**Exhibit L**

**ForecastEx LLC**

**Core Principles Chart**

**March 2022**

**A narrative and any other form of documentation that may be provided under other Exhibits herein that describe the manner in which the Applicant is able to comply with each core principle. Such documentation must include a regulatory compliance chart setting forth each core principle and providing citations to the Applicant’s relevant rules, policies, and procedures that address each core principle. To the extent that the application raises issues that are novel, or for which compliance with a core principle is not self-evident, include an explanation of how that item and the application satisfy the core principles. Applicant must include a description of how it meets the definition of “Board of Trade” as defined in §1a(2) of the CEA.**

The below chart details how ForecastEx LLC (“ForecastEx” or the “Exchange”) meets each core principle.

| **Core Principle** | **Relevant Rules** | **Description** |
| --- | --- | --- |
| 1. Designation as a Contract Market | This application, including all exhibits and attachments | ForecastEx Rules require that participants follow CFTC Rules. The remainder of this chart demonstrates that ForecastEx is compliant with the core principles.  Board of Trade Definition - ForecastEx meets the definition of a Board of Trade as Clearing Members and Sponsored FCM enter Bids into the ForecastEx system where they are paired and cleared to form Event Positions, a type of Contract. As a result, ForecastEx meets the definition of “…any organized exchange or other trading facility” |
| 2. Compliance with Rules | 301, 308, 403(b), 505, 508, 509, 701,702, 703, 704, 705, 706, 707, 708, 709, 710  Compliance Manual,  Exhibit F, Exhibit O, Exhibit P | Chapter 7 of the Rulebook provides the CRO and the Compliance Department with the authority and mandate to investigate any potential violations of ForecastEx Rules. As demonstrated in Exhibit F, Exhibit O, and Exhibit P, the resources and procedures of the Compliance Department are sufficient to monitor and enforce compliance with ForecastEx Rules.  Rule 308 provides that all Market Participants who access ForecastEx are subject to the jurisdiction of the Exchange.  Access to the Exchange is given to Clearing Members and Sponsored FCMs who are approved through an impartial process according to Rule 301. ForecastEx does not differentiate between Market Participants accessing the Exchange. There is no market maker program.  As laid out in Exhibit R, ForecastEx prohibits abusive trade practices including but not limited to trading in front of customer bids, trading against customer bids, wash trading, money pass, pre-arranged trading, spoofing, accommodation trading, fraudulent trading, market manipulation of any kind, insider trading, and acts detrimental to the exchange.  Rule 702(e) requires Market Participants to respond to and produce books and records if requested by ForecastEx.  ForecastEx does not use a third-party regulatory services provider.  As shown in exhibit F, ForecastEx maintains sufficient resources and staff to conduct effective audit trail reviews, trade practice surveillance, market surveillance, and real-time market monitoring, and handle unusual market events.  ForecastEx maintains an automated trade surveillance system that produces alerts on a real-time and next day basis depending on the alert type.  The automated system described in the above section provides real time market monitoring. Additionally, Compliance Department staff continually monitor the market in real time for error trades and disruptive events.  Rule 702 empowers the Compliance Department to conduct investigations of suspected rule violations and to prepare an investigation report for each completed investigation whether or not a rule violation is found. Rule 706(a) only allows for one Warning Letter to be sent in a 12-month rolling period for the same rule violation.  The Compliance Department is empowered to obtain any information that is necessary to conduct investigations as it has the authority and enforcement power to compel its Clearing Members to produce information about their customers. As ForecastEx event positions can only be cleared at ForecastEx and all Clearing Members must be US-based FCMs, ForecastEx does not need to enter into any international information sharing agreements. |
| 3. Contracts not Readily Susceptible to Manipulation | 401, Compliance Manual | Per Rule 401(b), ForecastEx lists Event Agreements based on Event Questions. These Event Questions are Yes/No questions based on real-world events. ForecastEx will only list Events on Event Questions that are not readily subject to manipulation by following the guidelines in Part 38 Appendix C (g).  Likewise, to the extent the Exchange lists additional contracts in the future, each new contract will not be readily susceptible to manipulation. Each contract’s self-certification will include a concise explanation and analysis demonstrating that the contract is not readily susceptible to manipulation in accordance with Core Principle 3. See Section 14 of Compliance Manual. |
| 4. Prevention of Market Disruption | 305, 403(b), 509, 702, Compliance Manual | The ForecastEx Compliance Manual provides for real-time trade monitoring and the exchange technology allows the Compliance Department to review execution and bid information for all data input into the Exchange by Market Participants.  ForecastEx’s automated trade surveillance system generates alerts on a real-time or next day basis depending on the alert type that surveils for problematic activity. The Compliance Manual requires notifying the Commission of any significant market disruptions. The ForecastEx platform prohibits any order from being entered that if executed would not be fully collateralized.  Rule 403(b) requires Market Participants to maintain an audit trail and Rule 702 requires that the audit trail be produced upon request. Rule 305 provides for reporting of Large Trader data. |
| 5. Position Limitations or Accountability | 409, Compliance Manual | Rule 409 provides that all Event Positions are subject to Position Accountability. As Event Positions are cash-settled contracts based on events and not an underlying commodity, Settlement has no potential to disrupt the underlying event. |
| 6. Emergency Authority | 410, 709 | Rule 410 grants the CEO emergency powers when an emergency exists. These powers allow any change to ForecastEx rules that can remain in effect for 30 days. These give the Exchange power to liquidate any open positions, restrict trading in any Agreement, as well as any other action the Exchange believes is necessary to protect the market and ForecastEx. Rule 709 also gives ForecastEx the ability to summarily suspend a market participant to prevent or stop market manipulation or disruption. |
| 7. Availability of General Information | 310, Compliance Manual | Rule 310 provides for a copy of the ForecastEx Rulebook, notices of changes to the ForecastEx rules, and trading information to be posted to the ForecastEx website. ForecastEx will post the Contract Specifications for each listed Event Market to the ForecastEx website. See Section 12.6 of Compliance Manual. |
| 8. Daily Publication of Trading Information | 310, Compliance Manual | Daily execution information will be posted to the ForecastEx website. Since there are not traditional prices for Event Positions, ForecastEx will instead post the high, low, last, and average prices for each listed Event Position as well as volume and open interest. Since Settlement only occurs once the Event Outcome has been determined and, the Settlement value is only reported once, on the day the Event Position settles. |
| 9. Execution of Transactions | 401, 411, Exhibit Q, Exhibit R | With the exception of transfers which are allowed to correct an error, all trading on ForecastEx occurs on the central limit bid book. Based on the description in Exhibit Q, all trading is conducted in an open, impartial, and competitive manner.  As set forth in Exhibit R, ForecastEx has adopted trade practices rules designed to provide a competitive, open and efficient market for filling transactions. |
| 10. Trade Information | 403, Exhibit S, Compliance Manual | Rule 403(b) requires that a front-end audit trail be kept by Clearing Members who submit Bids to ForecastEx that is stored in a non-alterable medium that contains a timestamp to the latest provisions, complies with CFTC regulation 1.31, and includes all modifications, cancellation, or execution instructions.  Rule 501 requires that the audit trails be kept for a time of no less than 5 years.  Exhibit S details the system that ForecastEx will use to store Bid and execution information. The Compliance Manual details the procedure for audit trail reviews. |
| 11. Financial Integrity of Transactions | 301, 302, 503, 504, 507, 508, 509, 601, 608 | In addition to the financial requirements mandated of Clearing Members, all transactions on ForecastEx are fully collateralized which means that once an Event Agreement is entered the financial integrity of the transaction is secure as the Clearinghouse is holding the maximum possible loss from all parties involved.  All Event Positions paired on ForecastEx are cleared through the ForecastEx clearinghouse.  Financial integrity is maintained through full collateralization of all trades. Rule 502 requires that Clearing Members and Sponsored FCMs meet the minimum financial requirements imposed by applicable law, including CFTC regulations.  Rules 601(a) and 608 provide that Clearing Member funds shall be segregated from ForecastEx’s proprietary funds. In addition, Rule 503 requires each Clearing Member and Sponsored FCM to “comply with the provisions of CFTC Regulations and Applicable Law relating to the treatment of Customer funds.” |
| 12. Protection of Market and Market Participant | 301, 305, 308, 401, 403(b), 411, 506, 507, 508, 509, 701,702, 703, 704, 705, 706, 707, 708, 709, 710  Compliance Manual,  Exhibit F, Exhibit O, Exhibit P | The Exchange has rules that establish a market promoting fair and equitable trading and prohibits fictitious transactions; market manipulation and attempted market manipulation. See Rule 509.  Furthermore, the Exchange has developed programs to detect trade practice and market abuses. See answers to Core Principles 2, 4, and 9, which demonstrate compliance with Core Principle 12; see also Section 16.1 of Compliance Manual. |
| 13. Disciplinary Procedures | 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, Compliance Manual | ForecastEx has the authority and ability to enforce ForecastEx Rules. Pursuant to Rule 308, Market Participants and their authorized personnel with access to ForecastEx consent to and agree to be subject to ForecastEx’s jurisdiction.  ForecastEx’s Compliance Department monitors the ForecastEx market and performs trade practice and market manipulation surveillance to ensure that Market Participants comply with the Rules and, specifically with Rule 509. Rule 509 sets forth the types of activities that are prohibited on the ForecastEx Platform.  Chapter 7 sets forth in a transparent manner the disciplinary procedures to which ForecastEx adheres in the event that a Market Participant is suspected of violating a Rule. The Compliance Department is responsible for investigating and prosecuting suspected Rule violations. See Section 20 of Compliance Manual. |
| 14. Dispute Resolution | 801, 802, 803 | Chapter 8 of the ForecastEx Rulebook provides procedures for arbitration for disputes between Clearing Members and disputes between Clearing Members and Customers. Arbitration will be conducted in accordance with NFA rules. |
| 15. Governance Fitness Standards | 202, 204, Exhibit C | ForecastEx has established governance arrangements that are transparent and that fulfill the requirements imposed by the Commodity Exchange Act and the CFTC’s regulations promulgated thereunder.  ForecastEx has established governance arrangements that are transparent and that fulfill the requirements imposed by the Commodity Exchange Act and the CFTC’s regulations promulgated thereunder.  No one may serve on the Board of Directors if such person (i) is subject to an action or proceeding that would constitute a basis for refusal to register such person under CEA Section 8a(2); (ii) would be subject to disqualification under CFTC Rule 1.63; or (iii) is suspended from serving on a board under federal law. See Rule 202.  At least 35% of Board Members are public directors, who must not have a material relationship as defined in Rule 202.  Directors and officers must satisfy eligibility criteria as set forth in Rules 202 and 204. The eligibility requirements of the Disciplinary Panel are transparently provided in Rule 203. The eligibility requirements of the Appeals Panel are provided in Rule 707. ForecastEx imposes Clearing Member eligibility criteria, which are incorporated in the Rules under Rule 301. |
| 16. Conflicts of Interest | 202, 203, 206, 207, 208 | Rule 206 provides procedures for resolving conflicts of interest in the decision-making process.  Rule 202(c) provides for the appointment of public directors who do not have a relationship with the Exchange. The Public Directors sit on the ROC, which is solely composed of public directors, in order to maintain separation between the business and regulatory sides of ForecastEx.  Rule 208 provides strict procedures under which Affiliates can enter Event Positions, specifically that they must have complete separation from the systems and operations of ForecastEx and are treated as an otherwise normal customer.  Rule 207 prohibits all Directors, Officers, subcommittee members and employees from enter Event Positions on ForecastEx. |
| 17. Composition of Boards | 202, 203 | ForecastEx ensures that the views of the public and market participants are incorporated into ForecastEx’s governance structure. At least 35% of Board Members are public directors and ForecastEx has incorporated market participants into the governance structure. |
| 18. Recordkeeping | 209, Compliance Manual | ForecastEx will maintain records of all activities related to its business for a period of five years and in accordance with Commission Regulation 1.31. See Rule 209; see also Section 23 of Compliance Manual. |
| 19. Anti-trust Considerations | 301 | ForecastEx has designed its rules to avoid unreasonable restraints of trade or the imposition of any material anti-competitive burden on trading.  Access Privileges to the Exchange are given out in an impartial manner to any FCM which meets the application requirements. No Market Participant, Affiliate or otherwise is treated any differently or given any special privileges on ForecastEx. |
| 20. System Safeguards | 507, Exhibit V | Rule 506 provides security procedures for Clearing Members to ensure authorized access. System safeguards are explained in great detail in Exhibit V. |
| 21. Financial Resources | Exhibit I, Compliance Manual | The Exchange will maintain sufficient financial resources, consistent with CFTC standards, to cover its operating costs for at least one year on a rolling basis. The Exchange has developed financial projections, which are being provided as part of this submission.  As set forth in Section 21.3 of the Compliance Manual, the Exchange will provide the CFTC will quarterly financial reports in accordance with CFTC regulations. |
| 22. Diversity of Board of Directors | N/A | ForecastEx LLC is not a publicly traded company so this core principle does not apply. ForecastEx will endeavor to recruit highly qualified individuals to serve on its Board. |
| 23. Securities and Exchange Commission | 209(c) | Rule 209(c) lays out ForecastEx’s compliance with this Core Principle. |