Exhibit C
Rulebook (marked)

[*see attached*]

BLOOMBERG SEF LLC RULEBOOK

By becoming a Participant or by accessing, or entering any Order or submitting any Swap into the SEF operated by BSEF, and without any need for any further action, undertaking or agreement, a Participant, its Account Managers, Authorized Traders, Supervised Persons, Clients and Customers agree (i) to be bound by, and comply with, the BSEF Rules and obligations, the Clearing House Rules, Swap Specifications, in each case to the extent applicable to it, and Applicable Law, (ii) to become subject to the jurisdiction of BSEF with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Person related to the BSEF rules, and (iii) to assist BSEF in complying with its legal and regulatory obligations, cooperate with BSEF and the CFTC in any inquiry, investigation, audit, examination or proceeding, and authorize BSEF to provide information regarding it to the Regulatory Services Provider, the CFTC or any Self-Regulatory Organization.

SEPTEMBER 13, 2013

CHAPTER 1. DEFINITIONS 6

CHAPTER 2. SEF GOVERNANCE 14

RULE 201. Board 14
RULE 202. [Reserved] 15
RULE 203. [Reserved] 15
RULE 204. Regulatory Oversight Committee 15
RULE 205. Additional Committees and Panels 16
RULE 206. Power of the Board to Review Decisions 16
RULE 207. Eligibility 16
RULE 208. Officers 18
RULE 209. Chief Compliance Officer 18
RULE 210. Conflicts of Interest ~~20~~19
RULE 211. Restrictions on Certain Persons who Possess Material, Non-Public Information: Improper Use or Disclosure of Material Non-Public Information 21
RULE 212. Emergency Rules 22
RULE 213. Information-Sharing Agreements 23
RULE 214. Regulatory Services Agreement with the Regulatory Services Provider 23
RULE 215. Prohibited Use of Data Collected for Regulatory Purposes 23

CHAPTER 3. PARTICIPANTS 24

RULE 301. Eligibility Criteria for Becoming a Participant 24
RULE 302. Authorized Traders 25
RULE 303. ~~Clearing Members~~ ~~26~~
~~RULE 304.~~ Participant Application Process ~~27~~26
RULE ~~305.~~304. Trading Privileges of a Participant 27
RULE ~~306.~~305. Limitations of Trading Privileges ~~28~~27
RULE ~~307.~~306. Assessments and Fees 28
RULE ~~308.~~307. Authorized Representatives 28
RULE ~~309.~~308. Recording of Communications 28
RULE ~~310.~~309. Notices to Participants 28
RULE ~~311.~~310. Communications between BSEF and Participants ~~29~~28
RULE ~~312.~~311. Application of BSEF Rules and Jurisdiction 29
RULE ~~313.~~312. Description of Participant's Status ~~30~~29
RULE ~~314.~~313. Dissolution of Participants 30
RULE ~~315.~~314. Withdrawal of Participant 30
RULE ~~316.~~315. Compliance with the Commodity Exchange Act 30
RULE ~~317.~~316. Access 30
RULE 316.A. ECP Access 30
RULE 316.B. ISV Access ~~31~~30
RULE ~~318.~~317. Direct Access by Customers is Prohibited ~~31~~30

RULE ~~319.~~318. Legal Certainty for SEF Trades 31

CHAPTER 4. OBLIGATIONS OF PARTICIPANTS 31

RULE 401. Duties and Responsibilities of Participants 31
RULE 402. Required Disclosures to BSEF 32
RULE 403. Inspections by BSEF 33
RULE 404. Minimum Financial and Related Reporting Requirements ~~34~~33
RULE 405. Confidentiality of Financial and Other Information ~~34~~33
RULE 406. Authority to Impose Restrictions 34
RULE 407. Customers and Clients 34
RULE 408. Disclosure Requirements; Know Your Counterparty Requirements ~~35~~34
RULE 409. Books and Records 35
RULE 409.A. Participant Books and Records 35
RULE 409.B. BSEF Books and Records 36
RULE 410. Responsibility for Mandatory Trading 36
RULE 411. Eligibility for End-User Transactions ~~37~~36

CHAPTER 5. TRADING PRACTICES, REPORTING, CLEARING AND BUSINESS CONDUCT ~~37~~36

RULE 501. Scope ~~37~~36
RULE 502. Procedures ~~37~~36
RULE 503. Business Days and Trading Hours 37
RULE 504. Rule Violations ~~38~~37
RULE 505. Fraudulent Acts ~~38~~37
RULE 506. Fictitious, Wash or Non-Competitive Transactions 38
RULE 507. Execution of Required Transactions 38
RULE 508. Market Disruption and Market Manipulation ~~39~~38
RULE 509. Prohibition of Misstatements 39
RULE 510. Acts Detrimental to Welfare of SEF 39
RULE 511. Adherence to Law 39
RULE 512. Use of Trading Privileges 39
RULE 513. Supervision 39
RULE 514. Misuse of the SEF Platform ~~40~~39
RULE 515. Mishandling of Customer Orders ~~40~~39
RULE 516. Errors 40
RULE 517. Withholding Orders Prohibited ~~41~~40
RULE 518. Priority of Customers' Orders ~~41~~40
RULE 519. Trading Against Customers' Orders Prohibited 41
RULE 519.A. General Prohibition 41
RULE 519.B. Exceptions 41
RULE 520. Disclosing Orders Prohibited 41
RULE 521. Simultaneous Buy And Sell Orders For Different Beneficial Owners ~~42~~41
RULE 522. Execution of Orders on the SEF Platform ~~42~~41
RULE 522.A. Required Transactions ~~42~~41

RULE 522.B. Permitted Transactions ~~43~~42
RULE 522.C. Trade Confirmations ~~43~~42
RULE 523. ~~Average Price System~~[Reserved] 43
RULE 524. Order Entry Requirements ~~44~~43
RULE 524.A. General ~~44~~43
RULE 524.B. Customer Type Indicator (CTI) Codes ~~45~~44
RULE 524.C. Block Trades ~~46~~44
RULE 525. Position Limits ~~46~~44
RULE 526. Exemptions from Position Limits ~~46~~45
RULE 527. Position Accountability. ~~46~~45
RULE 528. Bunched Orders and Orders Eligible for Post-Execution Allocation ~~47~~45
RULE 529. Orders Entered Prior to SEF Opening ~~48~~46
RULE 530. Identification of Authorized Traders ~~48~~46
RULE 531. Pre-Execution Communications ~~48~~46
RULE 531.A. Required Transactions ~~48~~46
RULE 531.B. Permitted Transactions ~~49~~48
RULE 532. Reporting to SDR ~~50~~48
RULE 533. Cleared Swaps ~~50~~48
RULE 534. Non-Cleared Swaps ~~51~~49
RULE 535. Risk Controls ~~51~~49
RULE 536. LIMITATION OF LIABILITY, NO WARRANTIES ~~51~~49

CHAPTER 6. DISCIPLINARY RULES ~~54~~52

RULE 601. General ~~54~~52
RULE 602. Inquiries and Investigation ~~55~~53
RULE 603. Reports of Investigations ~~56~~54
RULE 604. Opportunity to Respond to Investigatory Report ~~56~~55
RULE 605. Review of Investigative Reports ~~57~~55
RULE 606. Warning Letters ~~57~~56
RULE 607. Notice of Charges ~~58~~56
RULE 608. Service of Notice of Charges ~~58~~56
RULE 609. Answer to Notice of Charges ~~58~~57
RULE 610. Admission or Failure to Deny ~~59~~57
RULE 611. Denial of Charges and Right to a Hearing ~~59~~57
RULE 612. Settlements ~~59~~58
RULE 613. Hearing Panel ~~60~~58
RULE 614. Convening Hearings of Disciplinary Proceedings ~~60~~59
RULE 615. Respondent Review of Evidence ~~61~~59
RULE 616. Conducting Hearings of Disciplinary Proceedings ~~62~~60
RULE 617. Decision of Disciplinary Panel ~~63~~62
RULE 618. Sanctions ~~64~~63
RULE 619. Costs ~~65~~63
RULE 620. No Right to Appeal Disciplinary Panel Decision, Summary Impositions of Fines and Other Summary Actions ~~65~~63
RULE 621. Summary Imposition of Fines ~~65~~64
RULE 622. Summary Suspensions and Other Summary Actions ~~66~~64

RULE 623. Rights and Responsibilities after Suspension or Termination ~~67~~65
RULE 624. Notice to the Respondent, the Regulatory Services Provider and the Public ~~67~~66

CHAPTER 7. ARBITRATION ~~68~~66

RULE 701. General ~~68~~66
RULE 702. Forum and Arbitration Rules ~~68~~66
RULE 703. Initiating an Arbitration Claim ~~68~~66
RULE 704. Claims Relating to Trade Cancelations or Price Adjustments ~~68~~67
RULE 705. Penalties ~~69~~67

CHAPTER 8. MISCELLANEOUS ~~69~~67

RULE 801. Anti-Money Laundering and Anti-Terrorism ~~69~~67
RULE 802. Gifts and Gratuities ~~69~~67
RULE 803. Market Data ~~69~~67
RULE 804. Confidentiality ~~70~~68
RULE 805. Extension or Waiver of BSEF Rules ~~71~~69
RULE 806. Effect of Amendment, Repeal or New Rule ~~71~~69
RULE 807. Swap Contract Specifications ~~71~~69
RULE 808. Timely Publication of Trading Information ~~72~~70
RULE 809. Governing Law, Jurisdiction and Dispute Resolution ~~72~~70

CHAPTER 1.
DEFINITIONS

When used in the Bloomberg BSEF Rules the following terms shall have the respective meanings as follows:

"**Account Manager**" means a Person other than an individual that acts as an agent and attorney-in-fact to buy or sell Swaps via the SEF operated by BSEF in the name and on behalf of another Person. An Account Manager may also be a Participant.

~~"**Account Series Designation**" means an identifier assigned by a Participant to a group of accounts, which facilitates their treatment as one account for purposes of a Bunched Order.~~

"**Act**" or "**CEA**" means the Commodity Exchange Act, as amended from time to time.

"**Affected Person**" means a SEF applicant whose admission application is declined or is conditioned or a Person whose status as a Participant is terminated as set forth in Rule ~~304~~303(e).

"**Affiliate**" means, with respect to any Person, any Person who, directly or indirectly, Controls, is Controlled by, or is under common Control with, such other Person.

"**Applicable Law**" means, with respect to any Person, any statute, law, regulation, rule or ordinance of any governmental or Self-Regulatory Organization applicable to such Person, including the CEA and CFTC Regulations.

"**Appropriate Minimum Block Size**" has the meaning set forth in CFTC Regulation 43.2.

"**APS**" has the meaning set forth in Rule 523.

"**Authorized Representative**" means any Person who is authorized by a Participant to represent the Participant in SEF matters pursuant to Rule ~~308.~~307.

"**Authorized Trader**" means any natural person who is appointed, employed or authorized by a Participant to place Orders on the SEF operated by BSEF and is assigned a valid Trader.

"**Block Trade**" means a single transaction for the purchase or sale of a Swap with a size that is the Appropriate Minimum Block Size.

"**Board**" means the Board of Directors of BSEF constituted from time to time in accordance with the Operating Agreement.

"**BSEF**" means Bloomberg SEF LLC, a Delaware limited liability company.

"**Bunched Orders**" means a single Order placed by an Account Manager for two or more of its Clients on the SEF operated by BSEF pursuant to Rule 528.

"**Business Day**" means a day on which the SEF operated by BSEF is open for trading.

"**By-Laws**" means, with respect to any Person that is not an individual, the By-Laws or Operating Agreement of such Person, and, if no other Person is specified, means the By-Laws or Operating Agreement of BSEF.

"**CFTC**" or "**Commission**" means the Commodity Futures Trading Commission or any successor regulatory body.

"**CFTC Regulations**" means the rules and regulations promulgated by the CFTC, as amended.

"**Chief Compliance Officer**" means the individual appointed by the Board as BSEF's chief compliance officer in accordance with the Operating Agreement, with the duties and responsibilities as may be prescribed by the Board from time to time as set forth in Rule 208.

"**Cleared Swap**" means a Swap that is subject to the mandatory clearing requirement of Section 2(h)(1)(A) of the CEA or any Swap that is accepted by a Derivatives Clearing Organization for clearing and which Participants have elected to submit for clearing.

"**Clearing Exception**" means the exemption from the clearing requirement set forth in Section 2(h)(1) of the Act because one counterparty to the transaction is entitled to the exemption from the clearing requirement set forth in Section 2(h)(7) of the Act, CFTC Regulations or CFTC Staff No-Action Letters.

"**Clearing Exception Form**" has the meaning set forth in Rule 411.

"**Clearing House**" means such Derivatives Clearing Organization(s) or non-U.S. central clearing counterparty(ies) recognized or approved by the CFTC that provide clearing services with respect to any or all of Swaps traded on the SEF operated by BSEF.

"**Clearing House Rules**" means the Certificate of Incorporation, the By-Laws and any rule, interpretation, stated policy, or instrument

corresponding to any of the foregoing, in each case as adopted or amended from time to time by the Clearing House relating to any or all of the Swaps.

"**Clearing Member**" means ~~a Participant that is~~ a member of a Clearing House that is authorized to clear trades in any or all Swaps for a Participant or its Clients or Customers.

"**Client**" means a Person, other than an individual, that granted in Writing to an Account Manager investment authority to enter Orders and execute Trades on the SEF on behalf and in the name of such Person.

"**CLOB**" means an Order Book that will match Orders pursuant to pre-determined, non-discretionary methods. BSEF will offer a CLOB for credit and interest rate asset classes.

"**Compliance Department**" means all SEF Officials and/or agents of BSEF (including the Regulatory Services Provider) that assist BSEF with the implementation, surveillance and enforcement of the BSEF Rules and other Obligations.

"**Confirmation**" has the meaning set forth in Rule 522.C(a).

"**Control**" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of securities, by Swap, or otherwise. The terms "controlling" or "controlled" shall have meanings correlative to the foregoing.

"**CTI**" has the meaning set forth in Rule 524.B.

"**Customer**" has the meaning set forth in the CFTC Regulation 1.3(k).

"**Customer Account**" means an account carried by a Participant on behalf of a Customer.

"**Daily Settlement Price**" means the settlement price for a Swap calculated each Business Day by or on behalf of BSEF.

"**DCM**" means a designated contract market as set forth in section 7 of the CEA.

"**Derivatives Clearing Organization**" or "**DCO**" has the meaning attributed to such term by Section 1a(9) of the CEA.

"**Director**" means any member of the Board.

"**Disciplinary Panel**" means one or more Review Panels and one or more Hearing Panels collectively which are responsible for conducting hearings, rendering decisions and imposing sanctions with respect to disciplinary matters. At least one member of the Disciplinary Panel must be a Person who would not be disqualified from serving as a Public Director.

"**Disclosed Order Book**" means a screen on the SEF Platform where Participants have the ability to enter multiple bids and offers, observe or receive bids and offers entered by other market participants, and transact on such bids and offers.

"**Dispute**" has the meaning set forth in Rule 701.

"**ECP**" means an eligible contract participant as defined in the U.S. Commodity Exchange Act.

"**Eligibility Criteria**" means the criteria set forth in Rule 301(a).

"**Emergency**" means any occurrence or circumstance which, in the opinion of the Board or a Person duly authorized to make the determination, requires immediate action and which threatens, or may threaten, the fair and orderly trading in, or the clearance, settlement or integrity of, any Swap, including, but not limited to, any physical emergency, any circumstance that would materially affect its ability to carry out performance of its contractual obligations, including the bankruptcy of a service provider, any action taken by a governmental agency which would have a direct impact on BSEF carrying out its functions, and any other circumstance having a severe, adverse effect upon the functioning of BSEF.

"**Emergency Rules**" has the meaning set forth in Rule 212(a).

"**End of Trading**" means such time as BSEF may from time to time prescribe. The End of Trading is the time as of which such actions as are specified in the BSEF Rules or the relevant Swap Specifications as taking place at the end of a Business Day, such as determination Daily Settlement Prices, will occur.

"**End-User Transaction**" shall mean a Trade exempt from the clearing requirement of Section 2(h)(1) of the Act because one of the counterparty to the Trade is entitled to and has elected to use the Clearing Exception.

"**Financial Entity**" has the meaning set forth in CEA Section 2(h)(7)(C).

"**Futures Commission Merchant**" or "**FCM**" has the meaning set forth in Section 1a(28) of the CEA.

"**Governmental Agency**" means any governmental entity, body or agency of any government (including the United States, or a foreign government).

"**Guaranteed Person**" has the meaning attributed to such term in Rule 533(c).

"**Hearing Panel**" means a panel responsible for adjudicating disciplinary cases pursuant to a Notice of Charges authorized by a Review Panel.

"**Interested Person**" has the meaning attributed to such term in Rule 210(a).

"**Introducing Broker**" has the meaning set forth in CFTC Regulation 1.3(mm).

"**ISV**" means an independent software vendor.

"**Legal Entity Identifier**" has the meaning set forth in Part 45 of the CFTC Regulations.

"**Major Swap Participant**" has the meaning set forth in Section 1a(33) of the CEA.

"**Minimum Trading Functionality**" shall mean the trading methods described in Rule 522.A.

"**NFA**" means the National Futures Association.

"**No-Bust Range**" shall have the meaning set forth in Rule 535(c).

"**Notice of Charges**" means a notice sent by the Compliance Department pursuant to Rule 607.

"**Notice to Participants**" means a communication sent by or on behalf of BSEF to all Participants as described in Rule 310.

"**Obligation**" means each BSEF Rule, order or procedure issued by BSEF, including Notice to Participants, and other requirement implemented by BSEF under the BSEF Rules.

"**Officer**" has the meaning attributed to such term in Rule 208.

"**Operating Agreement**" means the operating agreement of BSEF.

"**Order**" means (i) a response to a Request For Quote, (ii) a response to a Resting Quote or (iii) the display of a quote on the CLOB.

"**Order Book**" means the trading system or platform operated by BSEF in which all market participants in the trading system or platform have the ability to enter multiple bids and offers, observe or receive bids and offers entered by other market participants, and transact on such bids and offers.

"**Participant**" means any Person that has been granted, and continues to have, Trading Privileges under the BSEF Rules. A reference to a Participant includes any Person who is either employed by or is an agent of such Participant (including, but not limited to an Authorized Trader) or any Person who accesses or utilizes the SEF operated by BSEF pursuant to a Trader ID linked to a Participant. Subject to the Applicable Law, a Participant may trade for its own proprietary account or for or on behalf of a Customer or Client. An ISV cannot be a Participant.

"**Participant Documentation**" means the agreements (together with any applicable schedules, exhibits or appendices thereto required by BSEF) in form and substance acceptable to BSEF, that are required to be executed and delivered to BSEF before a Person may access the SEF operated by BSEF.

"**Participant ID**" means a unique identifier assigned to a Participant by BSEF for access to the SEF operated by BSEF.

"**Permitted Off-Platform Trades**" has the meaning set forth in Rule 531.B(a).

"**Permitted Transaction**" means any transaction involving a Swap that is not a Required Transaction.

"**Person**" means a natural person or an entity.

"**President**" means the individual appointed by the Board as BSEF's chief executive officer in accordance with the Operating Agreement, with the duties and responsibilities as may be prescribed by the Board from time to time as set forth in Rule 208.

"**Proprietary Account**" has the meaning ascribed to it by CFTC Regulation 1.3(y).

~~"**Proprietary Data**" means, with respect to any Person, any information that separately discloses business transactions, market positions, or trade secrets of such Person.~~

"**Public Director**" means a Person that meets the qualifications described in Rule 207(e).

"**Recipient Participant**" shall have the meaning set forth in Rule 522.A(a)(iv).

"**Regulatory Oversight Committee**" means the committee of the Board constituted in accordance with Rule 204.

"**Regulatory Services Agreement**" means the agreement between BSEF and the Regulatory Services Provider whereby the Regulatory Services Provider provides market surveillance and trade practice surveillance functions as well as other compliance related services to the SEF operated by BSEF.

"**Regulatory Services Provider**" means the organization which provides regulatory services to BSEF pursuant to a Regulatory Services Agreement.

"**Reporting Counterparty**" has the meaning set forth in Part 45 of the CFTC Regulations.

"**Request for Quote**" or "**RFQ**" means an electronic message disseminated on the SEF Platform for the purposes of soliciting bids or offers for a specific Swap pursuant to Rule 522.A(a).

"**Required Transaction**" means any transaction involving a Swap that is subject to the trade execution requirement of Section 2(h)(8) of the Act and that is not a Block Trade or an End-User Transaction.

"**Resting Quote**" means any firm or indicative bid or offer displayed on an Order Book of the SEF Platform.

"**Review Panel**" means a panel responsible for determining whether a reasonable basis exists for finding a violation of BSEF Rules, and for authorizing the issuance of notices of chargers against Persons alleged to have committed violations if the Review Panel believes that the matter should be adjudicated.

"**Rules**" means, with respect to any Person, the rules of such Person and the interpretations, resolutions, orders, directives and procedures of the Person thereunder as in effect from time to time, and if no other Person is specified, means the Rules of the SEF operated by BSEF and the interpretations, resolutions, orders and directives and procedures of the SEF operated by BSEF thereunder as in effect from time to time.

"**SDR**" means a swap data repository, as defined in Section 1a(48) of the CEA.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**SEF**" means a swap execution facility as defined in Section 1a(50) of the CEA.

"**SEF Action**" and "**SEF Actions**" have the meanings attributed to such terms in Rule 210(a).

"**SEF Activity**" means business for which a Participant is subject to the BSEF Rules, which is purportedly conducted subject to the BSEF Rules, or which should have been conducted subject to the BSEF Rules including, without limitation, Permitted Transactions and Block Trades.

"**SEF Official**" means any Director or Officer of, or individual employed directly by, BSEF, the Regulatory Services Provider or any individual rendering similar services to BSEF under an administrative or similar agreement.

"**SEF Platform**" means the electronic trading system of the SEF established and operated by BSEF, or any successor thereto, that is made available by BSEF to Participants for trading in Swaps.

"**SEF Proceeding**" has the meaning attributed to such term in Rule 210(a).

"**Self-Regulatory Organization**" shall, unless otherwise provided, have the meaning attributed to such term in CFTC Regulation 1.33(ee) and, in addition, shall include a Derivatives Clearing Organization, and a registered futures association. BSEF is a self-regulatory organization.

"**Supervised Persons**" means any directors, officers, employees or agents (including any Authorized Traders) of any Participant.

"**Swap**" means any instrument that is a swap as defined in Section 1a(47) of the CEA and as further defined by the CFTC, which is listed on the SEF operated by BSEF in accordance with CFTC Regulation 37.4.

"**Swap Dealer**" has the meaning set form in Section 1a(49) of the CEA.

"**Swap Specification**" means, with respect to any Swap, the Rules or other trading protocols containing specifications for such Swap, as adopted, amended, supplemented or otherwise modified from time to time by BSEF.

"**Trade**" means any purchase or sale of any Swap made on the SEF Platform or subject to BSEF Rules.

"**Trading Account**" means, with respect to each Participant, Client or Customer each account established and maintained by such Participant at BSEF through which the Participant's Authorized Traders will trade Swaps and through which BSEF will monitor the open Swap positions and closed Swap positions of such Participants, Clients or Customers.

"**Trading Hours**" means, for any Business Day, the hours as may be published by BSEF in a Notice to Participants from time to time.

"**Trader ID**" means a unique identifier issued to each Authorized Trader which enables BSEF to identify the individual entering Orders into the SEF operated by BSEF.

"**Trading Privileges**" means the right granted to a Participant to, directly or indirectly, transmit Orders and/or enter transactions for certain or all Swaps through the SEF Platform or subject to BSEF Rules. No Person may exercise Trading Privileges on behalf of a Participant during any suspension of such Participant's Trading Privileges.

"**Written**" or "**Writing**" means printing, lithography, photography, and other modes of representing or reproducing words or data in a visible form, including electronic transmissions.

* * * * * *

The following rules of construction shall apply to the BSEF Rules:

(i) the headings in the BSEF Rules are for convenience only and do not affect the construction of the BSEF Rules;

(ii) all references to time in the BSEF Rules are to local time in New York, New York, except where expressly provided otherwise;

(iii) in the BSEF Rules, words denoting a singular number include the plural number where the context permits and vice versa;

(iv) where the context permits or requires, any pronoun shall include the corresponding masculine, feminine and neuter forms;

(v) references in the BSEF Rules to statutory provisions include those provisions as amended, and any rules or regulations promulgated thereunder.

CHAPTER 2.
SEF GOVERNANCE

RULE 201. Board

(a) The Board shall manage the business and affairs of BSEF in accordance with the Operating Agreement. At all times the Board must be composed of at least 35%, but no less than two, Public Directors. The Board has the power and authority to call for review, and to affirm, modify, suspend or overrule, any and all decisions and actions of standing committees or special committees of the Board or any panel of the Officers.

(b) The Board may act (including to appoint Public Directors, to the extent provided in the Operating Agreement) only by the decision of an absolute majority in number of the members of the Board, either by vote at a meeting or by Written consent without a meeting.

(c) Each Director (including Public Directors) shall be appointed in accordance with the Operating Agreement and the procedures included therein and shall serve until his or her successor is duly appointed, or until his or her earlier resignation or removal, with or without cause.

(d) The members of the Board, including Public Directors, shall be of sufficiently good repute and, where applicable, have sufficient expertise in financial services.

(e) The percentage of Public Directors required to serve on the Board or any Committee thereof pursuant to this Chapter 2 shall be deemed to be modified to comply with the CEA and CFTC Regulations, in each case, as in effect from time to time.

(f) Without limitation of any other provisions of this Rule 201, the provisions of Article III of the Operating Agreement shall be deemed to be part of the BSEF Rules, and shall be deemed to be incorporated herein, to the same extent and with the same force and effect as if set forth herein in their entirety.

RULE 202. [Reserved]

RULE 203. [Reserved]

RULE 204. Regulatory Oversight Committee

(a) The Regulatory Oversight Committee of the Board shall consist only of Public Directors, appointed by the Board. Each member of the Regulatory Oversight Committee shall serve until the due appointment of his or her successor, or until his or her earlier resignation or removal, with or without cause, as a member of the Regulatory Oversight Committee or as a Director. A member of the Regulatory Oversight Committee may serve for multiple terms. The Regulatory Oversight Committee shall report to the Board.

(b) The Regulatory Oversight Committee shall oversee BSEF's regulatory program on behalf of the Board. It shall make such recommendations to the Board as will, in its judgment, best promote the interests of the SEF operated by BSEF. The Regulatory Oversight Committee shall also have such other powers and perform such other duties as set forth in the BSEF Rules, the Operating Agreement and as the Board may delegate to it from time to time.

(c) Without limiting the generality of the foregoing, the Regulatory Oversight Committee shall have authority to:

(i) Monitor the compliance program of the SEF operated by BSEF for sufficiency and effectiveness;

(ii) Oversee all facets of the compliance program, including trade practice and market surveillance, audits, examinations conducted by the Regulatory Services Provider

and other regulatory responsibilities with respect to Participants, Customers and Clients (including ensuring compliance with any financial integrity, financial reporting, sales practice, recordkeeping and other requirements), and overseeing the conduct of investigations by the Regulatory Services Provider;

(iii) Review the size and allocation of the regulatory budget and resources and the number, hiring and termination, and compensation of compliance personnel;

(iv) Recommend changes that would ensure fair, vigorous, and effective compliance; and

(v) Review compliance proposals and advise the Board as to whether and how such changes may impact compliance.

(d) The Regulatory Oversight Committee shall oversee the regulatory program of the SEF operated by BSEF on behalf of the Board. The Board shall delegate sufficient authority, dedicate sufficient resources, and allow sufficient time for the Regulatory Oversight Committee to fulfill its mandate.

RULE 205. Additional Committees and Panels

(a) The Board may create such additional standing committees of the Board as it may from time to time deem necessary or advisable.

(b) In addition to the standing committees, the Board may from time to time constitute and appoint, by Rule or resolution, special committees of the Board and designate their composition, responsibilities and powers.

(c) BSEF may create additional committees of BSEF, or panels, for such purposes as may from time to time be necessary or advisable. Members of each such committee may be members of the Board, Supervised Persons of Participants or such other individuals as may be qualified to serve on such committee.

RULE 206. Power of the Board to Review Decisions

The Board has the power and authority to call for review, and to affirm, modify, suspend or overrule, any and all decisions and actions of standing committees or special committees of the Board.

RULE 207. Eligibility

(a) A Director must meet the qualifications set forth from time to time in the Operating Agreement.

(b) An individual may not serve as a Director or serve on a committee established by the Board or a Disciplinary Panel if the individual:

(i) within the prior three (3) years has been found, by a final decision in any action or proceeding brought in a court of competent jurisdiction, the CFTC or any Self-Regulatory Organization, to have committed a disciplinary offense;

(ii) within the prior three (3) years has entered into a settlement agreement in which any of the findings or, in the absence of such findings, any of the acts charged, included a disciplinary offense;

(iii) has been suspended or expelled from membership in a Self-Regulatory Organization, is serving any sentence or probation, or owes any portion of a fine or penalty related to either;

1. a finding of a disciplinary offense by a final decision in any action or proceeding brought in a court of competent jurisdiction, the CFTC, or any Self-Regulatory Organization; or

2. a settlement agreement in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense.

(iv) is currently subject to an agreement with the CFTC or Self-Regulatory Organization not to apply for registration with the CFTC or for membership in the Self-Regulatory Organization;

(v) is currently, or within the past three (3) years has been, subject to a revocation or suspension of registration by the CFTC;

(vi) has been convicted of a felony listed in Section 8a(2)(D)(ii) through (iv) of the CEA; or

(vii) is currently subject to a denial, suspension or disqualification from serving on a disciplinary committee, arbitration panel or governing board of any Self-Regulatory Organization.

(c) Any Director, member of a committee established by the Board or any member of a Disciplinary Panel, any individual nominated to serve in any such role, or any individual authorized by the Regulatory Oversight Committee to take summary action shall immediately notify the President if such individual meets one or more of the criteria in Rule 207(b).

(d) For purposes of this Rule, the terms “disciplinary offense,” “final decision,” and “settlement agreement” have the meanings set forth in CFTC Regulation 1.63(a).

(e) To qualify as a Public Director, a Director must be found, by the Board on the record, to have no material relationship with BSEF or any of its Affiliates. A “material relationship” is one that reasonably could affect the independent judgment or decision making of such individual as a Public Director. In addition, an individual shall not be considered a “Public Director” if any of the following circumstances exist:

(i) such Director is an officer or an employee of BSEF, or an officer or an employee of an Affiliate of BSEF;

(ii) such Director is a Participant, or a director, an officer or an employee of a Participant; or

(iii) such Director, or an entity with which the Director is a partner, an officer, or a director, receives more than $100,000 in combined annual payments for legal, accounting, or consulting services from BSEF or any Affiliate of BSEF. Compensation for services as a director of BSEF or as a director of an Affiliate of BSEF does not count toward the $100,000 payment limit, nor does deferred compensation for services rendered prior to becoming a Director of BSEF, so long as such compensation is in no way contingent, conditioned or revocable.

(f) Any of the relationships set forth in sub-paragraphs (e)(i) through (iii) of this Rule apply to the "immediate family" of such Director, i.e., spouse, parents, children and siblings.

(g) A Public Director may also serve as a director of an Affiliate of BSEF if he or she otherwise meets the requirements in paragraphs (e) and (f) of this Rule.

RULE 208. Officers

The Board shall appoint a President, a Chief Compliance Officer, one or more vice presidents, a secretary, a treasurer, and such other officers of BSEF (all of the foregoing, collectively, the "**Officers**") as it may deem necessary or appropriate from time to time, in accordance with the Operating Agreement. The Officers shall have such powers and duties in the management of BSEF as the Board may prescribe from time to time in accordance with the Operating Agreement. Each Director and Officer is entitled to indemnification pursuant to the Operating Agreement with respect to matters relating to BSEF.

RULE 209. Chief Compliance Officer

(a) The Board shall appoint and approve the Chief Compliance Officer. The Board shall approve the compensation of the Chief Compliance Officer. The vote of the majority of the Board is required to remove the Chief Compliance Officer. BSEF shall notify the CFTC of the appointment or removal of the Chief Compliance Officer within two Business Days of such appointment.

(b) The individual designated to serve as Chief Compliance Officer shall have the background and skills appropriate for fulfilling the responsibilities of the position. No individual disqualified from registration pursuant to Sections 8a(2) or 8a(3) of the CEA may serve as a Chief Compliance Officer. The Chief Compliance Officer may not be a member of BSEF's legal department and may not serve as its general counsel.

(c) The Board shall meet with the Chief Compliance Officer at least annually. The Chief Compliance Officer shall also meet with the Regulatory Oversight Committee at least quarterly. Each such meeting may occur in person or by means of conference telephone. The

Chief Compliance Officer shall provide any information regarding the regulatory program of the SEF operated by BSEF that is requested by the Board or the Regulatory Oversight Committee.

(d) The position of Chief Compliance Officer shall carry with it the authority and resources to develop and enforce policies and procedures necessary to fulfill the duties set forth for chief compliance officers in CFTC Regulations. The Chief Compliance Officer shall have supervisory authority over all staff acting in furtherance of the Chief Compliance Officer's obligations.

(e) The Chief Compliance Officer's duties shall include, but are not limited to, the following:

(i) Overseeing and reviewing the compliance of the SEF operated by BSEF with Section 5h of the Act and any CFTC Regulations;

(ii) In consultation with the Board or the senior officer of BSEF, resolving any conflicts of interest that may arise, including: (1) conflicts between business considerations and compliance requirements; (2) conflicts between business considerations and the requirement that the SEF operated by BSEF provide fair, open, and impartial access as set forth in CFTC Regulation 37.202; and (3) conflicts between BSEF's management and members of the Board;

(iii) Establishing and administering Written policies and procedures reasonably designed to prevent violation of the Act and any Rules adopted by the Commission;

(iv) Taking reasonable steps to ensure compliance with the Act and CFTC Regulations relating to agreements, contracts, or transactions, and with CFTC Regulations under Section 5h of the CEA;

(v) 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;

(vi) Establishing and following appropriate procedures for the handling, management response, remediation, retesting, and closing of noncompliance issues;

(vii) Establishing and administering a compliance manual designed to promote compliance with the applicable laws, Rules, and regulations and administering a Written code of ethics designed to prevent ethical violations and to promote honesty and ethical conduct;

(viii) Supervising the SEF's compliance program with respect to trade practice surveillance; market surveillance; real-time market monitoring; compliance with audit trail requirements; enforcement and disciplinary proceedings; audits, examinations conducted by the Regulatory Services Provider, and other regulatory responsibilities with respect to Participants, Clients and Customers (including ensuring compliance with, if

applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements);

(ix) Supervising the effectiveness and sufficiency of any regulatory services provided to BSEF by the Regulatory Services Provider; and

(x) Preparing and filing the annual compliance report of BSEF.

RULE 210. Conflicts of Interest

(a) A Director, Officer, panel member or other Person authorized to exercise BSEF's authority concerning any inquiry, investigation or any disciplinary proceeding, summary suspension, or other summary actions (any such action, a "**SEF Action**" and, collectively, "**SEF Actions**"), or Emergency actions taken pursuant to Rule 212 (each such SEF Action or Emergency Action, a "**SEF Proceeding**") who knowingly has a "material conflict of interest" between his or her position as a Director, Officer, panel member or exercise of authority concerning any SEF Proceeding and his or her personal interests (each, an "**Interested Person**") may not participate in any deliberations or vote of the Board Committee, panel or exercise any authority in any SEF Proceeding involving his or her personal interest, except as described in Rule 210(d).

(b) For purposes of Rule 210(a), a "material conflict of interest" includes a Director's, Officer's, or other Person's:

(i) being named as a respondent or potential respondent in a SEF Proceeding;

(ii) being an employer, employee, fellow employee or an Affiliate of a respondent or potential respondent in a SEF Proceeding;

(iii) having any significant, ongoing business relationship with a respondent or potential respondent in a SEF Proceeding;

(iv) having a family relationship with a respondent or potential respondent in a SEF Proceeding (including the individual's spouse, co-habitator, former spouse, parent, step-parent, child, step-child, sibling, step-brother, step-sister, grandparent, grandchild, uncle, aunt, nephew, niece, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law); and/or

(v) having a direct and substantial financial interest in the result of the deliberations or vote based upon either SEF or non-SEF positions. A direct and substantial financial interest includes positions held in Swaps in the accounts of, Controlled by, or affiliated with the Interested Person or any other types of direct and substantial financial positions of the Interested Person that are reasonably expected to be affected by the deliberations or vote.

(c) Before considering any SEF Proceeding, an Interested Person must disclose in Writing to the Board the material facts concerning his or her relationship or interest in the matter.

(d) Any Interested Person who would be required otherwise to abstain from deliberations and voting pursuant to Rule 210(a) as a result of having a direct and substantial financial interest in the result of the deliberations and vote may participate in deliberations, prior to a vote on the matter, if:

(i) the material facts about the Interested Person's financial interest in the matter are disclosed or known to the Board;

(ii) the Board determines that the participation by the Interested Person would be consistent with the public interest; and

(iii) a majority of the Directors (excluding any Interested Persons) vote to allow the Interested Person to participate in deliberations on the matter.

(e) If a determination is made pursuant to Rule 210(d) that an Interested Person may participate in deliberations prior to a vote, then the minutes of the meeting of the Board or committee thereof will reflect the determination and the reasons for the determination.

(f) If a determination is made pursuant to Rule 210(a) that all Directors are Interested Persons with respect to a matter subject to a vote by the Board, the President will appoint a panel of individuals who are not Interested Persons with respect to such matter, which will have the same authority and powers over such matter that the Board would have if the Directors were not Interested Persons with respect to such matter.

(g) No Director, Officer or member of any committee or panel established by the Board shall use or disclose for any purpose other than the performance of his or her official duties and responsibilities as a Director, Officer or committee or panel member any material, non-public information obtained as a result of the individual's duties and responsibilities as a Director, Officer or committee or panel member. No Director, Officer or committee or panel member shall, directly or indirectly, disclose or use at any time, either during his or her association with BSEF or thereafter, any confidential information of which the Board member or committee or panel member becomes aware. Each Director, Officer or committee or panel member in possession of confidential information shall take all appropriate steps to safeguard the information and to protect it against disclosure, misuse, espionage, loss and theft.

(h) Notwithstanding Rule 210(g), a Director, Officer or committee or panel member may disclose confidential information if required by law or a court order to be revealed to the United States Department of Justice or the CFTC.

(i) For the purposes of Rule 210(g), the term "material, non-public information" shall mean "material information" that is "nonpublic information," as such terms are defined in CFTC Regulation 1.59(a).

RULE 211. Restrictions on Certain Persons who Possess Material, Non-Public Information: Improper Use or Disclosure of Material Non-Public Information

No member of the Board or of any Board committee, no member of any other committee of the Company, no officer of BSEF, no employee of BSEF and no consultant to BSEF shall:

(a) trade for such Person's own account, or for or on behalf of any other account, in any commodity interest on the basis of any material, non-public information obtained through the performance of such Person's official duties;

(b) use or disclose, for any purpose other than the performance of such Person's official duties, any material, non-public information obtained by such Person as a result of such Person's official duties, provided, however, that this Section shall not prohibit disclosures made by such Person in the course of his or her official duties or disclosures made to the CFTC, any Self-Regulatory Organization, a court of competent jurisdiction or any agency or department of the federal or state government; or

(c) trade, directly or indirectly, in any Swap traded on the SEF operated by BSEF; in any related commodity interest; or in any commodity interest traded on any DCM or SEF or cleared by any Clearing House if such Person has access to material non-public information concerning such Swap or commodity interest.

RULE 212. Emergency Rules

(a) During an Emergency, the Board may implement temporary emergency procedures and rules ("**Emergency Rules**"), subject to the applicable provisions of the CEA and CFTC Regulations. Emergency Rules may require or authorize BSEF, the Board, any committee of the Board, the President, or any other Officer to take actions necessary or appropriate to respond to the Emergency, including, but not limited to, the following actions:

(i) suspending or curtailing trading or limiting trading to liquidation only (in whole or in part);

(ii) extending or shortening the last trading date for Swaps;

(iii) extending, limiting or changing the Trading Hours;

(iv) temporarily modifying or suspending any provision of the BSEF Rules or Obligations;

(v) imposing or modifying price limits; and/or

(vi) imposing, modifying or reducing position limits.

(b) Before any Emergency Rule may be adopted and enforced, a required vote of the Board must approve the implementation of such Emergency Rule at a duly convened meeting. Directors may attend such a meeting by teleconference. If the President determines that Emergency Rules must be implemented with respect to an Emergency before a meeting of the Board can reasonably be convened, then the President shall have the authority, without Board action, to implement any Emergency Rules with respect to such Emergency that he or she deems necessary or appropriate to respond to such Emergency.

(c) Whenever BSEF, the Board, any committee of the Board, or the President takes actions necessary or appropriate to respond to an Emergency (including, without limitation, the

actions set forth in paragraph (a) above), an Authorized Representative of BSEF, where possible, will ensure that an announcement is posted in a Notice to Participants. When the Board, any committee of the Board or the President determines that the Emergency is no longer in effect, permitting the SEF operated by BSEF to resume normal functioning; any such actions responding to an Emergency will be terminated.

(d) BSEF will use reasonable efforts to notify the CFTC prior to implementing, modifying or terminating an Emergency Rule. If such prior notification is not possible or practicable, BSEF will notify the CFTC as soon as possible or reasonably practicable, but in all circumstances within twenty-four (24) hours of the implementation, modification or termination of such Emergency Rule.

(e) Upon taking any action in response to an Emergency, BSEF will document the decision-making process related to such action. Such documentation will be kept for at least five years following the date on which the Emergency ceases to exist or to affect the SEF operated by BSEF, and all such documentation will be provided to the CFTC upon request.

RULE 213. Information-Sharing Agreements

(a) BSEF shall enter into information-sharing agreements or other arrangements ~~as it determines~~or procedures necessary ~~or advisable~~to establish and enforce rules that will allow BSEF to obtain any necessary information to perform any monitoring of trading ~~or~~and Trade processing, ~~to~~ provide information to the CFTC upon request and which allow BSEF to carry out such international information-sharing agreements as the CFTC may require. As part of any information-sharing agreements or other arrangements or procedures adopted pursuant to this Rule, BSEF may, in part:

(i) provide market surveillance reports to other markets;

(ii) share information and documents concerning current and former Participants with other markets;

(iii) share information and documents concerning ongoing and completed investigations with other markets; and/or

(iv) ~~(b) BSEF shall share information with other regulatory organizations, data repositories and third-party data reporting services as required by the CFTC or as otherwise necessary and appropriate to fulfill its regulatory, self-regulatory and reporting responsibilities.~~require its current or former Participants to provide information and documents to BSEF at the request of other markets with which BSEF has an information-sharing agreement or other arrangements or procedures.

(b) ~~(c)~~ BSEF may enter into any arrangement with any Person or body (including, without limitation, the CFTC, the NFA, any Self-Regulatory Organization, any SEF, DCM, market, or clearing organization, or foreign regulatory authority) if BSEF (i) believes that such entity exercises a legal or regulatory function under any law or regulation, or a function comprising or associated with the enforcement of a legal or regulatory function, or (ii) considers

such arrangement to be in furtherance of the purpose or duties of BSEF and the SEF operated by BSEF under Applicable Law.

RULE 214. Regulatory Services Agreement with the Regulatory Services Provider

BSEF has contracted with the Regulatory Services Provider to provide certain regulatory services to BSEF pursuant to a Regulatory Services Agreement. In accordance with the Regulatory Services Agreement, the Regulatory Services Provider may perform certain surveillance, investigative, and regulatory functions under the BSEF Rules and BSEF may provide information to the Regulatory Services Provider in connection with the performance by the Regulatory Services Provider of those functions. BSEF shall retain ultimate decision-making authority with respect to any functions that are contracted to the Regulatory Services Provider.

RULE 215. Prohibited Use of Data Collected for Regulatory Purposes

BSEF shall not use for business or marketing purposes any ~~Proprietary Data that BSEF~~proprietary data or personal information it collects or receives, from or on behalf of any ~~Person, without such Person's consent; provided, however, that BSEF may use such Proprietary Data for the purpose of fulfilling its regulatory obligations without such Person's consent.~~ person, for the purpose of fulfilling its regulatory obligations; provided, however, that BSEF may use such data or information for business or marketing purposes if the Person from whom it collects or receives such data or information clearly consents to the BSEF's use of such data or information in such manner. A BSEF shall not condition access to its market(s) or market services on a Person~~'~~'s consent to the BSEF's use of ~~Proprietary Data~~proprietary data or personal information for business or marketing purposes. ~~Where~~BSEF, where necessary for regulatory purposes, ~~BSEF~~ may share such ~~Proprietary Data~~data or information with one or more SEFs~~,~~ or DCMs ~~or Derivatives Clearing Organizations~~ registered with the CFTC.

CHAPTER 3.
PARTICIPANTS

RULE 301. Eligibility Criteria for Becoming a Participant

(a) To be eligible for admission as a Participant, an applicant must demonstrate to the satisfaction of BSEF that it:

(i) is an ECP that is eligible to enter into the asset classes of Swaps it wishes to trade on the SEF operated by BSEF;

(ii) is of good reputation and business integrity;

(iii) maintains adequate financial resources and credit;

(iv) is validly organized, in good standing, and authorized by its governing body and, if relevant, documents of organization, to trade Swaps;

(v) has not filed for bankruptcy;

(vi) is not a SEF Official, agent or affiliate of BSEF;

(vii) is not prohibited from using the services of BSEF for any reason whatsoever;

(viii) holds all registrations required under Applicable Law, if any;

(ix) is not subject to statutory disqualification under Section 8a(2) of the CEA;

(x) satisfies any other criteria that BSEF may require from a Participant;

(xi) is not an individual; and

(xii) is not an ISV or an automated trading system.

(b) Once admitted, the Participant shall continue to comply with all applicable Eligibility Criteria in this Rule 301.

(c) Each Participant that is an Account Manager must cause its Client in the name or on behalf of which it places any Order on the SEF operated by BSEF to become a Participant or be subject to BSEF Rules. Each Participant that is an Account Manager must ensure that each of its Clients has established a clearing account with a Clearing Member that is a member of the Clearing House accepting for clearance Cleared Swaps traded on the SEF operated by BSEF and provide BSEF with evidence of such relationship. Each Participant that is an Account Manager must provide BSEF with Written representation or proof of authority to place Orders and execute Trades on the SEF operated by BSEF on behalf or in the name of each Client.

(d) Each Participant that is not an Account Manager must either be a Clearing Member of a Clearing House where the Cleared Swaps are cleared or have a clearing account with a Clearing Member with respect to such Cleared Swap and provide SEF with evidence of such relationship.

(e) Each Participant must provide BSEF with all information necessary for BSEF to establish Trading Accounts.

(f) Participants that do not have a relationship with a Clearing Member as set forth in subsection (c) or (d) of this Rule 301 are prohibited from entering Orders in Cleared Swaps on the SEF operated by BSEF.

(g) BSEF shall monitor its Participants to ensure that each Participant continues to qualify as an ECP.

(h) Upon request of BSEF, a Participant shall promptly provide to BSEF or its Regulatory Services Provider such information about its Customers, Clients and Authorized Traders as BSEF requests, including but not limited to, the names and dates of birth of its Authorized Traders.

RULE 302. Authorized Traders

(a) Each Participant shall designate one or more Authorized Traders, who will be responsible for all SEF Activity conducted on behalf of the Participant.

(b) Each Authorized Trader of a Participant:

(i) must be a natural person;

(ii) must satisfy any other requirements as may be prescribed by BSEF from time to time; and

(iii) must have a Trader ID.

A Participant that authorizes a third party to trade for its Trading Account on a discretionary basis pursuant to a power of attorney or other instrument must identify a specific natural person as its Authorized Trader with respect to such Trading Account.

(c) Without limiting the foregoing, each Authorized Trader will consent, in a form satisfactory to BSEF, to abide by the BSEF Rules and Applicable Law prior to accessing the SEF operated by BSEF, and each Participant will ensure on an ongoing basis that:

(i) none of its Authorized Traders is subject to a disqualification pursuant to any Applicable Law (unless an appropriate exemption has been obtained with respect thereto);

(ii) each of its Authorized Traders will be technically proficient;

(iii) each of its Authorized Traders will conduct its business in a fair and equitable manner; and

(iv) each of its Authorized Traders will conduct its business in accordance with the BSEF Rules.

(d) By agreeing to become an Authorized Trader, an individual agrees to be bound by the duties and responsibilities of an Authorized Trader and to be subject to, and comply with, the BSEF Rules and Obligations. Among other duties and responsibilities that BSEF may impose, an Authorized Trader must:

(i) have the authority, at BSEF's request, to adjust or withdraw any Order submitted under any Trader ID assigned to him or her; and

(ii) ensure that any SEF Activity conducted under any Trader ID assigned to him or her complies with all BSEF Rules and Obligations.

(e) To nominate an Authorized Trader, a Participant must follow the procedures established by BSEF. BSEF may establish criteria that individuals must fulfill to become an

Authorized Trader. BSEF will not accept the registration as an Authorized Trader of any individual who is a SEF Official.

(f) BSEF will promptly notify a Participant in Writing of the approval of nominated Authorized Traders or if BSEF declines to approve the nomination.

(g) BSEF will maintain a list of all appointed Authorized Traders for each Participant.

(h) BSEF may, in its sole discretion revoke or suspend the designation of an Authorized Trader and shall promptly notify the Participant in Writing of such action. Upon such request BSEF will disable access of such Authorized Trader to the SEF operated by BSEF.

(i) To request the termination of the designation of an Authorized Trader, the Participant or the Authorized Trader must notify BSEF following the procedures established by BSEF. BSEF may, in its sole discretion, refuse to accept a request to terminate the registration of an Authorized Trader, or may postpone the effective date of the termination of registration if BSEF considers it necessary for the protection of Participants or in BSEF's best interest. Based on the information provided to, and other information gathered by, BSEF regarding the request to terminate the registration of an Authorized Trader, BSEF will determine whether to (i) accept the request to terminate the designation, (ii) postpone the effective date of termination of the designation, and/or (iii) impose any terms or conditions before or after the effective date of termination of the designation.

~~RULE 303. Clearing Members~~

~~(a) Any entity wishing to clear Trades for any Participant must itself be a Participant.~~

~~(b) A Participant that is a Clearing Member must guarantee Trades of Participants for which it clears Trades, and be fully responsible for such Trades.~~

~~(c) If the Clearing Member indicated to BSEF prior to the execution of any Order that the credit or trading limit is sufficient for execution of such Order, the Clearing Member cannot withdraw the acceptance of the Trade resulted from such Order for clearing for any reason.~~

RULE 303. ~~RULE 304.~~ Participant Application Process

(a) Any Person who desires to become a Participant shall (i) submit a signed BSEF User Agreement; (ii) agree in Writing to abide by the BSEF Rules and Applicable Law; (iii) provide such information and documentation as may be requested by BSEF; and (vi) follow the procedures established by BSEF. Additionally, any Participant organized or located outside of the United States shall enter into a Written agreement acceptable to BSEF appointing a third party as its U.S. agent for service of process for purposes of CFTC Regulation 15.05, and shall provide BSEF with a copy of the agreement.

(b) In considering an application from a potential Participant, BSEF may require additional information from the applicant, or conduct an investigation to verify information submitted by the applicant, or both.

(c) If BSEF decides to admit an applicant as a Participant, it shall promptly notify the applicant and state in such notice the date on which the applicant shall become a Participant.

(d) BSEF may deny, condition or terminate Participant status of any Person if: (i) such Person is unable to satisfactorily demonstrate its ability to satisfy the Eligibility Criteria as set forth in Rule 301(a) to become or remain a Participant; (ii) such Person is unable to satisfactorily demonstrate its capacity to adhere to all applicable BSEF Rules; (iii) such Person would bring BSEF into disrepute as determined by BSEF in its sole discretion; or (iv) for such other cause as BSEF may reasonably determine.

(e) If BSEF decides to decline or condition an application for admission as a Participant, or terminate a Person's status as a Participant, BSEF shall promptly notify such Affected Person thereof in a Writing sent to the address provided by the applicant or maintained in BSEF registry of Participants. Such Affected Person may, within seven (7) calendar days, request in Writing that BSEF provide the reasons for the denial, conditioning or termination of Participant status. Within fourteen (14) calendar days after receiving such Written request, BSEF shall send in Writing to the Affected Person the reasons for the denial, conditioning or termination. Within fourteen (14) calendar days of receiving the BSEF's Written response, the Affected Person may request in Writing that BSEF reconsider its determination, and may provide any relevant representations or other information that such Affected Person believes to be relevant to the reconsideration.

RULE 304. ~~RULE 305.~~ Trading Privileges of a Participant

(a) Upon admission as a Participant, the Participant must execute such Participant Documentation as required from time to time by BSEF, and such Participant Documentation must remain in effect for the Participant to access the SEF operated by BSEF.

(b) Admission as a Participant entitles the Participant only to Trading Privileges and does not confer any right of ownership in, or right to attend or vote at meetings of, BSEF, or right to share in the profits, of BSEF. A Participant may not transfer or assign its status as a Participant.

RULE 305. ~~RULE 306.~~ Limitations of Trading Privileges

BSEF may at any time revoke, suspend, limit, condition, restrict or qualify the Trading Privileges of any Participant with or without notice to such Participant if, in the sole discretion of BSEF, such action is in the best interest of BSEF.

RULE 306. ~~RULE 307.~~ Assessments and Fees

BSEF shall set the times and amounts of any assessments or fees to be paid by Participants, which assessments or fees shall be paid to BSEF when due. If a Participant fails to pay when due any such assessments or fees levied on such Participant, and such payment obligation

remains unsatisfied for thirty days after its due date, BSEF may suspend, revoke, limit, condition, restrict or qualify the Trading Privileges of such Participant as it deems necessary or appropriate.

RULE 307. ~~RULE 308.~~ Authorized Representatives

Each Participant shall designate one or more Authorized Representatives who will represent the Participant before BSEF and its committees and receive notices on behalf of the Participant. The Authorized Representative shall be empowered by the Participant to act on its behalf and BSEF shall be entitled to rely on the actions of the Authorized Representative as binding on the Participant. Each Participant must provide BSEF with current contact and other requested information for each of its Authorized Representatives so that BSEF is able to immediately contact the Authorized Representatives.

RULE 308. ~~RULE 309.~~ Recording of Communications

BSEF may record conversations and retain copies of electronic communications between SEF Officials, on one hand, and Participants, their Account Managers, Authorized Traders, Supervised Persons or other agents, on the other hand, to the extent required by Applicable Law. Any such recordings may be retained by BSEF or the Regulatory Services Provider in such manner and for such periods of time as BSEF may deem necessary or appropriate. BSEF or Regulatory Services Provider will retain such records necessary to comply with CFTC Regulation 1.35.

RULE 309. ~~RULE 310.~~ Notices to Participants

BSEF shall publish a notice with respect to each addition to, modification of, or clarification of, the BSEF Rules or of any action to implement any BSEF Rules, in a form and manner that is reasonably designed to enable each Participant to become aware of and familiar with, and to implement any necessary preparatory measures to be taken by it with respect to, such addition or modification, prior to the effective date thereof (each a "**Notice to Participants**"). For purposes of publication in accordance with the first sentence of this Rule 310, it shall be sufficient (without limiting the discretion of BSEF as to any other reasonable means of communication) if a Notice to Participants is published on BSEF's website and posted on BSEF's internal notification system. Any Notice to Participants shall also be deemed to have been made to all Account Managers, Authorized Traders and Supervised Persons.

RULE 310. ~~RULE 311.~~ Communications between BSEF and Participants

Each Participant must provide BSEF with its current electronic mail address and telephone number and the electronic mail address and telephone number of any of its Authorized Traders and immediately (and in any event within 24 hours) update this information whenever it changes. All communications between BSEF and the Participant will be transmitted by electronic mail and/or posted on BSEF's website, except as otherwise specified by BSEF. The Participant shall be responsible for conveying such communications to its Authorized Persons and/or to its Account Managers. Each Participant will be responsible for promptly reviewing and, if necessary, responding to all electronic communications from BSEF to the Participant or any of

its Account Managers, Authorized Traders, its other Supervised Persons or any Person to whom it has given Trader ID(s). All communications made to a Participant shall also be deemed to have been made to all Account Managers, Authorized Traders and Supervised Persons of such Participant.

RULE 311. ~~RULE 312.~~ Application of BSEF Rules and Jurisdiction

(a) By becoming a Participant or by accessing, or entering any Order or submitting any Swap into the SEF operated by BSEF, and without any need for any further action, undertaking or agreement, a Participant, its Account Managers, Authorized Traders, Supervised Persons, Clients and Customers agree (i) to be bound by, and comply with, the BSEF Rules and Obligations, the Clearing House Rules, Swap Specifications and Applicable Law, in each case to the extent applicable to it, (ii) to become subject to the jurisdiction of BSEF with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Person, and (iii) to assist BSEF in complying with its legal and regulatory obligations, cooperate with BSEF and the CFTC in any inquiry, investigation, audit, examination or proceeding, and authorize BSEF to provide information regarding it to the Regulatory Services Provider, the CFTC or any Self-Regulatory Organization.

(b) Any Participant whose Trading Privileges are revoked or terminated shall remain bound by the BSEF Rules and Applicable Law, in each case to the extent applicable to it, and subject to the jurisdiction of BSEF with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Participant prior to such revocation or termination.

(c) A Client, Customer, Supervised Person or Authorized Trader who is suspended for any period remains subject to the BSEF Rules, the Obligations and BSEF's jurisdiction throughout the period of suspension. After revocation or termination or revocation of the designation of a Client, Customer, Supervised Person or Authorized Trader, the Client, Customer, Supervised Person or Authorized Trader remains subject to the BSEF Rules, the Obligations and the jurisdiction of BSEF for acts done and omissions made while registered or acting as a Client, Customer, Supervised Person or Authorized Trader. Any SEF Proceeding relating to a Client, Customer, Supervised Person or Authorized Trader shall occur as if the Client, Customer, Supervised Person or Authorized Trader were still registered or acting as such.

RULE 312. ~~RULE 313.~~ Description of Participant's Status

A Participant shall ensure that the form, content and context of any description of the Participant's status on the SEF operated by BSEF is not inconsistent with, and does not misrepresent, the Participant's capacity on the SEF operated by BSEF under the BSEF Rules or the Participant's registration, if any, under the CEA, or under any other Applicable Law.

RULE 313. ~~RULE 314.~~ Dissolution of Participants

All rights and privileges of a Participant terminate upon, and all obligations of a Participant shall survive the dissolution of the Participant.

RULE 314. ~~**RULE 315.**~~ **Withdrawal of Participant**

(a) To withdraw from the SEF operated by BSEF, a Participant must notify BSEF of its withdrawal. Such withdrawal shall be accepted and effective immediately upon receipt of such notice by BSEF.

(b) When BSEF accepts the withdrawal of a Participant, all rights and privileges of such Participant terminate (including, without limitation, the Trading Privileges). The accepted withdrawal of a Participant shall not affect the rights of BSEF under the BSEF Rules or relieve the former Participant of such Participant's obligations under the BSEF Rules before such withdrawal. Notwithstanding the accepted withdrawal of a Participant, the withdrawn Participant remains subject to the BSEF Rules, the Obligations and the jurisdiction of BSEF for acts done and omissions made while a Participant, and must cooperate in any SEF Proceeding under Chapter 6 as if the withdrawn Participant were still a Participant.

RULE 315. ~~**RULE 316.**~~ **Compliance with the Commodity Exchange Act**

All SEF Participants shall comply with the provisions of the CEA and the Rules and regulations duly issued pursuant thereto by the CFTC, including the filing of reports, maintenance of books and records, and permitting inspection and visitation by Authorized Representatives of the CFTC or Department of Justice.

RULE 316. ~~**RULE 317.**~~ **Access**

RULE 316.A. ECP Access

BSEF will provide its services to any ECP with access to its markets and BSEF services that is impartial, transparent and applied in a fair and non-discriminatory manner; provided, however, that each ECP complies with BSEF's documentation and the eligibility requirements set forth in this Rulebook.

RULE 316.B. ISV Access

BSEF will provide ISVs with access to its trading platform and its data in a fair and non-discriminatory manner; provided, however, that each ISV shall comply with BSEF's criteria governing such access. Such access criteria shall be impartial and transparent.

RULE 317. ~~**RULE 318.**~~ **Direct Access by Customers is Prohibited**

No Participant shall allow any of its Customers to access the SEF Platform directly using Participant's Participant ID. All Orders and quotes must be entered into the BSEF Platform by an Authorized Trader of a Participant.

RULE 318. ~~**RULE 319.**~~ **Legal Certainty for SEF Trades**

A transaction entered into on or pursuant to the BSEF Rules shall not be void, voidable, subject to rescission, otherwise invalidated, or rendered unenforceable as a result of:

(a) a violation by BSEF of the provisions of section 5h of the Act or CFTC Regulations;

(b) any CFTC proceeding to alter or supplement a Rule, term, or condition under section 8a(7) of the Act or to declare an emergency under section 8a(9) of the Act; or

(c) any other proceeding the effect of which is to:

(i) alter or supplement a specific term or condition or trading rule or procedure; or

(ii) require BSEF to adopt a specific term or condition, trading rule or procedure, or to take or refrain from taking a specific action.

CHAPTER 4.
OBLIGATIONS OF PARTICIPANTS

RULE 401. Duties and Responsibilities of Participants

(a) Each Participant shall, and shall cause all of its Account Managers, Authorized Traders and Supervised Persons to:

(i) ensure that BSEF's facilities are used in a responsible manner and are not used for any improper purpose;

(ii) ensure that BSEF's facilities are used only to conduct SEF Activity;

(iii) ensure that all SEF Activity conducted by the Participant, its Account Managers, Authorized Traders and Supervised Persons is performed in a manner consistent with the BSEF Rules and their respective Obligations;

(iv) comply with all BSEF Rules and Obligations and act in a manner consistent with each BSEF Rule and Obligation;

(v) observe high standards of integrity, market conduct, commercial honor, fair dealing, and just and equitable principles of trade while conducting or attempting to conduct any SEF Activity, or any aspect of any business connected with or concerning the SEF operated by BSEF;

(vi) not mislead or conceal any material fact or matter in any dealings or filings with BSEF or in response to any SEF Proceeding; and

(vii) keep the Authorized Trader's Trader IDs, account numbers and passwords confidential.

(b) Each Participant shall:

(i) be fully liable for all trading losses, Orders and transactions in Swaps effected by Participant; and

(ii) be responsible for promptly informing BSEF of any material changes to Eligibility Criteria information provided to BSEF by the Participant.

RULE 402. Required Disclosures to BSEF

Each Participant shall immediately notify the Compliance Department upon becoming aware of any of the following events:

(a) any material change to the contact information provided to BSEF by the Participant;

(b) any damage to, or failure or inadequacy of, the systems, facilities or equipment of the Participant to effect transactions pursuant to the BSEF Rules or to timely perform the Participant's financial obligations under or in connection with Swaps of such Participant or any Customer, Client or Supervised Person of such Participant;

(c) any refusal of admission to, or withdrawal by the Participant of any application for membership in, any Self-Regulatory Organization, SEF, DCM, or Derivatives Clearing Organization;

(d) any expulsion, suspension or fine in excess of $25,000 (whether through an adverse determination, voluntary settlement or otherwise) imposed on the Participant by any Self-Regulatory Organization, SEF, DCM, Derivatives Clearing Organization or relevant regulatory or governmental body;

(e) any revocation, suspension or conditioning of any registration or license granted by any regulatory or governmental body;

(f) the commencement of any judicial or administrative proceeding against the Participant, Client, Customer or any Supervised Person or the imposition of any fine in excess of $25,000, cease and desist order, denial of trading privileges, censure or other sanction or remedy (whether through an adverse determination, voluntary settlement or otherwise) imposed by any or relevant regulatory or governmental body;

(g) any indictment or conviction of, or any confession of guilt or plea of guilty or nolo contendere by any principals or senior officers of the Participant or Clients, Customers or Supervised Persons for any felony or misdemeanor involving, arising from, or related to, the purchase or sale of any commodity, futures contract, Swap, option, security, securities futures product or other financial instrument, or involving or arising from fraud or moral turpitude; and

(h) the Participant's or a 10% or greater owner of the Participant becoming the subject of a petition for bankruptcy;

(i) the appointment of a receiver, trustee or administrator for the Participant or a 10% or greater owner of the Participant;

(j) the presentment of a petition, or the passing of a resolution, for the Participant's or a 10% or greater owner of the Participant winding-up;

(k) the commencement of proceedings for the Participant's or the 10% or greater owner's of the Participant dissolution; or

(l) the occurrence of an event of insolvency with respect to the Participant or the 10% owner or greater owner of the Participant.

RULE 403. Inspections by BSEF

(a) BSEF (or the Regulatory Services Provider or other Authorized Representatives), shall have the right with such prior reasonable advance notice as is practicable under the circumstances, in connection with determining whether all BSEF Rules and Obligations are being, will be, or have been complied with by the Participant, to:

(i) inspect the books and records of the Participants relating to SEF Activity;

(ii) inspect systems, equipment and software of any kind operated by the Participant in connection with SEF Activity, wherever located;

(iii) access the systems, equipment, software, and the premises on which the systems, equipment, and software are located, any data stored in any of the systems or equipment, during the regular business hours and the Trading Hours of the SEF operated by BSEF, without prior notice to Participants; and/or

(iv) copy or reproduce any data to which BSEF has access under this Rule.

(b) Each Participant and Supervised Person shall provide the Regulatory Services Provider with the same access to their books and records and offices as they are required to provide to BSEF under the BSEF Rules and Applicable Law.

(c) The Compliance Department may require a Participant to furnish (periodically or on a particular occasion) information concerning the Participant's SEF Activity.

RULE 404. Minimum Financial and Related Reporting Requirements

Each Participant that is registered with any Self-Regulatory Organization shall comply with the provisions of Applicable Law relating to minimum financial and related reporting and recordkeeping requirements.

RULE 405. Confidentiality of Financial and Other Information

All information and data obtained or received by the Compliance Department from inspections of accounting and other records, quarterly balance sheets and declarations or reports on financial condition will be treated as confidential by BSEF; however, this Rule does not supplant Rule 212 Emergency Rules and the Rules in Chapter 6 (Disciplinary Rules), or any other requirement of legal process or law.

RULE 406. Authority to Impose Restrictions

Whenever a Participant is subject to the early warning requirements set forth in the CFTC Regulations, including, but not limited to, CFTC Regulation 1.12, the President, or his or her designee, may impose such conditions or restrictions on the business and operations of such

Participant as the President, or his or her designee, may deem necessary or appropriate for the protection of Customers, other Participants or the SEF operated by BSEF.

RULE 407. Customers and Clients

(a) No Participant shall carry an account for a Customer or enter an Order in the name of a Client unless the Participant has entered into a Written agreement with the Customer or Client containing such terms as may from time to time be prescribed by Applicable Law or in the BSEF Rules.

(b) Each Participant must: (1) ensure that the Customer or Client is an ECP at the time of execution of any Swap; (2) ensure that each Customer or Client has consented to the jurisdiction of BSEF in connection with and with respect to any Swap executed for or on behalf of such Client or Customer on the SEF operated by BSEF; (3) import into every Swap executed for the Customer or Client all the terms of the BSEF Rules insofar as they are applicable to that Swap; (4) in relation to any business done with the Customer or Client, enable the Participant to comply with all requirements of the BSEF Rules and any other arrangements, provisions and directions given by BSEF; and (5) obligate the Customer or Client to provide BSEF and its agents, including its Regulatory Services Provider, access to all books and records relating to SEF Activity, staff and other information necessary for monitoring and enforcement of BSEF Rules.

(c) A Participant may comply with Rule 407(b) by including the representations and obligations set forth in Rule 407(b) into a Written agreement between the Participant and the Customer or Client.

RULE 408. Disclosure Requirements; Know Your Counterparty Requirements

(a) Participants that are Swap Dealers or Major Swap Participants shall ~~obtain representations from each of their counterparties that~~verify the status of each counterparty ~~will be~~as an ECP with respect to each Swap Trade as provided in Part 23 of the CFTC Regulations applicable to business conduct standards for Swap Dealers and Major Swap Participants in their dealing with counterparties~~. This requirement shall not apply to a Swap Dealer or Major Swap Participant with respect to a counterparty to any Trade executed on a CLOB~~.

(b) A Participant that is an FCM or Introducing Broker must obtain representations from each of their Customers that the Customer will be an ECP with respect to each Trade.

(c) Participants that are Account Managers must verify the status of each of their Clients as an ECP.

(d) Each Participant and Supervised Person, Client or Customer of a Participant must comply with all disclosure requirements set forth in applicable CFTC Regulations and NFA Rules and regulations and any additional disclosure requirements imposed by the BSEF Rules.

RULE 409. Books and Records

RULE 409.A. Participant Books and Records

(a) Each Participant shall prepare and keep current all books, ledgers and other similar records relating to its SEF Activity required to be kept by it pursuant to the Act, CFTC Regulations and these Rules and shall prepare and keep current such other books and records relating to its SEF Activity and adopt such forms as BSEF may from time to time prescribe. Such books and records shall be made available, upon request, to BSEF, the CFTC, the Department of Justice or any Governmental Agency, regulator or Self-Regulatory Organization with jurisdiction over BSEF, and their respective Authorized Representatives.

(b) In addition to information required by subsection (a) of this Rule 409, books and records must contain all Order receipts, Order entry, Order terms, a unique account identifier (that relates back to the account(s) owner(s)), Order modification, and response receipt times at least to a second. The books and records must also contain all data relating to Order entry, including transaction date, Swap, applicable SEF codes, maturity date or tenor, quantity, Order type, Order qualifier, price, buy/sell indicator, trigger price, Order number, unique transaction number, account number, Clearing Member, type of action, customer type indicator, origin, and timestamps. For executed Orders the books and records must contain the execution time of the trade along with all fill information.

(c) If a Participant cannot enter an Order or Request for Quote received from its Customer into the SEF Platform, the Participant must immediately create an electronic record that includes the account identifier that relates to the Customer Account, time of receipt, and terms of the Order or Request for Quote.

(d) As required by CFTC Regulation 37.404, each Participant must keep records of their trading on the SEF operated by BSEF, including records of its activity in the commodity underlying any Swap and trading on related derivatives markets and make such records available, upon request, to BSEF, the CFTC or any Governmental Agency, regulator or Self-Regulatory Organization with jurisdiction over BSEF, and their respective Authorized Representatives.

(e) Each Participant shall keep all books and records required to be kept by it pursuant to these Rules for a period of five years from the date on which they are first prepared unless otherwise provided in these Rules or required by law. Such books and records shall be readily accessible during the first two years of such five-year period. During such five-year period, all such books and records shall be made available for inspection by, and copies thereof shall be delivered to, BSEF and its Authorized Representatives upon request.

(f) Each Participant and Authorized Trader shall provide the NFA with the same access to its books and records and offices as it is required to provide BSEF under these Rules and Applicable Law.

(g) BSEF may require a Participant to furnish such information concerning the Participant's business that is subject to these Rules as BSEF deems necessary to enable it to perform its obligations under Applicable Law, including information relating to (i) Swaps

executed on the SEF operated by BSEF and in related derivatives markets, including in the products underlying those Swaps, and (ii) information requested by a government agency relating to the SEF and/or BSEF's compliance with Applicable Law that BSEF believes is maintained by, or otherwise in the possession of, a Participant.

(h) All data and information provided to or obtained by BSEF pursuant to this Rule 409 shall be subject to the provisions of Rule 804.

RULE 409.B. BSEF Books and Records

BSEF shall keep, or cause to be kept, complete and accurate books and records, including, without limitation, all books and records required to be maintained pursuant to the CEA, the CFTC Regulations or the BSEF Rules as required by CFTC Regulation 1.31.

RULE 410. Responsibility for Mandatory Trading

Each Participant that is a Swap Dealer or Major Swap Participant shall be responsible for compliance with the mandatory trading requirement under Section 2(h)(8) of the CEA and shall not enter into any Required Transaction outside a SEF that lists a Swap related to such Required Transaction.

RULE 411. Eligibility for End-User Transactions

Each Participant wishing to execute any End-User Transaction on the SEF operated by BSEF must submit to BSEF the documentation required by Part 50 of the CFTC Regulations or CFTC Staff No-Action Letter 13-22 (each a "**Clearing Exception Form**") prior to placing an Order subject to the Clearing Exception. Upon request of BSEF, a Participant shall submit to BSEF all documentation supporting its eligibility for the Clearing Exception.

CHAPTER 5.
TRADING PRACTICES, REPORTING, CLEARING AND BUSINESS CONDUCT

RULE 501. Scope

This Chapter 5 prescribes Rules concerning trading practices and business conduct on the SEF operated by BSEF and applies to all Orders and Trades in Swaps as defined in Chapter 1.

RULE 502. Procedures

(a) With respect to trading on or though the SEF Platform or subject to BSEF Rules, BSEF may adopt, without limitation, procedures relating to transactions in Swaps and trading on the SEF Platform or subject to BSEF Rules, including procedures to:

(i) disseminate the prices of bids and offers on, and trades in, Swaps;

(ii) record, and account for, Swaps and SEF Activity and regulate administrative matters affecting Swaps and SEF Activity;

(iii) establish limits on the number and/or size of Orders that may be submitted by a Participant through the SEF Platform or subject to BSEF Rules;

(iv) establish limits on the aggregate notional amount of Swaps that may be held by a Participant;

(v) establish a limit on the maximum daily price fluctuations for any Swap and provide for any related restriction or suspension of trading in the Swap; and

(vi) establish minimum price quoting increments for each Swap.

(b) BSEF may, in its discretion and at any time, amend any procedures adopted pursuant to Rule 502(a), and will publish the amendments in a Notice to Participant or in any other manner determined appropriate by BSEF.

RULE 503. Business Days and Trading Hours

Except as provided in Rule 212 with respect to Emergencies, BSEF shall determine and publish a Notice to Participants listing the Business Days of the SEF operated by BSEF and the Trading Hours for each Swap.

RULE 504. Rule Violations

(a) It shall be an offense for a Participant or any of its Account Managers, Authorized Traders or Supervised Persons to violate any BSEF Rule regulating the conduct or business of a Participant or its Account Managers, Authorized Traders or Supervised Persons, or any agreement made with BSEF, or to engage in fraud, dishonorable or dishonest conduct, or in conduct which is inconsistent with just and equitable principles of trade.

(b) Participants shall assist BSEF in any investigation into potential violations of the BSEF Rules or the CEA. Such assistance must be timely and may include, but not be limited to, requiring any Participant, Client, Customer or Supervised Person to produce documents, to answer questions from BSEF or its designee, and/or to appear in connection with an investigation.

(c) If a Participant has actual or constructive notice of a violation of BSEF Rules in connection with the use of the SEF operated by BSEF by a Participant, Client, Customer or Supervised Person and the Participant fails to take appropriate action, the Participant may be found to have committed an act detrimental to the interest or welfare of the SEF operated by BSEF.

RULE 505. Fraudulent Acts

No Participant or any of its Account Managers, Authorized Traders or Supervised Persons shall engage in any fraudulent act or engage in any scheme to defraud, deceive, trick or mislead in connection with or related to any SEF Activity. Specifically, no Participant or any of its Account Managers, Authorized Traders or Supervised Persons shall engage in front running,

fraudulent trading, money passes, trading ahead of Customers ~~or~~, trading against Customers or accommodation trading.

RULE 506. Fictitious, Wash or Non-Competitive Transactions

(a) Neither Participant nor any of its Account Managers, Authorized Traders or Supervised Persons shall create fictitious transactions or wash transactions or execute any such Order with knowledge of its nature. No Person shall place or accept Orders in the same Swap 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 sales). 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.

(b) Neither Participant nor any of its Account Managers, Authorized Traders or Supervised Persons shall engage in a non-competitive transaction except with respect to Block Trades effected pursuant to Rule 531.

RULE 507. Execution of Required Transactions

No Participant shall execute a Required Transaction other than via the Minimum Trading Functionality. No Participant shall enter into an End-User Transaction unless it or its counterparty can claim a Clearing Exception. A Participant must elect the Clearing Exception on a per-trade basis. An Order for an End User Transaction will be rejected if an applicable Clearing Exception Form is not on file with BSEF.

RULE 508. Market Disruption and Market Manipulation

(a) Orders entered into the SEF operated by BSEF for the purpose of upsetting the equilibrium of the market in any Swap without the intent to reflect fair market values or creating a condition in which prices do not or will not reflect fair market values are prohibited, and any Participant or any of its Account Managers, Authorized Traders or Supervised Persons who makes or assists in entering any such Order with knowledge of the purpose thereof or who, with such knowledge, in any way assists in carrying out any plan or scheme for the entering of any such Order, will be deemed to have engaged in an act detrimental to the SEF operated by BSEF.

(b) Any intentional attempted or completed manipulation of the market in any Swap is prohibited.

(c) Participants may not post on ~~the CLOB~~an Order Book and submit an RFQ to the SEF Platform in the same Swap at the same time.

RULE 509. Prohibition of Misstatements

It shall be an offense to make any knowing misstatement of a material fact to BSEF, any SEF Official, any Board committee or SEF panel, the Compliance Department and/or agents of BSEF

(including the Regulatory Services Provider) or any Participant or any of its Account Managers, Authorized Traders or Supervised Persons.

RULE 510. Acts Detrimental to Welfare of SEF

It shall be an offense to engage in any act that is detrimental to the interest or welfare of the SEF operated by BSEF.

RULE 511. Adherence to Law

No Participant or any of its Account Managers, Authorized Traders or Supervised Persons shall engage in conduct in violation of Applicable Law and the BSEF Rules.

RULE 512. Use of Trading Privileges

No Participant or any of its Account Managers, Authorized Traders or Supervised Persons may use its Trading Privileges or access the SEF operated by BSEF in any way that could be expected to bring disrepute upon such Participant, any of its Account Managers, Authorized Traders or Supervised Persons, or BSEF.

RULE 513. Supervision

A Participant shall be responsible for establishing, maintaining and administering reasonable supervisory procedures to ensure that its Account Managers, Authorized Traders and Supervised Persons, if any, comply with Applicable Law and the BSEF Rules, and such Participant may be held accountable for the actions of such Account Managers, Authorized Traders or Supervised Persons.

RULE 514. Misuse of the SEF Platform

Misuse of the SEF Platform is strictly prohibited. Only Swaps can be traded on the SEF operated by BSEF. It shall be deemed an act detrimental to the interest and welfare of the SEF operated by BSEF to willfully or negligently engage in unauthorized use of the SEF Platform, to assist any Person in obtaining unauthorized access to the SEF Platform, to trade on the SEF Platform without an agreement and an established account with a Derivatives Clearing Organization or a Clearing Member, to alter the equipment associated with the SEF Platform, to interfere with the operation of the SEF Platform, to intercept or interfere with information provided thereby, or in any way to use the SEF Platform in a manner contrary to the BSEF Rules.

RULE 515. Mishandling of Customer Orders

Any Participant that mishandles any Customer Order is responsible for all remedial actions with respect to such Order.

RULE 516. Errors

(a) If an Order was incorrectly executed or rejected by the SEF operated by BSEF, a Participant or its Authorized Trader may, within one Business Day thereafter, request review of the Order by providing the confirmation number for the Order and stating the grounds for the disagreement.

(b) Upon receipt by BSEF of a request for review of an Order and the accompanying confirmation number, BSEF will review its electronic audit trail to determine if the SEF operated by BSEF correctly executed the Order. Such review will be completed (i) on the same Business Day if BSEF received such request for review prior to 12:00 noon on any Business Day or (ii) by the end of the following Business Day if such request was received (x) on or after 12:00 noon on any Business Day or (y) on any day that is not a Business Day.

(c) If the review described in this Rule reveals that the Order was incorrectly executed or rejected, then the Order or the resulting Trade, as applicable, shall be canceled.

(d) If the review described in this Rule reveals that the Order was correctly executed or rejected by the SEF operated by BSEF, then no adjustment shall be made in the Trading Accounts of any Participants.

(e) Notwithstanding anything to the contrary in this Rule, if BSEF determines its sole discretion that the execution of any trade was the result of Orders being incorrectly processed by the SEF Platform, or any other cause beyond the control of any Participant, then BSEF may cancel such trade in the Trading Accounts of all affected Participants.

RULE 517. Withholding Orders Prohibited

(a) Any Participant entering Orders on the SEF operated by BSEF for its Customers shall not withhold or withdraw from the market any Order, or any part of an Order, for the benefit of any Person other than the Customers.

(b) A Participant must enter immediately into the SEF operated by BSEF all Orders or Requests for Quotes received from its Customers that are executable immediately. If a Participant cannot immediately enter into the SEF Platform an Order or Request for Quote received from its Customer, the Participant must enter the Order or Request for Quote into the SEF operated by BSEF as soon as practicable, and must immediately create an electronic record as provided in Rule 409.

RULE 518. Priority of Customers' Orders

No Person shall enter an Order into the SEF operated by BSEF for his own account, an account in which he has a direct or indirect financial interest or an account over which he has discretionary trading authority, including, without limitation, an Order allowing discretion as to time and price, when such Person is in possession of any Order in the same Swap for another Person that the SEF operated by BSEF is capable of accepting.

RULE 519. Trading Against Customers' Orders Prohibited

RULE 519.A. General Prohibition

No Person in possession of a Customer's Order shall knowingly take, directly or indirectly, the opposite side of such Order for its own account, an account in which it has a direct or indirect financial interest, or an account over which it has discretionary trading authority.

RULE 519.B. Exceptions

The foregoing restriction shall not apply to the following:

(a) Transactions executed pursuant to Rule 531.A.

(b) Transactions where the Customer has consented in Writing no more than 12 months prior to the transaction to waive the application of Rule 519.A. The Participant must clearly identify, by appropriate Order entry system indicator, all such transactions.

RULE 520. Disclosing Orders Prohibited

No Person shall disclose another Person's Order to buy or sell except to a designated SEF Official or the CFTC, and no Person shall solicit or induce another Person to disclose Order information. No Person shall take action or direct another to take action based on non-public Order information, however acquired.

RULE 521. Simultaneous Buy And Sell Orders For Different Beneficial Owners

~~For any Order to be executed on a CLOB, or on a Disclosed Order Book, a Participant acting as intermediary for its Customers~~A Participant that is a broker or a dealer which seeks to execute against a Customer's Order or to execute two Customers against each other must expose one side of the transaction for ~~at least the Waiting Period to~~a minimum of 15 seconds to the other Participants before the second side of the transaction (whether for the Participant's own account or for a second Customer) can be submitted for execution. The Participant must display one side of the transaction as a firm quote on the Order Book. If the Order is not executed by another Participant after ~~the Waiting Period~~15 seconds, the Participant displaying one side of the transaction can execute the other side of the transaction against its own Order Book quote.

~~"**Waiting Period**" means a minimum of five (5) seconds for CLOB Orders and ten (10) seconds for Disclosed Order Book Orders.~~

RULE 522. Execution of Orders on the SEF Platform

RULE 522.A. Required Transactions

(a) Request for Quote Functionality

(i) The Request for Quote functionality of the SEF Platform allows a Participant (the "**Requesting Participant**") to send an RFQ to buy or sell a Swap to the

Required Number of Recipient Participants, to which all such Recipient Participants may respond.

(ii) Together with the first response from any Recipient Participant, the SEF Platform will display to a Requesting Participant any firm Resting Quotes for the Swap indicated in the RFQ that is posted on the Order Book together with any responses to the RFQ from the Recipient Participants, and such Resting Quotes will remain displayed until all responses to the RFQ are received or the time for response has lapsed. The SEF Platform will permit the Requesting Participant to execute against such firm Resting Quotes along with any responsive Order from a Recipient Participant.

(iii) (An RFQ for a specific Swap must be sent to at least the Required Number of Recipient Participants. A Participant is prohibited from sending an RFQ to less than the Required Number of Recipient Participants.

(iv) "**Recipient Participant**" means, with respect to any Requesting Participant sending any RFQ via the Request for Quote functionality of the SEF Platform, a Participant other than the Requesting Participant that (x) is not an Affiliate of or Controlled by the Requesting Participant and (y) is not an Affiliate of or Controlled by any other Recipient Participant receiving the same RFQ of the Requesting Participant. "Required Number" means (x) prior to the date one year after the Compliance Date of Part 37, no less than two Recipient Participants and (y) thereafter, no less than three Recipient Participants.

(b) Order Book

A Participant must indicate if a bid or offer posted on an Order Book is firm or indicative. Only firm bids and offers can be posted on the CLOB. Firm bids or offers may be posted on the Order Book only in the name or on behalf of a Guaranteed Person.

RULE 522.B. Permitted Transactions

The SEF Platform will provide various execution methods for Permitted Transactions. BSEF will notify Participants of such execution methods from time to time. An Order Book will be available for Permitted Transactions. A Permitted Transaction will be deemed executed on the SEF operated by BSEF upon BSEF providing a Written record of the terms of executed Trade to each counterparty as provided in Rule 522.C.

RULE 522.C. Trade Confirmations

(a) BSEF will provide each Participant that is a counterparty to a Trade a Written record of all of the terms of the Trade (a "**Confirmation**") as soon as technologically practicable after the execution of a Trade. Such terms shall legally supersede any previous agreement and serve as a confirmation of the Trade. BSEF will not include specific customer identifiers for accounts included in Bunched Orders if the applicable requirements of CFTC Regulation 1.35(b)(5) are met.

(b) On the Confirmations to the Trade BSEF will:

(i) for Trades executed on the CLOB: disclose the names of each Clearing Member for the Trade;

(ii) for Trades executed on the SEF operated by BSEF but outside the CLOB: disclose the name of each counterparty or an agent of the counterparty and, if applicable, the Clearing Member for each counterparty;

(iii) notify each counterparty, its agent or the Clearing Member if the counterparty is a Reporting Counterparty; and

(iv) designate the liquidity provider as a Reporting Counterparty, within the meaning of CFTC Regulation 45.8, if each counterparty has equal reporting status under CFTC Regulation 45.8.

(v)

RULE 523. ~~Average Price System~~[Reserved]

~~(a) A proprietary average price system ("**APS**") developed by a Participant or Clearing Member allows a Participant or Clearing Member to confirm to Customers an average price when multiple execution prices are received on an Order or series of Orders for the same instrument. An Order or series of Orders executed for the same instrument during the same trading day at more than one price may be averaged pursuant to APS only if each Order is for the same account or group of accounts and for the same instrument, or for the same instrument, maturity, put/call and strike price for options.~~

~~(b) The requirements enumerated below must be met for APS transactions.~~

~~(i) The Customer must have requested average price reporting.~~

~~(ii) Each individual trade must be submitted to the SEF at the executed price.~~

~~(iii) A Participant or Clearing Member must compute and confirm the weighted mathematical average price, as set forth in Rule 523(c).~~

~~(iv) A Participant or Clearing Member must possess the records to support the calculations and allocations to Customer Accounts and must maintain these records pursuant to CFTC Regulations.~~

~~(v) A Participant or Clearing Member must ensure that its proprietary trades are not averaged with Customer APS trades.~~

~~(c) Upon receipt of an execution or match at multiple prices for an APS Order, the weighted mathematical average must be computed by:~~

~~(i) multiplying the number of instruments purchased or sold at each execution price by that price;~~

~~(ii) adding the results together; and~~

~~(iii) dividing by the total number of instruments.~~

~~An average price for a series of Orders will be computed based on the average prices of each Order in that series. The actual average price or the average price rounded to the next price increment may be confirmed to Customers. If a Participant or Clearing Member confirms the rounded average price, the Participant or Clearing Member must round the average price up to the next price increment for a buy Order or down to the next price increment for a sell Order. The residual created by the rounding process must be paid to the Customer. APS may produce prices that do not conform to whole cent increments. In such cases, any amounts less than one cent may be retained by the Participant or Clearing Member.~~

~~(d) Each Participant or Clearing Member that confirms an average price to a Customer must indicate on the confirmation and monthly statement that the price represents an average price.~~

RULE 524. Order Entry Requirements

RULE 524.A. General

Each Authorized Trader entering an Order with respect to any Swap traded on the SEF operated by BSEF must include with the Order, without limitation:

(a) the Trader ID;

(b) the Participant ID;

(c) the price or yield, quantity, maturity or expiration date;

(d) the Swap;

(e) the price and quantity of the Swap;

(f) side of the Order;

(g) the CTI code;

(h) Trading Accounts and other relevant account(s);

(i) the Legal Entity Identifier of the Participant placing the Order, if available;

(j) a yes/no indication of whether the Participant or Client is a Swap Dealer with respect to the Swap with respect to which the Order is placed;

(k) a yes/no indication of whether the Participant or Client is a Major Swap Participant with respect to the Swap with respect to which the Order is placed;

(l) a yes/no indication of whether the Participant or Client is a Financial Entity;

(m) a yes/no indication of whether the Participant or Client is a U.S. person;

(n) an indication that a Swap is an inter-affiliate Swap that should not be subject to the real-time reporting requirements; or

(o) indication of the Clearing Exception;

(p) if applicable, other terms of a Swap that is not a Cleared Swap;

(q) if the Swap will be allocated:

(i) an indication that the Swap will be allocated; and

(ii) the Legal Entity Identifier of the Account Manager.

RULE 524.B. Customer Type Indicator (CTI) Codes

Each Participant must identify each transaction submitted to the SEF operated by BSEF with the correct customer type indicator code (a "**CTI**" code). The CTI codes are as follows:

CTI 1- Transactions executed by a Participant for its own account, for an account it controls, or for an account in which it has an ownership or financial interest.

CTI 2- Transactions executed for the Proprietary Account of a Participant.

CTI 3- Orders that a Participant executes on behalf of another Participant, or for an account such other Participant controls or in which such other Participant has an ownership or financial interest.

CTI 4- Any transaction not meeting the definition of CTIs 1, 2 or 3.

RULE 524.C. Block Trades

All Trades executed in accordance with Rule 531, unless otherwise exempted by a Rule, must be in the form of a Written or electronic record and include in the Order ticket all information required by Rule 524.A.

RULE 525. Position Limits

(a) BSEF shall have the authority to establish position limits for any Swap. Where the CFTC has established a position limit for any Swap, BSEF's position limit for that Swap shall not be higher than such limit established by the CFTC. Such limits will apply only with respect to trading on the SEF operated by BSEF.

(b) Except as otherwise provided by the BSEF Rules, no Person, including a Participant, may hold or control a position in excess of such position limits and a Participant may not maintain a position in excess of such position limits for a Client or Customer if such Participant knows, or with reasonable care should know, that such position will cause such Client or Customer to exceed the applicable position limits.

(c) Position limits shall apply to (i) all positions in accounts for which any Person, by power of attorney or otherwise, directly or indirectly holds positions or controls trading, and (ii) positions held by two or more Persons acting pursuant to an expressed or implied agreement or understanding, as if the positions were held by, or the trading of the positions were done by, a single Person.

RULE 526. Exemptions from Position Limits

Any Person seeking an exemption from the position limits referred to in Rule 525 must file an application with BSEF in the manner and within the time limits prescribed by BSEF. BSEF shall notify the applicant whether the exemption has been approved and whether BSEF has imposed any limitations or conditions on the exemption. The decision of BSEF shall be final.

RULE 527. Position Accountability.

(a) BSEF may establish a position accountability level for any Swap. Any Person, including a Participant, who owns or controls Swaps in excess of the applicable position accountability level shall provide to BSEF at its request any information regarding the nature of the position, trading strategy or hedging activities, if applicable, and if ordered by BSEF, shall not increase the size of any such position.

(b) For purposes of this Rule, all positions in accounts for which a Person, by power of attorney or otherwise, directly or indirectly controls trading shall be included with the positions held by such Person. The provisions of this Rule shall apply to positions held by two or more Persons acting pursuant to an expressed or implied agreement or understanding, as if the positions were held by a single Person.

RULE 528. Bunched Orders and Orders Eligible for Post-Execution Allocation

(a) Only the following categories of Participants may place a Bunched Order to be allocated post-execution on the SEF Platform or that is subject to BSEF Rules:

(i) a commodity trading advisor registered with the Commission pursuant to the Act or excluded or exempt from registration under the Act or the CFTC Regulations, except for entities exempt under CFTC Regulation 4.14(a)(3);

(ii) an investment adviser registered with the SEC pursuant to the Investment Advisers Act of 1940 or with a state pursuant to applicable state law or excluded or exempt from registration under the Investment Advisers Act of 1940 or applicable state law or rule;

(iii) a bank, insurance company, trust company, or savings and loan association subject to federal or state regulation;

(iv) a foreign adviser that exercises discretionary trading authority solely over the accounts of non-U.S. persons, as defined in CFTC Regulation 4.7(a)(1)(iv);

(v) a Futures Commission Merchant registered with the Commission pursuant to the Act; or

(vi) an Introducing Broker registered with the Commission pursuant to the Act.

(b) Bunched Orders must be allocated and recorded in accordance with CFTC Regulation 1.35(b)(5) and the NFA's Interpretative Notice related to Compliance Rule 2-10.

(c) Bunched Orders may be entered using an Account Series Designation or suspense account number; provided, however that:

(i) the Order is being placed by an Account Manager for multiple accounts eligible for post-execution allocation; or

(ii) a Written, pre-determined allocation scheme that defines the series has been provided to the FCM accepting or clearing the Order prior to the time that such Order is entered. In the latter case, if such information has not been provided to the FCM prior to the time of Order enter, each specific account number must be provided to BSEF. Additionally, for all such Bunched Orders executed on the SEF Platform or subject to BSEF Rules, the final account-specific allocations must be provided to BSEF no later than the End of Trading.

RULE 529. Orders Entered Prior to SEF Opening

Participants are prohibited from sending any Request for Quote or Order or using ~~the~~an Order Book or any other facility of BSEF prior to the opening of the trading session.

RULE 530. Identification of Authorized Traders

Each Authorized Trader shall be identified to BSEF, in the manner prescribed by BSEF, and shall be subject to BSEF Rules. It is the duty of the Participant to ensure that Authorized Trader (and Trader ID) registration is current and accurate at all times. Each individual must use a Trader ID to access the SEF operated by BSEF. In no event may a Person enter an Order or permit the entry of an Order by an individual using a user Trader ID other than the individual's own Trader ID.

RULE 531. Pre-Execution Communications

RULE 531.A. Required Transactions

(a) A Required Transaction can be executed outside the SEF Platform only if it is a Block Trade.

(b) Each buy or sell Order underlying a Block Trade must (1) state explicitly that it is to be, or may be, executed by means of a Block Trade, (2) be for at least such minimum number of Swaps as may from time to time be specified by BSEF, and CFTC Regulations and (3) comply with any other applicable CFTC Regulations governing Block Trades.

(c) Each party to a Block Trade shall comply with all applicable BSEF Rules other than those which by their terms only apply to trading through the SEF Platform.

(d) A Block Trade must be reported to the SEF operated by BSEF in a manner prescribed from time to time by BSEF. Block Trades must be reported to the SEF operated by BSEF by one counterparty and confirmed by the other counterparty as soon as practicable after the completion of negotiations, but may not be submitted any later than 15 minutes after the execution of the Block Trade.

(e) BSEF will review the information submitted by the Participant(s) for the Block Trade and will report the Block Trade as required by Part 43 and Part 45 of the CFTC Regulations if the details are complete and accurate in accordance with this Rule. A Participant that executes a Bunched Order as a Block Trade must comply with Rule 524.C. A Participant that executes a Bunched Order as a Block Trade must provide BSEF with the allocation information as soon as practicable.

(f) Block Trade prices will not trigger unexecuted Orders.

(g) Each Participant that is a party to a Block Trade must comply with the Recordkeeping Requirement set forth in Rule 409.A(c). Upon request by BSEF, such Participant shall produce satisfactory evidence, including the order ticket referred to in the preceding sentence, that the Block Trade meets the requirements set forth in this Rule 531.

(h) Any Block Trade in violation of these requirements shall constitute conduct which is inconsistent with just and equitable principles of trade.

(i) The aggregation of Orders for different accounts in order to satisfy the Minimum Block Trade size is permissible only by a Person who:

(i) (A) is a commodity trading advisor registered pursuant to Section 4n of the Act, or exempt from registration under the Act, or a principal thereof, who has discretionary trading authority or directs Client accounts;

(B) is an investment adviser who has discretionary trading authority or directs Client accounts and satisfies the criteria of § 4.7(a)(2)(v) of Part 43 of the CFTC Regulations; or

(C) is a foreign person who performs a similar role or function as the persons described in paragraphs (h)(6)(i)(A) or (h)(6)(i)(B) of CFTC Regulation 43.6 and is subject as such to foreign regulation; and

(ii) has more than $25,000,000 in total assets under management.

(j) A Person transacting a Block Trade on behalf of a Customer must receive prior Written instruction or consent from the Customer to do so. Such instruction or consent may be provided in the power of attorney or similar document by which the Customer provides the Person with discretionary trading authority or the authority to direct the trading in its account.

RULE 531.B. Permitted Transactions

(a) With respect to a Permitted Transaction,

~~(i) a Participant that is an FCM, Introducing Broker or an entity validly exempt from such registration may arrange a trade off the SEF Platform between two parties, each of which is a Participant (or a Customer of a Participant), to be executed under the BSEF Rules;~~

~~(ii)~~ two Participants may arrange bilaterally a Trade off the SEF Platform to be executed under the BSEF Rules~~;each of the transactions described in subsections (i) and (ii) of this Rule 531.B, a (~~ (a "**Permitted Off-Platform Trade**") .

(b) Permitted Off-Platform Trades must be reported to BSEF in a manner (and subject to the deadlines) prescribed from time to time by BSEF.

(c) Permitted Off-Platform Trades will not be deemed an executed Trade between the parties thereto until it is received and accepted by BSEF.

RULE 532. Reporting to SDR

(a) BSEF will report each Trade to an SDR of BSEF's choice as soon as technologically practicable.

(b) The Reporting Counterparty designated in accordance with subsection (b) of Rule 522.C shall comply with all reporting obligations set forth in Part 45 of the CFTC Regulations including, but not limited to, reporting trade allocations.

(c) Participant shall designate each Trade above the Appropriate Minimum Block Size as a Block Trade. BSEF shall report to an SDR each Trade above the Appropriate Minimum Block Size as a Block Trade regardless of the method of execution of such Trade on the SEF operated by BSEF.

(d) Each Participant shall correct in the records of the applicable SDR any mistakes in a Trade report submitted by BSEF within 48 hours after the execution of the Trade.

RULE 533. Cleared Swaps

(a) Each Cleared Swap shall be cleared through the Clearing House indicated in the Swap Specification in accordance with the CEA and the CFTC Regulations.

(b) For each Cleared Swap a Participant expects to enter into via the SEF Platform or subject to BSEF Rules, the Participant or a Client or Customer of the Participant must establish a clearing account with the Clearing House or with a Clearing Member of the Clearing House, in each case, designated in the Swap Specification for such Cleared Swap.

(c) All Trades in Cleared Swaps by a Participant or its Client or Customer must be guaranteed by a Clearing Member that assumes financial responsibility for such Participant, Client or Customer (each such Participant, Client or Customer, a "**Guaranteed Person**"). Such guarantee is effective only until such time that the Clearing Member accepts the Trade. A Trade will be deemed to have been accepted by such Clearing Member when the Trade is accepted by the Clearing House.

(d) BSEF shall submit each Trade directly to the Clearing House specified in the Swap Specifications. If the Trade is rejected by the Clearing House and the Trade was not executed in error, the Participants shall resubmit to the Clearing House as soon as possible in accordance with the Rules of the DCO. BSEF shall have the right to suspend Trading Privileges

of the Participant or Participants that executed the Trade or the account of the Client on whose behalf the Participant executed the Trade that was rejected or take any other action permitted by the BSEF Rules.

(e) Prior to execution of any Order in a Cleared Swap on the ~~CLOB~~SEF Platform, BSEF will confirm ~~with the Clearing Member~~ that the Person in the name and on behalf of which the Order is placed has ~~a sufficient credit or trading limit~~clearing capacity with ~~the~~its Clearing Member ~~on whose behalf BSEF will submit the Trade for clearing. If the credit or trading limit is not sufficient for the execution of the Order as determined and communicated by the Clearing Member to BSEF, BSEF will cancel~~for such Order. If there is no clearing capacity, BSEF will reject the Order.

RULE 534. Non-Cleared Swaps

Any Participant placing an Order with respect to a Swap that is not a Cleared Swap shall have an agreement governing the execution of the Swap with the prospective counterparty to such Swap prior to placing such Order. Both Participants that are counterparties to such execution agreement shall submit to BSEF prior to the execution of any Swap that is not a Cleared Swap any agreement or agreements containing the terms of such Swap and shall comply with Order entry requirements for Swaps that are not Cleared Swaps that BSEF shall establish from time to time.

RULE 535. Risk Controls

(a) BSEF may, in its sole discretion, reject any Order or Block Trade placed or reported on the SEF Platform.

(b) BSEF shall have the right to take any action to reduce the potential of market disruption, including, but not limited to, market restrictions that pause or halt trading in market conditions prescribed by BSEF if such action is in the best interest of the Swap markets.

(c) BSEF shall have the right in its sole discretion to cancel Trades executed at prices outside the No-Bust Range but not submitted to the Clearing House. "**No-Bust Range**" shall mean the price of a Swap that is no more than 30% higher or lower than the prior Business Day's Daily Settlement Price for such Swap.

(d) If a Swap affected by any action of BSEF under this Rule 535 is fungible with, linked to, or a substitute for, other Swaps on the SEF operated by BSEF, BSEF may apply the same action to any such other Swaps.

(e) If a Swap is fungible with, linked to or a substitute for a financial instrument trading on another trading venue, including any trading venue regulated by the SEC (a "**Linked Swap"**), and such other trading venue placed risk controls on such financial instrument, BSEF shall have the right to place similar risk controls on the Linked Swap.

RULE 536. LIMITATION OF LIABILITY, NO WARRANTIES

(a) NONE OF BSEF, ITS AFFILIATES OR ANY CONTRACTORS AND SUB-CONTRACTORS PROVIDING SERVICES RELATED TO BSEF OR THE SEF OPERATED BY BSEF, NOR ANY OF THEIR RESPECTIVE SUCCESSORS OR ASSIGNS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, PARTNERS, CONSULTANTS, OR LICENSORS (EACH, A "**DISCLAIMING PARTY**") SHALL BE LIABLE TO ANY PERSON (INCLUDING ANY PARTICIPANT, SUPERVISED PERSON, CLIENT OR CUSTOMER) FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES (INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF USE, AND DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES), ARISING FROM:

(i) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION, TERMINATION, OR ANY OTHER EVENT, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF THE SEF OPERATED BY BSEF, SEF PLATFORM OR SERVICES OF THE DISCLAIMING PARTY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SEF OPERATED BY BSEF, SEF PLATFORM OR SERVICES, INCLUDING ELECTRONIC ORDER ENTRY/DELIVERY, TRADING THROUGH ANY ELECTRONIC MEANS, ELECTRONIC COMMUNICATION OF MARKET DATA OR INFORMATION, WORKSTATIONS USED BY PARTICIPANTS, SUPERVISED PERSONS, CLIENTS OR CUSTOMERS, PRICE REPORTING SYSTEMS AND ANY AND ALL COMMUNICATIONS NETWORKS, SOFTWARE AND HARDWARE RELATING THERETO;

(ii) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION OR TERMINATION, OR ANY OTHER EVENT, OF THE SEF PLATFORM OR ANY SERVICES OF A DISCLAIMING PARTY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH TRADING SYSTEMS OR SERVICES, CAUSED BY ANY THIRD PARTIES INCLUDING, BUT NOT LIMITED TO, INDEPENDENT SOFTWARE VENDORS OR NETWORK PROVIDERS;

(iii) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY THE DISCLAIMING PARTY OR IN ANY OF THE DISCLAIMING PARTY'S SYSTEMS, SERVICES, EQUIPMENT OR FACILITIES;

(iv) ANY UNAUTHORIZED ACCESS TO OR UNAUTHORIZED USE OF ANY OF THE DISCLAIMING PARTY'S SYSTEMS, SERVICES, EQUIPMENT OR FACILITIES BY ANY PERSON.

THE FOREGOING LIMITATION OF LIABILITY SHALL APPLY WHETHER A CLAIM ARISES IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, CONTRIBUTION OR OTHERWISE AND WHETHER THE CLAIM IS BROUGHT DIRECTLY OR AS A THIRD PARTY CLAIM.

(b) NOTWITHSTANDING SUBSECTION (a), (c), (e) or (f) OF THIS RULE 536, IN NO EVENT SHALL ANY AFFILIATE OF BSEF ACTING AS BSEF PLATFORM TECHNOLOGY SERVICES PROVIDER BE LIABLE TO ANY PERSON NOR SHALL ANY PERSON BRING ANY LEGAL ACTION (WHETHER IN TORT, NEGLIGENCE, OR BREACH OF CONTRACT) FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES INCLUDING, BUT NOT LIMITED TO LOSS OF PROFITS, LOSS OF USE, DIRECT, SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, ARISING FROM THE USE OF THE SEF OPERATED BY BSEF OR SEF PLATFORM.

(c) THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS (INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR USE) PROVIDED BY ANY DISCLAIMING PARTY RELATING TO ANY SYSTEMS OR SERVICES OF ANY DISCLAIMING PARTY OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES.

(d) ANY DISPUTE ARISING OUT OF THE USE OF SYSTEMS OR SERVICES OF ANY DISCLAIMING PARTY OR SERVICES, EQUIPMENT, OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES IN WHICH THE DISCLAIMING PARTY OR DISCLAIMING PARTIES IS A PARTY SHALL BE SUBJECT TO ARBITRATION AS PROVIDED IN RULE 809(c) AS IF THE DISCLAIMING PARTY WERE BSEF AND THE OPPOSITE PARTY OR PARTIES WERE A PARTICIPANT. ANY ACTIONS, SUITS OR PROCEEDINGS BROUGHT AGAINST ANY DISCLAIMING PARTY MUST BE BROUGHT WITHIN ONE YEAR FROM THE TIME THAT A CAUSE OF ACTION HAS ACCRUED. THIS PARAGRAPH (d) SHALL IN NO WAY BE CONSTRUED TO LIMIT A PARTY'S OBLIGATION TO ARBITRATE ITS CLAIM OR TO CREATE A CAUSE OF ACTION (OR MODIFY THE LIMITATION ON ACTIONS PROVIDED IN RULE 536(a)) AND SHALL NOT AUTHORIZE AN ACTION THAT WOULD OTHERWISE BE PROHIBITED BY THE BSEF RULES. IF FOR ANY REASON, A COURT OF COMPETENT JURISDICTION FINDS THAT A DISPUTE IS NOT ARBITRABLE, SUCH DISPUTE SHALL BE SUBJECT TO THE JURISDICTION OF EACH OF THE FEDERAL AND STATE COURTS LOCATED IN NEW YORK COUNTY, NEW YORK IN CONNECTION WITH ANY MATTERS ARISING OUT OF THIS RULEBOOK AND NO PARTY TO SUCH DISPUTE MAY ASSERT A DEFENSE OF FORUM NON CONVENIENS, SOVEREIGN IMMUNITY, ACT OF STATE OR ANALOGOUS DOCTRINES IN CONNECTION WITH ANY ACTION.

(e) TO THE EXTENT PERMITTED BY LAW, THE TOTAL COMBINED AGGREGATE LIABILITY OF BSEF SHALL NOT EXCEED (i) $5,000 FOR ALL LOSSES AND CLAIMS FROM ALL CAUSES SUFFERED ON A SINGLE DAY, (ii) $10,000 FOR ALL LOSSES AND CLAIMS FROM ALL CAUSES SUFFERED IN A SINGLE CALENDAR MONTH; AND (iii) $100,000 FOR ALL LOSSES AND CLAIMS FROM ALL CAUSES SUFFERED IN A SINGLE CALENDAR YEAR. ANY DISPUTED CLAIM PURSUANT TO THIS PARAGRAPH (e) SHALL BE SUBJECT TO ARBITRATION TO THE EXTENT PROVIDED IN RULE 809(c).

(f) IN NO EVENT SHALL TOTAL COMBINED AGGREGATE LIABILITY OF BSEF FOR ALL CLAIMS AND CLAIMS AGAINST DISCLAIMING PARTIES ARISING

OUT OF ANY FAILURES, MALFUNCTIONS, FAULTS IN DELIVERY, DELAYS, OMISSIONS, SUSPENSIONS, INACCURACIES, INTERRUPTIONS, TERMINATIONS, OR ANY OTHER CAUSES, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF THE SEF OPERATED BY BSEF OR SEF PLATFORM, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT BSEF, THE SEF OPERATED BY BSEF OR SEF PLATFORM, OR THE NEGLIGENCE OF BSEF EMPLOYEES, AGENTS OR SUBAGENTS EXCEED $100,000 IN ANY GIVEN CALENDAR YEAR.

IF THE NUMBER OF ALLOWED CLAIMS ARISING OUT OF ANY FAILURES OR MALFUNCTIONS ON A SINGLE DAY, SINGLE MONTH OR SINGLE YEAR CANNOT BE FULLY SATISFIED BECAUSE OF THE ABOVE DOLLAR LIMITATIONS, ALL SUCH CLAIMS SHALL BE LIMITED TO A PRO RATA SHARE OF THE MAXIMUM AMOUNT FOR THE RESPECTIVE PERIOD.

(g) THE LIMITATIONS OF LIABILITY IN THIS RULE 536 SHALL NOT PROTECT ANY PARTY FOR WHICH THERE HAS BEEN A FINAL DETERMINATION (INCLUDING EXHAUSTION OF ANY APPEALS) BY A COURT OR ARBITRATOR TO HAVE ENGAGED IN FRAUD OR WILLFUL MISCONDUCT. ADDITIONALLY, THE FOREGOING LIMITATIONS ON LIABILITY OF THIS RULE SHALL BE SUBJECT TO THE CEA AND THE REGULATIONS PROMULGATED THEREUNDER, EACH AS IN EFFECT FROM TIME TO TIME.

CHAPTER 6.
DISCIPLINARY RULES

RULE 601. General

(a) All Participants, Account Managers, Authorized Traders, Clients, Customers and Supervised Persons shall be subject to BSEF's jurisdiction. All Participants, Account Managers, Authorized Traders, Clients, Customers and Supervised Persons are subject to this Chapter 6 if they, or with respect to a Participant, any other Person using any Trader ID and/or login credentials linked to the Participant, are alleged to have violated, to have aided and abetted a violation, to be violating, or to be about to violate, any BSEF Rule or any provision of Applicable Law for which BSEF possesses disciplinary jurisdiction.

(b) BSEF, through the Compliance Department and the Disciplinary Panels, will conduct inquiries, investigations, disciplinary proceedings, summary impositions of fines, summary suspensions or other summary actions in accordance with this Chapter 6.

(c) No SEF Official will interfere with or attempt to influence the process or resolution of any inquiry, investigation, disciplinary proceeding, summary imposition of fines, summary suspension or other summary action. No Director will interfere with or attempt to influence the process or resolution of any inquiry, investigation, disciplinary proceeding and summary imposition of fines, summary suspension or other summary action, except to the extent provided under the BSEF Rules with respect to a proceeding in which the Director is a member of the relevant panel.

(d) Any Participant, Account Manager, Authorized Trader, Client, Customer or Supervised Person may be represented by counsel during any inquiry, investigation, disciplinary proceeding, summary imposition of fines, summary suspension or other summary actions pursuant to this Chapter 6.

(e) Pursuant to this Chapter 6, BSEF may hold a Participant liable for, and impose sanctions against such Participant, for such Participant's own acts and omissions that constitute a violation as well as for the acts and omissions of each (A) Authorized Trader of such Participant, (B) other Supervised Person of such Participant, (C) other Person using the Trader ID or login credentials linked to the Participant, (D) other agent or representative of such Participant, in each case, that constitute a violation as if such violation were that of the Participant, or (E) Client or Customer of such Participant.

(f) Pursuant to this Chapter 6, BSEF may hold an Authorized Trader liable for, and impose sanctions against him or her, for such Authorized Trader's own acts and omissions that constitute a violation as well as or for the acts and omissions of any other agent or representative of such Authorized Trader that constitute a violation as if such violation were that of the Authorized Trader.

(g) Pursuant to this Chapter 6, BSEF may review an appeal by any applicant of BSEF's decision to deny or otherwise limit Trading Privileges of such applicant pursuant to the BSEF Rules; provided, however, that any such decision by BSEF to deny or otherwise limit applicant's Trading Privileges shall continue in effect during such review.

(h) A Person subject to a disciplinary proceeding (and any counsel or representative of such Person) and the Compliance Department and/or the Review Panel (and any counsel or representative of the Compliance Department including any Regulatory Services Provider and Review Panel) shall not knowingly make or cause to be made an ex parte communication relevant to the merits of a disciplinary proceeding to any member of the Hearing Panel hearing such proceeding. Members of a Hearing Panel shall not knowingly make or cause to be made an ex parte communication relevant to the merits of a disciplinary proceeding to any Person subject to such proceeding (and any counsel or representative of such Person) and the Compliance Department (and any counsel or representative of the Compliance Department) or the Review Panel (and any counsel or representative of the Review Panel). Any Person who receives, makes or learns of any communication which is prohibited by this Rule shall promptly give notice of such communication and any response thereto to the Compliance Department and all parties to the proceeding to which the communication relates. A Person shall not be deemed to have violated this Rule if the Person refuses an attempted communication concerning the merits of a proceeding as soon as it becomes apparent the communication concerns the merits.

RULE 602. Inquiries and Investigation

(a) The Compliance Department will investigate any matter within the BSEF's disciplinary jurisdiction of which it becomes aware. The Compliance Department will determine the nature and scope of its inquiries and investigations within its sole discretion and will function independently of any commercial interests of BSEF. The Compliance Department's investigation must be completed within 12 months of the date when the Compliance Department

commenced its investigation unless there are mitigating factors that may reasonably justify an investigation taking longer than 12 months, including without limitation the complexity of the investigation, the number of Participants or individuals involved as potential wrongdoers, the number of potential violations to be investigated, and the volume of documents and data to be examined and analyzed by the Compliance Department.

(b) The Compliance Department has the authority to:

(i) initiate and conduct inquiries and investigations;

(ii) prepare investigative reports and make recommendations concerning initiating disciplinary proceedings;

(iii) prosecute alleged violations within BSEF's disciplinary jurisdiction; and

(iv) represent BSEF on summary imposition of fines, summary suspension or other summary action.

(c) Each Participant, Account Manager, Authorized Trader and other Supervised Person:

(i) is obligated to appear and testify and respond in Writing to interrogatories within the time period required by the Compliance Department in connection with: (A) any BSEF Rule; (B) any inquiry or investigation; or (C) any preparation by and presentation during a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action by BSEF;

(ii) is obligated to produce books, records, papers, documents or other tangible evidence in its, his or her possession, custody or control within the time period required by the Compliance Department in connection with: (A) any BSEF Rule; (B) any inquiry or investigation; or (C) any preparation by and presentation during a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action by BSEF; and

(iii) may not impede or delay any inquiry, investigation, disciplinary proceeding, summary imposition of fines, summary suspension or other summary action.

RULE 603. Reports of Investigations

(a) The Compliance Department will maintain a log of all investigations and their disposition. The Compliance Department will prepare a Written report of each investigation, regardless of whether the evidence gathered during any inquiry or investigation forms a reasonable basis to believe that a violation within BSEF's jurisdiction has occurred or is about to occur or whether the evidence gathered results in closing the matter without further action or through summary action.

(b) Any Written report of investigation will include the reasons for initiating the investigation (including a summary of the complaint, if any), all relevant facts and evidence gathered, staff analysis, conclusions and the recommendation of the Compliance Department. The report must also include the Participant's disciplinary history at BSEF, including copies of the warning letters. For each potential respondent, the Compliance Department will recommend either (i) closing the investigation without further action, (ii) summary action, (iii) resolving the investigation through an informal disposition, including the issuance of a warning letter or (iv) initiating disciplinary proceedings. An informal disposition (including the issuance of a warning letter) will not constitute a finding of a violation or a sanction.

RULE 604. Opportunity to Respond to Investigatory Report

(a) After completing its investigation report, the Compliance Department may, upon approval of the Chief Compliance Officer, notify each potential respondent that the Compliance Department has recommended formal disciplinary charges against the potential respondent.

(b) The Compliance Department may allow a potential respondent to propose a settlement of the matter or to submit a Written statement explaining why a disciplinary proceeding should not be instituted or one or more of the potential charges should not be brought. The potential respondent shall submit such Written statement within the time limit established by the Compliance Department.

RULE 605. Review of Investigative Reports

The Review Panel will review promptly each completed investigation report to determine whether a reasonable basis exists for finding that a violation of BSEF Rules within BSEF's jurisdiction has occurred or is about to occur. Within 30 days of receipt of the investigation report the Review Panel must take one of the following actions:

(a) If the Review Panel determines that additional investigation or evidence is needed to decide whether a reasonable basis exists to find that a violation of BSEF Rules within the BSEF's jurisdiction has occurred or is about to occur, the Review Panel will promptly direct the Compliance Department to conduct further investigation.

(b) After receiving completion of an investigation, the Review Panel will determine for each potential respondent whether to authorize:

(i) the commencement of disciplinary proceedings because a reasonable basis exists to believe that a violation BSEF Rules within the BSEF's jurisdiction has occurred or is about to occur and adjudication is warranted;

(ii) the informal disposition of the investigation (by issuing a warning letter as more fully discussed in Rule 606) because disciplinary proceedings are unwarranted, in which case the Review Panel shall provide a Written explanation which must set forth the facts and analysis supporting the decision; or

(iii) the closing of the investigation without any action because no reasonable basis exists to believe that a violation of BSEF Rules within the BSEF's jurisdiction

has occurred or is about to occur in which case the Review Panel shall provide a Written explanation including the facts and analysis supporting the decision to the Compliance Department.

RULE 606. Warning Letters

BSEF authorizes compliance staff to issue a warning letter to a Person or entity under investigation or to recommend that a disciplinary committee take such an action. A warning letter issued in accordance with this Rule is not a penalty or an indication that a finding of a violation has been made. A copy of a warning letter issued by compliance staff must be included in the investigation report. No more than one warning letter may be issued to the same Person for the same Rule violation within a rolling 12-month period.

RULE 607. Notice of Charges

(a) If the Review Panel authorizes disciplinary proceedings pursuant to Rule 605(b)(i), the Review Panel will prepare, and serve in accordance with Rule 608, a Notice of Charges.

(b) A Notice of Charges will:

(i) state the acts, practices or conduct that the respondent is alleged to have engaged in;

(ii) state the BSEF Rule or provision of Applicable Law alleged to have been violated or about to be violated;

(iii) state the proposed sanctions;

(iv) advise the respondent of its right to a hearing;

(v) state the period of time within which the respondent can request a hearing on the Notice of Charges, which will not be less than 20 days after service of the Notice of Charges;

(vi) advise the respondent that any failure to request a hearing within the period stated, except for good cause, will be deemed to constitute a waiver of the right to a hearing;

(vii) advise the respondent that any allegation in the Notice of Charges that is not expressly denied will be deemed to be admitted; and

(viii) advise the respondent of its right to be represented by legal counsel or any other representative of its choosing in all succeeding sages of the disciplinary process.

RULE 608. Service of Notice of Charges

Any Notice of Charges or other documents contemplated to be served pursuant to this Chapter 6 may be served (and service shall be deemed complete) upon the respondent either personally or by leaving the same at his or her place of business, or by tracked delivery via reputable overnight courier, or by deposit in the United States mail, postage prepaid, via registered or certified mail addressed to the respondent at the address as it appears on the books and records of BSEF.

RULE 609. Answer to Notice of Charges

(a) If the respondent determines to answer a Notice of Charges, the respondent must file answers within 20 days after being served with such notice, or within such other time period determined appropriate by the Review Panel.

(b) To answer a Notice of Charges, the respondent must in Writing:

(i) specify the allegations that the respondent denies or admits;

(ii) specify the allegations that the respondent does not have sufficient information to either deny or admit;

(iii) specify any specific facts that contradict the Notice of Charges;

(iv) specify any affirmative defenses to the Notice of Charges; and

(v) sign and serve the answer on the Review Panel.

(c) Any failure by the respondent to timely serve an answer to a Notice of Charges will be deemed to be an admission to the allegations in such notice. Any failure by the respondent to answer one or more allegations in a Notice of Charges will be deemed to be an admission of that allegation or those allegations. Any allegation in a Notice of Charges that the respondent fails to expressly deny will be deemed to be admitted. A statement of a lack of sufficient information shall have the effect of a denial of an allegation. A general denial by the respondent, without more, will not satisfy the requirements of paragraph (b) above.

RULE 610. Admission or Failure to Deny

If respondent admits or fails to deny any of the charges; a Hearing Panel may find that the violations alleged in the Notice of Charges for which the respondent admitted or failed to deny any of the charges have been committed. The Hearing Panel then must take the following action:

(a) impose a sanction for each violation found to have been committed; and

(b) notify the respondent in Writing of any sanction to be imposed and advise the respondent that it may request a hearing on such sanction within a specified period of time.

If a respondent fails to request a hearing within 20 days as specified in the notice, the respondent will be deemed to have accepted the sanction.

RULE 611. Denial of Charges and Right to a Hearing

In every instance where a respondent has requested a hearing on a charge that is denied, the respondent may request a hearing. Except for good cause, the hearing must concern only with those charges denied for which a hearing has been requested.

RULE 612. Settlements

(a) A respondent or potential respondent may at any time after the investigation report is complete propose in Writing an offer of settlement to anticipated or instituted disciplinary proceedings. Any offer of settlement should contain proposed findings and sanctions and be signed by the respondent or potential respondent and submitted to the Review Panel. A respondent or potential respondent may offer to settle disciplinary proceedings without admitting or denying the findings contained in the order of the disciplinary proceedings but must accept the jurisdiction of BSEF over it and over the subject matter of the proceedings and consent to the entry of the findings and sanctions imposed.

(b) If a respondent or potential respondent submits an offer of settlement in accordance with paragraph (a) above, the Compliance Department will forward the offer to the Chief Compliance Officer with a recommendation on whether to accept or reject the offer. Any preliminary determination by the Chief Compliance Officer to accept the offer shall be submitted for review by the Review Panel. If the Review Panel agrees, then the Chief Compliance Officer shall conditionally accept an offer of settlement, without alteration unless the respondent agrees, and that the settlement will become final upon the expiration of 20 days after an order of the disciplinary proceedings consistent with the terms of the offer of settlement is served on the respondent.

(c) If an offer of settlement is accepted, the Review Panel must issue a Written decision specifying the Rule violations it has reason to believe were committed, including the basis or reasons for the panel's conclusions, and any sanction to be imposed, which must include full Customer restitution where Customer harm is demonstrated. If an offer of settlement is accepted without the agreement of the Compliance Department, the decision must adequately support the Hearing Panel's acceptance of the settlement. Where applicable, the decision must also include a statement that the respondent has accepted the sanctions imposed without either admitting or denying the Rule violations. Further, the settlement is accepted the related order of disciplinary proceedings becomes final, the respondent's submission of the offer will be deemed to constitute a waiver of the right to notice, opportunity for a hearing and review under the BSEF Rules.

(d) If the offer of settlement of a respondent or potential respondent is not accepted by agreement between the Chief Compliance Officer and the Review Panel, fails to become final or is withdrawn by the respondent or potential respondent, the matter will proceed as if the offer had not been made and the offer and all documents relating to it will not become part of the record. Neither a respondent or potential respondent nor the Compliance Department may use an

unaccepted offer of settlement as an admission or in any other manner at a hearing of disciplinary proceedings.

RULE 613. Hearing Panel

The Hearing Panel is responsible for adjudicating disciplinary cases pursuant to a Notice of Charges authorized by a Review Panel.

A respondent may seek to disqualify any individual on the Hearing Panel for the reasons identified in BSEF Rules or for any other reasonable grounds, by serving Written notice on the Chief Compliance Officer. By not timely filing a request for disqualification, the respondent will be deemed to have waived any objection to the composition of a Hearing Panel. The general counsel of BSEF will decide the merits of any request for disqualification within his or her sole discretion. Any such decision will be final and not subject to appeal.

RULE 614. Convening Hearings of Disciplinary Proceedings

(a) All disciplinary proceedings (except for summary impositions of fines pursuant to Rule 621) will be conducted at a hearing before the Hearing Panel. A hearing will be conducted privately and confidentially. Notwithstanding the confidentiality of hearings, the Hearing Panel may appoint an expert to attend any hearing and assist in deliberations if such expert agrees to be subject to an appropriate confidentiality agreement.

(b) After reasonable notice to each respondent, the Hearing Panel will promptly convene a hearing to conduct the disciplinary proceedings with respect to such respondent. Parties to a disciplinary proceeding include each respondent and the Compliance Department including the Enforcement Staff.

(c) The chairman of the Hearing Panel may continue, adjourn or otherwise conduct the hearing, as he or she may deem appropriate. The chairman of the Hearing Panel will determine all procedural and evidentiary matters, including the admissibility and relevance of any evidence proffered. In determining procedural and evidentiary matters, the chairman of the Hearing Panel will not be bound by any evidentiary or procedural rules or law. Once admitted during the hearing, the Hearing Panel may consider, and attach the weight it believes appropriate to, evidence or other materials. The general counsel of BSEF, or its designee, will provide guidance to the chairman of the Hearing Panel on the conduct of the hearing.

(d) Except for procedural and evidentiary matters decided by the chairman of the Hearing Panel pursuant to paragraph (c) above and Rule 616, unless each respondent otherwise consents, the entire Hearing Panel must be present during the entire hearing and any related deliberations.

RULE 615. Respondent Review of Evidence

(a) Prior to the commencement of a hearing, each respondent will be given the opportunity to review all books, records, documents, papers, transcripts of testimony and other tangible evidence in the possession or under the control of BSEF that the Compliance Department will use to support the allegations and proposed sanctions in the Notice of Charges

or which the chairman of the Hearing Panel deems relevant to the disciplinary proceedings. Notwithstanding the foregoing, no respondent will have the right to review, and BSEF will have no obligation to disclose, any information protected by attorney-client privilege.

(b) If any books, records, documents, papers, transcripts of testimony, or other tangible evidence contain information that could adversely affect the competitive position of the Person providing the information or if such information might compromise other investigations being conducted by the Compliance Department, the Compliance Department may redact, edit or code such information before furnishing it to the respondent.

(c) Notwithstanding anything in paragraph (b) above to the contrary, the Compliance Department:

(i) will not redact, edit or code competitive or investigative information

(ii) contained in documents in a manner that would impair the respondent's ability to defend against the allegations or proposed sanctions in the notices of charges, and

(iii) will provide the respondent with access to the information and portions of the documents that the Compliance Department intends to rely on to support the allegations or proposed sanctions in the Notice of Charges.

(d) For purposes of this Rule 615, information that could adversely affect competitive positions include positions in Swaps currently held, trading strategies employed in establishing or liquidating positions, the identity of any Participant or Authorized Trader and the personal finances of the Person providing the information.

RULE 616. Conducting Hearings of Disciplinary Proceedings

(a) At a hearing conducted in connection with any disciplinary proceedings, the Compliance Department will present its case supporting the allegations and proposed sanctions in the Notice of Charges to the Hearing Panel. If a respondent has timely filed an answer to the Notice of Charges in accordance with Rule 609, the respondent is entitled to attend and participate in the hearing.

(b) At a hearing conducted in connection with any disciplinary proceedings, the Hearing Panel or the Compliance Department and each respondent may:

(i) present evidence and facts determined relevant and admissible by the chairman of the Hearing Panel;

(ii) call and examine witnesses; and

(iii) cross-examine witnesses called by other parties.

(c) Any Person within its jurisdiction who is called as a witness must participate in the hearing and produce evidence. BSEF will make reasonable efforts to secure the presence of all other Persons called as witnesses whose testimony would be relevant.

(d) If the respondent fails to file an answer, has filed a general denial, or if any or all of the allegations in the Notice of Charges are not expressly denied in the respondent's answer, the chairman of the Hearing Panel may limit evidence concerning any allegations not expressly denied in determining the sanctions to impose. If a respondent fails to file an answer but appears at the hearing, the respondent may not participate in the hearing (by calling or cross examining witnesses, testifying in defense, presenting evidence concerning the Notice of Charges, or otherwise) unless the Hearing Panel determines that the respondent had a compelling reason for failing to timely file an answer. If the Hearing Panel determines that the respondent had a compelling reason for failing to timely file an answer, the Hearing Panel will adjourn the hearing and direct the respondent to promptly file a Written answer in accordance with Rule 609.

(e) Any Person entitled, or required or called upon, to attend a hearing before a Hearing Panel pursuant to paragraph (b)(ii) above will be given reasonable notice, confirmed in Writing, specifying the date, time and place of the hearing, and the caption of the disciplinary proceedings. BSEF will require all Participants (that are individuals), Account Managers, Authorized Traders and other Supervised Persons that are called as witnesses to appear at the hearing and produce evidence. BSEF will make reasonable efforts to secure the presence of all other Persons called as witnesses whose testimony would be relevant.

(f) If during any disciplinary proceedings the Hearing Panel determines that a reasonable basis exists to believe that the respondent violated or is about to violate a BSEF Rule or a provision of Applicable Law other than the violations alleged in the Notice of Charges, the Hearing Panel may consider those apparent violations after providing the respondent with an opportunity to answer the additional allegations in accordance with Rule 609. In connection with considering apparent violations pursuant to this paragraph (e), the Hearing Panel may request that the Compliance Department provide the Hearing Panel with any additional information

(g) The Hearing Panel may summarily impose sanctions on any Participant, Account Manager, Authorized Trader or other Supervised Person that impedes or delays the progress of a hearing

(h) BSEF will arrange for any hearing conducted in connection with disciplinary proceedings to be recorded hearing verbatim, or substantially verbatim, in a manner capable of accurate transcription. If the respondent requests a copy of all or portions of the recording of a hearing, the chairman of the Disciplinary Panel may within his or her sole discretion order the respondent to pay the costs for transcribing the recording of the hearing.

(i) No interlocutory appeals of rulings of any Disciplinary Panel or chairman of the Disciplinary Panel are permitted.

(j) If the respondent has requested a hearing, a copy of the hearing will be made and will become a part of the record of the proceeding. The record will be one that is capable of

being accurately transcribed; however, it will not be transcribed unless the transcript is requested by the CFTC or the respondent. The cost of transcribing the record of the hearing will be borne by the respondent who requests the transcript or whose application for the CFTC review of the disciplinary action has been granted. In all other instances, the cost of transcribing the record will be borne by BSEF.

(k) Sanctions may be summarily imposed upon any Person within BSEF's jurisdiction whose actions impede the progress of a hearing.

RULE 617. Decision of Disciplinary Panel

(a) As promptly as reasonable following a hearing, the Hearing Panel will issue an order rendering its decision based on the weight of the evidence contained in the record of the disciplinary proceedings. A decision by a majority of the Hearing Panel will constitute the decision of the Hearing Panel.

(b) BSEF will serve a copy of the order of the disciplinary proceedings on the respondent and the Compliance Department. The order will include:

(i) the Notice of Charges or summary of the charges;

(ii) the answer, if any, or a summary of the answer;

(iii) a brief summary of the evidence introduced at the hearing;

(iv) findings of fact and conclusions concerning each charge, including an explanation of the evidentiary and other basis for such findings and conclusions with respect to each charge;

(v) the imposition of sanctions, if any, and the effective date of each sanction; and

(vi) notice that the respondent has no right to appeal.

(c) The order of the disciplinary proceedings will become final upon the expiration of 20 days after the order is served on the respondent and a copy thereof is provided to the Compliance Department.

(d) Promptly following a hearing conducted in accordance with the BSEF Rules, the Disciplinary Panel shall render a Written decision based upon the weight of the evidence contained in the record of the proceeding and shall provide a copy to the respondent. The decision shall include:

(i) the Notice of Charges or a summary of the charges;

(ii) the answer, if any, or a summary of the answer;

(iii) a summary of the evidence produced at the hearing or, where appropriate, incorporation by reference of the investigation report;

(iv) a statement of findings and conclusions with respect to each charge, and a complete explanation of the evidentiary and other basis for such findings and conclusions with respect to each charge;

(v) an indication of each specific Rule that the respondent was found to have violated; and

(vi) a declaration of all sanctions imposed against the respondent, including the basis for such sanctions and the effective date of such sanctions.

RULE 618. Sanctions

(a) After notice and opportunity for hearing in accordance with the BSEF Rules, will impose sanctions if any Participant, Account Manager, Authorized Trader, other Supervised Person or other Person using any Trader ID or login credentials linked to the Participant is found to have violated or to have attempted to violate a BSEF Rule or provision of Applicable Law for which BSEF possesses disciplinary jurisdiction. BSEF may impose one or more of the following sanctions or remedies: (i) censure; (ii) limitation on Trading Privileges or other activities, functions or operations; (iii) suspension of Trading Privileges; (iv) fine (subject to paragraph (b) below); (v) restitution or disgorgement; (vi) termination of Trading Privileges; or (vii) any other sanction or remedy deemed to be appropriate.

(b) BSEF may impose a fine of up to $100,000 for each violation of a BSEF Rule. If a fine or other amount is not paid within 30 days of the date that it becomes payable, then interest will accrue on the sum from the date that it became payable at the quoted prime rate plus three percent. BSEF has sole discretion to select the bank on whose quotations to base the prime rate. Each Participant will be responsible for paying any fine or other amount imposed on, but not paid by, any of its Authorized Traders, Account Managers or Supervised Persons.

RULE 619. Costs

(a) Regardless of the outcome of any disciplinary proceeding, the Disciplinary Panel may order a respondent to pay some or all of the costs associated with the disciplinary proceedings that the Disciplinary Panel believes were unnecessarily caused by the respondent. Costs may include costs associated with the inquiry or investigation, the prosecution by the Compliance Department, legal and professional assistance, the hearing and administrative and other expenses incurred by the Disciplinary Panel.

(b) The Disciplinary Panel may only award costs against BSEF if the Panel concludes that BSEF has behaved in a manifestly unreasonable manner in the commencement or conduct of the disciplinary proceedings in question. The Disciplinary Panel must limit any award of costs against BSEF to an amount that the Panel concludes is reasonable and appropriate, but does not exceed the respondent's costs for external legal or other external professional assistance.

(c) The Disciplinary Panel may determine the amounts and allocation of costs in any manner it may deem appropriate. BSEF or the respondent will pay any costs ordered to be paid by it by the Disciplinary Panel within 30 Business Days of Written notice of the amount imposed by the Disciplinary Panel.

RULE 620. No Right to Appeal Disciplinary Panel Decision, Summary Impositions of Fines and Other Summary Actions

All Disciplinary Panel Decisions, summary impositions of fines and other summary actions are final and are not subject to appeal under the BSEF Rules.

RULE 621. Summary Imposition of Fines

(a) The Chief Compliance Officer may summarily impose a fine against a Participant (on behalf of itself or any of its Authorized Traders, Account Managers, other Supervised Persons or other Persons using any Trader IDs) or Authorized Trader for failing:

(i) to make timely payments of original or variation margin, fees, cost, charges or fines to BSEF;

(ii) to make timely and accurate submissions to BSEF of notices, reports or other information required by the BSEF Rules; or

(iii) to keep any books and records required by the BSEF Rules.

(b) The Compliance Department, acting on behalf of the Chief Compliance Officer, will give notice of any fine imposed pursuant to this Rule 621 to each Participant or Authorized Trader subject thereto. The notice will specify (i) the violations of the BSEF Rules for which the fine is being imposed, (ii) the date of the violation for which the fine is being imposed and (iii) the amount of the fine. Within 20 days of serving the notice of fine, the Participant or Authorized Trader, as the case may be, must either pay or cause the payment of the fine. The fine will become final upon the expiration of 20 days after the notice of fine is served on the Participant or Authorized Trader, as the case may be.

(c) BSEF will set the amount of any fines imposed pursuant to this Rule 621, with the maximum fine for each violation not to exceed $5,000. Summary imposition of fines pursuant to this Rule 621 will not preclude BSEF from bringing any other action against the Participant (or any of its Account Managers, Authorized Traders or other Supervised Persons) or Authorized Trader, as the case may be.

RULE 622. Summary Suspensions and Other Summary Actions

(a) Notwithstanding anything in the BSEF Rules to the contrary, the Chief Compliance Officer may, after consultation with the Regulatory Oversight Committee, if practicable, summarily suspend, revoke, limit, condition, restrict or qualify the Trading Privileges of a Participant, and may take other summary action against any Participant or any of its Supervised Persons in accordance with the BSEF Rules; provided, however, that the Chief Compliance Officer must reasonably believe that the business, conduct or activities of the Participant or Supervised Person in question is not in the best interests of BSEF or the marketplace, including based on any of the following: (i) statutory disqualification from registration as provided in CEA Section 8a(2) or (3); (ii) non-payment of fees, costs, charges, fines or arbitration awards; or (iii) the reasonable belief that immediate action is necessary to protect the public or the best interests of BSEF and the SEF operated by BSEF.

(b) Whenever practicable, the Compliance Department, acting on behalf of the Chief Compliance Officer, shall provide prior Written notice to the party against whom any action in accordance with paragraph (a) shall be taken. If prior notice is not practicable, BSEF will give notice at the earliest possible opportunity to the respondent against whom the action is brought. The Compliance Department, acting on behalf of the Chief Compliance Officer, will prepare a notice of summary action (which will state the action, the reasons for the action, and the effective time, date and duration of the action) and serve the notice on such party.

(c) The summary action will become final upon the expiration of 20 days after the notice of action is served on the respondent.

(d) At the request of BSEF, a respondent against whom a summary action is brought pursuant to this Rule 622 must provide books and records over which the respondent has access or control and must furnish information to, or appear or testify before, BSEF or the in connection with the enforcement of any BSEF Rule.

RULE 623. Rights and Responsibilities after Suspension or Termination

(a) When the Trading Privileges of a Participant or Authorized Trader are suspended for a period of 12 months or less, none of its rights and Trading Privileges (including the right to hold oneself out to the public as a Participant or Authorized Trader, enter Orders into the SEF operated by BSEF and receive Participant rates for fees, costs, and charges and deposit margin at Participant levels) will apply during the period of the suspension, except for the right of the Participant or Authorized Trader in question to assert claims against others as provided in the BSEF Rules. Any such suspension will not affect the rights of creditors under the BSEF Rules or relieve the Participant or Authorized Trader in question of its, his or her obligations under the BSEF Rules to perform any Swaps entered into before the suspension, or for any SEF fees, costs, or charges incurred during the suspension. BSEF may discipline a suspended Participant or Authorized Trader under this Chapter 6 for any violation of a BSEF Rule or provision of Applicable Law committed by the Participant or Authorized Trader before, during or after the suspension.

(b) When the Trading Privileges of a Participant or Authorized Trader are terminated, all of its rights and Trading Privileges will terminate, except for the right of the Participant or Authorized Trader in question to assert claims against others, as provided in the BSEF Rules. Any such termination will not affect the rights of creditors under the BSEF Rules. A terminated Participant or Authorized Trader may only seek to reinstate its Trading Privileges by applying for Trading Privileges pursuant to Rule 304. BSEF will not consider the application of a terminated Participant or Authorized Trader if such Participant or Authorized Trader, as the case may be, continues to fail to appear at disciplinary proceedings without good cause or continues to impede the progress of disciplinary proceedings.

(c) A suspended or terminated Participant or Authorized Trader remains subject to the BSEF Rules and the jurisdiction of BSEF for acts and omissions prior to the suspension of termination, and must cooperate in any inquiry, investigation, disciplinary proceeding, summary suspension or other summary action as if the suspended or terminated Participant or Authorized Trader still had Trading Privileges.

(d) In the event of the suspension or revocation of the Trading Privileges of a Participant, BSEF shall seek to facilitate the transfer of any Customer Accounts held by such Participant to other Participants with Trading Privileges.

RULE 624. Notice to the Respondent, the Regulatory Services Provider and the Public

BSEF will provide Written notice of disciplinary proceedings to the parties consistent with applicable CFTC Regulations. Whenever BSEF suspends, expels, fines or otherwise disciplines, or denies any Person access, to BSEF, BSEF will make the disclosures required by CFTC Regulations.

CHAPTER 7.
ARBITRATION

RULE 701. General

(a) Except as otherwise provided in these Rules, Participants and Authorized Traders shall submit to the NFA for arbitration all disputes, controversies and claims between or among themselves arising out of a Swap or the use of the systems or services of BSEF or the services, equipment, or facilities used to support such systems or services, including, without limitation, the SEF Platform and the SEF operated by BSEF (each, a "**Dispute**"). Any such claim against a Participant shall be brought within two years from the time that a cause of action has accrued. This Rule 701 shall in no way be construed to create a cause of action and shall not authorize an action that would otherwise be prohibited by these Rules or Applicable Law. In the event that this Rule 701 is held to be unenforceable in connection with any Dispute or a claim is deemed by a court of competent jurisdiction to be not arbitrable, (i) exclusive jurisdiction for any such Dispute will reside in any state or federal court sitting in New York County, New York, (ii) the Participants involved in the Dispute will be presumed to have submitted to the personal jurisdiction of any such court, and (iii) an action to enforce any judgment or decision of such court may be brought in the same court or in any other court with jurisdiction or venue. Finally, all Participants unconditionally and irrevocably waive any and all right to trial by jury in connection with any such Dispute.

(b) Notwithstanding the foregoing, this Rule 701 does not apply to Disputes between Participants or Authorized Traders that: (i) such Persons are required by the Rules of a Self-Regulatory Organization to submit to the Dispute resolution procedures of that Self-Regulatory Organization; or (ii) such Persons have, by valid and binding agreement, committed to negotiate or litigate in a forum other than the forum set out in Rule 702.

RULE 702. Forum and Arbitration Rules

NFA will conduct any and all arbitrations of a type described in Rule 701 pursuant to NFA's Member Arbitration Rules, as if each Participant or Authorized Trader to such arbitration was an "NFA Member".

RULE 703. Initiating an Arbitration Claim

(a) A Participant or Authorized Trader may initiate an arbitration claim by submitting the required documents and fees to NFA.

(b) A Participant or Authorized Trader submitting an arbitration claim shall provide notice of such claim to BSEF.

RULE 704. Claims Relating to Trade Cancelations or Price Adjustments

All claims relating to trade cancelations pursuant to Rule 516 shall be arbitrated in accordance with this Chapter 7.

RULE 705. Penalties

(a) Any failure on the part of any Participant or Authorized Trader to arbitrate a case subject to arbitration, or the commencement by any such Participant or its Person of a suit in any court prior to arbitrating a case subject to arbitration, violates these Rules and subjects such Person to disciplinary proceedings pursuant to Chapter 6.

(b) BSEF may summarily suspend, pursuant to Chapter 6, a Participant or Authorized Trader that fails to satisfy an arbitration award rendered in any arbitration conducted pursuant to this Chapter 7.

CHAPTER 8.
MISCELLANEOUS

RULE 801. Anti-Money Laundering and Anti-Terrorism

(a) It is SEF policy: (1) Not to engage in or knowingly assist any money laundering or other illicit business, and (2) Not to engage in or knowingly assist, or be a conduit for, terrorist financing.

(b) Participants will be required to provide sufficient information for Participants and their Clients, if applicable, for SEF to complete “know your customer” checks and to conduct restricted list searches, including, but not limited to, searches against the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury.

RULE 802. Gifts and Gratuities

Except as permitted in Writing by the Chief Compliance Officer, no Participant or Authorized Trader shall, directly or indirectly, give or permit to be given anything of value (including gratuities) to a SEF Official or BSEF, including any agents or independent contractors of BSEF. A gift of any kind is considered a gratuity. Furthermore, no Director or Officer, or individual employed directly by BSEF or its affiliates, including any agents or independent contractors, of BSEF may give anything of value to a Participant or Authorized Trader directly or indirectly, including gratuities.

RULE 803. Market Data

(a) All Participants, Authorized Traders, and all employees, agents, vendors, and other Persons affiliated with the foregoing understand and acknowledge that BSEF has a proprietary interest in:

(i) the price and quantity data from each and every Trade executed on the SEF Platform or subject to BSEF Rules, including the time at which the transaction was executed by, or submitted to, the SEF Platform;

(ii) the price and quantity data for each and every bid and offer submitted for entry the SEF operated by BSEF, including the time at which the bid and offer was entered into the SEF Platform;

(iii) the yield curves prepared by BSEF;

(iv) any data and information derived from (a), (b) and (c) and the format and presentation thereof; and

(v) the transmissions and dissemination of the data and information to Participants, any publisher of the data or information with whom BSEF has a Written agreement, and any other Persons.

(b) Participants and Authorized Traders shall not, and shall cause their Affiliates, Clients and Customers not to, distribute, sell or retransmit information displayed on the SEF operated by BSEF to any third party.

(c) BSEF may at any time restrict or establish utilization fees in respect of data described in Rule 803(a) with respect to all or any Participants, Customers or Clients in order to safeguard the security or operations of the SEF operated by BSEF or to preserve market integrity, fair and orderly trading, or if otherwise in the public interest.

(d) Subject to Rule 804, BSEF may make information regarding Orders (including prices), Trades and any other matters it may deem appropriate available to Participants and other Persons at such times and in such manner (whether through the SEF Platform, a ticker, financial information services or otherwise) as it may consider necessary or advisable from time to time. Each Participant or other Person receiving any such information through the SEF operated by BSEF may redistribute such information only to such extent and in such manner as may be permitted by BSEF from time to time.

RULE 804. Confidentiality

~~Except as otherwise provided in these Rules, all~~All non-public information provided by a Participant or Authorized Trader to BSEF shall be held in confidence and shall not be made known to any other Person except as follows:

(a) with the consent of the Participant or Authorized Trader providing such information;

(b) to a Governmental Agency or the regulatory authority of any foreign jurisdiction, if BSEF is requested or legally required to do so by such Governmental Agency;

(c) pursuant to legal process;

(d) to a Derivatives Clearing Organization of which such Participant is a member or in connection with the clearing of a Swap;

(e) to a Swap Data Repository;

(f) subject to appropriate confidentiality requirements, to any Person providing services to BSEF, including the Regulatory Services Provider;

(g) pursuant to an information sharing agreement or other arrangement or procedures in accordance with Rule 213;

(h) to the Board, Board committees, Disciplinary Panels, BSEF Officers, attorneys, auditors, and agents and independent contractors that have been engaged by BSEF who require such information in connection with the discharge of their duties to BSEF; and

(i) as otherwise permitted under these Rules.

RULE 805. Extension or Waiver of BSEF Rules

If necessary and expedient, the Chief Compliance Officer may, in its sole discretion, waive, or extend the time period for performing, any act or acts designated by the BSEF Rules, but only to the extent such waiver or extension is not inconsistent with the CEA or the CFTC Regulations or other applicable regulations.

RULE 806. Effect of Amendment, Repeal or New Rule

(a) If an amendment or repeal of a BSEF Rule or adoption of a new BSEF Rule does not materially change the terms or conditions of a Swap and does not affect the value of open Swaps, then the effective date of any amendment or repeal of a Rule or adoption of a new Rule relating to Swaps is binding on all Swaps entered into before and after the effective date of such amendment, repeal or adoption and, to the extent applicable, before the effective date of such amendment, repeal or adoption.

(b) If an amendment or repeal of a BSEF Rule or adoption of a new Rule materially changes the terms or conditions of a Swap or affects the value of open Swaps, then the amendment, repeal or new BSEF Rule is binding only on Swaps listed for trading after the effective date of such amendment, repeal or adoption, and Swaps listed as of the effective date of such amendment, repeal or adoption with no open positions then in existence, unless otherwise specifically provided by the Board.

RULE 807. Swap Contract Specifications

(a) Notwithstanding any provision of the BSEF Rules to the contrary, the Swap Specification with respect to a particular Swap shall govern the applicability of the BSEF Rules to trading in such Swap and, in the event of any conflict between the BSEF Rules and the Swap Specification, the Swap Specification shall govern with respect to trading in the relevant Swap.

(b) The Swap Specification for each individual Swap may specify:

(i) different classes of Participants eligible to trade such Swaps. Each such class of Participants shall have the rights and obligations specified by the Swap Specification for each such Swap;

(ii) whether such Swap may be settled via cash settlement, physical delivery of the underlying commodity, or by any other means, as applicable; and

(iii) the method for determining settlement prices.

(c) Each Swap contract will be published by BSEF on its website.

RULE 808. Timely Publication of Trading Information

BSEF will publish trading information as required by Core Principle 9 of Part 37, and by Part 16, of the CFTC Regulations.

RULE 809. Governing Law, Jurisdiction and Dispute Resolution

(a) The law of the State of New York governs the BSEF Rules regardless of the laws that would otherwise apply under applicable choice-of-law principles.

(b) Any dispute between BSEF and a Participant arising from or in connection with the BSEF Rules or use of the SEF operated by BSEF must be brought to arbitration pursuant to subsection (c) of this Rule 809 within one (1) year from the occurrence of the event giving rise to the dispute. This Rule 809 shall in no way create a cause of action nor authorize an action that would otherwise be prohibited by the BSEF Rules.

(c) Any dispute between BSEF and a Participant arising from or in connection with the BSEF Rules will be settled by arbitration administered in New York County, New York by the American Arbitration Association (the "**AAA**") under its Commercial Arbitration Rules. The dispute will be submitted to one arbitrator who will be appointed by the AAA. Any arbitrator appointed for purposes of this Rule 809 will have experience with and knowledge of commodities, derivatives and Swaps as listed on the National Roster of Arbitrators kept in the AAA's records. Judgment on the award rendered by the arbitrator will be binding on the parties and may be entered in any state or federal court sitting in New York County, New York, and BSEF and each Participant shall be deemed to have consented to the personal jurisdiction of any such court. Each party to the dispute will bear its own costs and expenses in connection with any arbitration hereunder, as well as an equal share of the administrative fees and the fees of the arbitrator; provided, however, that the arbitrator will be entitled to include in any award a full reimbursement for the prevailing party's costs and expenses, such party's share of the administrative fees and the fees of the arbitrator, or any combination of any or all of the above. In the event that this Rule 809 is held to be unenforceable in connection with any dispute or a claim is deemed by a court of competent jurisdiction to be not arbitrable, (i) exclusive jurisdiction for any such dispute will reside in any state or federal court sitting in New York County, New York, (ii) BSEF and the Participant involved in the dispute will be presumed to have submitted to the personal jurisdiction of any such court, and (iii) an action to enforce any judgment or decision of such court may be brought in the same court or in any other court with jurisdiction or venue. Finally, all Participants unconditionally and irrevocably waive any and all right to trial by jury in connection with any such dispute.