

News & Events

[Press Releases](#)

[Public Statements & Remarks](#)

[Events](#)

Release Number 8946-24

CFTC Orders Brazilian and Swiss Sugar Companies to Pay \$750,000 for Wash Sales

August 19, 2024

Washington, D.C. — The Commodity Futures Trading Commission today issued an order simultaneously filing and settling charges against respondents **Raizen Energia SA**, a Brazilian energy company and sugar merchant, and **Raizen Trading SA**, a Swiss sugar merchant, for engaging in wash sales and non-competitive transactions. The order requires the respondents jointly and severally to pay a \$750,000 civil monetary penalty. The respondents admit the facts detailed in the order and are ordered to cease and desist from further violations of the Commodity Exchange Act and CFTC regulations, as charged.

Case Background

The order finds from March 2022 to September 2022, the respondents engaged in 44 wash sales and noncompetitive transactions by executing exchange for physical transactions (EFPs) involving sugar futures contracts traded on ICE Futures U.S. An EFP is a transaction involving a simultaneous exchange of a futures position for a corresponding cash position, i.e., one party buys the physical commodity and simultaneously sells or gives up a long futures contract, and the other party sells the physical commodity and simultaneously buys or receives a long futures contract.

The order concludes the respondents' EFPs were illegal wash sales and noncompetitive transactions because they were executed between accounts that were not independently controlled. According to the order, the respondents executed the wash EFPs in order to facilitate the intercompany transfer of physical sugar between Raizen entities and to offset futures positions the respondents took to hedge the price risk associated with their physical sugar contracts. In the aggregate, the respondents' wash EFPs accounted for more than 50,000 sugar contracts worth more than \$1 billion.

The order acknowledges the respondents' representations concerning their remediation in connection with this matter.

Parallel Exchange Action

In a parallel, separate action, on April 19, ICE Futures U.S. issued a Disciplinary Notice in which Raizen Energia agreed to pay a \$100,000 penalty to settle charges alleging Raizen Energia violated ICE's rules by executing prohibited EFPs, executing wash sales, and failing to diligently supervise Raizen's ICE-related activities. The CFTC thanks ICE Futures U.S. for its assistance.

The Division of Enforcement staff responsible for this matter are Brian Hunt, Danielle Karst, Kelly Beck, Erica Bodin, and Rick Glaser.

-CFTC-

RELATED LINKS

[Order: Raizen Energia SA](#)

[Statement of Commissioner Caroline D. Pham](#)

Resources

- [CFTC Regulations](#)
- [Commodity Exchange Act](#)
- [Privacy Policy](#)
- [Web Policy](#)
- [FOIA](#)
- [EEO Statement](#)
- [No Fear Act](#)
- [Accessibility Statement](#)
- [Procurement](#)
- [USA.gov](#)
- [Glossary](#)

Actions

- [Search Public Comments](#)
- [Submit Tips & Complaints](#)
- [Search Industry Filings](#)
- [Whistleblower.gov](#)
- [Office of Technology Innovation](#)
- [Inspector General](#)

Sitemap



CFTC Headquarters

Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581
202.418.5000

[Subscribe to CFTC Updates](#)