

Tassat Derivatives LLC
Compliance with SEF Core Principles

Unless otherwise indicated, references to “Rules” are references to specific rules in the Tassat Derivatives LLC (“Tassat”) Rulebook. Capitalized terms used herein without definition .have the meanings given to them in the CFTC Regulations or the Rulebook (as applicable). References to Exhibits, unless otherwise indicated, are references to the exhibits accompanying Tassat’s application for reinstatement of its SEF registration (the “Application”).

Note: The SEF registration of trueEX LLC (“trueEX”) was transferred to Tassat Derivatives LLC. This transfer was approved by the CFTC on November 6, 2019. The chart below reflects Tassat’s current operations.

1.	Regulation	Text of Regulation	Demonstration of Compliance
2.	37.100 Core Principle 1 – Compliance with Core Principles		
3.	37.100(a)	<i>In general.</i> To be registered, and maintain registration, as a swap execution facility, the swap execution facility shall comply with—	This Application and all included documentation generally demonstrate Tassat’s compliance with Core Principle 1.
4.	37.100(a)(1)	The core principles described in section 5h of the Act; and	This Application and all included documentation generally demonstrate Tassat’s compliance with Core Principle 1.
5.	37.100(a)(2)	Any requirement that the Commission may impose by rule or regulation pursuant to section 8a(5) of the Act.	See generally this Application and accompanying materials. Tassat’s current rulebook dated November 6, 2019 and other processes are current with the requirements of No-Action Letters (“NALs”) issued by the Commission that are relevant to Tassat’s anticipated operations. These include the following: <ul style="list-style-type: none"> Rule 542 – NAL 17-60 Block Trades, expiring November 15, 2020 Rule 546 – NAL 17-17 Un-cleared Transactions (footnote 195), expiring expiring on the effective date of any changes in the regulation NAL 17-54 Audit Trail/Post-Trade Allocation, expiring November 15, 2020 NAL 17-61 Annual Compliance Reports and 4th quarter financial reports, expiring November 20, 2020.

6.	37.200 Core Principle 2 – Compliance with Rules	A swap execution facility shall:	
7.	37.200(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;	<ul style="list-style-type: none"> ● Rule 301 (Jurisdiction; Applicability of Rules), ● Rule 602 (Inquiries and Investigations), ● Rule 402 (Required Disclosures to the Exchange), ● Rule 406 (Authority to Impose Restrictions), ● Rule 610 (Disciplinary Panels), ● Rule 615 (Sanctions). ● Rulebook Chapter 12 (Digital Assets)
8.	37.200(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;	<ul style="list-style-type: none"> ● Rule 207 (Exchange Access Committee), ● Rule 215 (Conflicts of Interest), ● Rule 309 (Dues, Assessments and Fees), ● Rule 504 (Fraudulent Acts Prohibited, amended effective October 5, 2016 to include language requested by DMO), ● Rule 505 (Fictitious and Non-Competitive Transactions Prohibited), ● Rule 506 (Wash Sales Prohibited), ● Rule 507 (Market Disruption Prohibited), ● Rule 508 (Market Manipulation Prohibited, amended effective October 5, 2016 to include language requested by DMO)), ● Rule 516 (Withholding Orders Prohibited), ● Rule 517 (Priority of Customers’ Orders), ● Rule 518 (Handling of Customer Orders), ● Rule 519 (Disclosing Orders Prohibited) ● Rule 520 (Simultaneous Buy And Sell Orders For Different Beneficial Owners), ● Rule 524 (Pre-arranged, Pre-Execution Communications and Non-competitive Trades Prohibited), ● Rule 527 (Priority of Execution), ● Rule 541 (Trade Cancellations and Price Adjustments), ● Rulebook Chapter 6 (Disciplinary Rules).

9.	37.200(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	<ul style="list-style-type: none"> ● Rule 522 (Recordkeeping Requirements for Entering Orders into the Platform), ● Rule 1204 (Execution Methods)
10.	37.200(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.	Not applicable. The products to be offered by Tassat are not subject to mandatory clearing (and as such, not subject to the mandatory trading requirement)
11.	37.201 Operation of SEF and compliance with rules		
12.	37.201(a)	A swap execution facility shall establish rules governing the operation of the swap execution facility, including, but not limited to, rules specifying trading procedures to be followed by members and market participants when entering and executing orders traded or posted on the swap execution facility, including block trades, as defined in part 43 of this chapter, if offered.	<ul style="list-style-type: none"> ● Rule 522 (Recordkeeping Requirements for Entering Orders into the Platform), ● Rule 1204 (Execution Methods)
13.	37.201(b)	A swap execution facility shall establish and impartially enforce compliance with the rules of the swap execution facility, including, but not limited to—	
14.	37.201(b)(1)	The terms and conditions of any swaps traded or processed on or through the swap execution facility;	Rulebook Chapter 12 (Digital Assets)
15.	37.201(b)(2)	Access to the swap execution facility;	<ul style="list-style-type: none"> ● Rulebook Chapter 3 (Access to the Trading Platform), ● Rule 503 (Business Days and Trading Hours), ● Rule 534 (Platform Access Restrictions), ● Rule 535 (Policies Governing Use of Firm IDs, User IDs and Admin

			<p>IDs)</p> <ul style="list-style-type: none"> • Rule 1215 (Bitcoin Trading hours) <p>Tassat provides impartial access to the platform subject to rules governing access. The Exchange Regulation Department (“ERD”), along with the Exchange Access Committee, ensures these rules are impartially enforced.</p>
16.	37.201(b)(3)	Trade practice rules;	Rulebook Chapter 5 (Trading Practices and Business Conduct) sets forth trade practices, trading protocols and prohibited conduct. The ERD enforces compliance with these rules as part of its real-time and T+1 surveillance activities.
17.	37.201(b)(4)	Audit trail requirements;	Rule 522 (Recordkeeping Requirements for Entering Orders into the Platform) and Tassat Market Supervision Manual sets for the audit trail requirements for orders and transactions on the Tassat Platform.
18.	37.201(b)(5)	Disciplinary rules; and	Rulebook Chapter 6 (Disciplinary Rules) sets forth rules and procedures to be followed in the event the ERD notes a violation of Tassat Rules. The scope of Chapter 6 covers all Persons that are subject to the jurisdiction of the Exchange.
19.	37.201(b)(6)	Mandatory trading requirements.	Not applicable. The products to be offered by Tassat are not subject to the mandatory trading requirement.
20.	37.202 Access Requirements		
21.	37.202(a)	<i>Impartial access to markets and market services. A swap execution facility shall provide any eligible contract participant and any independent software vendor with impartial access to</i>	

		its market(s) and market services, including any indicative quote screens or any similar pricing data displays, provided that the facility has:	
22.	37.202(a)(1)	Criteria governing such access that are impartial, transparent, and applied in a fair and nondiscriminatory manner;	<ul style="list-style-type: none"> ● Rule 207 (Exchange Access Committee), ● Rule 302 (Participants),
23.	37.202(a)(2)	Procedures whereby eligible contract participants provide the swap execution facility with written or electronic confirmation of their status as eligible contract participants, as defined by the Act and Commission regulations, prior to obtaining access; and	<ul style="list-style-type: none"> ● Rule 302 (Participants) ● Rule 316 (Sponsored Access Customers) ● Tassat Participant Agreement ● Tassat Sponsored Access Customer Agreement <p>Rule 302 and Rule 316 require a Participant or Sponsored Access Customer respectively to be an eligible contract participant (“ECP”) and if they are executing on behalf of Customers or Clients, such Customers or Clients must also be ECPs. Tassat also obtains an ECP representation in the Participant and Sponsored Access Customer Agreements. This representation requires them to represent their status as an ECP and also the status of its Clients/Customers as ECPs. The representation also includes an ongoing requirement on the Participant or Sponsored Access Customer to notify Tassat if they or their Customers/Clients cease to be an ECP.</p>
24.	37.202(a)(3)	Comparable fee structures for eligible contract participants and independent software vendors receiving comparable access to, or services from, the swap execution facility.	<p>Rule 309 (Dues, Assessments and Fees).</p> <p>The fees to be charged by Tassat are fair and impartial. All participants will be charged the same fees regardless of how they access the platform.</p>
25.	37.202(b)	<i>Jurisdiction.</i> Prior to granting any eligible contract participant access to its facilities, a swap execution facility shall require that the eligible contract participant consent to its jurisdiction.	<ul style="list-style-type: none"> ● Rule 301 (Jurisdiction; Applicability of Rules). ● Tassat Participant Agreement ● Tassat Sponsored Access Customer Agreement

			<p>Rule 301 requires all Person accessing the Exchange directly or indirectly to consent to the jurisdiction of Tassat. Tassat also requires Participant/Sponsored Access Customers to make a representation in the Participant Agreement/Sponsored Access Customer Agreement that it and its Customers/Clients, if applicable, shall be subject to the jurisdiction of Tassat.</p>
26.	37.202(c)	<p><i>Limitations on access.</i> A swap execution facility shall establish and impartially enforce rules governing any decision to allow, deny, suspend, or permanently bar eligible contract participants' access to the swap execution facility, including when such decisions are made as part of a disciplinary or emergency action taken by the swap execution facility.</p>	<ul style="list-style-type: none"> ● Rule 207 (Exchange Access Committee), ● Rule 302 (Participants), ● Rule 305 (Trading Privileges), ● Rule 401 (Duties and Responsibilities of Participants And Authorized Traders), ● Rulebook Chapter 6 (Disciplinary Rules).
27.	37.203 Rule enforcement program	<p>A swap execution facility shall establish and enforce trading, trade processing, and participation rules that will deter abuses and it shall have the capacity to detect, investigate, and enforce those rules.</p>	
28.	37.203(a)	<p><i>Abusive trading practices prohibited.</i> A swap execution facility shall prohibit abusive trading practices on its markets by members and market participants. Swap execution facilities that permit intermediation shall prohibit customer-related abuses including, but not limited to, trading ahead of customer orders, trading against customer orders, accommodation trading, and improper cross trading. Specific trading practices that shall be prohibited include front-running, wash trading, pre-arranged trading (except for block trades permitted by part 43 of this chapter or other types of transactions certified to or approved by the Commission pursuant to the procedures under part 40 of this chapter), fraudulent trading, money passes, and any other trading practices that a swap execution facility deems to be</p>	<ul style="list-style-type: none"> ● Rule 207 (Exchange Access Committee), ● Rule 215 (Conflicts of Interest), ● Rule 309 (Dues, Assessments and Fees), ● Rule 504 (Fraudulent Acts Prohibited, amended effective October 5, 2016 to include language requested by DMO), ● Rule 505 (Fictitious and Non-Competitive Transactions Prohibited), ● Rule 506 (Wash Sales Prohibited), ● Rule 507 (Market Disruption Prohibited), ● Rule 508 (Market Manipulation Prohibited, amended effective October 5, 2016 to include language requested by DMO), ● Rule 516 (Withholding Orders Prohibited), ● Rule 517 (Priority of Customers' Orders), ● Rule 518 (Handling of Customer Orders),

		<p>abusive. A swap execution facility shall also prohibit any other manipulative or disruptive trading practices prohibited by the Act or by the Commission pursuant to Commission regulation.</p>	<ul style="list-style-type: none"> ● Rule 519 (Disclosing Orders Prohibited), ● Rule 520 (Simultaneous Buy And Sell Orders For Different Beneficial Owners), ● Rule 524 (Prearranged, Pre-execution Communications and Non-competitive Trades Prohibited), ● Rule 527 (Priority of Execution), ● Rule 1205 (Trade Cancellations and Price Adjustments), ● Rulebook Chapter 6 (Disciplinary Rules).
29.	37.203(b)	<p><i>Capacity to detect and investigate rule violations.</i> A swap execution facility shall have arrangements and resources for effective enforcement of its rules. Such arrangements shall include the authority to collect information and documents on both a routine and non-routine basis, including the authority to examine books and records kept by the swap execution facility's members and by persons under investigation. A swap execution facility's arrangements and resources shall also facilitate the direct supervision of the market and the analysis of data collected to determine whether a rule violation has occurred.</p>	<ul style="list-style-type: none"> ● Rule 403 (Ability to Obtain Information), ● Rule 406 (Authority to Impose Restrictions), ● Rulebook Chapter 6 (Disciplinary Rules), ● Tassat Market Supervision Manual
30.	37.203(c)	<p><i>Compliance staff and resources.</i> A swap execution facility shall establish and maintain sufficient compliance staff and resources to ensure that it can conduct effective audit trail reviews, trade practice surveillance, market surveillance, and real-time market monitoring. The swap execution facility's compliance staff shall also be sufficient to address unusual market or trading events as they arise, and to conduct and complete investigations in a timely manner, as set forth in §37.203(f).</p>	<p>Tassat has sufficient staff to comply with this requirement. The ERD consists of the CCO and a Market Surveillance Manager, both of whom have sufficient experience to perform these functions.</p>
31.	37.203(d)	<p><i>Automated trade surveillance system.</i> A swap execution facility shall maintain an automated trade surveillance system capable of detecting potential trade practice violations. The automated trade surveillance system shall load and process daily orders and trades no later than 24 hours after the completion of the trading day. The automated trade surveillance system shall have the</p>	<p>NASDAQ SMARTs is operating as a fully automated T+1 trade surveillance for CLOB, RFQ and PNT. Tassat will also use NASDAQ SMARTs for real-time surveillance at launch. Orders and trades are loaded and processed generally the same trading day but no later than the following morning.</p>

		capability to detect and flag specific trade execution patterns and trade anomalies; compute, retain, and compare trading statistics; compute trade gains, losses, and swap-equivalent positions; reconstruct the sequence of market activity; perform market analyses; and support system users to perform in-depth analyses and ad hoc queries of trade-related data.	
32.	37.203(e)	<i>Real-time market monitoring.</i> A swap execution facility shall conduct real-time market monitoring of all trading activity on its system(s) or platform(s) to identify disorderly trading and any market or system anomalies. A swap execution facility shall have the authority to adjust trade prices or cancel trades when necessary to mitigate market disrupting events caused by malfunctions in its system(s) or platform(s) or errors in orders submitted by members and market participants. Any trade price adjustments or trade cancellations shall be transparent to the market and subject to standards that are clear, fair, and publicly available.	<p>The ERD conducts real-time market monitoring of all trading activity on the Tassat Platform as it occurs. This is the primary responsibility of the Market Surveillance Manager with back up as necessary from the CCO.</p> <p>Pursuant to Rule 1205 (Trade Cancellations and Price Adjustments), The Tassat board or its designee has the decision making authority to cancel trades or adjust prices to mitigate market disrupting events.</p>
33.	37.203(f)(1)	<i>Investigations and investigation reports— Procedures.</i> A swap execution facility shall establish and maintain procedures that require its compliance staff to conduct investigations of possible rule violations. An investigation shall be commenced upon the receipt of a request from Commission staff or upon the discovery or receipt of information by the swap execution facility that indicates a reasonable basis for finding that a violation may have occurred or will occur.	<ul style="list-style-type: none"> ● Tassat Market Supervision Manual ● 605(c) (Review of Investigative Reports)
34.	37.203(f)(2)	<i>Timeliness.</i> Each compliance staff investigation shall be completed in a timely manner. Absent mitigating factors, a timely manner is no later than 12 months after the date that an investigation is opened. Mitigating factors that may reasonably justify an investigation taking longer than 12 months to complete include the complexity of the investigation, the number of firms 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	<ul style="list-style-type: none"> ● Tassat Market Supervision Manual ● 605(c) (Review of Investigative Reports)

		compliance staff.	
35.	37.203(f)(3)	<i>Investigation reports when a reasonable basis exists for finding a violation.</i> Compliance staff shall submit a written investigation report for disciplinary action in every instance in which compliance staff determines from surveillance or from an investigation that a reasonable basis exists for finding a rule violation. The investigation report shall include the reason the investigation was initiated; a summary of the complaint, if any; the relevant facts; compliance staff's analysis and conclusions; and a recommendation as to whether disciplinary action should be pursued.	<ul style="list-style-type: none"> ● Rule 603 (Reports of Investigations), ● Rule 605 (Review of Investigative Reports), ● Rule 610 (Disciplinary Panels), ● Rule 613 (Conducting Hearings of Disciplinary Proceedings).
36.	37.203(f)(4)	<i>Investigation reports when no reasonable basis exists for finding a violation.</i> If after conducting an investigation, compliance staff determines that no reasonable basis exists for finding a rule violation, it shall prepare a written report including the reason the investigation was initiated; a summary of the complaint, if any; the relevant facts; and compliance staff's analysis and conclusions.	Rule 603 (Reports of Investigations), Rule 605 (Review of Investigative Reports).
37.	37.203(f)(5)	<i>Warning letters.</i> No more than one warning letter may be issued to the same person or entity found to have committed the same rule violation within a rolling twelve month period.	Rule 615 (Sanctions).
38.	37.203(g)	<i>Additional sources for compliance.</i> A swap execution facility may refer to the guidance and/or acceptable practices in Appendix B of this part to demonstrate to the Commission compliance with the requirements of §37.203.	Not applicable.
39.	37.204 Regulatory services provided by a third party		
40.	37.204(a)	<i>Use of regulatory service provider permitted.</i> A swap execution facility may choose to contract with a registered futures	Not applicable Tassat does not use a regulatory service provider.

		<p>association or another registered entity, as such terms are defined under the Act, or the Financial Industry Regulatory Authority (collectively, “regulatory service providers”), for the provision of services to assist in complying with the Act and Commission regulations thereunder, as approved by the Commission. Any swap execution facility that chooses to contract with a regulatory service provider shall ensure that such provider has the capacity and resources necessary to provide timely and effective regulatory services, including adequate staff and automated surveillance systems. A swap execution facility shall at all times remain responsible for the performance of any regulatory services received, for compliance with the swap execution facility's obligations under the Act and Commission regulations, and for the regulatory service provider's performance on its behalf.</p>	
41.	37.204(b)	<p><i>Duty to supervise regulatory service provider.</i> A swap execution facility that elects to use the service of a regulatory service provider shall retain sufficient compliance staff to supervise the quality and effectiveness of the regulatory services provided on its behalf. Compliance staff of the swap execution facility shall hold regular meetings with the regulatory service provider to discuss ongoing investigations, trading patterns, market participants, and any other matters of regulatory concern. A swap execution facility shall also conduct periodic reviews of the adequacy and effectiveness of services provided on its behalf. Such reviews shall be documented carefully and made available to the Commission upon request.</p>	Not applicable
42.	37.204(c)	<p><i>Regulatory decisions required from the swap execution facility.</i> A swap execution facility that elects to use the service of a regulatory service provider shall retain exclusive authority in all substantive decisions made by its regulatory service provider, including, but not limited to, decisions involving the cancellation of trades, the issuance of disciplinary charges against members or market participants, and denials of access to the trading platform for disciplinary reasons. A swap execution facility shall</p>	Not applicable

		document any instances where its actions differ from those recommended by its regulatory service provider, including the reasons for the course of action recommended by the regulatory service provider and the reasons why the swap execution facility chose a different course of action.	
43.	37.205 Audit trail	A swap execution facility shall establish procedures to capture and retain information that may be used in establishing whether rule violations have occurred.	
44.	37.205(a)	<i>Audit trail required.</i> A swap execution facility shall capture and retain all audit trail data necessary to detect, investigate, and prevent customer and market abuses. Such data shall be sufficient to reconstruct all indications of interest, requests for quotes, orders, and trades within a reasonable period of time and to provide evidence of any violations of the rules of the swap execution facility. An acceptable audit trail shall also permit the swap execution facility to track a customer order from the time of receipt through fill, allocation, or other disposition, and shall include both order and trade data.	<ul style="list-style-type: none"> ● Rule 217 (Maintenance of Books and Records by the Exchange) ● Rule 522 (Recordkeeping Requirements for Entering Orders into the Platform) <p>CFTC Regulations 37.205 require SEFs to capture and retain all audit trail necessary to detect market abuses. In addition, Tassat Participants and Sponsored Access Customers (SACs”) are required to maintain a complete and accurate audit trail of all activity conducted on the Tassat Platform.</p> <p>Because the Tassat Platform and all methods of execution on the Tassat Platform are entirely electronic, Tassat is relying on guidance issued by the Division of Swap & Intermediary Oversight in the Federal Register, Volume 77 Issue 246 (December 21, 2012) at 75531 in which it states a member of a DCM or SEF can rely on electronic order routing or order execution systems of FCMs, DCMs or SEFs to record the audit trail information it enters into the system in accordance with Commission requirements, if the covered person arranges to get access to such records in order to satisfy requirements under the regulation. http://www.cftc.gov/LawRegulation/FederalRegister/FinalRules/2012-30691</p> <p>This reliance on a third party is only appropriate where the records maintained by the third party duplicates the information required to be kept by the regulation. Therefore, Tassat will maintain all information</p>

			<p>on behalf of Participants and SACs for any information entered into the Tassat Platform. Participants and SACs must maintain any aspect of the audit trail that occurs outside of the Tassat Platform. An effective program shall identify members and persons and firms subject to the Exchange’s recordkeeping rules that have failed to maintain high levels of compliance with such requirements, and impose meaningful sanctions when deficiencies are found. Tassat’s electronic history database includes a history of all indications of interests, requests for quotes, orders and trades entered into the trading system or platform including all order modifications and cancellations. The audit trail captured by Tassat is sufficient to reconstruct all indications of interest, requests for quotes, orders, and trades within a reasonable period of time and to provide evidence of any violations of Tassat’s rules.</p>
45.	37.205(b)(1)	<p><i>Elements of an acceptable audit trail program—Original source documents.</i> A swap execution facility's audit trail shall include original source documents. Original source documents include unalterable, sequentially-identified records on which trade execution information is originally recorded, whether recorded manually or electronically. Records for customer orders (whether filled, unfilled, or cancelled, each of which shall be retained or electronically captured) shall reflect the terms of the order, an account identifier that relates back to the account(s) owner(s), the time of order entry, and the time of trade execution. Swap execution facilities shall require that all orders, indications of interest, and requests for quotes be immediately captured in the audit trail.</p>	<ul style="list-style-type: none"> ● Rule 522 (Recordkeeping Requirements for Entering Orders into the Platform).
46.	37.205(b)(2)	<p><i>Transaction history database.</i> A swap execution facility's audit trail program shall include an electronic transaction history database. An adequate transaction history database includes a history of all indications of interest, requests for quotes, orders, and trades entered into a swap execution facility's trading</p>	<ul style="list-style-type: none"> ● Rule 403 (Ability to Obtain Information) ● Rule 522 (Recordkeeping Requirements for Entering Orders into the Platform), ● Rule 523 (Modification and Cancellation of Orders).

		<p>system or platform, including all order modifications and cancellations. An adequate transaction history database also includes:</p>	<p>Tassat maintains audit trail data and has the ability to reconstruct all historical trades using the SMARTs surveillance system.</p> <p>Because the Tassat Platform and all methods of execution on the Tassat Platform are entirely electronic, Tassat is relying on guidance issued by the Division of Swap & Intermediary Oversight in the Federal Register, Volume 77 Issue 246 (December 21, 2012) at 75531 in which it states a member of a DCM or SEF can rely on electronic order routing or order execution systems of FCMs, DCMs or SEFs to record the audit trail information it enters into the system in accordance with Commission requirements, if the covered person arranges to get access to such records in order to satisfy requirements under the regulation.</p> <p>http://www.cftc.gov/LawRegulation/FederalRegister/FinalRules/2012-30691</p> <p>This reliance on a third party is only appropriate where the records maintained by the third party duplicate the information required to be kept by the regulation. Therefore, Tassat will maintain all information on behalf of Participants and SACs for any information entered into the Tassat Platform. Participants and SACs must maintain any aspect of the audit trail that occurs outside of the Tassat Platform. An effective program shall identify members and persons and firms subject to the Exchange's recordkeeping rules that have failed to maintain high levels of compliance with such requirements, and impose meaningful sanctions when deficiencies are found. Tassat's electronic history database includes a history of all indications of interests, requests for quotes, orders and trades entered into the trading system or platform including all order modifications and cancellations. The audit trail captured by Tassat is sufficient to reconstruct all indications of interest, requests for quotes, orders, and trades within a reasonable period of time and to provide evidence of any violations of Tassat's rules.</p>
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			<p>Because Tassat is responsible for maintaining audit trail, the ERD reviews the audit trail of transactions as part of its surveillance procedures to ensure all underlying data is maintained to reconstruct transaction history.</p> <p>Furthermore, Tassat is relying on No-Action Letter 17-54, expiring November 15, 2020, regarding relief from the requirements for SEFs to capture post-trade allocation information in their audit trail data and to conduct associated audit trail reviews of post trade allocations. The NAL states that DMO will not take enforcement action against any SEF that does not capture post-trade allocations in its audit trail data or conduct associated audit trail reviews of post trade allocations, as required by Commission regulations 37.205(a) and (b)(2), subject to the following conditions:</p> <ol style="list-style-type: none"> 1. The SEF must have a rule that requires that market participants provide post-trade allocation information to the SEF for particular trades, if the SEF, at the request of the Commission or otherwise, requests such information; and 2. In the course of a trade practice surveillance or market surveillance investigation into any trading activity involving post trade allocations, upon such request pursuant to condition 1 above, the SEF must ascertain whether a post-trade allocation was made, and if so, the SEF must request, obtain and review the post-trade allocation information as part of its investigation. This NAL expires on November 15, 2020. <p>Tassat Rule 403(b) requires market participants to provide information to Tassat upon request.</p>
47.	37.205(b)(2)(i)	All data that are input into the trade entry or matching system for the transaction to match and clear;	<ul style="list-style-type: none"> ● Rule 522 (Recordkeeping Requirements for Entering Orders into the Platform).
48.	37.205(b)(2)(ii)	The customer type indicator code;	<ul style="list-style-type: none"> ● Rule 522(a)(i)(B) and (d) (Recordkeeping Requirements for Entering Orders into the Platform). <p>Tassat obtains CTI code from clearing firms when accounts are</p>

			<p>onboarded. It is a challenge to receive accurate information from clearing firms. The ERD noted that all accounts onboarded at Tassat should be assigned either a 2 or a 4. In order to ensure the accuracy of the CTI code assigned to each account, Tassat performed a review of all accounts that are onboarded and made appropriate changes to amend those that were not correct.</p> <p>It has been discussed at multiple meetings of the SEF CCOs that this information is not used for any purpose. It has also been noted that some SEFs have altered the definition of the codes, which causes confusion and inconsistency with the clearing firms. However, because it is required, Tassat obtains it and also makes sure that it is accurate. Therefore, the ERD takes the liberty of amending it if it appears inaccurate.</p>
49.	37.205(b)(2)(iii)	Timing and sequencing data adequate to reconstruct trading; and	See line 46 above.
50.	37.205(b)(2)(iv)	Identification of each account to which fills are allocated.	See line 46 above regarding allocations and NAL 17-54
51.	37.205(b)(3)	<i>Electronic analysis capability.</i> A swap execution facility's audit trail program shall include electronic analysis capability with respect to all audit trail data in the transaction history database. Such electronic analysis capability shall ensure that the swap execution facility has the ability to reconstruct indications of interest, requests for quotes, orders, and trades, and identify possible trading violations with respect to both customer and market abuse.	<p>Rule 522 (Recordkeeping Requirements for Entering Orders into the Platform)</p> <p>All transaction data is stored in Tassat's master database. Tassat also maintains all order and transaction history in the SMARTs system.</p>
52.	37.205(b)(4)	<i>Safe storage capability.</i> A swap execution facility's audit trail program shall include the capability to safely store all audit trail data retained in its transaction history database. Such safe storage capability shall include the capability to store all data in the database in a manner that protects it from unauthorized alteration, as well as from accidental erasure or other loss. Data shall be retained in accordance with the recordkeeping requirements of Core Principle 10 for swap execution facilities	<ul style="list-style-type: none"> ● Rule 217 (Maintenance of Books and Records by the Exchange) ● Rule 522(b)(ii) (Recordkeeping Requirements for Entering Orders into the Platform), <p>See also Core Principle 10</p>

		and the associated regulations in subpart K of this part.	
53.	37.205(c)(1)	<i>Enforcement of audit trail requirements— Annual audit trail and recordkeeping reviews.</i> A swap execution facility shall enforce its audit trail and recordkeeping requirements through at least annual reviews of all members and persons and firms subject to the swap execution facility's recordkeeping rules to verify their compliance with the swap execution facility's audit trail and recordkeeping requirements. Such reviews shall include, but are not limited to, reviews of randomly selected samples of front-end audit trail data for order routing systems; a review of the process by which user identifications are assigned and user identification records are maintained; a review of usage patterns associated with user identifications to monitor for violations of user identification rules; and reviews of account numbers and customer type indicator codes in trade records to test for accuracy and improper use.	Tassat Market Supervision Manual See line 46 above
54.	37.205(c)(2)	<i>Enforcement program required.</i> A swap execution facility shall establish a program for effective enforcement of its audit trail and recordkeeping requirements. An effective program shall identify members and persons and firms subject to the swap execution facility's recordkeeping rules that have failed to maintain high levels of compliance with such requirements, and impose meaningful sanctions when deficiencies are found. Sanctions shall be sufficient to deter recidivist behavior. No more than one warning letter shall be issued to the same person or entity found to have committed the same violation of audit trail or recordkeeping requirements within a rolling twelve month period.	<ul style="list-style-type: none"> ● Rule 602 (Inquiries and Investigations), ● Rule 615 (Sanctions),
55.	37.206 Disciplinary procedures and sanctions	A swap execution facility shall establish trading, trade processing, and participation rules that will deter abuses and have the capacity to enforce such rules through prompt and effective disciplinary action, including suspension or expulsion of members or market participants that violate the rules of the swap execution facility.	Rulebook Chapter 6 (Disciplinary Rules).

56.	37.206(a)	<i>Enforcement staff.</i> A swap execution facility shall establish and maintain sufficient enforcement staff and resources to effectively and promptly prosecute possible rule violations within the disciplinary jurisdiction of the swap execution facility.	<ul style="list-style-type: none"> ● Rule 209 (Chief Compliance Officer),
57.	37.206(b)	<i>Disciplinary panels.</i> A swap execution facility shall establish one or more disciplinary panels that are authorized to fulfill their obligations under the rules of this subpart. Disciplinary panels shall meet the composition requirements of part 40 of this chapter, and shall not include any members of the swap execution facility's compliance staff or any person involved in adjudicating any other stage of the same proceeding.	<ul style="list-style-type: none"> ● Rule 610 (Disciplinary Panels), ● Rule 613 (Conducting Hearings of Disciplinary Proceedings).
58.	37.206(c)	<i>Hearings.</i> A swap execution facility shall adopt rules that provide for the following minimum requirements for any hearing:	The information below identifies the Tassat Rule that addresses each regulation.
59.	37.206(c)(1)	The hearing shall be fair, shall be conducted before members of the disciplinary panel, and shall be promptly convened after reasonable notice to the respondent; and	<ul style="list-style-type: none"> ● Rule 610(e) (Disciplinary Panels), ● Rule 611(b) (Convening Hearings of Disciplinary Proceedings).
60.	37.206(c)(2)	If the respondent has requested a hearing, a copy of the hearing shall be made and shall become a part of the record of the proceeding. The record shall not be required to be transcribed unless:	<ul style="list-style-type: none"> ● Rule 613(a) (Conducting Hearings of Disciplinary Proceedings).
61.	37.206(c)(2)(i)	The transcript is requested by Commission staff or the respondent;	<ul style="list-style-type: none"> ● Rule 613(g) (Conducting Hearings of Disciplinary Proceedings), ● Rule 616(d) (Appeal from Hearing Panel Decision, Summary Impositions of Fines and Other Summary Actions).
62.	37.206(c)(2)(ii)	The decision is appealed pursuant to the rules of the swap execution facility; or	<ul style="list-style-type: none"> ● Rule 616(a) (Appeal from Hearing Panel Decision, Summary Impositions of Fines and Other Summary Actions).
63.	37.206(c)(2)(iii)	The decision is reviewed by the Commission pursuant to section 8c of the Act or part 9 of this chapter. In all other instances, a summary record of a hearing is permitted.	<ul style="list-style-type: none"> ● Rule 614 (Decision of Hearing Panel).
64.	37.206(d)	<i>Decisions.</i> Promptly following a hearing conducted in	<ul style="list-style-type: none"> ● Rule 614(a) and (b) (Decision of Hearing Panel).

		accordance with the rules of the swap execution facility, 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:	
65.	37.206(d)(1)	The notice of charges or a summary of the charges;	● Rule 614(b)(i) (Decision of Hearing Panel).
66.	37.206(d)(2)	The answer, if any, or a summary of the answer;	● Rule 614(b)(ii) (Decision of Hearing Panel).
67.	37.206(d)(3)	A summary of the evidence produced at the hearing or, where appropriate, incorporation by reference of the investigation report;	● Rule 614(b)(iii) (Decision of Hearing Panel).
68.	37.206(d)(4)	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;	● Rule 614(b)(iv) (Decision of Hearing Panel).
69.	37.206(d)(5)	An indication of each specific rule that the respondent was found to have violated; and	● Rule 614(b)(v) (Decision of Hearing Panel).
70.	37.206(d)(6)	A declaration of all sanctions imposed against the respondent, including the basis for such sanctions and the effective date of such sanctions.	● Rule 614(b)(vi) (Decision of Hearing Panel).
71.	37.206(e)	<i>Disciplinary sanctions.</i> All disciplinary sanctions imposed by a swap execution facility or its disciplinary panels shall be commensurate with the violations committed and shall be clearly sufficient to deter recidivism or similar violations by other market participants. All disciplinary sanctions, including sanctions imposed pursuant to an accepted settlement offer, shall take into account the respondent's disciplinary history. In the event of demonstrated customer harm, any disciplinary sanction shall also include full customer restitution, except where the amount of restitution or to whom it should be provided cannot be reasonably determined.	● Rule 615(a) (Sanctions).

72.	37.206(f)	<i>Warning letters.</i> Where a rule violation is found to have occurred, no more than one warning letter may be issued per rolling twelve month period for the same violation.	<ul style="list-style-type: none"> ● Rule 615(a)(i) (Sanctions).
73.	37.206(g)	<i>Additional sources for compliance.</i> A swap execution facility may refer to the guidance and/or acceptable practices in Appendix B of this part to demonstrate to the Commission compliance with the requirements of §37.206.	Not applicable
74.	37.300 Core Principle 3 swaps not readily susceptible to manipulation		
75.	37.300	The swap execution facility shall permit trading only in swaps that are not readily susceptible to manipulation.	See 37.301 below.
76.	37.301	To demonstrate to the Commission compliance with the requirements of §37.300, a swap execution facility shall, at the time it submits a new swap contract in advance to the Commission pursuant to part 40 of this chapter, provide the applicable information as set forth in Appendix C to part 38 of this chapter—Demonstration of Compliance That a Contract is not Readily Susceptible to Manipulation. A swap execution facility may also refer to the guidance and/or acceptable practices in Appendix B of this part.	<p>In 2018, Tassat worked closely with DMO staff for approval of a physically deliverable Bitcoin swap. Although the process was started before the issuance of Advisory 18-14 (Advisory with respect to Virtual Currency Derivative Product Listings), Tassat received approval to list this product in September 2018 and followed the requirements of Advisory 19-14 before filing the product for self-certification.</p> <p>Tassat has various rules in its rulebook intended to prevent manipulative behavior in the swaps traded on its Platform, and conducts real-time and T+1 market surveillance to ensure compliance with those rules:</p> <ul style="list-style-type: none"> ● Rule 216 (Material, Non-Public Information) ● Rule 504 (Fraudulent Acts Prohibited, amended effective October 5, 2016 to include language requested by DMO), ● Rule 508 (Market Manipulation Prohibited, amended effective October 5, 2016 to include language requested by DMO),

			<ul style="list-style-type: none"> ● Rule 519 (Disclosing Orders Prohibited) ● Rule 524 (Pre-arranged, Pre-Execution Communications and Non-competitive Trades Prohibited) <p>Finally,, Tassat has a comprehensive set of Disciplinary Rules and procedures to take action against attempts at manipulation. See Chapter 6 of the rulebook. (Disciplinary Rules).</p>
77.	37.400 Core Principle 4 Monitoring of trading and trade processing	The swap execution facility shall:	
78.	37.400(a)	Establish and enforce rules or terms and conditions defining, or specifications detailing:	
79.	37.400(a)(1)	Trading procedures to be used in entering and executing orders traded on or through the facilities of the swap execution facility; and	<ul style="list-style-type: none"> ● Rule 522 (Recordkeeping Requirements for Entering Orders into the Platform) ● Rule 523 (Modification and Cancellation of Orders) ● Rule 1204 (Execution Methods)
80.	37.400(a)(2)	Procedures for trade processing of swaps on or through the facilities of the swap execution facility; and	See line 79 above
81.	37.400(b)	Monitor trading in swaps to prevent manipulation, price	The ERD Staff for market surveillance performs real-time and T+1

		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>surveillance and monitors for manipulation, price distortion, and disruptions.</p> <p>The Tassat Market Supervision Manual contains procedures for real-time and T+1 market surveillance and trade practice, including audit trail.</p> <p>Chapter 6 of the Tassat Rulebook contains a comprehensive set of rules to be followed in the event a market participant is found to have violated Tassat Rules.</p>
82.	37.401 General Requirements	A swap execution facility shall:	
83.	37.401(a)	Collect and evaluate data on its market participants' market activity on an ongoing basis in order to detect and prevent manipulation, price distortions, and, where possible, disruptions of the physical-delivery or cash-settlement process;	<p>The ERD Staff for market surveillance performs real-time and T+1 surveillance and monitors for manipulation, price distortion, and disruptions, which is enhanced through the use of the SMARTS Surveillance system.</p> <p>The Tassat Market Supervision Manual contains procedures for real-time and T+1 market surveillance and trade practice, including audit trail.</p>
84.	37.401(b)	Monitor and evaluate general market data in order to detect and prevent manipulative activity that would result in the failure of the market price to reflect the normal forces of supply and demand;	<p>Tassat monitors market data in real time and T+1. Tassat receives indicative data for its standard CLOB products. As such, Tassat is able to monitor if prices appear to be off market.</p> <p>The CLOB is monitored in real-time using the NASDAQ SMARTS system by a dedicated market surveillance team.</p>
85.	37.401(c)	Demonstrate an effective program for conducting real-time monitoring of trading for the purpose of detecting and resolving abnormalities; and	The Market Surveillance Manager performs real-time surveillance, with the CCO serving as back up. Issues are addressed during the trading day to the extent possible, with additional coverage on T+1.
86.	37.401(d)	Demonstrate the ability to comprehensively and accurately reconstruct daily trading activity for the purpose of detecting instances or threats of manipulation, price distortion, and disruptions.	Tassat has the ability to reconstruct daily trading activity. See line 46 above for further information.

87.	37.402 Additional requirements for physical- delivery swaps	For physical-delivery swaps, the swap execution facility shall demonstrate that it:	
88.	37.402(a)	Monitors a swap's terms and conditions as they relate to the underlying commodity market; and	In September 2018, Tassat received CFTC approval to list a physically deliverable Bitcoin swap; however, it has not yet launched.
89.	37.402(b)	Monitors the availability of the supply of the commodity specified by the delivery requirements of the swap.	In September 2018, Tassat received CFTC approval to list a physically deliverable Bitcoin swap; however, it has not yet launched.
90.	37.403 Additional requirements for cash-settled swaps		
91.	37.403(a)	For cash-settled swaps, the swap execution facility shall demonstrate that it monitors the pricing of the reference price used to determine cash flows or settlement;	Not applicable. Tassat is not offering any cash settled products at this time.
92.	37.403(b)	For cash-settled swaps listed on the swap execution facility where the reference price is formulated and computed by the swap execution facility, the swap execution facility shall demonstrate that it monitors the continued appropriateness of its methodology for deriving that price; and	Not applicable. Tassat is not offering any cash settled products at this time.
93.	37.403(c)	For cash-settled swaps listed on the swap execution facility where the reference price relies on a third-party index or instrument, including an index or instrument traded on another venue, the swap execution facility shall demonstrate that it monitors the continued appropriateness of the index or instrument.	Not applicable. Tassat is not offering any cash settled products at this time.
94.	37.404 Ability to obtain information		

95.	37.404(a)	A swap execution facility shall demonstrate that it has access to sufficient information to assess whether trading in swaps listed on its market, in the index or instrument used as a reference price, or in the underlying commodity for its listed swaps is being used to affect prices on its market.	Tassat monitors market data in real time and T+1. Tassat receives indicative data for its standard CLOB products. As such, Tassat is able to monitor if prices appear to be off market. The CLOB is monitored in real-time using the NASDAQ SMARTS system by a dedicated market surveillance team.
96.	37.404(b)	A swap execution facility shall have rules that require its market participants to keep records of their trading, including records of their activity in the index or instrument used as a reference price, the underlying commodity, and related derivatives markets, and make such records available, upon request, to the swap execution facility or, if applicable, to its regulatory service provider, and the Commission.	<ul style="list-style-type: none"> ● Rule 218 (Information Sharing Agreements) ● Rule 403 (Ability to Obtain Information) ● Rule 522(b) (Recordkeeping Requirements for Entering Orders into the Platform; Electronic Audit Trail Requirements for Electronic Order Routing/Front-End Systems)
97.	37.405 Risk controls for trading		
98.	37.405	The swap execution facility shall establish and maintain risk control mechanisms to prevent and reduce the potential risk of market disruptions, including, but not limited to, market restrictions that pause or halt trading under market conditions prescribed by the swap execution facility.	<p>Tassat has a number of mechanisms that provide risk controls required by this regulation, including reasonability checks (levels that provide warnings or prevents trader from entering prices outside certain limits), message throttles, functionality that cancels all orders on disconnect, the ability for a firm to suspend its own users, and Tassat’s ability to suspend users, firms and the market as a whole, in order to halt trading if warranted. These controls are described in the Tassat Market Supervision Manual.</p> <ul style="list-style-type: none"> ● Rule 1205 (Trade Cancellations and Price Adjustments) sets forth rules and conditions under which Tassat can cancel trades and/or amend trades due to errors (trader error or technology malfunction), and also include rules regarding trade cancellation by the Prime Broker.) ● Rule 1206 (Price Limits and Trading Halts) ● Rule 522 (Recordkeeping Requirements for Entering Orders into the Platform; Electronic Audit Trail Requirements for Electronic Order Routing/Front-End Systems)

99.	37.406 Trade reconstruction		
100.	37.406	The swap execution facility shall have the ability to comprehensively and accurately reconstruct all trading on its facility. All audit-trail data and reconstructions shall be made available to the Commission in a form, manner, and time that is acceptable to the Commission.	See line 86 above
101.	37.407 Regulatory Service Provider		
102.	37.407	A swap execution facility shall comply with the regulations in this subpart through a dedicated regulatory department or by contracting with a regulatory service provider pursuant to §37.204.	Tassat has a dedicated staff consisting of the Market Surveillance Manager and the CCO.
103.	37.408 Additional sources for compliance		
104.	37.408	A swap execution facility may refer to the guidance and/or acceptable practices in Appendix B of this part to demonstrate to the Commission compliance with the requirements of §37.400.	See lines 78 – 102 above.
105.	37.500 Core Principle 5- Ability to obtain information	The swap execution facility shall:	
106.	37.500(a)	Establish and enforce rules that will allow the facility to obtain any necessary information to perform any of the functions	<ul style="list-style-type: none"> ● Rule 301 (Jurisdiction; Applicability of Rules) ● Rule 403 (Inspections by Exchange)

		described in section 5h of the Act;	<p>Rule 403(a) allows Tassat to inspect and access systems, equipment and software operated by a Participant (including Sponsored Access Customers) and any Persons under investigation, and to copy or reproduce any data accessed.</p> <p>Rule 403(b) requires a market participant to provide that information requested by the Exchange, periodically or upon request, to enable the Exchange to perform its enforcement obligations.</p> <p>Rule 522(b)(ii) requires market participants to maintain books and records required by the CEA, CFTC Regulations, and for the production of data contained within the electronic audit trail to be furnished upon request by the ERD</p>
107.	37.500(b)	Provide the information to the Commission on request; and	<ul style="list-style-type: none"> ● Rule 216 (Material, Non-Public Information) ● Rule 217 (Maintenance of Books and Records by the Exchange) ● Rule 904 (Market Data) <p>Rule 216 provides that an Exchange Official may disclose information if required by the CFTC.</p> <p>Rule 217 confirms that Tassat will make the books and records kept by it available for inspection by the CFTC or other government agency if required.</p> <p>Rule 904 provides that the CFTC will have access to the Market Data pursuant to Part 43 and Part 45.</p>
108.	37.500(c)	Have the capacity to carry out such international information-sharing agreements as the Commission may require.	<ul style="list-style-type: none"> ● Rule 218 (Information-Sharing Agreements) <p>Rule 218 allows Tassat to enter into information sharing agreements or other arrangements or procedures to coordinate surveillance with</p>

			<p>other markets on which financial instruments related to the Contracts trade.</p> <p>Tassat is not currently a party to any international information sharing agreements but will enter into them as the Commission may require.</p>
109.	37.501 Establish and enforce rules		
110.	37.501	A swap execution facility shall establish and enforce rules that will allow the swap execution facility to have the ability and authority to obtain sufficient information to allow it to fully perform its operational, risk management, governance, and regulatory functions and any requirements under this part, including the capacity to carry out international information-sharing agreements as the Commission may require.	<ul style="list-style-type: none"> ● Rule 218 (Information-Sharing Agreements)- see line 134 above ● Rule 403 (Ability to Obtain Information) ● Rule 404 (Minimum Financial and Related Reporting Requirements) ● Rule 522 (Recordkeeping Requirements for Entering Orders into the Platform)
111.	37.502 Collection of information		
112.	37.502	A swap execution facility shall have rules that allow it to collect information on a routine basis, allow for the collection of non-routine data from its market participants, and allow for its examination of books and records kept by the market participants on its facility.	<ul style="list-style-type: none"> ● Rule 403 (Ability to Obtain Information)
113.	37.503 Provide information to the Commission		
114.	37.503	A swap execution facility shall provide information in its possession to the Commission upon request, in a form and manner that the Commission approves.	<ul style="list-style-type: none"> ● Rule 216 (Material, Non-Public Information) ● Rule 217 (Maintenance of Books and Records by the Exchange) ● Rule 218(b)- (Information-Sharing Agreements) ● Rule 904 (Market Data)

			<p>Rule 216 authorizes the disclosure of information if required by the CFTC or another government agency.</p> <p>Rule 217 confirms that Tassat will make the books and records kept by it available for inspection by the CFTC or other government agency if required.</p> <p>Rule 218(b) provided for Tassat to disclose transactions executed by market participants to the CFTC or Other government agency if required.</p> <p>Rule 904 provides that the CFTC will have access to the Market Data pursuant to Part 43 and Part 45</p>
115.	37.504 Information sharing agreements		
116.	37.504	A swap execution facility shall share information with other regulatory organizations, data repositories, and third-party data reporting services as required by the Commission or as otherwise necessary and appropriate to fulfill its self-regulatory and reporting responsibilities. Appropriate information-sharing agreements can be established with such entities or the Commission can act in conjunction with the swap execution facility to carry out such information sharing.	<p>Rule 218 (Information-Sharing Agreements)</p> <p>Tassat does not currently have any formal information sharing agreements in place; however, it participates in a group with CCOs of the other SEFs, and NFA in a Joint Compliance Committee-like structure. It has been discussed among the group that it should be formalized with a confidentiality and information sharing agreement; however to date nothing has been established.</p> <p>The CCOs of the SEFs are attempting to work cooperatively on certain issues without such an agreement in place.</p>
117.	37.600 Core Principle 6 – Position limits or accountability		

118.	37.600(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.	<ul style="list-style-type: none"> ● Rule 529 (Position Limits) ● Rule 530 (Position Accountability) <p>Tassat, in conjunction with working with the CCOs of the other registered SEFs and NFA, submitted a proposal to Vince McGonagle, Director of DMO in 2015 regarding the compliance with this core principle to ensure consistent treatment across all SEFs.</p> <p>DMO agreed to the following rulebook language to comply with this core principle:</p> <p>“To reduce the potential threat of market manipulation or congestion, SEF shall adopt for each of the contracts of the facility, as is necessary and appropriate, position limitations or position accountability levels for speculators.” This language has been incorporated into Tassat Rule 529 and 530.</p> <p>Tassat has set a position limit for physically deliverable Bitcoin. This was vetted by DMO staff during the approval process of this product.</p>
119.	37.600(b)	<i>Position limits.</i> 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:	Not applicable
120.	37.600(b)(1)	Set its position limitation at a level no higher than the Commission limitation; and	See response to line 118 above
121.	37.600(b)(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.	See response to line 118 above
122.	37.601 Additional sources for		

	compliance		
123.	37.601	Until such time that compliance is required under part 151 of this chapter, a swap execution facility may refer to the guidance and/or acceptable practices in Appendix B of this part to demonstrate to the Commission compliance with the requirements of §37.600.	See response to line 118 above.
124.	37.700 Core Principle 7 – Financial integrity of transactions		
125.	37.700	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.	<ul style="list-style-type: none"> ● Rule 1205 (Trade Cancellations and Price Adjustments) <p>Tassat introduced the workflow, rules and procedures for uncleared swaps, including the provisions of CFTC No Action Letter 17-17 (footnote 195) regarding the confirmation requirements of such trades to comply with CFTC Regulation 37.6(b).</p>
126.	37.701 Required clearing		
127.	37.701	Transactions executed on or through the swap execution facility that are required to be cleared under section 2(h)(1)(A) of the Act or are voluntarily cleared by the counterparties shall be cleared through a Commission-registered derivatives clearing organization, or a derivatives clearing organization that the Commission has determined is exempt from registration.	Not applicable. Products offered on Tassat will not be cleared.
128.	37.702 General	A swap execution facility shall provide for the financial integrity	

	Financial Integrity	of its transactions:	
129.	37.702 (a)	By establishing minimum financial standards for its members, which shall, at a minimum, require that members qualify as an eligible contract participant as defined in section 1a(18) of the Act;	<ul style="list-style-type: none"> ● Rule 302 (Participants) ● Rule 316 (Sponsored Access Customers) ● Tassat Participant Agreement ● Tassat Sponsored Access Customer Agreement <p>Rule 302 and Rule 316 require a Participant or Sponsored Access Customer respectively to be an eligible contract participant (“ECP”) and if they are executing on behalf of Customers or Clients, such Customers or Clients must also be ECPs. Tassat also obtains an ECP representation in the Participant and Sponsored Access Customer Agreements. This representation includes an ongoing requirement on the Participant or Sponsored Access Customer to notify Tassat if they or their Customers/Clients cease to be an ECP.</p>
130.	37.702 (b)	For transactions cleared by a derivatives clearing organization:	Not applicable. Products offered on Tassat will not be cleared.
131.	37.702 (b)(1)	By ensuring that the swap execution facility has the capacity to route transactions to the derivatives clearing organization in a manner acceptable to the derivatives clearing organization for purposes of clearing; and	Not applicable. Products offered on Tassat will not be cleared.
132.	37.702 (b)(2)	By coordinating with each derivatives clearing organization to which it submits transactions for clearing, in the development of rules and procedures to facilitate prompt and efficient transaction processing in accordance with the requirements of §39.12(b)(7) of this chapter.	Not applicable. Products offered on Tassat will not be cleared.

133.	37.703 Monitoring of financial soundness		
134.	37.703	A swap execution facility shall monitor its members to ensure that they continue to qualify as eligible contract participants as defined in section 1a(18) of the Act.	<ul style="list-style-type: none"> ● Rule 302 (Participants) ● Rule 316 (Sponsored Access Customers) ● Market Supervision Manual <p>Rule 302 and 316 places an obligation on the Participant or Sponsored Access Customer respectively to ensure that it and its Customers/Clients are and continue to be ECPs.</p>
135.	37.800 Core Principle 8 – Emergency authority		
136.	37.800	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.	<ul style="list-style-type: none"> ● Rule 101 (Definition of Emergency) ● Rule 214 (Emergency Rules) <p>Tassat’s definition of Emergency incorporates the definition of Emergency in CFTC Regulation 40.1(h). Furthermore, Tassat ensured that Rule 214 incorporated the guidance issued by the Commission on September 30, 2013.</p> <p>Rule 214(a)(iv) grants authority to liquidate or transfer open positions in any Contracts (subject to CFTC approval where a swap is traded on more than one platform) and Rule 214(a)(i) grants authority to suspend or curtail trading in any Contract.</p>

137.	37.801 Additional sources for compliance		
138.	37.801	A swap execution facility may refer to the guidance and/or acceptable practices in Appendix B of this part to demonstrate to the Commission compliance with the requirements of §37.800.	See response to line 136 above.
139.	37.900 Core Principle 9 – Timely publication of trading information		
140.	37.900(a)	<i>In general.</i> 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>Rule 545 (SDR Reporting) Rule 804 (Settlement Prices; Publication of Trade Information) Rule 904 (Market Data)</p> <p>Tassat is subject to Part 43 (real time submission) for swaps executed on its SEF and DCM. Tassat also publishes daily volume information on its website by approximately 7:15 pm (EST) each trading day. The daily settlement files are also sent to the CFTC via email at this time. The ERD is cc'd on these emails. As such, it is aware if there are any delays or failure to transmit. See line 144 below regarding part 16 data.</p>
141.	37.900(b)	<i>Capacity of swap execution facility.</i> 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>Tassat electronically captures and transmits trade information to the SDR (DTCC) as soon as technologically practicable after execution. Tassat combines the Part 43 real-time data with the Part 45 creation data in a single submission immediately upon execution.</p> <p>As part of real-time market surveillance, the ERD is aware if there are</p>

			<p>any delays in transmitting executed trades to clearing and to the SDR</p> <p>The ERD will monitor transmission to SDR in real time and also on a monthly basis to determine if there is any latency in the process.</p>
142.	37.901 General requirements	With respect to swaps traded on or through a swap execution facility, each swap execution facility shall:	
143.	37.901(a)	Report specified swap data as provided under part 43 and part 45 of this chapter; and	<p>See line 141 above with respect to transmission times to the SDR.</p> <p>The ERD will perform reviews of static data obtained during the onboarding process throughout the year. In reviewing such data, it will review for the accuracy of data obtained from clients when onboarding accounts to ensure that information such as the US Person status and registration type of the underlying client account is complete and accurate.</p>
144.	37.901(b)	Meet the requirements of part 16 of this chapter.	<p>Tassat will post on its website at the end of each trading day the information required by Part 16.</p> <p>Tassat will report as required by e Part 16 Swaps Daily Price and Volume Activity- Interim Standard, specifically for swapsthat was developed by DMO in 2016.</p>
145.	37.1000 Core principle 10- Recordkeeping and reporting	<i>In general.</i> A swap execution facility shall:	
146.	37.1000 (a)(1)	Maintain records of all activities relating to the business of the	<ul style="list-style-type: none"> ● Rule 217 (Maintenance of Books and Records by the Exchange)

		facility, including a complete audit trail, in a form and manner acceptable to the Commission for a period of five years;	<ul style="list-style-type: none"> ● Rule 522 (Recordkeeping Requirements for Entering Orders into the Platform) <p>Rule 217 requires the Exchange to keep complete and accurate books and records, including those required to be kept pursuant to the CEA and CFTC Regulations, for a minimum period of five years.</p> <p>Rule 522 requires an electronic audit trail to be maintained for a minimum of five years. This audit trail is complete, as the data must contain all FIX Tag information and fields which should include, but are not limited to the following: a record of all fields relating to Order entry, including transaction date, product, exchange code, tenor, quantity, order type, order qualifier, price/rate, trade direction indicator (pay/receive), order number, account number, session ID, Trader ID, Firm ID, clearing member, CTI code, and timestamp representing time of order entry. For executed trades and a sampling of orders, the Market Surveillance Manager will verify that the deal's execution time has been recorded along with the trade price and unique transaction number/USI, among other pertinent details.</p>
147.	37.1000 (a)(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	<ul style="list-style-type: none"> ● Rule 217 (Maintenance of Books and Records by the Exchange) <p>Rule 217 provides that the complete and accurate books and records maintained by the Exchange shall be made readily accessible for inspection by the CFTC.</p> <p>Also, as required by Core Principle 9, and CFTC Regulation 16.01(d), Tassat sends the information required under Part 16 of the CFTC Regulations to the CFTC at the end of each trading day.</p>
148.	37.1000 (a)(3)	Keep any such records relating to swaps defined in section	<ul style="list-style-type: none"> ● Rule 217 (Maintenance of Books and Records by the Exchange)

		1a(47)(A)(v) of the Act open to inspection and examination by the Securities and Exchange Commission.	Rule 217 provides that the Exchange shall retain books and records, and that they will be readily accessible for inspection by the Securities and Exchange Commission.
149.	37.1000 (b)	<i>Requirements.</i> 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.	Not applicable.
150.	37.1001 Recordkeeping		
151.	37.1001	A swap execution facility shall maintain records of all activities relating to the business of the facility, in a form and manner acceptable to the Commission, for a period of at least five years. A swap execution facility shall maintain such records, including a complete audit trail for all swaps executed on or subject to the rules of the swap execution facility, investigatory files, and disciplinary files, in accordance with the requirements of §1.31 and part 45 of this chapter.	See response to line 146 above.
152.	37.1100 Core Principle 11 – Antitrust considerations	Unless necessary or appropriate to achieve the purposes of the Act, the swap execution facility shall not:	
153.	37.1100(a)	Adopt any rules or take any actions that result in any unreasonable restraint of trade; or	<ul style="list-style-type: none"> ● Rule 207 (Exchange Access Committee) ● Rule 302 (Participants) <p>The Exchange’s Rules have been designed to avoid unreasonable restraints of trade or the imposition of any material anticompetitive burden on trading, as will the specifications for each Contract approved for trading on the Exchange.</p> <p>In particular, access to the Exchange will not require the acquisition of any equity interest but will be available to a broad range and potentially unlimited number of participants, on a fair, equitable and timely basis. Rule 302 contains eligibility requirements for Participants, which does</p>

			<p>not unfairly disadvantage any market participants from trading on Tassat. Under Rule 207, the Exchange Access Committee has authority to approve rules that would result in different categories or classes of Participants receiving disparate access to the Exchange, and will be mandated not to, and not to permit the Exchange to, restrict access or impose burdens on access in a discriminatory manner, within each category or class of Participants or between similarly-situated categories or classes of Participants. This Committee shall also review any determination made by Exchange Officials to deny access to a prospective Participant who fails to meet the eligibility requirements</p>
154.	37.1100(b)	Impose any material anticompetitive burden on trading or clearing.	<ul style="list-style-type: none"> ● Rule 302 (Participants) ● Rule 904 (Market Data) ● Tassat Code of Conduct <p>Rule 302 describes eligibility to become a Participant.</p> <p>Also, as required by Core Principle 9, and CFTC Regulation 16.01(e), Tassat publishes the information required under Part 16 of the CFTC Regulations on its website at the end of each trading day. Pursuant to Rule 904 Tassat reports market data required by Part 43 & Part 45 of the CFTC Regulations to an SDR immediately upon execution of a transaction. This information is publicly disseminated by the SDR on a website that is freely available and readily accessible to the public.</p> <p>Furthermore, Tassat's Code of Conduct contains language indicating that the Company and its employees are prohibited from taking any actions that result in an unreasonable restraint of trade. or impose any anticompetitive burden on trading</p> <p>Finally, Tassat will self-certify fees to be charged for participation on the SEF. All fees are fair and non-preferential. The same fee will be charged to all participants on the SEF.</p>

155.	37.1101 Additional sources for compliance		
156.	37.1101	A swap execution facility may refer to the guidance and/or acceptable practices in Appendix B of this part to demonstrate to the Commission compliance with the requirements of §37.1100.	See response to lines 153 and 154 above
157.	37.1200 Core Principle 12 – Conflicts of interest	The swap execution facility shall:	
158.	37.1200(a)	Establish and enforce rules to minimize conflicts of interest in its decision-making process; and	<p>Rule 215 of the Rulebook establishes rules to minimize conflicts of interest and a process for resolving conflicts of interest.</p> <p>Rule 216 limits the use and disclosure of material non-public information gained through the performance of official duties by direct and indirect owners of the Exchange, Directors, Officers, members of Committees, members of Disciplinary Panels and Appeal Panels, members of the Exchange Regulation Department, and other employees of the Exchange.</p> <p>Pursuant to the Regulatory Oversight Committee Charter (“ROC”), minimizing potential conflicts of interest is a stated purpose and responsibility the ROC.</p> <p>Tassat has an established ROC, which is instrumental in minimizing conflicts of interests for Tassat as a SEF. Tassat notes that certain regulations regarding the mitigation of conflicts of interest, including the role of the ROC, have not yet been finalized for SEFs (Core Principles and Other Requirements for Swap Execution Facilities 78 FR 33545, footnote 824); however, because Tassat is operating as a SEF,</p>

			<p>it has chosen to adopt similar standards for this SEF core principle to be consistent with the CFTC guidance and what is currently in place for DCM Core Principle 16. Because SEF core principles set forth minimum standards to be met regarding conflicts of interest, Tassat deems it appropriate to adopt this standard with the ROC because the ROC is a subset of the Tassat board of directors and is comprised only of the Public Directors as that term is defined in Part 38 of the CFTC Regulations, thus reducing the possibility of conflicts of interest.</p>
159.	37.1200(b)	Establish a process for resolving the conflicts of interest.	<p>As described in Rule 208, Tassat has a Regulatory Oversight Committee (ROC) that is composed of 100% Public Directors as that term is defined in Part 38 of the CFTC Regulations. The ROC oversees Tassat’s regulatory program on behalf of the Board, and its role includes assisting the CCO in minimizing actual and potential conflicts of interest under Rule 209(d). Pursuant to the ROC Charter, the ROC is required to meet at least quarterly.</p> <p>Disciplinary Panels involved in the enforcement and adjudication process described in connection with Core Principle 2 above are subject to rules regarding composition as to preclude any group or class of industry participants from dominating or exercising disproportionate influence under Rule 610. Under Rule 610(d), each Disciplinary Panel will be chaired by a Public Participant and may include additional Public Participants.</p> <p>Rule 616 provides for appeal of a Hearing Panel’s decision to an Appeal Panel. Under Rule 616(f) and (e), an Appeal Panel will be chaired by a Public Participant and may include additional Public Participants, respectively.</p>
160.	37.1300 Core		

	Principle 13 – Financial resources										
161.	37.1300(a)	<i>In general.</i> The swap execution facility shall have adequate financial, operational, and managerial resources to discharge each responsibility of the swap execution facility.	<p>Upon the transfer of the SEF registration from trueEX to Tassat on November 6, 2019, Tassat immediately began to comply with Core Principle 13.</p> <p>Tassat has made the following filings:</p> <table> <thead> <tr> <th><u>Quarter Ending</u></th> <th><u>Date Filed by Tassat</u></th> </tr> </thead> <tbody> <tr> <td>12/31/19</td> <td>4/29/20</td> </tr> <tr> <td>03/31/20</td> <td>5/9/20</td> </tr> <tr> <td>06/30/20</td> <td>8/3/20</td> </tr> </tbody> </table>	<u>Quarter Ending</u>	<u>Date Filed by Tassat</u>	12/31/19	4/29/20	03/31/20	5/9/20	06/30/20	8/3/20
<u>Quarter Ending</u>	<u>Date Filed by Tassat</u>										
12/31/19	4/29/20										
03/31/20	5/9/20										
06/30/20	8/3/20										
162.	37.1300(b)	<i>Determination of resource adequacy.</i> 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>Since November 6, 2019 (the effective date of the SEF transfer to Tassat), Tassat has maintained financial resources that has exceeded the total amount that would enable it to cover its projected operating costs for a one-year period, as calculated on a rolling basis. The methodology includes direct costs incurred by Tassat, as well as a methodology to allocate certain costs incurred by Tassat Group LLC (its parent company). The CFO and COO evaluate the methodology as needed, at least once a year. In addition, as required by DMO Guidance (CFTC Letter 17-25), Tassat includes an explanation of its methodology for projected operating costs with each quarterly filing.</p>								
163.	37.1301 General Requirements										

164.	37.1301(a)	A swap execution facility shall maintain financial resources sufficient to enable it to perform its functions in compliance with the core principles set forth in section 5h of the Act.	
165.	37.1301(b)	An entity that operates as both a swap execution facility and a derivatives clearing organization shall also comply with the financial resource requirements of §39.11 of this chapter.	Not applicable. Tassat is not also a clearing organization.
166.	37.1301(c)	Financial resources shall be considered sufficient if their value is at least equal to a total amount that would enable the swap execution facility to cover its operating costs for a period of at least one year, calculated on a rolling basis.	Tassat has maintained sufficient financial resources since the SEF registration was transferred to it in November 2019
167.	37.1302 Types of financial resources		
168.	37.1302	Financial resources available to satisfy the requirements of §37.1301 may include:	
169.	37.1302(a)	The swap execution facility's own capital, meaning its assets minus its liabilities calculated in accordance with U.S. generally accepted accounting principles; and	See lines 161 and 162 above.
170.	37.1302(b)	Any other financial resource deemed acceptable by the Commission.	Not applicable
171.	37.1303 Computation of projected operating costs to meet financial resource requirement		
172.	37.1303	A swap execution facility shall, each fiscal quarter, make a reasonable calculation of its projected operating costs over a	See lines 161 and 162 above.

		twelve-month period in order to determine the amount needed to meet the requirements of §37.1301. The swap execution facility shall have reasonable discretion in determining the methodology used to compute such projected operating costs. The Commission may review the methodology and require changes as appropriate.	
173.	37.1304 Valuation of financial resources		
174.	37.1304	No less than each fiscal quarter, a swap execution facility shall compute the current market value of each financial resource used to meet its obligations under §37.1301. Reductions in value to reflect market and credit risk (“haircuts”) shall be applied as appropriate.	See lines 161 and 162 above.
175.	37.1305 Liquidity of financial resources		
176.	37.1305	The financial resources allocated by the swap execution facility to meet the requirements of §37.1301 shall include unencumbered, liquid financial assets (<i>i.e.</i> , 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 swap execution facility may take into account a committed line of credit or similar facility for the purpose of meeting this requirement.	See lines 161 and 162 above. References to line of credit are not applicable
177.	37.1306 Reporting to the Commission		
178.	37.1306(a)	Each fiscal quarter, or at any time upon Commission request, a swap execution facility shall:	

179.	37.1306(a)(1)	Report to the Commission:	
180.	37.1306(a)(1)(i)	The amount of financial resources necessary to meet the requirements of §37.1301; and	See lines 161 and 162 above.
181.	37.1306(a)(1)(ii)	The value of each financial resource available, computed in accordance with the requirements of §37.1304;	See lines 161 and 162 above.
182.	37.1306(a)(2)	Provide the Commission with a financial statement, including the balance sheet, income statement, and statement of cash flows of the swap execution facility or of its parent company;	See lines 161 and 162 above.
183.	37.1306(b)	The calculations required by paragraph (a) of this section shall be made as of the last business day of the swap execution facility's fiscal quarter.	See lines 161 and 162 above.
184.	37.1306(c)	The swap execution facility shall provide the Commission with:	
185.	37.1306(c)(1)	Sufficient documentation explaining the methodology used to compute its financial requirements under §37.1301;	See lines 161 and 162 above.
186.	37.1306(c)(2)	Sufficient documentation explaining the basis for its determinations regarding the valuation and liquidity requirements set forth in §§37.1304 and 37.1305; and	See lines 161 and 162 above.
187.	37.1306(c)(3)	Copies of any agreements establishing or amending a credit facility, insurance coverage, or other arrangement evidencing or otherwise supporting the swap execution facility's conclusions.	See lines 161 and 162 above.
188.	37.1306(d)	The reports required by this section shall be filed not later than 40 calendar days after the end of the swap execution facility's first three fiscal quarters, and not later than 60 calendar days after the end of the swap execution facility's fourth fiscal quarter, or at such later time as the Commission may permit, in its discretion, upon request by the swap execution facility.	See lines 161 and 162 above.
189.	37.1400 Core Principle 14 –	The swap execution facility shall:	Please refer to Exhibit V, Section 1 for a detailed discussion of Core Principle 14, System safeguards, as required by CFTC staff for this

	System safeguards		Reinstatement application and also for a Security Presentation, Disaster Recovery Policy, Vulnerability Management Procedures, and Third Party Tools Procedures.
190.	37.1400(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:	Please note that Tassat will participate in the FIA Industry-wide DR Test to be held on October 24, 2020.
191.	37.1400(a)(1)	Are reliable and secure; and	
192.	37.1400(a)(2)	Have adequate scalable capacity;	
193.	37.1400(b)	Establish and maintain emergency procedures, backup facilities, and a plan for disaster recovery that allow for:	
194.	37.1400(b)(1)	The timely recovery and resumption of operations; and	
195.	37.1400(b)(2)	The fulfillment of the responsibilities and obligations of the swap execution facility; and	
196.	37.1400(c)	Periodically conduct tests to verify that the backup resources of the swap execution facility are sufficient to ensure continued:	
197.	37.1400(c)(1)	Order processing and trade matching;	
198.	37.1400(c)(2)	Price reporting;	
199.	37.1400(c)(3)	Market surveillance; and	
200.	37.1400(c)(4)	Maintenance of a comprehensive and accurate audit trail.	
201.	37.1401 Requirements		
202.	37.1401(a)	A swap execution facility's program of risk analysis and oversight with respect to its operations and automated systems shall address each of the following categories of risk analysis and oversight:	

203.	37.1401(a)(1)	Information security;
204.	37.1401(a)(2)	Business continuity-disaster recovery planning and resources;
205.	37.1401(a)(3)	Capacity and performance planning;
206.	37.1401(a)(4)	Systems operations;
207.	37.1401(a)(5)	Systems development and quality assurance; and
208.	37.1401(a)(6)	Physical security and environmental controls.
209.	37.1401(b)	A swap execution facility shall maintain a business continuity-disaster recovery plan and resources, emergency procedures, and backup facilities sufficient to enable timely recovery and resumption of its operations and resumption of its ongoing fulfillment of its responsibilities and obligations as a swap execution facility following any disruption of its operations. Such responsibilities and obligations include, without limitation, order processing and trade matching; transmission of matched orders to a designated clearing organization for clearing, where appropriate; price reporting; market surveillance; and maintenance of a comprehensive audit trail. The swap execution facility's business continuity-disaster recovery plan and resources generally should enable resumption of trading and clearing of swaps executed on the swap execution facility during the next business day following the disruption. Swap execution facilities determined by the Commission to be critical financial markets pursuant to Appendix E to part 40 of this chapter are subject to more stringent requirements in this regard, set forth in §40.9 of this chapter.
210.	37.1401(c)	A swap execution facility that is not determined by the Commission to be a critical financial market satisfies the requirement to be able to resume its operations and resume its ongoing fulfillment of its responsibilities and obligations during the next business day following any disruption of its operations by maintaining either:

211.	37.1401(c)(1)	Infrastructure and personnel resources of its own that are sufficient to ensure timely recovery and resumption of its operations and resumption of its ongoing fulfillment of its responsibilities and obligations as a swap execution facility following any disruption of its operations; or	
212.	37.1401(c)(2)	Contractual arrangements with other swap execution facilities or disaster recovery service providers, as appropriate, that are sufficient to ensure continued trading and clearing of swaps executed on the swap execution facility, and ongoing fulfillment of all of the swap execution facility's responsibilities and obligations with respect to such swaps, in the event that a disruption renders the swap execution facility temporarily or permanently unable to satisfy this requirement on its own behalf.	
213.	37.1401(d)	A swap execution facility shall notify Commission staff promptly of all:	
214.	37.1401(d)(1)	Electronic trading halts and material system malfunctions;	
215.	37.1401(d)(2)	Cyber security incidents or targeted threats that actually or potentially jeopardize automated system operation, reliability, security, or capacity; and	
216.	37.1401(d)(3)	Activations of the swap execution facility's business continuity-disaster recovery plan.	

217.	37.1401(e)	A swap execution facility shall provide Commission staff timely advance notice of all material:	
218.	37.1401(e)(1)	Planned changes to automated systems that may impact the reliability, security, or adequate scalable capacity of such systems; and	
219.	37.1401(e)(2)	Planned changes to the swap execution facility's program of risk analysis and oversight	
220.	37.1401(f)	A swap execution facility shall provide to the Commission, upon request, current copies of its business continuity-disaster recovery plan and other emergency procedures, its assessments of its operational risks, and other documents requested by Commission staff for the purpose of maintaining a current profile of the swap execution facility's automated systems.	
221.	37.1401(g)	A swap execution facility shall conduct regular, periodic, objective testing and review of its automated systems to ensure that they are reliable, secure, and have adequate scalable capacity. A swap execution facility shall also conduct regular, periodic testing and review of its business continuity-disaster recovery capabilities. Pursuant to Core Principle 10 under section 5h of the Act (Recordkeeping and Reporting) and §§37.1000 through 37.1001, the swap execution facility shall keep records of all such tests, and make all test results available to the Commission upon request.	
222.	37.1500 Core Principle 15 – Designation of chief compliance officer		
223.	37.1500(a)	<i>In general.</i> Each swap execution facility shall designate an individual to serve as a chief compliance officer.	<ul style="list-style-type: none"> ● Rule 203 (Officers) <p>On September 15, 2020, Tassat management retained Ms. Ann M.</p>

			Cresce as a consulting CCO; she was hired as Tassat CCO effective October 1, 2020.
224.	37.1500(b)	<i>Duties.</i> The chief compliance officer shall:	
225.	37.1500(b)(1)	Report directly to the board or to the senior officer of the facility;	<ul style="list-style-type: none"> ● Rule 209(b) (Chief Compliance Officer) <p>Ms. Cresce will initially report to Tassat’s CEO, Mr. Ron Totaro</p>
226.	37.1500(b)(2)	Review compliance with the core principles in this subsection;	<ul style="list-style-type: none"> ● Rule 209(d)(i) (Chief Compliance Officer) <p>Please refer generally to references to SEF Core Principle 15</p>
227.	37.1500(b)(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;	<ul style="list-style-type: none"> ● Rule 209(d)(ii) (Chief Compliance Officer) <p>No conflicts of interest have arisen to date.</p>
228.	37.1500(b)(4)	Be responsible for establishing and administering the policies and procedures required to be established pursuant to this section;	<ul style="list-style-type: none"> ● Rule 209(d)(iii) (Chief Compliance Officer)
229.	37.1500(b)(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	<ul style="list-style-type: none"> ● Rule 209(d)(iv) (Chief Compliance Officer) <p>Please refer generally to this Core Principle Chart</p>
230.	37.1500(b)(6)	Establish procedures for the remediation of noncompliance issues found during compliance office reviews, look backs, internal or external audit findings, self-reported errors, or through validated complaints.	<ul style="list-style-type: none"> ● Rule 209(d)(v) (Chief Compliance Officer)
231.	37.1500(c)	<i>Requirements for procedures.</i> In establishing procedures under paragraph (b)(6) of this section, the chief compliance officer shall design the procedures to establish the handling,	<ul style="list-style-type: none"> ● Rule 209(d)(vi) (Chief Compliance Officer)

		management response, remediation, retesting, and closing of noncompliance issues.	
232.	37.1500(d)(1)	<i>Annual reports—(1) In general.</i> In accordance with rules prescribed by the Commission, the chief compliance officer shall annually prepare and sign a report that contains a description of:	
233.	37.1500(d)(1)(i)	The compliance of the swap execution facility with the Act; and	<ul style="list-style-type: none"> ● Rule 209(d)(i) (Chief Compliance Officer) <p>Please refer generally to this Core Principles Chart</p>
234.	37.1500(d)(1)(ii)	The policies and procedures, including the code of ethics and conflict of interest policies, of the swap execution facility.	<ul style="list-style-type: none"> ● Rule 209(d)(x)(A) (Chief Compliance Officer) ● Rule 215 (Conflicts of Interest) ● Rule 216(d)(Tassat employees must execute an acknowledgement of the Tassat conflict of interest policy)
235.	37.1500(d)(2)	<i>Requirements.</i> The chief compliance officer shall:	
236.	37.1500(d)(2)(i)	Submit each report described in paragraph (d)(1) of this section with the appropriate financial report of the swap execution facility that is required to be submitted to the Commission pursuant to section 5h of the Act; and	<ul style="list-style-type: none"> ● Rule 209(d)(xii) (Chief Compliance Officer) <p>Please refer to the Exchange’s financial report dated June 30, 2020 submitted to the Commission on August 3, 2020.</p>
237.	37.1500(d)(2)(ii)	Include in the report a certification that, under penalty of law, the report is accurate and complete.	<ul style="list-style-type: none"> ● Rule 209(d)(x)(F) (Chief Compliance Officer) <p>Please refer to the Certification submitted as part of this ACR (Page 5).</p>
238.	37.1501 Chief compliance officer		
239.	37.1501(b)(1)	<i>Designation and qualifications of chief compliance officer—(1) Chief compliance officer required.</i> Each swap execution facility shall establish the position of chief compliance officer and designate an individual to serve in that capacity.	<ul style="list-style-type: none"> ● Rule 209(a) (Chief Compliance Officer)

240.	37.1501(b)(1)(i)	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 the Act and Commission regulations.	<ul style="list-style-type: none"> ● Rule 209(c) (Chief Compliance Officer)
241.	37.1501(b)(1)(ii)	The chief compliance officer shall have supervisory authority over all staff acting at the direction of the chief compliance officer.	<ul style="list-style-type: none"> ● Rule 209(c) (Chief Compliance Officer)
242.	37.1501(b)(2)	<i>Qualifications of chief compliance officer.</i> 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 Act may serve as a chief compliance officer.	<ul style="list-style-type: none"> ● Rule 209(a) (Chief Compliance Officer) <p>Ms. Cresce's bio was submitted in Exhibit B (Directors and Officers) as part of this Reinstatement Application</p>
243.	37.1501(c)(1)	<i>Appointment, supervision, and removal of chief compliance officer—(1) Appointment and compensation of chief compliance officer.</i>	
244.	37.1501(c)(1)(i)	A swap execution facility's chief compliance officer shall be appointed by its board of directors or senior officer. A swap execution facility shall notify the Commission within two business days of appointing any new chief compliance officer, whether interim or permanent.	<ul style="list-style-type: none"> ● Rule 203(a) and 203(b) (Officers) <p>CFTC staff was notified of Ms. Cresce's appointment in a September 17, 2020 conference call</p>
245.	37.1501(c)(1)(ii)	The board of directors or the senior officer shall approve the compensation of the chief compliance officer.	<ul style="list-style-type: none"> ● Rule 208(d)(ii)(B) (Regulatory Oversight Committee) <p>On an annual basis, the ROC reviews the compensation of all compliance personnel with the Tassat CEO</p>
246.	37.1501(c)(1)(iii)	The chief compliance officer shall meet with the board of directors at least annually and the regulatory oversight committee at least quarterly.	<ul style="list-style-type: none"> ● Rule 209(b) (Chief Compliance Officer) <p>The CCO will meet annually with the Board regarding the ACR.</p> <p>The CCO will meet with the ROC at least quarterly.</p>

247.	37.1501(c)(1)(iv)	The chief compliance officer shall provide any information regarding the swap execution facility's self-regulatory program that is requested by the board of directors or the regulatory oversight committee.	<ul style="list-style-type: none"> ● Rule 209(b) (Chief Compliance Officer) <p>The CCO will meet with the ROC at least quarterly. It has been and will continue to be standard procedure for the CCO to prepare the topics for each agenda. In addition, the CCO also provides input as necessary to the COO for the Board prior to each Board meeting.</p>
248.	37.1501(c)(2)	<i>Supervision of chief compliance officer.</i> A swap execution facility's chief compliance officer shall report directly to the board of directors or to the senior officer of the swap execution facility, at the swap execution facility's discretion.	<ul style="list-style-type: none"> ● Rule 209(b) (Chief Compliance Officer)
249.	37.1501(c)(3)(i)	<i>Removal of chief compliance officer.</i> (i) Removal of a swap execution facility's chief compliance officer shall require the approval of a majority of the swap execution facility's board of directors. If the swap execution facility does not have a board of directors, then the chief compliance officer may be removed by the senior officer of the swap execution facility.	<ul style="list-style-type: none"> ● Rule 202(b) (Board) ● Rule 203(a) (Officers) <p>No such action has been taken.</p>
250.	37.1501(c)(3)(ii)	The swap execution facility shall notify the Commission of such removal within two business days.	<ul style="list-style-type: none"> ● Rule 203(b) (Officers) <p>No such action has been taken.</p>
251.	37.1501(d)	<i>Duties of chief compliance officer.</i> The chief compliance officer's duties shall include, but are not limited to, the following:	
252.	37.1501(d)(1)	Overseeing and reviewing the swap execution facility's compliance with section 5h of the Act and any related rules adopted by the Commission;	<ul style="list-style-type: none"> ● Rule 209(d)(i) (Chief Compliance Officer) <p>Please refer generally to this Core Principles Chart</p>
253.	37.1501(d)(2)	In consultation with the board of directors, a body performing a function similar to the board of directors, or the senior officer of the swap execution facility, resolving any conflicts of interest that may arise, including:	
254.	37.1501(d)(2)(i)	Conflicts between business considerations and compliance requirements;	<ul style="list-style-type: none"> ● Rule 209(d)(ii) (Chief Compliance Officer) ● Rule 210(e) (Chief Regulatory Officer) ● Rule 215 (Conflicts of Interest)

			<ul style="list-style-type: none"> ● Rule 605(b)(iii) (Review of Investigative Reports) <p>No such conflicts have been noted to date.</p>
255.	37.1501(d)(2)(ii)	Conflicts between business considerations and the requirement that the swap execution facility provide fair, open, and impartial access as set forth in §37.202; and;	<ul style="list-style-type: none"> ● Rule 207 (Exchange Access Committee) ● Rule 209(d)(ii)(B) (Chief Compliance Officer) ● Rule 215 (Conflicts of Interest) <p>No such conflicts have been noted to date.</p>
256.	37.1501(d)(2)(iii)	Conflicts between a swap execution facility's management and members of the board of directors;	<ul style="list-style-type: none"> ● Rule 209(d)(ii)(C) (Chief Compliance Officer) ● Rule 215 (Conflicts of Interest) <p>No such conflicts have been noted to date.</p>
257.	37.1501(d)(3)	Establishing and administering written policies and procedures reasonably designed to prevent violations of the Act and the rules of the Commission;	<ul style="list-style-type: none"> ● Rule 209(d)(iii) (Chief Compliance Officer) <p>Please refer to Section I of Tassat's 2019 ACR for a description of the Exchange's policies and procedures.</p>
258.	37.1501(d)(4)	Taking reasonable steps to ensure compliance with the Act and the rules of the Commission;	<ul style="list-style-type: none"> ● Rule 209(d)(iv) (Chief Compliance Officer) ● Tassat Market Supervision Manual
259.	37.1501(d)(5)	Establishing procedures for the remediation of noncompliance issues identified by the chief compliance officer through a compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint;	<ul style="list-style-type: none"> ● Rule 209(d)(v) (Chief Compliance Officer) ● Tassat Market Supervision Manual
260.	37.1501(d)(6)	Establishing and following appropriate procedures for the handling, management response, remediation, retesting, and closing of noncompliance issues;	<ul style="list-style-type: none"> ● Rule 209(d)(vi) (Chief Compliance Officer) ● Tassat Market Supervision Manual

261.	37.1501(d)(7)	Establishing and administering a compliance manual designed to promote compliance with the applicable laws, rules, and regulations and a written code of ethics designed to prevent ethical violations and to promote honesty and ethical conduct;	<ul style="list-style-type: none"> ● Rule 209(d)(vii) (Chief Compliance Officer) ● Tassat Market Supervision Manual <p>Please refer to Section I of Tassat’s 2019 ACR for a discussion of policies and procedures.</p>
262.	37.1501(d)(8)	Supervising the swap execution facility's self-regulatory program with respect to trade practice surveillance; market surveillance; real-time market monitoring; compliance with audit trail requirements; enforcement and disciplinary proceedings; audits, examinations, and other regulatory responsibilities with respect to members and market participants (including ensuring compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements); and	<ul style="list-style-type: none"> ● Rule 209(d)(viii) (Chief Compliance Officer) ● Rule 404 (Minimum Financial and Related Reporting Requirements) ● Rule 522 (Recordkeeping Requirements for Entering Orders into the Platform) <p>Please refer to Section I of Tassat’s 2019 ACR for a description of the Exchange’s policies and procedures.</p>
263.	37.1501(d)(9)	Supervising the effectiveness and sufficiency of any regulatory services provided to the swap execution facility by a regulatory service provider in accordance with §37.204.	<ul style="list-style-type: none"> ● Rule 209(d)(ix) (Chief Compliance Officer) <p>Please refer to Section I of Tassat’s 2019 ACR for a description of the Exchange’s policies and procedures.</p>
264.	37.1501(e)	<i>Preparation of annual compliance report.</i> The chief compliance officer shall, not less than annually, prepare and sign an annual compliance report that, at a minimum, contains the following information covering the time period since the date on which the swap execution facility became registered with the Commission or since the end of the period covered by a previously filed annual compliance report, as applicable:	<ul style="list-style-type: none"> ● Rule 209(d)(x) (Chief Compliance Officer)
265.	37.1501(e)(1)	A description of the swap execution facility's written policies and procedures, including the code of ethics and conflict of interest policies;	<ul style="list-style-type: none"> ● Rule 209(d)(x)(A) (Chief Compliance Officer) <p>Please refer to Section I of Tassat’s 2019 ACR for a description of the Exchange’s policies and procedures.</p>

266.	37.1501(e)(2)	A review of applicable Commission regulations and each subsection and core principle of section 5h of the Act, that, with respect to each:	<ul style="list-style-type: none"> ● Rule 209(d)(x)(B) (Chief Compliance Officer) <p>Please refer generally to this Core Principle Chart.</p>
267.	37.1501(e)(2)(i)	Identifies the policies and procedures that are designed to ensure compliance with each subsection and core principle, including each duty specified in section 5h(f)(15)(B) of the Act;	<ul style="list-style-type: none"> ● Rule 209(d)(x)(B)(1) (Chief Compliance Officer) <p>Please refer to Section I of Tassat’s 2019 ACR for a description of the Exchange’s policies and procedures</p>
268.	37.1501(e)(2)(ii)	Provides a self-assessment as to the effectiveness of these policies and procedures; and	<ul style="list-style-type: none"> ● Rule 209(d)(x)(B)(2) (Chief Compliance Officer) <p>Please refer generally to this Core Principles Chart</p>
269.	37.1501(e)(2)(iii)	Discusses areas for improvement and recommends potential or prospective changes or improvements to its compliance program and resources;	<ul style="list-style-type: none"> ● Rule 209(d)(x)(B)(3) (Chief Compliance Officer) <p>Please refer generally to this Core Principle Chart</p>
270.	37.1501(e)(3)	A list of any material changes to compliance policies and procedures since the last annual compliance report;	<ul style="list-style-type: none"> ● Rule 209(d)(x)(C) (Chief Compliance Officer) <p>Please note that as part of this Reinstatement Application, Tassat has submitted all requested material documents that have been updated or revised since the SEF transfer approval on November 6, 2019.</p>
271.	37.1501(e)(4)	A description of the financial, managerial, and operational resources set aside for compliance with respect to the Act and Commission regulations, including a description of the swap execution facility's self-regulatory program's staffing and structure, a catalogue of investigations and disciplinary actions taken since the last annual compliance report, and a review of the performance of disciplinary committees and panels;	<ul style="list-style-type: none"> ● Rule 209(d)(x)(D) (Chief Compliance Officer) <p>Please refer to documents submitted as part of this Reinstatement Application.</p>
272.	37.1501(e)(5)	A description of any material compliance matters, including noncompliance issues identified through a compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint, and an explanation of how they were resolved; and	<ul style="list-style-type: none"> ● Rule 209(d)(x)(E) (Chief Compliance Officer)
273.	37.1501(e)(6)	A certification by the chief compliance officer that, to the best of	<ul style="list-style-type: none"> ● Rule 209(d)(x)(F) (Chief Compliance Officer)

		his or her knowledge and reasonable belief, and under penalty of law, the annual compliance report is accurate and complete.	Please refer to the submitted Certification
274.	37.1501(f)(1)	<i>Submission of annual compliance report.</i> (1) Prior to submission to the Commission, the chief compliance officer shall provide the annual compliance report to the board of directors of the swap execution facility for its review. If the swap execution facility does not have a board of directors, then the annual compliance report shall be provided to the senior officer for his or her review. Members of the board of directors and the senior officer shall not require the chief compliance officer to make any changes to the report. Submission of the report to the board of directors or the senior officer, and any subsequent discussion of the report, shall be recorded in board minutes or a similar written record, as evidence of compliance with this requirement.	<ul style="list-style-type: none"> ● Rule 209(d)(xi) (Chief Compliance Officer) <p>The CCO will meet annually with the Board regarding the ACR. The CCO met with the Board on March 25, 2020 to review the 2019 ACR and compliance issues, as reflected in the minutes of that meeting.</p>
275.	37.1501(f)(2)	The annual compliance report shall be submitted electronically to the Commission not later than 60 calendar days after the end of the swap execution facility's fiscal year, concurrently with the filing of the fourth fiscal quarter financial report pursuant to §37.1306.	<ul style="list-style-type: none"> ● Rule 209(d)(xii) (Chief Compliance Officer)
276.	37.1501(f)(3)	Promptly upon discovery of any material error or omission made in a previously filed annual compliance report, the chief compliance officer shall file an amendment with the Commission to correct the material error or omission. An amendment shall contain the certification required under paragraph (e)(6) of this section.	<ul style="list-style-type: none"> ● Rule 209(d)(xiii) (Chief Compliance Officer) <p>If necessary, Tassat will file an amendment to any of its previously filed annual compliance reports.</p>
277.	37.1501(f)(4)	A swap execution facility may request from the Commission an extension of time to file its annual compliance report based on substantial, undue hardship. Extensions of the filing deadline may be granted at the discretion of the Commission.	<ul style="list-style-type: none"> ● Rule 209(d)(xii) (Chief Compliance Officer)
278.	37.1501(g)(1)	<i>Recordkeeping.</i> (1) The swap execution facility shall maintain:	
279.	37.1501(g)(1)(i)	A copy of the written policies and procedures, including the	<ul style="list-style-type: none"> ● Rule 209(d)(vii) (Chief Compliance Officer)

		code of ethics and conflicts of interest policies adopted in furtherance of compliance with the Act and Commission regulations;	<ul style="list-style-type: none"> ● Rule 209(d)(x)(A) (Chief Compliance Officer) <p>Please refer to Section I of Tassat’s ACR for a description of the Exchange’s policies and procedures.</p>
280.	37.1501(g)(1)(ii)	Copies of all materials created in furtherance of the chief compliance officer's duties listed in paragraphs (d)(8) and (d)(9) of this section, including records of any investigations or disciplinary actions taken by the swap execution facility;	<ul style="list-style-type: none"> ● Rule 209(d)(viii) (Chief Compliance Officer) ● Rule 209(d)(ix) (Chief Compliance Officer) ● Rule 209(d)(x)(D) (Chief Compliance Officer) ● Rule 404 (Minimum Financial and Related Reporting Requirements) ● Rule 522 (Recordkeeping Requirements for Entering Orders into the Platform) <p>Tassat maintains all documentation required by this regulation and Tassat rules.</p>
281.e c	37.1501(g)(1)(iii)	Copies of all materials, including written reports provided to the board of directors or senior officer in connection with the review of the annual compliance report under paragraph (f)(1) of this section and the board minutes or a similar written record that documents the review of the annual compliance report by the board of directors or senior officer; and	<ul style="list-style-type: none"> ● Rule 209(d)(xi) (Chief Compliance Officer) <p>The CCO meets annually with the Board regarding the ACR. The CCO met with the Board on March 25, 2020 to review the 2019 ACR and compliance issues, as reflected in the minutes of that meeting.</p>
282.	37.1501(g)(1)(iv)	Any records relevant to the swap execution facility's annual compliance report, including, but not limited to, work papers and other documents that form the basis of the report, and memoranda, correspondence, other documents, and records that are	<ul style="list-style-type: none"> ● Rule 209(d)(x) (Chief Compliance Officer) ● Rule 217 (Maintenance of Books and Records by the Exchange) <p>Tassat maintains all documentation required by this regulation and Tassat rules.</p>
283.	37.1501(g)(1)(iv) (A)	Created, sent, or received in connection with the annual compliance report and	<ul style="list-style-type: none"> ● Rule 209(d)(x) (Chief Compliance Officer) ● Rule 217 (Maintenance of Books and Records by the Exchange) <p>Tassat maintains all documentation required by this regulation and Tassat rules.</p>
284.	37.1501(g)(1)(iv) (B)	Contain conclusions, opinions, analyses, or financial data related to the annual compliance report.	<ul style="list-style-type: none"> ● Rule 209(d)(x) (Chief Compliance Officer) ● Rule 217 (Maintenance of Books and Records by the Exchange)

			Tassat maintains all documentation required by this regulation and Tassat rules.
285.	37.1501(g)(2)	The swap execution facility shall maintain records in accordance with §1.31 and part 45 of this chapter.	<ul style="list-style-type: none"> ● Rule 209(d)(x) (Chief Compliance Officer) ● Rule 217 (Maintenance of Books and Records by the Exchange) <p>Tassat maintains all documentation required by this regulation and Tassat rules.</p>