

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 99657 / March 1, 2024

In the Matter of an Application Filed Pursuant  
to Rule 194 of the Commission's Rules of  
Practice on behalf of

J.P. MORGAN SECURITIES LLC  
AND JPMORGAN CHASE BANK,  
N.A.

For an Order Permitting Caspar Jonathan William  
Agnew to Effect or Be Involved in Effecting  
Security-Based Swaps on behalf of the Above-  
Mentioned Firms.

ORDER PERMITTING AN  
ASSOCIATED PERSON TO  
EFFECT OR BE INVOLVED IN  
EFFECTING SECURITY-  
BASED SWAPS ON BEHALF  
OF CERTAIN ENTITIES

I. Introduction

On February 2, 2024, J.P. Morgan Securities LLC (“JPMS LLC”) and JPMorgan Chase Bank, N.A. (“JPMCB”) (collectively, the “JPM Entities” or “the firms”) submitted an application along with supplementary materials (collectively, the “Application”) to the Securities and Exchange Commission (“Commission”), pursuant to Rule 194 of the Commission’s Rule of Practice (“Rule 194”).<sup>1</sup> The Application requests an order from the Commission granting permission for Caspar Jonathan William Agnew to effect or be involved in effecting security-based swaps on behalf of the JPM Entities, both of which are registered security-based swap dealers, notwithstanding Mr. Agnew’s statutory disqualification.<sup>2</sup> For the reasons set forth below, this order grants the Application submitted by the JPM Entities on behalf of Mr. Agnew.

<sup>1</sup> See 17 CFR 201.194. In general, Rule 194 provides a process for a registered security-based swap dealer or major security-based swap participant (collectively known as “SBS Entities”), to submit an application to the Commission requesting that a statutorily disqualified associated person be permitted to effect or be involved in effecting security-based swaps on behalf of the SBS Entity notwithstanding the prohibition under Section 15F(b)(6) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-10(b)(6)). Both the application and supporting materials are nonpublic, subject to the Freedom of Information Act.

<sup>2</sup> On February 20, 2024, the JPM Entities submitted an updated 2023 version of Mr. Agnew’s Swap Dealer and Security-Based Swap Dealer Associated Person Annual Disqualification Attestation as a new Exhibit C.

## II. Background

The JPM Entities state in the Application that Mr. Agnew is subject to a statutory disqualification pursuant to Section 3(a)(39)(F) of the Securities Exchange Act of 1934 (“Exchange Act”), which incorporates by reference Section 15(b)(4)(G) of the Exchange Act, due to the findings in a Final Notice from the United Kingdom (“UK”) Financial Services Authority (“FSA”) dated October 3, 2011 (“the Final Notice”).<sup>3</sup> The JPM Entities state that, at the time of his violation, Mr. Agnew was approved to perform a controlled customer function, on behalf of an investment bank, JP Morgan Cazenove Limited (“the Bank”).<sup>4</sup> In this controlled customer function role, Mr. Agnew was permitted to execute orders on behalf of customers in relation to the sale and purchase of investments, but was required to report any suspicious transactions to the compliance department of the Bank in order to facilitate its filing of Suspicious Transaction Reports with the FSA.<sup>5</sup> In the Final Notice, the FSA found that, on June 15, 2009 and immediately thereafter, Mr. Agnew breached Statement of Principle 2 of the FSA’s Statements of Principle and Code of Practices for Approved Persons in that he failed to act with due skill, care, and diligence.<sup>6</sup> Specifically, the FSA found that Mr. Agnew failed to recognize the reasonable grounds to suspect that certain transactions constituted insider dealing or market abuse and, as a result, failed to alert the compliance department of the Bank of the possibility that the transactions were suspicious.<sup>7</sup> In the Final Notice, the FSA imposed a £65,000 financial penalty on Mr. Agnew.<sup>8</sup>

The JPM Entities further state in the Application that Mr. Agnew has complied with all of the terms of the FSA’s Final Notice, including prompt payment of the assessed financial penalty.<sup>9</sup> Relatedly, the firms note the FSA’s statement in its Final Notice that Mr. Agnew’s integrity was not questioned in any way in connection with that matter.<sup>10</sup> The firms also state that, following the FSA’s Final Notice, Mr. Agnew was subject to additional training, and that he has subsequently been required to attend various online and in-person compliance and business trainings, including those that cover suspicious activity identification and reporting.<sup>11</sup> In addition, the JPM Entities state that Mr. Agnew has not been involved in any litigation during the five years preceding the filing of the Application that concerns investment or investment-related activities, and there are no unsatisfied judgments outstanding against Mr.

---

<sup>3</sup> FSA, Final Notice: Caspar Agnew (October 3, 2011) *available at* <https://www.fca.org.uk/publication/final-notices/caspar-agnew.pdf>. In both the latest and prior versions of his disqualification attestation, Mr. Agnew has stated that there are no other incidents that would give rise to his statutory disqualification, beyond this one that the firms have detailed within the Application. *See supra* note 2, Exhibit C at 2.

<sup>4</sup> *See* Application at 3.

<sup>5</sup> *See id.*

<sup>6</sup> *See* Final Notice at 2.

<sup>7</sup> *See id.*

<sup>8</sup> *See id.* at 11.

<sup>9</sup> *See* Application at 6.

<sup>10</sup> *See* Final Notice at 10 (stating that “Mr. Agnew’s integrity is not questioned in any way; although he made a misjudgement, he did so entirely honestly”).

<sup>11</sup> *See* Application at 8.

Agnew concerning investment or investment-related activities.<sup>12</sup> The firms further state that no other current associated persons of the firms connected to their security-based swap dealer business are subject to a statutory disqualification.<sup>13</sup>

The firms state that Mr. Agnew is currently employed by JP Morgan Securities plc (“JPMS plc”),<sup>14</sup> a UK-based affiliate of the JPM Entities authorized by the UK Prudential Regulatory Authority and regulated by the UK Financial Conduct Authority (“FCA”), as a Managing Director in the JPMS plc’s Equities business as a sales trader.<sup>15</sup> Further, the firms state that Mr. Agnew is a certified person under the UK FCA Senior Manager and Certification Regime, and that he was employed by the JPMCB, London branch from 2011-2012, before moving to JPMS plc in 2012, where he has thereafter been continuously employed.<sup>16</sup> The firms state that Mr. Agnew also has the authority to act on behalf of JPMCB, London branch in respect of certain transactions.<sup>17</sup> The firms also state that Mr. Agnew is subject to supervision and formal assessment of his fitness and propriety, and training and competence.<sup>18</sup> In particular, the firms explain that Mr. Agnew is supervised by a JPMS plc manager who has been employed by various entities of J.P. Morgan since June 2003, who is similarly certified under the UK FCA Senior Manager and Certification Regime, and who has a clean disciplinary record.<sup>19</sup> The firms state that Mr. Agnew’s supervisor is currently authorized to effect or be involved in effecting security-based swaps on behalf of JPMCB.<sup>20</sup> The firms also state that Mr. Agnew’s supervisor is aware of Mr. Agnew’s disciplinary history, and is responsible for completing his fitness and propriety assessment.<sup>21</sup>

The firms state that if the Application is approved, Mr. Agnew would have the authority from the firm to effect or be involved in effecting security-based swaps on behalf of JPMCB.<sup>22</sup> Further, the firms state that this Application also seeks permission for Mr. Agnew to associate with JPMS LLC in connection with security-based swaps activity, so that he would be permitted to effect or be involved in effecting security-based swaps on behalf of

---

<sup>12</sup> See *id.* at 9.

<sup>13</sup> See *id.* at 4.

<sup>14</sup> The JPM Entities state in the Application that while JPMS plc is not registered with the Commission as a security-based swap dealer, it may engage in security-based swap activity that is arranged, negotiated, or executed by personnel located in the United States (“ANE Activity”) under the ANE transaction counting exception from security-based swap dealer registration requirements. See *id.* at 6 n. 6. See also 17 CFR 240.3a71-3(d); JP Morgan Securities, ANE Exception Notice (August 5, 2021), available at <https://www.sec.gov/files/ane-jpmorgan-securities-08052021.pdf>.

<sup>15</sup> See Application at 6.

<sup>16</sup> See *id.*

<sup>17</sup> See *id.*

<sup>18</sup> See *id.* at 7.

<sup>19</sup> See *id.*

<sup>20</sup> See *id.*

<sup>21</sup> See *id.*

<sup>22</sup> See *id.* at 6.

JPMS LLC, should the firm grant Mr. Agnew such authority in the future.<sup>23</sup>

### III. Commission's Findings

As noted above, the JPM Entities are seeking a Commission order, pursuant to Rule 194, granting permission for Mr. Agnew to effect or be involved in effecting security-based swaps on behalf of the firms notwithstanding his statutory disqualification. The firms state in the Application that they believe the Commission should grant this Application on Mr. Agnew's behalf based on the following representations: (1) the nature of the action in question, and the FSA's statement in its Final Notice that Mr. Agnew's integrity is not questioned in any way; (2) the historical record of Mr. Agnew's commitment to compliance with relevant laws that he and the JPM Entities are subject to and of his record of honesty in his dealings on behalf of the JPM Entities; and (3) the fact that JPM Entities' security-based swap dealer compliance program includes safeguards to protect against the misconduct and errors of its associated persons, including those of the type found by the FSA in its Final Notice.<sup>24</sup> Further, the Application asserts that the Commission's granting of this Application would also be consistent with a prior action taken by the National Futures Association ("NFA") in 2015, pursuant to the Commodity Futures Trading Commission No-Action Letter No. 12-15.<sup>25</sup> There, in response to an application by the JPM Entities related to the same Final Notice, the NFA permitted Mr. Agnew to associate with JPMCB and JPMS plc in their capacity as registered swap dealers.<sup>26</sup>

In reliance upon the representations made by the JPM Entities in their Application, including those outlined above, the Commission has concluded that the JPM Entities have made a satisfactory showing that granting this Application is consistent with the public interest.

Accordingly, the Commission's grants Mr. Agnew permission to effect or be involved in effecting security-based swaps on behalf of the JPM Entities. If the representations made by the JPM Entities in their Application change, including but not limited to, any changes to Mr. Agnew's disciplinary history or his supervisor, or if Mr. Agnew seeks to associate with another registered security-based swap dealer, either a new application or a notice in lieu of application, depending on the facts and circumstances presented, must be filed with the Commission pursuant to Rule 194.<sup>27</sup>

---

<sup>23</sup> *See id.*

<sup>24</sup> *See id.* at 2.

<sup>25</sup> *See* Summary Letter from NFA (Dec. 2, 2015), attached as Exhibit B to the Application.

<sup>26</sup> *See id.*

<sup>27</sup> *See* 17 CFR 201.194(i)(5) (noting that under Rule 194 an associated person may be limited to association in a specified capacity with a particular registered entity and may also be subject to specific terms and conditions). *See also* 17 CFR 201.194(a) (noting that Rule 194 also governs changes related to the terms and conditions of such applications).

Accordingly, it is ORDERED that the Application submitted by the JPM Entities on behalf of Mr. Agnew be, and hereby is, granted.

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.<sup>28</sup>

**J. Matthew DeLesDernier,**

*Deputy Secretary.*

---

<sup>28</sup> See 17 CFR 200.30-3(a)(90).