

**EXHIBIT L**

**SWAP EXECUTION FACILITY APPLICATION FOR REGISTRATION  
COMPLIANCE WITH CORE PRINCIPALS<sup>1</sup>**

SWAP EXECUTION FACILITY CORE PRINCIPAL	ELEMENTS OF SWAP EXECUTION FACILITY CORE PRINCIPAL	FTSEF APPLICATION	RELEVANT FTSEF APPLICATION MATERIALS
<p><b>Core Principal 1 – Compliance with core principles</b></p>	<p><b>(a) In general.</b> To be registered, and maintain registration, as a swap execution facility, the swap execution facility shall comply with—</p> <p>(1) All core principles described in Section 5h of the Act; and</p> <p>(2) Any requirement that the Commission may impose by rule or regulation pursuant to Section 8a(5) of the Act.</p> <p><b>(b) Reasonable Discretion of a Swap Execution Facility.</b> Unless otherwise determined by the Commission by rule or regulation, a swap execution facility described in paragraph (a) of this section shall have reasonable discretion in establishing the manner in which the swap execution facility complies with the core principles described in Section 5h of the Act.</p>	<p>See generally FTSEF LLC’s (the “<u>SEF</u>”) Swap Execution Facility Application for Registration February 11, 2015 and the Exhibits thereto (the “<u>Application</u>”).</p>	<p>All materials submitted with the Application.</p>
<p><b>Core Principal 2 - Compliance with rules</b></p>	<p>A swap execution facility shall:</p> <p>(A) establish and enforce compliance with any rule of the swap execution facility, including-(i) the terms and conditions of the swaps traded or processed on or through the swap execution facility; and (ii) any limitation on access to the swap execution facility;</p>	<p>The front cover of the Rulebook clearly sets forth, and Rule 311 repeats, that all Participants, Authorized Traders and market participants accessing, entering any Orders or submitting any Contracts into the Trading System, whether directly or through an intermediary, thereby agree: (1) to be bound by, and comply with, the SEF Rules and obligations; (2) to become subject to the jurisdiction of the SEF; and (4) to assist the SEF in complying with its legal and regulatory obligations (including through cooperation with the SEF and the Commission in any inquiry and investigation).</p>	<p><u>Rulebook</u> Generally 205 301 311 502 503 1001</p>

<sup>1</sup> References herein to a “Rule” refer to the applicable rule in the rulebook submitted as Exhibit M (the “Rulebook”). Terms used but not defined herein have the meanings assigned to them in the Rulebook.

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		<p>The SEF Rulebook establishes compliance with the rules of the SEF, including, but not limited to: (1) the terms and conditions of any swaps traded or processed on or through the SEF; (2) access rules for the SEF; (3) trade practice rules; (4) audit trail requirements; (5) disciplinary rules; and (6) mandatory trading requirements.</p> <p>The authority of the SEF Compliance Department to investigate matters within its jurisdiction and the obligations of each Participant and Authorized Person to cooperate with such investigations are set forth in Rules 1001(b) and 1001(c). Chapter 5 sets forth Obligations of Participants and Authorized Traders, which include certain disclosure Obligations to the SEF pursuant to Rule 502. Under Rule 503, the SEF may: (1) inspect a Participant’s systems, equipment and software; (2) access a Participant’s systems, equipment, software, or premises; and (3) copy or reproduce certain Participant data. Additionally, under Rule 205(e), the Chief Compliance Officer may inspect the books and records of any Participant or require any Participant to appear before him or her and produce its books and records and answer questions regarding alleged violations of the SEF Rules.</p> <p>As stated in Rule 301, to be eligible for admission as a Participant of the SEF, the applicant must demonstrate to the SEF that it is an Eligible Contract Participant and that, if the applicant is an Account Manager or is otherwise carrying an account for a Customer or entering an Order in the name of or on behalf of a Client, that such Customer or Client is an Eligible Contract Participant. Participants and other market participants consent to the SEF’s jurisdiction pursuant to Rule 311.</p>	
	<p>A swap execution facility shall:  (B) establish and enforce trading, trade processing, and participation rules that will deter abuses and have the capacity to detect, investigate, and enforce those rules, including means-(i) to provide market participants with impartial access to the market; and (ii) to capture information that may be used in establishing whether rule violations have occurred;</p>	<p><b>Prohibited Conduct</b></p> <p>Chapter 9 of the Rulebook imposes an extensive set of restrictions designed to protect Participants from forms of abusive, disruptive, fraudulent, noncompetitive and unfair conduct and trade practices. Prohibited conduct and trade practices include, but are not limited to, fictitious, wash, or non-competitive transactions (Rule 906), trading ahead of customer orders (Rules 917 and 918), trading against customer orders (Rule 919), accommodation trading or improper cross-trading (Rule 918(b)), front-running (Rule 905), wash trading (Rule 906), fraudulent trading (Rule 905), and other abusive trading practices (Rules 905, 907 and 908). Manipulative or disruptive trading practices are</p>	<p><u>Rulebook</u>  302  305  Chapter 9  Chapter 10  Chapter 11</p>

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		<p>further prohibited under Rules 905, 907 and 908.</p> <p><b>SEF Surveillance</b></p> <p>The Compliance Department may perform or the SEF may contract with a regulatory service provider to perform certain surveillance, investigative, and regulatory functions under SEF Rules. The SEF retains ultimate decision-making responsibility with respect to any functions contracted to any regulatory service provider. The Compliance Department or regulatory service provider may review SEF trades on a routine basis to determine whether suspicious activity relating to SEF's trading standards exists. Initially, the SEF does not intend to use a regulatory service provider.</p> <p>The Compliance Department will be responsible for monitoring overall activity on its market on a real-time basis. The Compliance Department will collect and evaluate data on trading activity, tracking specific traders, and monitoring pricing and volume.</p> <p><b>Investigations and Prosecution</b></p> <p>Suspected conduct and trade practices will be investigated and prosecuted as set forth in Chapter 10 of the Rulebook. The decision as to whether to initiate an investigation will be made by the SEF under Rule 1004. The decision as to whether to impose sanctions and, if so, the form such sanctions should take will be made by the SEF under Rules 1010 and 1011. As stated in Rule 207 (Regulatory Oversight Committee), the SEF's Regulatory Oversight Committee will have the authority to oversee all facets of the regulatory program including reviewing the size and allocation of the regulatory budget and resources, and number, hiring, termination, and compensation of regulatory personnel.</p> <p>As stated in Rule 1002 (Investigations and Investigation Reports), the SEF's Compliance Department will initiate an investigation upon the receipt of a request from the Commission or upon the discovery or receipt of information that, in the judgment of the SEF Regulation Department, indicates a possible basis for finding that a violation has occurred or will occur. Absent mitigating circumstances, a SEF Compliance Department investigation must be completed no later than</p>	

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		<p>twelve (12) months after the date that such investigation is opened.</p> <p>As stated in Rule 1011 (Sanctions), the SEF will impose sanctions if any Participant or other person using a Participant’s Legal Entity Identifier is found to have violated or to have attempted to violate a Rule of the SEF or provision of Applicable Law for which the SEF possesses disciplinary jurisdiction. The SEF may impose one or more of the following sanctions or remedies: (1) censure; (2) limitation on Trading Privileges, ability to otherwise access the Trading System, and/or other activities, functions or operations; (3) suspension of Trading Privileges and/or ability to otherwise access the Trading System; (4) fine; (5) restitution or disgorgement; (6) termination of Trading Privileges and/or ability to otherwise access the Trading System; or (7) any other sanction or remedy deemed to be appropriate.</p> <p><b>Impartial Access</b></p> <p>As discussed further with regard to Core Principle 11 (Antitrust Considerations), the SEF will grant access to the SEF in an impartial manner. The SEF will review eligibility determinations and amendments to the Rules so as to prevent unfair discrimination among Participants under Rule 302 (Application Procedures). Under Rule 305, fee information will be made available on the SEF’s website. The SEF will not privately negotiate fees for access to the Platform.</p>	
	<p>A swap execution facility shall:  (C) establish rules governing the operation of the facility, including rules specifying trading procedures to be used in entering and executing orders traded or posted on the facility, including block trades; and</p>	<p>Chapters 6 (Transactions Supported) and 7 (Execution Methods) of the Rulebook specify trading procedures to be followed by Participants and market participants when entering and executing orders traded or posted on the Trading System, including Block Trades.</p> <p>The Platform includes a price-time priority order book and a request for quote system. The SEF provides market participants with the ability to post both firm quotes onto the order book through a centralized electronic screen accessible to all market participants who have access to the swap execution facility. The methods for transacting through the Trading System are shown in Exhibit Q.</p> <p>Through the order book, all participants can enter multiple bids and offers, observe bids and offers entered by other market participants, and choose to transact on such bids and offers. Participants can also choose</p>	<p><u>Rulebook</u>  Chapter 6  Chapter 7</p> <p><u>Exhibit Q</u></p>

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		<p>to enter into a request for quote process with other participants. For trading in required transactions, participants must request a quote from at least the Required Number of other Participants. Participants who request quotes through the request for quote process will be notified of any resting bids or offers pertaining to the same instrument on the order book.</p> <p>As stated in Rule 602 (Block Trades), the SEF shall set the minimum block sizes for all Swaps listed on the Platform, which shall be equal to or greater than the appropriate minimum block sizes determined by the Commission. The SEF will publish these minimum block sizes on its website.</p> <p>If a transaction is executed as a block trade pursuant to the SEF Rules, then the reporting counterparty must report the swap to the SEF pursuant to Rule 602(c)(6), and the SEF will report the transaction and pricing data to a Swap Data Repository as soon as technically practicable pursuant to Commission Regulation § 43.3(a)(2).</p>	
	<p>A swap execution facility shall: (D) provide by its rules that when a swap dealer or major swap participant enters into or facilitates a swap that is subject to the mandatory clearing requirement of section 2(h) of this title, the swap dealer or major swap participant shall be responsible for compliance with the mandatory trading requirement under section 2(h)(8) of this title.</p>	<p>Rule 504(c) states that Swap Dealers and Major Swap Participants are responsible for compliance with the mandatory trading requirements under CEA Section 2(h)(8) and Commission regulations thereunder, and Rule 504(f) states that any Participant who violates any CEA provision or Commission Regulation referred to in Rule 504, including CEA Section 2(h)(8), shall be deemed to have also violated Rule 504.</p>	<p><u>Rulebook</u> 504</p>
<p><b>Core Principal 3 - Swaps not readily susceptible to manipulation</b></p>	<p>The swap execution facility shall permit trading only in swaps that are not readily susceptible to manipulation.</p>	<p>Trading on the Platform will initially be limited to non-deliverable forward swaps (“NDFs”).</p> <p>NDFs are cash settled currency forwards between two counterparties used to either hedge or speculate against currencies where exchange controls in a particular country make it difficult for foreigners to trade in the spot market directly.</p> <p>There is no exchange of the underlying currency. Instead, the entire deal is settled in a widely traded currency, usually U.S. dollars. The fixing rate determines whether someone makes or loses money on an NDF</p>	<p><u>Rulebook</u> Chapter 13</p> <p><u>Compliance Manual</u> (Exhibit O)</p>

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		<p>transaction on the contracted settlement date based on the difference between the contracted NDF rate and the prevailing FX spot rate. The fixing date is the day and time whereby the comparison between the NDF rate and the prevailing FX spot rate is made. NDFs in some currencies are fixed against a daily rate published by the relevant central bank of that country while other rates are an average of interbank prices displayed on Reuters. Reuters polls a panel of banks on their estimate of the exchange rate for each currency every day at a particular based on the local time. The top and bottom quarter of estimates are taken out, and then the fixing is the average of the remaining estimates. Removing the top and bottom set of estimates is meant to guard against banks submitting rates that benefit their trading books.</p> <p>Since there is no exchange of the underlying currency and the NDF is settled in a lead currency such as the U.S. dollar or Euro, it is very difficult if not impossible to manipulate these NDF contracts. In addition, any cash settled swaps will be settled based on a reference price that is publicly available on a timely basis. The SEF will not list swaps that will be physically settled.</p>	
<p><b>Core Principal 4 - Monitoring of trading and trade processing</b></p>	<p>The swap execution facility shall- (A) establish and enforce rules or terms and conditions defining, or specifications detailing-(i) trading procedures to be used in entering and executing orders traded on or through the facilities of the swap execution facility; and (ii) procedures for trade processing of swaps on or through the facilities of the swap execution facility; and</p>	<p><b>Trade Execution Procedures</b>  Chapters 6 (Transactions Supported) and 7 (Execution Methods) of the Rulebook specify trading procedures to be followed by Participants and market participants when entering and executing orders traded or posted on or subject to the rules of the Trading System, including Block Trades.</p> <p>The Platform includes a price-time priority order book and a request for quote system. The SEF provides market participants with the ability to post both firm quotes onto the order book through a centralized electronic screen accessible to all market participants who have access to the swap execution facility. The methods for transacting through the Trading System are shown in Exhibit Q.</p> <p>Chapter 9 (Trading Practices and Business Conduct) of the Rulebook establishes further procedures for entering and executing orders. Rule 902 authorizes the SEF to adopt broad procedures relating to transactions in Contracts. Rule 903 establishes the SEF business days and trading hours. Rules 904-923 set forth rule violations, prohibited practices and rules to minimize conflicts of interest. Rules 924-925</p>	<p><u>Rulebook</u>  404  Chapter 6  Chapter 7  Chapter 8  Chapter 9</p> <p><u>Exhibit Q</u></p>

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		<p>establish rules requiring Participants to comply with position limits and position accountability requirements.</p> <p><b>Trade Processing Procedures</b></p> <p>Rule 404(a) establishes the process through which Swaps executed on the Platform will be confirmed, and states that a Platform Confirmation shall qualify as a “Confirmation.” Rule 404(a) also sets forth the form and terms to be used in a Confirmation.</p> <p>Chapter 8 (Clearing) sets forth the Transactions that must be cleared after execution, and describes the clearing process.</p>	
	<p>The swap execution facility shall- (B) monitor trading in swaps to prevent manipulation, price distortion, and disruptions of the delivery or cash settlement process through surveillance, compliance, and disciplinary practices and procedures, including methods for conducting real-time monitoring of trading and comprehensive and accurate trade reconstructions.</p>	<p>As stated in Rule 207, the Regulatory Oversight Committee will have the authority to monitor the SEF’s regulatory program for sufficiency, effectiveness and independence, and to oversee all facets of the SEF’s regulatory program. As stated in Rule 406 (Monitoring of Trading), the SEF will monitor trading on the Trading System in order to prevent manipulation, price distortion, and disruptions of the delivery or cash settlement process through surveillance, compliance, and disciplinary practices and procedures, including through the real-time monitoring of trading comprehensive trade reconstruction.</p> <p>Subject to the oversight of the Regulatory Oversight Committee, the Chief Compliance Officer will oversee the monitoring, surveillance and other enforcement functions of the with the support of the SEF Compliance Department.</p> <p>Chapter 10 of the Rulebook sets forth the disciplinary and enforcement process, which includes steps to inquire into, investigate, adjudicate and sanction potential rule violations within the disciplinary jurisdiction of the SEF. The Chief Compliance Officer, with assistance from the SEF Compliance Department and the Disciplinary Panels, will take part in the prosecution and adjudication of potential violations of the Rules as described in Chapter 10. <i>See also</i> Response to Core Principal 2 - Compliance with rules.</p>	<p><u>Rulebook</u> 207 214 406 Chapter 10</p> <p><u>Compliance Manual (Exhibit O)</u></p>
<p><b>Core Principal 5 - Ability to obtain information</b></p>	<p>The swap execution facility shall- (A) establish and enforce rules that will allow the facility to obtain any necessary</p>	<p>Chapter 5 (Participant Obligations) of the Rulebook sets forth the requirements of Participants to maintain documents and keep documents and information available for the inspection by the SEF or the</p>	<p><u>Rulebook</u> 205 502</p>

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	<p>information to perform any of the functions described in this section;</p>	<p>Commission. Rule 502 requires Participants to make certain disclosures to the SEF immediately upon the occurrence of certain events. Under Rule 503, the SEF may inspect a Participant’s systems, equipment and software, access a Participant’s systems, equipment, software, or premises, and copy or reproduce certain Participant data. In addition, Rule 503 authorizes the SEF Compliance Department to require a Participant to furnish information concerning the Participant’s Trading System Activity and/or examine the books and records of any Participant. Additionally, under Rule 205(e), the Chief Compliance Officer may inspect the books and records of any Participant or require any Participant to appear before him or her and produce its books and records and answer questions regarding alleged violations of the SEF Rules.</p> <p>Rule 1202 permits the SEF to enter into information sharing agreements to coordinate surveillance with other markets on which financial instruments related to the Contracts. Pursuant to Rule 1202, the SEF may share information and documents concerning ongoing and completed investigations with the Commission, any Government Agency with jurisdiction over the SEF or, as necessary for the SEF to comply with its SRO obligations to other markets.</p>	<p>503 1202</p>
	<p>The swap execution facility shall- (B) provide the information to the Commission on request; and (C) have the capacity to carry out such international information-sharing agreements as the Commission may require.</p>	<p>Under Rule 403, the SEF will keep complete and accurate books and records of all activities relating to the business of the SEF and will report such information to the Commission upon request and make such information open to inspection by the Commission and SEC.</p> <p>Under Rule 503(d), the SEF will provide any information in its possession to the Commission upon request, and may share such information with other regulatory organizations, data repositories, and reporting services as required by the Commission or as otherwise necessary and appropriate to fulfill its self-regulatory and reporting responsibilities.</p> <p>In addition, under Rule 1202, the SEF may disclose to any Person or entity information concerning or associated with a Participant or other Person that it believes is necessary and appropriate in exercising a legal or regulatory function, whether or not a formal arrangement governing the disclosure exists or a request for information was made.</p>	<p><u>Rulebook</u> 213 403 503 1202</p>

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		The SEF will enter into international information-sharing agreements as the Commission may require from time to time.	
<b>Core Principal 6 - Position limits or accountability</b>	<p><b>(A) In general.</b> To reduce the potential threat of market manipulation or congestion, especially during trading in the delivery month, a swap execution facility that is a trading facility shall adopt for each of the contracts of the facility, as is necessary and appropriate, position limitations or position accountability for speculators.</p> <p><b>(B) Position limits.</b> For any contract that is subject to a position limitation established by the Commission pursuant to section 6a(a) of this title, the swap execution facility shall-(i) set its position limitation at a level no higher than the Commission limitation; and (ii) monitor positions established on or through the swap execution facility for compliance with the limit set by the Commission and the limit, if any, set by the swap execution facility.</p>	<p>The SEF will impose position limits and position accountability requirements under Rules 924-926.</p> <p>The SEF does not currently have position limits set for any Contract, due to the fact that the Contracts do not have a deliverable supply (and are not subject to minimum position limits under statute or Commission regulations). At this time, the SEF has determined that position accountability limits will allow it to monitor the market and enforce the rules. The SEF Compliance Department will monitor for positions that exceed meet or exceed reportable levels.</p> <p>The SEF will monitor outstanding resting orders and accumulated positions of each Contract. The SEF will sanction Participants for violating their obligations to observe position limits and position accountability pursuant to Chapter 10.</p> <p>None of the Contracts are subject to a position limitation established by the Commission pursuant to section 6a(a) of the CEA.</p>	<p><u>Rulebook</u> 924 925 926</p> <p>N/A</p>
<b>Core Principal 7 - Financial integrity of transactions</b>	The swap execution facility shall establish and enforce rules and procedures for ensuring the financial integrity of swaps entered on or through the facilities of the swap execution facility, including the clearance and settlement of the swaps pursuant to section 2(h)(1) of this title.	<p><b>In General</b> SEF Rule 301(a) requires applicants to demonstrate that they are Eligible Contract Participants in order to be eligible for admission as a Participant. Rules 301(b) and 508 require Participants trading for or on behalf of Clients or Customers to ensure that such Clients or Customers are also Eligible Contract Participants. Rule 502 requires each Participant to notify the SEF of any material changes to the information provided to the SEF pursuant to Rule 301.</p>	<p><u>Rulebook</u> 301 502 504 507 508 510 Chapter 8</p>

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		<p>Pursuant to Rules 504 and 510, the SEF receives financial and related information from Participants. Such Participants are required to concurrently provide the SEF with copies of any reports required to be filed with the Commission pursuant to CFTC Regulation § 1.12.</p> <p><b>Mandatory Clearing</b> Rule 504(b) and Chapter 8 (Clearing) require all Transactions executed on or through the Trading System to be cleared unless the Transaction is exempted from clearing under 2(h)(7) of the CEA, or the Transaction is not a Required Transaction. Pursuant to Rule 504(d), any Participant placing an Order with respect to a Swap that is not or will not be cleared by a Derivatives Clearing Organization and it not required to be cleared must have entered into an agreement governing the execution of the Swap prior to placing such Order.</p> <p><b>Participant Responsibilities</b> Pursuant to Rules 301(d) and 301(e), Participants and market participants must establish a clearing relationship with a Clearing Member and must immediately notify the SEF if they cease to be a clearing customer of any Clearing Member(s). Rule 801(b) states that all Participants are responsible for determining whether any Swap they enter into is subject to the mandatory clearing requirements of CEA Section 2(h)(1). Under Rule 801(c), Participants are also responsible for determining whether an exemption from clearing is available and for notifying the SEF if that Participant and its counterparty opt against clearing pursuant to an applicable exemption.</p> <p>For Swaps that will not be cleared and are not required to be cleared, Rule 504(d) requires Participants to enter into an agreement governing the execution of the Swap prior to placing such Order.</p> <p><b>Capacity to Route for Clearing</b> The Platform has the capacity to route transactions to the Chicago Mercantile Exchange (“<u>CME</u>”) for clearing. This is evidenced in the CME agreement.</p>	<p><u>Compliance Manual</u> (Exhibit O)</p> <p><u>Exhibit Q</u></p> <p><u>CME Agreement</u> (Exhibit N-4)</p>
<b>Core Principal 8 - Emergency authority</b>	The swap execution facility shall adopt rules to provide for the exercise of emergency authority, in consultation or cooperation with the Commission, as is	The Rulebook sets forth procedures for decision-making and emergency intervention in the market. Rule 209 permits the SEF to adopt Emergency Rules that authorize or require the SEF, the Board, any Committee of the Board, or an Officer to take certain Emergency	<u>Rulebook</u> 209 210 212

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	<p>necessary and appropriate, including the authority to liquidate or transfer open positions in any swap or to suspend or curtail trading in a swap.</p>	<p>Actions. Under Rule 209(a), the measures available to the SEF in the event of an emergency include imposing or modifying position limits, imposing or modifying price limits; imposing or modifying intraday market restrictions; ordering the liquidation or transfer of open positions in any Contract; extending or shortening the trading hours; suspending or curtailing trading in any Contract.</p> <p>Under Rule 209(e), the SEF is required to use reasonable efforts to notify the Commission prior to implementing, modifying or terminating any Emergency Rule, and where prior notification is not possible or practicable, is required to notify the Commission as soon as is possible or reasonably practicable. Under Rule 209(f), any decision to take Emergency Action shall be documented and the SEF will make that documentation available to the CFTC upon request.</p> <p>In addition, certain circumstances may require emergency disciplinary actions that do not conform to the full set of procedures provided for in Chapter 10. Such disciplinary actions (including suspensions) may be conducted under Rule 1014 when the Chief Compliance Officer reasonably believes that such emergency disciplinary action is necessary to protect the public or the best interests of the SEF.</p> <p>Emergency Actions taken pursuant to Rule 209 and Emergency Disciplinary Actions taken pursuant to Rule 1014 are subject to Conflicts of Interest provisions in Rule 210.</p>	1014
<b>Core Principal 9 - Timely publication of trading information</b>	<p><b>(A) In general.</b> The swap execution facility shall make public timely information on price, trading volume, and other trading data on swaps to the extent prescribed by the Commission.</p>	<p>The SEF will timely transmit transaction and pricing data to a registered Swap Data Repository that accepts swap data for Swaps traded on the Platform.</p>	<p><u>Rulebook</u> Chapter 4</p>
	<p><b>(B) Capacity of swap execution facility.</b> The swap execution facility shall be required to have the capacity to electronically capture and transmit trade information with respect to transactions executed on the facility.</p>	<p>As shown in Exhibit V (Technology Questionnaire), the platform has the capacity to electronically capture trade information executed on the facility.</p>	<p><u>Exhibit V</u></p>
<b>Core Principal 10 - Recordkeeping and reporting</b>	<p><b>(A) In general.</b> A swap execution facility shall-(i) maintain records of all activities relating to the business of the facility,</p>	<p><b>Creation and Maintenance of Records</b> As stated in Rule 403 (Maintenance of Books and Records by the SEF), the SEF will maintain complete and accurate records of all activities</p>	<p><u>Rulebook</u> 403</p>

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	<p>including a complete audit trail, in a form and manner acceptable to the Commission for a period of 5 years; (ii) report to the Commission, in a form and manner acceptable to the Commission, such information as the Commission determines to be necessary or appropriate for the Commission to perform the duties of the Commission under this chapter; and (iii) shall keep any such records relating to swaps defined in section 1a(47)(A)(v) of this title open to inspection and examination by the Securities and Exchange Commission.”</p>	<p>relating to the business of the facility, including a complete audit trail for all Swaps executed on or subject to the rules of the Platform, investigatory files, and disciplinary files, and all books and records required to be maintained pursuant to the CEA and Commission Regulations.</p> <p>All books and records maintained pursuant to Rule 403 will be kept for at least five (5) years. Records relating to Swaps will be kept for at least five (5) years following final termination of the Swap, and will be readily accessible throughout the life of the Swap and for two (2) years following the final termination of the Swap. Thereafter and for the remainder of the time that such records are kept, such records will be retrievable by the SEF within three (3) business days. Each Participant is also required to maintain all requisite books and records in accordance with CFTC regulations.</p> <p><b>Reporting to and Inspections by the Commission</b> All books and records kept pursuant to Rule 403 will be reported to the Commission as requested by the Commission and will be open to inspection and examination by the Commission.</p> <p><b>Audit Trail</b> Audit trail information is being captured as required by the Commission. The audit trail will be made readily available to the Commission as well as other authorized governmental agencies upon request.</p>	<p><u>Technology Questionnaire</u> (Exhibit V)</p> <p><u>Regulatory Service Agreement</u> (Exhibit N)</p>
	<p><b>(B) Requirements.</b> The Commission shall adopt data collection and reporting requirements for swap execution facilities that are comparable to corresponding requirements for derivatives clearing organizations and swap data repositories.</p>	<p>Rule 403 (Maintenance of Books and Records by the Platform) satisfies the recordkeeping requirements set forth in Commission Regulations §§ 37.1001-1003. Rules 401 (Real-Time Public Reporting Obligations) and 402 (Regulatory Reporting Obligations) set forth the SEF’s procedures for satisfying the requirements imposed on SEFs in Commission Regulation Parts 43 and 45.</p>	<p><u>Rulebook</u> 401 402 403</p>
<p><b>Core Principal 11 - Antitrust considerations</b></p>	<p>Unless necessary or appropriate to achieve the purposes of this chapter, the swap execution facility shall not-(A) adopt any rules or taking 2 any actions that result in any unreasonable restraint of</p>	<p>The SEF’s rules and business plan have been designed to avoid unreasonable restraints of trade or the imposition of any material anticompetitive burden on trading, as will the specifications for each Contract approved for trading on the Trading System.</p>	<p><u>Rulebook</u> Generally</p>

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	trade; or (B) impose any material anticompetitive burden on trading or clearing.	In particular, access to the Platform will not require the acquisition of any equity interest but will be available to a broad range and potentially unlimited number of participants, on a fair, equitable and timely basis.	
<b>Core Principal 12 - Conflicts of interest</b>	The swap execution facility shall-(A) establish and enforce rules to minimize conflicts of interest in its decision-making process; and (B) establish a process for resolving the conflicts of interest.	<p>The SEF Rules minimize conflicts of interest in decision-making processes and contain methods to ascertain the presence of conflicts of interest and to make decisions in the event of such a conflict. Under Rule 210(a), no person that knowingly has a “material conflict of interest” between his or her position may participate in any deliberations or vote involving his or her personal interest, subject to certain exceptions.</p> <p>Additionally, Rule 210(g) provides limitations on the use or disclosure of material non-public information gained through the performance of duties by Directors, Officers or committee members, and requires Directors, Officers and committee members to take all appropriate steps to safeguard such information.</p> <p>The SEF Compliance Manual prohibits SEF employees from trading on the basis of material non-public information in breach of a pre-existing duty and from trading on the basis of material non-public information that was obtained through fraud or deception. Additionally, Rule 407 prohibits the SEF from using for business or marketing purposes any proprietary data or personal information it collects or receives, from or on behalf of any Person, for the purposes of fulfilling its regulatory responsibilities.</p> <p>The SEF will obtain public directors for its Board and committees once the Commission finalizes its rule defining public directors for SEFs.</p> <p>The SEF will have a Regulatory Oversight Committee that will oversee the regulatory program on behalf of the Board. The Board will delegate sufficient authority, dedicate sufficient resources, and allow sufficient time for the Regulatory Oversight Committee to fulfill its mandate. It will make such recommendations to the Board as will, in its judgment, best promote the interests of the Platform. The Regulatory Oversight Committee will also have such other powers and perform such other duties as set forth in the SEF Rules and as the Board may delegate to it from time to time. The Regulatory Oversight Committee makes recommendations to the Board that will, in its judgment, be best to</p>	<p><u>Exhibit A</u></p> <p><u>Rulebook</u> Chapter 2 407 1003 1009 1012</p> <p><u>Compliance Manual</u> (Exhibit O)</p>

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		promote the interests of the SEF. The Regulatory Oversight Committee will assist the SEF in minimizing actual and potential conflicts of interest.	
<b>Core Principal 13 - Financial resources</b>	(A) In general. The swap execution facility shall have adequate financial, operational, and managerial resources to discharge each responsibility of the swap execution facility. (B) Determination of resource adequacy. The financial resources of a swap execution facility shall be considered to be adequate if the value of the financial resources exceeds the total amount that would enable the swap execution facility to cover the operating costs of the swap execution facility for a 1-year period, as calculated on a rolling basis.	The SEF will maintain financial resources that exceed the total amount that would enable it to cover its operating costs for a one-year period, as calculated on a rolling basis. <i>See</i> Exhibit I.	<u>Exhibit I</u>
<b>Core Principal 14 - System safeguards</b>	The swap execution facility shall-(A) establish and maintain a program of risk analysis and oversight to identify and minimize sources of operational risk, through the development of appropriate controls and procedures, and automated systems, that-(i) are reliable and secure; and (ii) have adequate scalable capacity; (B) establish and maintain emergency procedures, backup facilities, and a plan for disaster recovery that allow for-(i) the timely recovery and resumption of operations; and (ii) the fulfillment of the responsibilities and obligations of the swap execution facility; and (C) periodically conduct tests to verify that the backup resources of the swap execution facility are sufficient to ensure continued-(i) order processing and trade matching; (ii) price reporting; (iii) market	Materials submitted with the Technology Questionnaire explain the controls to be used to ensure the proper function, adequate security and capacity of automated trading systems and related systems such as those used for dissemination of market data and recording and safe storage of audit trail information. These controls include periodic, objective testing and review of automated systems to ensure that these systems are reliable, secure and have adequate scalable capacity.	<u>Technology Questionnaire</u> (Exhibit V)

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	surveillance and (iv) maintenance of a comprehensive and accurate audit trail.		
<b>Core Principal 15 - Designation of chief compliance officer</b>	<b>(A) In general.</b> Each swap execution facility shall designate an individual to serve as a chief compliance officer.	Under Rule 203 (Officers), the Board shall appoint a Chief Compliance Officer. As stated in Rule 205 (Chief Compliance Officer), the Chief Compliance Officer shall have the authority and resources to develop and enforce policies and procedures necessary to fulfill the duties set forth in the Rules as well as set forth in the CEA and Commission regulations. Pursuant to Rules 205(a), the Chief Compliance Officer may not be disqualified from registration pursuant to Sections 8a(2) or 8a(3) of the CEA.	<u>Rulebook</u> 203 205
	<b>(B) Duties.</b> The chief compliance officer shall-(i) report directly to the board or to the senior officer of the facility; (ii) review compliance with the core principles in this subsection; (iii) in consultation with the board of the facility, a body performing a function similar to that of a board, or the senior officer of the facility, resolve any conflicts of interest that may arise; (iv) be responsible for establishing and administering the policies and procedures required to be established pursuant to this section; (v) ensure compliance with this chapter and the rules and regulations issued under this chapter, including rules prescribed by the Commission pursuant to this section; and (vi) establish procedures for the remediation of noncompliance issues found during compliance office reviews, look backs, internal or external audit findings, self-reported errors, or through validated complaints.	As stated in Rule 205 (Chief Compliance Officer), the Chief Compliance Officer shall have the following duties: (1)Overseeing and reviewing the SEF’s compliance with Section 5h of the CEA and any related rules adopted by the CFTC; (2) In consultation with the Board, resolving any conflicts of interest that may arise including: (i) Conflicts between business considerations and compliance requirements; (ii) Conflicts between business considerations and the requirement that the SEF provide fair, open, and impartial access as set forth in CFTC Regulation § 37.202 or any successor regulation; and; (iii) Conflicts between the SEF’s management and members of the Board; (3) Establishing and administering written policies and procedures reasonably designed to prevent violation of the CEA and any rules adopted by the CFTC; (4) Taking reasonable steps to ensure compliance with the CEA and CFTC regulations; (5) Establishing procedures for the remediation of noncompliance issues identified by the Chief Compliance Officer through a compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint; (6) Establishing and following appropriate procedures for the handling, management response, remediation, retesting, and closing of noncompliance issues; (7) Establishing and administering a compliance manual designed to promote compliance with the applicable laws, rules, and regulations and a written code of ethics designed to prevent ethical violations and to promote honesty and ethical conduct; (8) Supervising the SEF’s self-regulatory program with respect to trade practice surveillance; market surveillance; real-time market monitoring; compliance with audit trail requirements; enforcement and disciplinary proceedings; audits, examinations, and other regulatory responsibilities with respect to Participants, Customers and Clients (including ensuring	<u>Rulebook</u> 205

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		<p>compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements); and (9) Supervising the effectiveness and sufficiency of any regulatory services provided to the SEF by a Regulatory Services Provider or other Registered Entity in accordance with CFTC Regulation § 37.204 or any successor regulation.</p>	
	<p><b>(C) Requirements for procedures.</b> In establishing procedures under subparagraph (B)(vi), the chief compliance officer shall design the procedures to establish the handling, management response, remediation, retesting, and closing of noncompliance issues.</p>	<p>As stated in Rule 205 (Chief Compliance Officer), the Chief Compliance Officer shall establish and follow appropriate procedures for the handling, management response, remediation, retesting, and closing of noncompliance issues.</p>	<p><u>Rulebook</u> 205</p>
	<p><b>(D) Annual reports.</b>  <u>(i) In general.</u> In accordance with rules prescribed by the Commission, the chief compliance officer shall annually prepare and sign a report that contains a description of-(I) the compliance of the swap execution facility with this chapter; and (II) the policies and procedures, including the code of ethics and conflict of interest policies, of the swap execution facility.   <u>(ii) Requirements.</u> The chief compliance officer shall-(I) submit each report described in clause (i) with the appropriate financial report of the swap execution facility that is required to be submitted to the Commission pursuant to this section; and (II) include in the report a certification that, under penalty of law, the report is accurate and complete.</p>	<p>As stated in Rule 205(f), the Chief Compliance Officer shall annually prepare and sign a report that contains a description of: (i) the compliance of the SEF with the CEA; and (ii) the policies and procedures of the SEF. Such annual report shall include a certification that, under penalty of law, it is accurate and complete.</p>	<p><u>Rulebook</u> 205</p>