider alternatives to this requirement.

B. General Conflicts of Interest Procedures for Affiliate Market Participants—Proposed Commission Regulations 38.852(a)–(b)(1) and 37.1201

Gemini supports the Commission's principles-based approach to the general conflicts-of-interest procedures requirement for affiliate market participants, rather than the prescriptive rule-text separation requirements considered in Alternative 1 or the prohibition considered in Alternative 2. A principles-based requirement, backed by Appendix B guidance, allows a corporate family structured like Gemini's—with a DCM, a DCO, and (prospectively) an affiliate FCM operating under one another's roofs, so to speak—to design conflicts procedures suited to its actual structure rather than a one-size-fits-all separation mandate.

On the specific question the Commission has posed regarding legal and compliance staff (Question 34): Gemini currently shares certain compliance functions across Titan, Olympus, and Galactic as part of an integrated shared-services model. Galactic is not yet FCM-registered, but Gemini anticipates continuing to share a subset of its compliance infrastructure across all three entities once it is. Gemini recognizes that some functional separation is appropriate once Galactic operates as an affiliate FCM—and Gemini's build-out already anticipates that—but urges the Commission not to adopt a categorical rule barring any sharing of legal and compliance personnel among affiliates. Instead, Gemini recommends that the Commission treat legal and compliance staffing arrangements the same way it treats the other elements of the conflicts-of-interest procedures requirement: as a matter for the DCM or SEF to document and manage through its own procedures, subject to Commission examination, rather than a categorical prohibition layered on top of the principles-based framework. A shared-services model, properly documented and subject to conflicts procedures and appropriate reporting lines, can deliver the benefits of scale and consistency across an affiliated group without compromising the independence the Commission is rightly concerned with preserving.

C. SRO/DSRO Oversight of Affiliate FCMs—Proposed Commission Regulation 1.52

Gemini supports the Commission's proposed codification of the mandatory independent third-party SRO/DSRO designation, the insulated reporting-line requirement, and the restrictions on access to and sharing of non-public information. These provisions will govern Titan's and Olympus's relationship with Galactic once Galactic's FCM registration is complete, and Gemini agrees that codifying the practice that DCMs with affiliate FCMs already follow voluntarily provides welcome certainty.

Gemini opposes Alternative 2, which would require an independent third-party DSRO for all of an SRO's member FCMs rather than only its affiliate. As the Commission recognized, this alternative risks creating blind spots in the risk-management information a DCM that also operates as an SRO relies upon, without a correspondingly clear benefit once the targeted safeguards proposed here are in place.

On the proposed three-examination-cycle (approximately four-and-one-half year) minimum duration for an FCM's election of a registered futures association as its DSRO: Gemini raises this as a moderate point for clarification rather than a request to shorten the period. Gemini requests that the Commission clarify how the minimum-duration clock is intended to apply to a newly registered affiliate FCM, such as Galactic will be, that has not yet accumulated an examination history under any DSRO at the time the rule takes effect.

D. DCM Financial Surveillance and Regulatory Service Providers—Proposed Commission Regulations 38.604 and 38.606

Gemini supports the Commission's proposed clarification of Commission Regulation 38.604 to replace "continuously monitor" with "throughout the day," consistent with the Commission's stated intent that intra-day financial surveillance be risk-based rather than literal real-time monitoring.

Gemini also supports the Commission's decision to leave a DCM with an affiliate FCM the choice between engaging an independent third-party RSP for Commission Regulation 38.604 purposes or conducting that surveillance in-house subject to documented conflicts-of-interest procedures, rather than mandating third-party RSP engagement (Alternative 1) or codifying additional separation requirements directly in rule text (Alternative 2). This flexibility will allow Titan and Olympus to determine, as Galactic's FCM registration proceeds, the most efficient and appropriately safeguarded means of conducting this surveillance without a one-size-fits-all mandate.

E. DCO-Affiliate Clearing Member—Proposed Commission Regulations 39.2, 39.21, and 39.25

Gemini supports the Commission's proposed principles-based conflicts-of-interest procedures requirement for DCOs with an affiliate clearing member, together with the accompanying public-disclosure requirement in Commission Regulation 39.21(c)(9). This approach appropriately preserves the discretion Olympus needs to manage risk and default scenarios in real time, while giving market participants the information they need to evaluate Olympus's conflicts-management framework.

Gemini opposes the more prescriptive structural and capital-based alternatives the Commission considered and declined to propose—supplemental financial resources, a segmented skin-in-the-game tranche, subordination of an affiliate clearing member's guaranty-fund contribution, heightened capital or residual-interest multiples for an affiliate FCM, and volume caps. As the Commission correctly recognized, these measures would not reliably track the actual risk an affiliation presents, and would constrain exactly the kind of default-management discretion a DCO needs most when it needs it most.

F. Public Disclosures by FCMs—Proposed Commission Regulation 1.55(k)(5)

Gemini supports the Commission's proposed amendment to Commission Regulation 1.55(k)(5) requiring FCM disclosure of affiliate relationships with a SEF, DCM, or DCO, and the Commission's decision to leave the content and format of that disclosure to each FCM's judgment rather than prescribing specific disclosure language. This approach is consistent with the disclosure-based safeguards Gemini has supported throughout this letter and will allow Galactic to tailor its disclosure to its specific affiliate relationships with Titan and Olympus once its FCM registration is complete.

III. Conclusion

Gemini appreciates the Commission's effort to establish a consistent regulatory baseline for conflicts of interest arising from affiliations among SEFs, DCMs, DCOs, and FCMs, and respectfully requests that the Commission: (1) retain the conditioned affiliate market maker exception in proposed Commission Regulation 38.852(c), calibrated as described above to markets in which the affiliate is a primary or sole liquidity provider, and decline to superimpose a volume- or value-based cap on the order-priority subordination condition; (2) adopt a workable delivery mechanism for the point-of-transaction disclosure required by proposed Commission Regulation 38.852(c)(3), along the lines of the account-opening or split-delivery alternatives described above; (3) retain a principles-based approach to legal and compliance staff sharing among affiliates under proposed Commission Regulations 38.852 and 37.1201, consistent with Gemini's shared-services model; (4) adopt the proposed amendments to Commission Regulation 1.52 while declining to adopt Alternative 2, and clarify the application of the minimum-duration election requirement to newly registered affiliate FCMs; and (5) retain the principles-based, disclosure-oriented approach to DCM financial surveillance, DCO-affiliate clearing member conflicts, and FCM public disclosure reflected in proposed Commission Regulations 38.604, 38.606, 39.21, 39.25, and 1.55, declining to adopt the more prescriptive structural and capital-based alternatives considered and described above.

Gemini thanks the Commission for the opportunity to comment and would be pleased to provide additional information as may be helpful.

Respectfully submitted,

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