

EXHIBIT L
CORE PRINCIPLES

A narrative and any other form of documentation that may be provided under other Exhibits herein, that describes the manner in which the Applicant is able to comply with each core principle. Such documentation must include regulatory compliance chart setting forth each core principle and providing citations to the Applicant's relevant rules, policies, and procedures that address each core principle. To the extent that the application raises issues that are novel, or for which compliance with a core principle is not self-evident, include an explanation of how that item and the application satisfy the core principles.

[See attached.](#)

EXHIBIT L
ANALYSIS OF COMPLIANCE WITH THE SEF CORE PRINCIPLES

| Core Principles | Description of Core Principle | Compliance with Core Principle | Relevant Documents or Agreements |
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| <p>Core Principle One Compliance with Core Principles.</p> | <p>(a) In general. To be registered, and maintain registration, as a swap execution facility, the swap execution facility shall comply with—</p> <p>(1) The core principles described in section 5h of the Act; and</p> <p>(2) Any requirement that the Commission may impose by rule or regulation pursuant to section 8a(5) of the Act.</p> <p>(b) Reasonable discretion of a swap execution facility. Unless otherwise determined by the Commission by rule or regulation, a swap execution facility described in paragraph (a) of this section shall have reasonable discretion in establishing the manner in which the swap execution facility complies with the core principles described in section 5h of the Act.</p> | <p>All materials submitted with the Application of tpSEF ("SEF").</p> <p>All references herein "Rule" shall refer to a rule included in the tpSEF Rulebook provided in Exhibit M.</p> <p>All capitalized terms not otherwise defined herein shall have the meaning provided under the tpSEF Rulebook.</p> | <p>All materials submitted with the Application.</p> |

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| <p>Core Principle Two Compliance with Rules.</p> | <p>A swap execution facility shall:</p> <p>(a) Establish and enforce compliance with any rule of the swap execution facility, including the terms and conditions of the swaps traded or processed on or through the swap execution facility and any limitation on access to the swap execution facility;</p> <p>(b) Establish and enforce trading, trade processing, and participation rules that will deter abuses and have the capacity to detect, investigate, and enforce those rules, including means to provide market participants with impartial access to the market and to capture information that may be used in establishing whether rule violations have occurred;</p> <p>(c) Establish rules governing the operation of the facility, including rules specifying trading procedures to be used in entering and executing orders traded or posted on the facility, including block trades; and</p> <p>(d) Provide by its rules that when a swap dealer or major swap participant enters into or facilitates a swap that is subject to the mandatory clearing requirement of section 2(h) of the Act, the swap dealer or major swap participant shall be responsible for compliance with the mandatory trading requirement under section 2(h)(8) of the Act.</p> | <p>The SEF has established Rules governing the operation of the SEF and the submission of Orders. The Rules set out the framework for the submission of Orders and describe how the SEF operates. Participants of the SEF will have access to an Order Book and a Request for Quote (“RFQ”) mechanism. Participants may transmit Orders to the Order Book electronically. Directions to effect a RFQ may be given to an employee of the SEF who will execute the RFQ in accordance with the instructions from the Participant. RFQs may be communicated to the SEF either electronically via email or chat or by voice. All Orders must be submitted to the SEF using the relevant User ID and must also include the required information set out in Section 8 of the Rules, including price, quantity, product, expiration date and CTI code. An Order may be modified or cancelled unless and until such Order is executed or has otherwise expired. The SEF also permits Participants to enter Block Trades subject to the requirements of Rule 4016.</p> <p>The SEF has established and enforces Rules relating to the terms and conditions of swaps traded on or processed through the SEF. The SEF has also adopted Rules regarding access to the SEF for Participants, Sponsored Access Firms, Authorized Traders and Introducing Brokers. In addition, the SEF has rules to address trade practices, disciplinary matters and the mandatory trading requirements. The SEF’s audit trail requirements are set out in Section 8 of the Rules and Section XVI of the Compliance Manual. The SEF will enforce its Rules impartially. In addition, the SEF will publish a notice to its Participants, Sponsored Access Firms and Introducing Brokers with respect to each new Rule and Rule amendment submitted to the Commodity Futures Trading Commission (“CFTC” or “Commission”).</p> | <p>Sections 4, 5, 6 and 8 of the Rulebook (Exhibit M-1)</p> <p>Sections XV and XVI of the SEF Compliance Manual (Exhibit O-1)</p> <p>NFA Procedures (Exhibit O-2)</p> <p>NFA Regulatory Services Agreement (Exhibit N-1)</p> <p>Description of Trading System (Exhibit Q-1)</p> |

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| | | <p>Participants have the right to access the SEF for their own accounts and, if properly registered, on behalf of customers. A Participant may also designate one or more customers, investment managers or other third parties as a sponsored access firm. Each Participant and sponsored access firm must be an “eligible contract participant” as defined in the Commodity Exchange Act (“CEA”). The Rules also set forth the qualification standards for Participants, including that an applicant must itself be a member of or have entered into an arrangement with a derivatives clearing organization (“DCO”) to clear swaps that it effects on the SEF. The access rules in Section 3 of the Rules sets out the requirements for a Participant to grant a sponsored access firm the right to access the SEF. Independent software vendors and introducing brokers are also permitted to access the SEF provided they satisfy the SEF’s requirements as set forth in Section 3 of the Rules. The Company shall charge comparable fees for all Participants that receive comparable access to the SEF. Any person that initiates or executes a transaction pursuant to the SEF Rules, directly or indirectly, is subject to the Company’s jurisdiction. Each Authorized Trader of a Participant or a sponsored access firm must have a unique User ID, and each Participant is responsible for controlling and monitoring the use of the User IDs assigned them.</p> <p>The SEF will apply the access criteria in an impartial manner through the application process described in Section 3 of the Rules. Failure of an applicant to demonstrate a capacity to comply with the requirements of the Rules or of Applicable Law may lead to a denial of the application. The SEF also has the authority to revoke, suspend, restrict or limit access to the SEF.</p> | |

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| | | <p>The SEF will monitor and enforce compliance with its Rules, including the Rules prohibiting abusive trade practices. Sections 4 and 5 of the Rules set out the duties and responsibilities of Participants including the requirement to comply with all Rules of the SEF, cooperate with SEF investigations, inquiries, audits, examinations and proceedings, and observe high standards of integrity, market conduct, commercial honor, fair dealing and equitable principles of trade. Participants are required to maintain books and records as required under the CEA and CFTC regulations, as well as monitor and enforce compliance with any applicable internal risk limits.</p> <p>Section 5 of the Rules contains the SEF Participant conduct Rules. These Rules prohibit certain activities and trade practices including: fraudulent acts, fictitious, wash or noncompetitive transactions, fraudulent or misleading communications, market disruptions, market manipulation, disruptive trading practices, and misuse of the SEF. Compliance with these Rules will be monitored and enforced by the SEF and the NFA.</p> | |

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| | | <p>Rules regarding discipline and enforcement are set forth in Section 6 of the Rules of the SEF. The SEF will delegate certain of its monitoring and enforcement functions to the National Futures Association ("NFA"), as its regulatory service provider, pursuant to the Regulatory Services Agreement. The NFA will have the authority to investigate any potential rule violations and to submit investigation reports to the SEF's Chief Compliance Officer ("CCO"). A Disciplinary Panel will conduct a hearing to make findings and impose sanctions. Appeals of any decisions by the Disciplinary Panel will not be permitted. The CCO will appoint the members of the Disciplinary Panel including the chair. Alternatively, the SEF may delegate the Disciplinary Panel function to the NFA. No member of the SEF's Market Regulation Department will be permitted to participate on the Disciplinary Panel.</p> <p>Both the SEF and the NFA will have systems to capture and analyze trade data for any violations of the SEF Rulebook or any other applicable regulations.</p> | |
| <p>Core Principle Three Swaps Not Readily Susceptible to Manipulation.</p> | <p>The swap execution facility shall permit trading only in swaps that are not readily susceptible to manipulation.</p> | <p>In order for the SEF to make a swap available to trade, the SEF will consider, as appropriate, the following factors with respect to such swap: (1) whether there are ready and willing buyers and sellers; (2) the frequency or size of transactions; (3) the trading volume; (4) the number and types of market participants; (5) the bid/ask spread; or (6) the usual number of resting firm or indicative bids and offers. The CCO, in coordination with the Market Regulation Department of the SEF, will consider the foregoing factors in determining whether to make a swap available to trade and will review the determination that the swap is not readily susceptible to manipulation. The CCO will then submit the swap to the Regulatory Oversight Committee ("ROC") for approval.</p> | <p>Sections 4 and 5 of the Rulebook (Exhibit M-1)</p> <p>Section 5 of the SEF Compliance Manual (Exhibit O-1)</p> <p>NFA Compliance Manual (Exhibit O-2)</p> |

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| | | <p>Once a swap has been reviewed and approved by the ROC, the SEF will submit the terms and conditions of the swap to the CFTC. To trade new swaps on the SEF (or to amend the terms and conditions of such swap), the SEF will (1) voluntarily submit new swaps for CFTC review and approval, or (2) certify to the CFTC that the swap complies with the Applicable Law.</p> <p>The Rules of the SEF will prohibit any person in possession of material non-public information from trading on the SEF. For this purpose, material non-public information means information that has not yet been disseminated in a manner that makes it generally available or accessible to the public. In addition, the SEF has and will enforce a number of other Rules regarding the misuse of the SEF trading system, market disruption, fictitious trades, fraudulent acts, and market manipulation. The SEF, in coordination with the NFA, will monitor and review trading for any violative conduct.</p> | |

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| <p>Core Principle Four Monitoring of Trading and Trade Processing.</p> | <p>The swap execution facility shall:</p> <p>(a) Establish and enforce rules or terms and conditions defining, or specifications detailing:</p> <p>(1) Trading procedures to be used in entering and executing orders traded on or through the facilities of the swap execution facility; and</p> <p>(2) Procedures for trade processing of swaps on or through the facilities of the swap execution facility; and</p> <p>(b) Monitor trading in swaps to prevent manipulation, price distortion, and disruptions of the delivery or cash settlement process through surveillance, compliance, and disciplinary practices and procedures, including methods for conducting real-time monitoring of trading and comprehensive and accurate trade reconstructions.</p> | <p>The SEF and the NFA, as the SEF's Regulatory Services Provider, will implement practices and procedures to monitor trading to prevent manipulation, price distortion and disruptions of the delivery or cash-settlement process. On behalf of the SEF, the NFA has agreed to conduct T+1 reviews of the SEF audit trail for potential violations of SEF Rules and will also have real time access to the SEF market. The SEF intends to coordinate with the NFA to address market actions deemed inappropriate as a result of the NFA's ongoing market surveillance activities.</p> <p>The staff of the Market Regulation Department is under the supervision of the CCO. The Market Regulation Department monitors the SEF's compliance with all regulatory, legal, and internal rules, policies and procedures. The CCO reports to the Chief Executive Officer. The CCO enforces the SEF's Rules and has available to him the resources of the Market Regulation Department and such other SEF resources as may be necessary to conduct investigations of alleged Rule violations and market conditions. The ROC oversees the SEF's regulatory program on behalf of the Board. The ROC has the authority, among other things, to (1) monitor the regulatory program of the SEF for sufficiency, effectiveness, and independence and (2) oversee all facets of the regulatory program.</p> <p>The NFA provides certain regulatory services to the SEF pursuant to a Regulatory Services Agreement. NFA will utilize an automated system to perform such regulatory services on a trade day plus one basis and on a real-time basis (as discussed below). NFA will review SEF's trades on a routine basis to determine whether suspicious activity relating to SEF's trading standards exists.</p> <p>The SEF will monitor overall activity on its market on a real-time basis.</p> | <p>Regulatory Services Agreement (Exhibit N-1)</p> <p>Sections 3 and 4 of the Rulebook (Exhibit M-1)</p> <p>SEF Compliance Manual Sections V, IX, and X (Exhibit O-1)</p> <p>SEF User Documentation (Exhibit N-2)</p> <p>Technology Questionnaire (Exhibit V)</p> |

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| | | <p>The NFA will be primarily responsible for performing most of the investigatory work relating to trade practice and market surveillance inquiries and investigations. NFA may conduct preliminary inquiries of potential irregularities or exceptions and request information from Participants and/or DCOs. NFA will inform the CCO of all such preliminary inquiries. If, after the preliminary inquiry NFA has reason to believe that further investigation is required, NFA shall open a case matter, inform the CCO and conduct further investigation. In conducting this investigation, NFA may engage in certain activities, including but not limited to the following: (1) request documents; (2) conduct trader interviews, which at NFA's discretion, may be conducted under oath; (3) review other trade activity; and (4) gather any additional information that NFA deems necessary. If at the conclusion of the investigation: (1) NFA does not have reason to believe that the matter should be forwarded to the SEF for the SEF's review in conjunction with the SEF's Rules, NFA will close the case matter internally and so notify the CCO or (2) NFA has reason to believe that the matter should be forwarded to the SEF for the SEF's review in conjunction with the SEF's Rules, NFA will prepare a written report summarizing NFA's investigative findings and provide such report to the CCO.</p> | |

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| | | <p>After reviewing NFA's written report, the CCO will review the report for completeness and either forward the matter to the SEF's review panel or initiate disciplinary proceedings.</p> <p>While the SEF has entered into a Regulatory Services Agreement with the NFA, the SEF retains ultimate decision-making authority with respect to any functions that are contracted to the NFA. The SEF is ultimately responsible for conducting market regulation activities. SEF Rules broadly prohibit fraudulent acts, market disruption, market manipulation, and misstatements of material fact. The SEF has the authority to enforce compliance with SEF's market manipulation Rules and other trade practice Rules.</p> <p>Separately, the SEF has the ability, at any time, to revoke, suspend, limit, condition, restrict, or qualify the trading privileges of any Participant, if in the sole discretion of the SEF, such action is in the best interest of the SEF. The SEF also may, in its sole discretion, revoke or suspend the designation of an Authorized Trader of the Participant. Finally, the SEF has enforcement procedures in place in the event that Participants do not comply with SEF's market manipulation Rules.</p> | |
| <p>Core Principle Five Ability to Obtain Information.</p> | <p>The swap execution facility shall:</p> <p>(a) Establish and enforce rules that will allow the facility to obtain any necessary information to perform any of the functions described in section 5h of the Act;</p> <p>(b) Provide the information to the Commission on request; and</p> <p>(c) Have the capacity to carry out such international information-sharing agreements as the Commission may require.</p> | <p>The SEF has established Rules that require Participants of the SEF to provide information to the SEF or the NFA upon request. Such information may be shared with the CFTC upon request. In addition, the CFTC will have the ability to inspect the SEF and its Participants.</p> | <p>Sections 5 and 8 of the Rulebook (Exhibit M-1)</p> <p>Section X of the SEF Compliance Manual (Exhibit O-1)</p> |

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| <p>Core Principle Six Position Limits or Accountability.</p> | <p>(a) In general. To reduce the potential threat of market manipulation or congestion, especially during trading in the delivery month, a swap execution facility that is a trading facility shall adopt for each of the contracts of the facility, as is necessary and appropriate, position limitations or position accountability for speculators.</p> <p>(b) Position limits. For any contract that is subject to a position limitation established by the Commission pursuant to section 4a(a) of the Act, the swap execution facility shall:</p> <p>(1) Set its position limitation at a level no higher than the Commission limitation; and</p> <p>(2) Monitor positions established on or through the swap execution facility for compliance with the limit set by the Commission and the limit, if any, set by the swap execution facility.</p> | <p>The SEF has rules related to position limits and position accountability levels and receives reports of large positions in order to assess a trader's position. The Market Regulation Department and the NFA monitor for positions that exceed or meet reportable levels. The NFA will also generate alerts for various situations regarding open interest and large trader reported positions.</p> <p>The NFA will conduct a series of large trader programs and tools. The large trader analysis includes a report that identifies the characteristics of a large trader's position. This position can be for either an individual contract on a market or as an aggregated group. The NFA will also look at trader positions, highs, lows, exemptions, and related contract positions. This analysis gives the NFA a tool to see a counterparty's position at any given time when analyzing market activity. Positions are evaluated with respect to the SEF's position limit or accountability level. Large trader trend is a tool that assesses how a large trader accumulated their position and how it is being managed. The NFA will see how and where the trader is potentially building or laying off a position and assuring that the large trader is not using their position to manipulate price. A trend analysis demonstrates the life of a position throughout time and gives the NFA perspective regarding the size and movement over time.</p> <p>Violations of such Rules will be sanctioned in accordance with Rule 6014.</p> | <p>Sections 4, 5 and 6 of the Rulebook (Exhibit M-1)</p> <p>Sections IX, X and XI of the SEF Compliance Manual (Exhibit O-1)</p> <p>NFA Procedures (Exhibit O-2)</p> <p>NFA Regulatory Services Agreement (Exhibit N-1)</p> |

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| <p>Core Principle Seven Financial Integrity of Transactions.</p> | <p>The swap execution facility shall establish and enforce rules and procedures for ensuring the financial integrity of swaps entered on or through the facilities of the swap execution facility, including the clearance and settlement of the swaps pursuant to section 2(h)(1) of the Act.</p> | <p>The SEF has established and will enforce Rules and procedures to ensure the financial integrity of swaps entered on or through the SEF, including the clearance and settlement of the swaps. Transactions executed on or through the SEF will be cleared through a DCO unless otherwise exempt. In addition, the SEF has established certain financial requirements for its members that will require, among other things, Participants of the SEF to be eligible contract participants. For those transactions cleared by a DCO, the SEF will route such transactions to the relevant DCO in accordance with the DCO's requirements. For transactions not cleared by a DCO, Participants will be required to satisfy a number of conditions to engage in such transactions. In particular, the Participant must enter into credit arrangement for the transaction, have the ability to exchange collateral and meet any credit filters that may be adopted by the SEF. In addition, the SEF will monitor Participants' compliance with the minimum financial requirements and will require Participants to submit periodic financial and other related information to the SEF for review.</p> <p>The SEF has the authority to revoke, suspend, limit, condition, restrict or qualify a Participant's trading privileges and/or ability to access the SEF's trading system, if in the sole discretion of the SEF such action is in the best interests of the SEF. In addition, during an Emergency, the SEF may implement temporary Emergency procedures and Rules, subject to the applicable provisions of the CEA and CFTC regulations.</p> | <p>Sections 4 and 5 of the Rulebook (Exhibit M-1)</p> <p>Section V of the SEF Compliance Manual (Exhibit O-1)</p> <p>SEF User Documentation (Exhibit N-2)</p> |

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| | | <p>The Participant User Agreement provides that the Participant agrees to effect transactions in swaps via the SEF trading system in accordance with the terms and conditions of the User Agreement, the Rules and such other terms and conditions as may be established by the SEF from time to time. The Participant also agrees to accept full responsibility for any transactions effected on the SEF and for any use of the trading system made by the Participant or the Participant's Authorized Traders. The Participant will be responsible for such trades even if the Orders received via the trading system (i) were entered as a result of a failure in the security controls and/or credit controls, other than due to the gross negligence of the SEF or (ii) were entered by an unknown or unauthorized user.</p> | |
| <p>Core Principle Eight Emergency Authority.</p> | <p>The swap execution facility shall adopt rules to provide for the exercise of emergency authority, in consultation or cooperation with the Commission, as is necessary and appropriate, including the authority to liquidate or transfer open positions in any swap or to suspend or curtail trading in a swap.</p> | <p>Procedures and guidelines for the exercise of Emergency authority by the SEF are set forth in Section XII of the Compliance Manual. Among other things, the SEF will notify the CFTC of any emergency action taken, or proposed to be taken, and will document its decision-making process and reasons for using its Emergency action authority. Section 7 of SEF Rules set forth a number requirements related to emergency intervention in the market. Emergency actions include, but are not limited to: (1) suspending or curtailing trading or limiting trading to liquidation only (in whole or in part); (2) extending or shortening the last trading date for swaps; (3) providing alternative settlement mechanisms; (4) ordering the liquidation of swaps, the fixing of a settlement price, or the reduction of positions; (5) extending, limiting or changing the trading hours; (6) temporarily modifying or suspending any provision of the SEF rules or obligations; (7) requiring Participants to meet special margin requirements; (8) imposing or modifying price limits; (9) imposing or modifying position limits; and/or (10) ordering any other action or undertaking to address or relieve the Emergency.</p> | <p>Section 7 of the Rulebook (Exhibit M-1) Sections XII of the SEF Compliance Manual (Exhibit O-1)</p> |

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| <p>Core Principle Nine Timely Publication of Trading Information.</p> | <p>(a) In general. The swap execution facility shall make public timely information on price, trading volume, and other trading data on swaps to the extent prescribed by the Commission.</p> <p>(b) Capacity of swap execution facility. The swap execution facility shall be required to have the capacity to electronically capture and transmit trade information with respect to transactions executed on the facility.</p> | <p>The SEF will publish information on price, trading volume, and other trading data regarding swaps in accordance with the requirements prescribed by the CFTC. The SEF will have the capacity to electronically capture and transmit trade information with respect to transactions executed on the SEF. The SEF will report the swap data as required under the CEA and CFTC regulations. In addition, the SEF will have the capacity to electronically capture trade information with respect to any transactions executed on the SEF.</p> | <p>Section 8 of the Rulebook (Exhibit M-1)</p> <p>Section XVI of the SEF Compliance Manual (Exhibit O-1)</p> |
| <p>Core Principle Ten Recordkeeping and Reporting.</p> | <p>(a) In general. A swap execution facility shall:</p> <p>(1) Maintain records of all activities relating to the business of the facility, including a complete audit trail, in a form and manner acceptable to the Commission for a period of five years;</p> <p>(2) Report to the Commission, in a form and manner acceptable to the Commission, such information as the Commission determines to be necessary or appropriate for the Commission to perform the duties of the Commission under the Act; and</p> <p>(3) Keep any such records relating to swaps defined in section 1a(47)(A)(v) of the Act open to inspection and examination by the Securities and Company Commission.</p> <p>(b) Requirements. The Commission shall adopt data collection and reporting requirements for swap execution facilities that are comparable to corresponding requirements for derivatives clearing organizations and swap data repositories.</p> | <p>The SEF will maintain records of all activities relating to its business including a complete audit trail of transactions conducted on or subject to the Rules of the SEF, in a form and manner acceptable to the CFTC for a period of 5 years. In addition, the SEF will maintain investigatory files and disciplinary records in accordance with applicable requirements. The SEF has also adopted Rules and procedures to report such information the CFTC determines to be necessary or appropriate. The SEF will make any records available for inspection by the CFTC as may be required under Applicable Law.</p> | <p>Section 8 of the Rulebook (Exhibit M-1)</p> <p>Section XVI of the SEF Compliance Manual (Exhibit O-1)</p> |

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| Core Principle Eleven Antitrust Considerations. | Unless necessary or appropriate to achieve the purposes of the Act, the swap execution facility shall not: (a) Adopt any rules or take any actions that result in any unreasonable restraint of trade; or (b) Impose any material anticompetitive burden on trading or clearing. | The SEF will not adopt any rules or take any actions that result in any unreasonable restraint of trade or impose any material anticompetitive burden on trading or clearing. The SEF has adopted procedures to request the Commission to consider the provisions under Section 15(b) of the CEA with respect to any of the SEF's Rules, including trading protocols or policies, and including both operational Rules and the terms or conditions of products listed for trading. | Section XIV of the SEF Compliance Manual (Exhibit O-1) |
| Core Principle Twelve Conflicts of Interest. | The swap execution facility shall: (a) Establish and enforce rules to minimize conflicts of interest in its decision-making process; and (b) Establish a process for resolving the conflicts of interest. | The SEF Rulebook and the SEF's Compliance Manual contain rules and procedures that address conflicts of interest in decision-making and methods to ascertain the presence of conflicts of interest and making decisions in the event of such a conflict. In addition, the Rulebook contains rules on limitations on the use or disclosure of material non-public information gained through the performance of official duties by Board members, Committee members and SEF employees or gained through the performance of their duties or through an ownership interest in the swap market. The SEF will have a ROC that is composed of 100% Public Directors. The ROC oversees the SEF's regulatory program on behalf of the Board. The ROC makes recommendations to the Board that will, in its judgment, be best to promote the interests of the SEF. The ROC assists the SEF in minimizing actual and potential conflicts of interest. In addition, the SEF has adopted a Code of Ethics, a Whistleblower Policy and other procedures to identify and mitigate conflicts of interest. | Sections 2 and 6 of the Rulebook (Exhibit M-1) Section II of the Compliance Manual (Exhibit O-1) The Code of Ethics (Exhibit O-1) Whistleblower Policy (Exhibit O-1) |

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| <p>Core Principle Thirteen Financial Resources.</p> | <p>(a) In general. The swap execution facility shall have adequate financial, operational, and managerial resources to discharge each responsibility of the swap execution facility.</p> <p>(b) Determination of resource adequacy. The financial resources of a swap execution facility shall be considered to be adequate if the value of the financial resources exceeds the total amount that would enable the swap execution facility to cover the operating costs of the swap execution facility for a one-year period, as calculated on a rolling basis.</p> | <p>The SEF will have adequate financial, operational, and managerial resources to discharge each of its responsibilities as a SEF. In particular, the Chief Financial Officer (“CFO”) will ensure that the SEF’s financial resources exceed the total amount that would enable the SEF to cover its operating costs for a one-year period, as calculated on a rolling basis. The financial resources available to satisfy this requirement include the SEF’s own capital, meaning its assets minus its liabilities calculated in accordance with U.S. generally accepted accounting principles and any other financial resource deemed acceptable by the Commission.</p> <p>The CFO will, on a quarterly basis, based on its fiscal year, make a reasonable calculation of the SEF’s projected operating costs over a 12-month period to determine the amount needed to meet the financial requirements. The CFO will compute the current market value of each financial resource used to meet its financial resources obligation no less than quarterly. No less than each fiscal quarter, the CFO will compute the current market value of each financial resource used to meet its obligations. Reductions in value to reflect market and credit risk (“haircuts”) will be applied as appropriate. The financial resources allocated by the SEF to meet its financial obligations will include unencumbered, liquid financial assets (i.e., cash and/or highly liquid securities) equal to at least six months’ operating costs. If any portion of such financial resources is not sufficiently liquid, the CFO may take into account a committed line of credit or similar facility for the purpose of meeting this requirement.</p> | <p>Applicant Financials (Exhibit I)</p> <p>Sections 3 and 5 of the SEF Rulebook (Exhibit M-1)</p> <p>Section VI of the SEF Compliance Manual (Exhibit O-1)</p> <p>Technology Questionnaire (Exhibit V)</p> |

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| | | <p>The CFO will file a report each fiscal quarter, or any time upon request by the CFTC that includes the following information: the amount of financial resources necessary to meet the SEF’s financial resources requirements; the value of each financial resource available; and a financial statement that includes a balance sheet, income statement, and cash flow statement of the SEF. The CFO will make the required calculations as of the last business day of the SEF’s fiscal quarter and submit to the CFTC documentation that explains the basis for its financial requirement, valuation and liquidity determinations; and copies of any arrangements for a credit facility, insurance, or other financial resources. Such report will be filed no later than 40 calendar days after the end of the SEF’s first three fiscal quarters, and not later than 60 calendar days after the end of the SEF’s fourth fiscal quarter.</p> | |
| <p>Core Principle Fourteen System Safeguards.</p> | <p>The swap execution facility shall: (a) Establish and maintain a program of risk analysis and oversight to identify and minimize sources of operational risk, through the development of appropriate controls and procedures, and automated systems, that: (1) Are reliable and secure; and (2) Have adequate scalable capacity;</p> | <p>The SEF has established controls, procedures and systems to identify and minimize sources of operational risk. Such controls, procedures and systems have been designed to be reliable and secure and have adequate scalable capacity. In addition, the SEF has established and will maintain emergency procedures, backup facilities and a plan for disaster recovery that allow for the timely recovery and resumption of operations and the fulfillment of the responsibilities and obligations of the SEF. The SEF will also periodically conduct tests to verify that the backup resources of the SEF are sufficient to ensure continue order processing and trade matching, price reporting, market surveillance and maintenance of a comprehensive and accurate audit trail.</p> | <p>Sections 4 and 7 of the Rulebook (Exhibit M-1) Sections II and VI of the SEF Compliance Manual (Exhibit O-1) NFA Compliance Manual (Exhibit O-2) tpSEF Business Continuity Plan (Exhibit O-3)</p> |

EXHIBIT L
ANALYSIS OF COMPLIANCE WITH THE SEF CORE PRINCIPLES

| Core Principles | Description of Core Principle | Compliance with Core Principle | Relevant Documents or Agreements |
|------------------------|--|--|---|
| | <p>(b) Establish and maintain emergency procedures, backup facilities, and a plan for disaster recovery that allow for:</p> <p>(1) The timely recovery and resumption of operations; and</p> <p>(2) The fulfillment of the responsibilities and obligations of the swap execution facility; and</p> <p>(c) Periodically conduct tests to verify that the backup resources of the swap execution facility are sufficient to ensure continued:</p> <p>(1) Order processing and trade matching;</p> <p>(2) Price reporting;</p> <p>(3) Market surveillance; and</p> <p>(4) Maintenance of a comprehensive and accurate audit trail.</p> | <p>The SEF will promptly notify the CFTC staff of all electronic trading halts and system malfunctions; cyber security incidents or targeted threats that actually or potentially jeopardize automated system operation, reliability, security, or capacity; or any activation of the business continuity plan when a material systems outage is detected. In the case of a material systems outage, the SEF will notify the CFTC when remedial measures are selected to address the outage and when the outage is addressed. The SEF will submit to the CFTC within five business days of the outage a detailed written description and analysis of the outage and any remedial measures.</p> <p>The SEF, in coordination with the NFA, will conduct regular testing and review of its systems to ensure such systems are reliable, secure and have adequate scalable capacity. Such testing will also include a review of the SEF's business continuity plan. The SEF has also adopted procedures to maintain records of any such testing and reviews.</p> | <p>Technology Questionnaire (Exhibit V)</p> |

EXHIBIT L
ANALYSIS OF COMPLIANCE WITH THE SEF CORE PRINCIPLES

| Core Principles | Description of Core Principle | Compliance with Core Principle | Relevant Documents or Agreements |
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| <p>Core Principle Fifteen Designation of Chief Compliance Officer.</p> | <p>(a) In general. Each swap execution facility shall designate an individual to serve as a chief compliance officer.</p> <p>(b) Duties. The chief compliance officer shall:</p> <p>(1) Report directly to the board or to the senior officer of the facility;</p> <p>(2) Review compliance with the core principles in this subsection;</p> <p>(3) In consultation with the board of the facility, a body performing a function similar to that of a board, or the senior officer of the facility, resolve any conflicts of interest that may arise;</p> <p>(4) Be responsible for establishing and administering the policies and procedures required to be established pursuant to this section;</p> | <p>The SEF has appointed a CCO responsible for overseeing the SEF's compliance with applicable requirements including, without limitation, the Core Principles. The CCO must possess certain qualifications as provided in the SEF's procedures and will report to the CEO. The SEF has also adopted procedures for the review, supervision and removal of the CCO.</p> <p>The CCO will be responsible for supervision of the MRD staff. In addition, on an annual basis, the CCO will prepare an annual compliance report as provided in the CEA and submit such report to the ROC and then to the Commission not more than 60 days following the end of the SEF's fiscal year. The annual report will assess the regulatory program of the SEF and will contain a description of: the SEF's compliance with the CEA, and the SEF's policies and procedures, including the Code of Ethics and conflict of interest procedures of the SEF.</p> | <p>Section 2 of the Rulebook (Exhibit M-1)</p> <p>Section II of the SEF Compliance Manual (Exhibit O-1)</p> |

EXHIBIT L
ANALYSIS OF COMPLIANCE WITH THE SEF CORE PRINCIPLES

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| | <p>(5) Ensure compliance with the Act and the rules and regulations issued under the Act, including rules prescribed by the Commission pursuant to section 5h of the Act; and</p> <p>(6) Establish procedures for the issues found during compliance office reviews, look backs, internal or external audit findings, self-reported errors, or through validated complaints.</p> <p>(c) Requirements for procedures. establishing procedures under paragraph (b)(6) of this section, the chief compliance officer shall design the procedures to establish the handling, management response, remediation, retesting, and closing of noncompliance issues.</p> <p>(d) Annual reports.</p> <p>(1) In general. In accordance with rules prescribed by the Commission, the chief compliance officer shall annually prepare and sign a report that contains a description of:</p> <p>(i) The compliance of the swap execution facility with the Act; and</p> <p>(ii) The policies and procedures, including the code of ethics and conflict of interest policies, of the swap execution facility.</p> | <p>The CCO will establish and administer all policies and procedures required by Applicable Law and the activities of the SEF, including, without limitation, a Code of Ethics. Within a reasonable amount of time, the CCO will amend the Compliance Manual as necessary to reflect changes to Applicable Law and the SEF's then-current business, activities, and compliance system for the SEF. The CCO will issue and disseminate all compliance policies relating to the SEF and maintaining copies of the SEF's current and past compliance policies and monitor and enforce the SEF's compliance with Applicable Law relating to its business as a SEF. The CCO will establish procedures for the handling, management response, remediation, retesting, and closing of potential and actual noncompliance issues for the SEF that are identified to or by the CCO through any of the following: compliance office review; look-back; internal or external audit finding; self-reported error; or validated complaint. In addition the CCO, will review the SEF's compliance with agreements and contracts and Applicable Law, including, without limitation, the Core Principles delineated under the CEA and supervise the SEF's self-regulatory program, including, without limitation, supervising relevant SEF staff and the effectiveness and sufficiency of the NFA.</p> <p>The CCO will maintain records as required under the Applicable Law.</p> | |

EXHIBIT L
ANALYSIS OF COMPLIANCE WITH THE SEF CORE PRINCIPLES

| Core Principles | Description of Core Principle | Compliance with Core Principle | Relevant Documents or Agreements |
|-----------------|---|--------------------------------|----------------------------------|
| | <p>(2) Requirements. The chief compliance officer shall:</p> <p>(i) Submit each report described in clause (1) with the appropriate financial report of the swap execution facility that is required to be submitted to the Commission pursuant to this section; and</p> <p>(ii) Include in the report a certification that, under penalty of law, the report is accurate and complete.</p> | | |