



KOR

KOR SDR Rulebook

2021-04-01

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Preamble

KOR Reporting Inc. (“KOR” or “KOR SDR”) and its affiliate, KOR Financial Inc., are wholly owned subsidiaries of KOR US Holdings, Inc.. KOR Reporting Inc. operates a U.S. Swap Data Repository (“SDR”). KOR SDR is governed by the Commodity Futures Trading Commission (“CFTC” or “Commission”).

KOR SDR is registered for and accepts data in the following Asset Classes: interest rates, credit default swaps, equities, foreign exchange and other commodities. To maintain its SDR status, KOR shall continue to demonstrate substantial compliance with all applicable provisions of its orders and applicable rules and regulations under Parts 49, 45, 43, and 40 of CFTC Rules.

Under CFTC Rule 49.13, KOR SDR is required to assist the CFTC in any standing swap surveillance objectives set by the CFTC as well as perform any other monitoring, screening, and analysis tasks upon request by the CFTC. Under CFTC Rule 49.17 and 49.18, KOR SDR is required to provide Appropriate Domestic Regulators and Appropriate Foreign Regulators that have executed a confidentiality arrangement with the Commission, access to swap data maintained by KOR SDR within the scope of such Regulator's jurisdiction. There will be no notification to Clients on such occurrences. Notwithstanding, KOR SDR is not a “self-regulatory organization” under the CEA or CFTC regulations, and as such, KOR SDR’s role with respect to any such objectives or tasks will be limited to monitoring, screening and analyzing the SDR data.

This rulebook applies to Clients of the KOR SDR and to the data for which they have chosen to report to KOR SDR, it in no way enforces that a Market Participant must report all or any portion of their SDR Data to KOR SDR.

Unless necessary or appropriate to achieve the purposes of the Act, KOR SDR shall avoid adopting any rule or taking any action that results in any unreasonable restraint of trade; or imposing any material anticompetitive burden on trading, clearing or reporting swaps.

KOR SDR’s Chief Compliance Office can be contacted using: compliance@korfinancial.com

1. Defined terms

1.1 KOR Specific terms

Term	Definition	Acronym
Administrative User	All Clients must indicate at least two Administrative Users. These Users manage all other User's access to the KOR system.	
Authorized Access Client	A Client that has been authorized to access other Client's data, but not submit data on its behalf.	
Client	All-encompassing term for a company who has executed all applicable KOR Agreements and Addendums. Includes Reporting, 3 rd Party Reporter, Verification, Integration, Authorized Access and Regulator Client types.	
Delegated Reporter	Related Entities and Third-Party Reporters are together referred to as Delegated Reporters.	
Integration Client	A Client registered to receive systems integration support for the purpose of supplying to their customers who will report and be charged fees by KOR SDR. Integration Clients access to KOR SDR is limited to the testing environment	
KOR SDR Technical Specification	Detailed information on the connection and integration to KOR SDR for submission, access and reports	
KOR SDR User Guide	Functional and operational information for the use of the SDR	
On Facility	Any swap executed on an execution facility (e.g., SEF, DCM, FBOT)	
Regulator Client	Primary Regulator, Delegated Regulator, Appropriate Domestic Regulator or Foreign Regulator that has approved access to KOR SDR.	
Related Entity	Related Entity is a Client that is part of the same corporate family, where the shared parent has controlling interest, or is in	

	a fiduciary relationship with the Reporting (Counterparty) Client.	
SDR User Interface	Web interface to access data, entity information and manage Users/access.	SDR UI
SDR Website	Public website where Clients and non-Clients can access any SDR public information as well as Agreements to become a Client.	
SDR Regulations	Rules and regulations under CFTC Rule(s) 17§49, §45, §43, and §40.	
Third-party Reporter Client	Company that has executed the KOR Universal Services Agreement and applicable Addendums but are not a counterparty or party to a swap. Reporting Counterparty Clients must permission them to submit data on their behalf.	3PR
User	Person or system with SDR access at a Client or Regulator	
Verification Client	A company who has executed the applicable KOR Agreement, but is not accessed to submit data, only view data or permission other Clients to submit or view data on their behalf.	

1.2 CFTC Terms

Each “CFTC Term” is incorporating by reference such term as defined under CFTC rules.

Term	Definition	Acronym	Citation
Affiliate	means a person that directly, or indirectly, Controls, is controlled by, or is under common control with, the Swap Data Repository.		49.2(a)
Appropriate Domestic Regulator	means: (i) The Securities and Exchange Commission; (ii) Each prudential Regulator identified in Section 1a(39) of the Act with respect to requests related to any of such regulator's statutory authorities, without limitation to the activities listed for each Regulator in Section 1a(39); (iii) The Financial Stability Oversight Council;		49.17(b)(1)

	(iv) The Department of Justice; (v) Any Federal Reserve Bank; (vi) The Office of Financial Research; and (vii) Any other person the Commission determines to be appropriate pursuant to the process set forth in paragraph (h) of this section.		
Appropriate Foreign Regulator	means those Foreign Regulators the Commission determines to be appropriate pursuant to the process set forth in paragraph (h) of this section.		49.17(b)(2)
Appropriate Minimum Block Size	means the minimum notional or principal amount for a category of swaps that qualifies a swap within such category as a block trade or large notional Off-Facility Swap.		43.2(a)
As Soon As Technologically Practicable	means as soon as possible, taking into consideration the prevalence, implementation, and use of technology by comparable market participants.	ASATP	49.2(a) 43.2(a)
Asset class	means a broad category of commodities including, without limitation, any “excluded commodity” as defined in section 1a(19) of the Act, with common characteristics underlying a swap. The asset classes include interest rate, foreign exchange, credit, equity, Other Commodity, and such other asset classes as may be determined by the Commission.		49.2(a) 43.2(a)
Block Trade	means a Publicly Reportable Swap Transaction that: (1) Involves a swap that is listed on a Swap Execution Facility or Designated Contract Market; (2) Is executed on a Swap Execution Facility's trading system or platform that is not an order book as defined in § 37.3(a)(3) of this chapter, or occurs away from the Swap Execution Facility's or Designated Contract Market's trading system or platform and is executed pursuant to the Swap Execution Facility's or Designated Contract Market's rules and procedures;		43.2(a)

	(3) Has a notional or principal amount at or above the Appropriate Minimum Block Size applicable to such swap; and (4) Is reported subject to the rules and procedures of the Swap Execution Facility or Designated Contract Market and the rules described in this part, including the appropriate time delay requirements set forth in § 43.5.		
Board of Directors	means the Board of Directors of a Swap Data Repository, or for those Swap Data repositories whose organizational structure does not include a Board of Directors, a body performing a function similar to that of a Board of Directors.	BOD	49.22(a)
Business Day	means the twenty-four hour day, on all days except Saturdays, Sundays and legal holidays, in the location of the reporting party or registered entity reporting data for the swap.		43.2(a)
Business hours	means the consecutive hours of one or more consecutive Business Days.		43.2(a)
Cap Size	means, for each swap category, the maximum notional or principal amount of a Publicly Reportable Swap Transaction that is Publicly Disseminated.		43.2(a)
Commission Access	A Swap Data Repository shall provide access to the Commission for all SDR Data maintained by the Swap Data Repository pursuant to CFTC Rule 49.17(c).		49.17(c)
Controls	means the safeguards or countermeasures employed by the Swap Data Repository in order to protect the reliability, security, or capacity of its automated systems or the confidentiality, integrity, and availability of its SDR Data and SDR Information, and in order to enable the Swap Data Repository to fulfill its statutory and regulatory duties and responsibilities.		49.24(j)(1)

Data Validation Acceptance Message	means a notification that SDR Data satisfied the data validation procedures applied by a Swap Data Repository.		49.2(a))
Data Validation Error	means that a specific data element of SDR Data did not satisfy the data validation procedures applied by a Swap Data Repository.		49.2(a))
Data Validation Error Message	means a notification that SDR Data contained one or more data validation error(s).		49.2(a))
Data Validation Procedures	procedures established by a Swap Data Repository pursuant to § 49.10 to validate SDR Data reported to the Swap Data Repository.		49.2(a))
Designated Contract Market	mean a board of trade designated by the Commission as a contract market under the Act and in accordance with the provisions of part 38 of this chapter.	DCM	1.3
Direct Electronic Access	means an electronic system, platform, framework, or other technology that provides internet-based or other form of access to real-time SDR Data that is acceptable to the Commission and also provides scheduled data transfers to Commission electronic systems.		49.17(b)(3)
Economically Related	means a direct or indirect reference to the same commodity at the same delivery location or locations, or with the same or a substantially similar cash market price series.		43.2(a))
Emergency	means any occurrence or circumstance that, in the opinion of the governing board of a registered entity, or a person or persons duly authorized to issue such an opinion on behalf of the governing board of a registered entity under circumstances and pursuant to procedures that are specified by rule, requires immediate action and threatens or may threaten such things as the fair and		40.1(h))

	<p>orderly trading in, or the liquidation of or delivery pursuant to, any agreements, contracts, swaps or transactions or the timely collection and payment of funds in connection with clearing and settlement by a derivatives clearing organization, including:</p> <p>(1) Any manipulative or attempted manipulative activity;</p> <p>(2) Any actual, attempted, or threatened corner, squeeze, congestion, or undue concentration of positions;</p> <p>(3) Any circumstances which may materially affect the performance of agreements, contracts, swaps or transactions, including failure of the payment system or the bankruptcy or insolvency of any participant;</p> <p>(4) Any action taken by any governmental body, or any other registered entity, board of trade, market or facility which may have a direct impact on trading or clearing and settlement; and</p> <p>(5) Any other circumstance which may have a severe, adverse effect upon the functioning of a registered entity.</p>		
Enterprise Technology Risk Assessment	<p>means a written assessment that includes, but is not limited to, an analysis of threats and vulnerabilities in the context of mitigating Controls. An Enterprise Technology Risk Assessment identifies, estimates, and prioritizes risks to Swap Data Repository operations or assets, or to market participants, individuals, or other entities, resulting from impairment of the confidentiality, integrity, and availability of SDR Data and SDR Information or the reliability, security, or capacity of automated systems.</p>		49.24(j)(1)
Foreign Regulator	<p>means a foreign futures authority as defined in section 1a(26) of the Act, foreign financial supervisors, foreign central banks, foreign ministries, and other foreign authorities.</p>		49.2(a)

Futures-Related Swap	means a swap (as defined in section 1a(47) of the Act and as further defined by the Commission in implementing regulations) that is Economically Related to a futures contract.		43.2(a))
Large Notional Off-Facility Swap	means an Off-Facility Swap that has a notional or principal amount at or above the Appropriate Minimum Block Size applicable to such Publicly Reportable Swap Transaction and is not a Block Trade as defined in § 43.2.		43.2(a))
Local operating unit (relating to LEI)	means an entity authorized under the standards of the Global Legal Entity Identifier System to issue legal entity identifiers.	LOU	45.6(a))
Major currencies	means the currencies, and the cross-rates between the currencies, of Australia, Canada, Denmark, New Zealand, Norway, South Africa, South Korea, Sweden, and Switzerland.		43.2(a))
Market Participant	means any person participating in the swap market, including, but not limited to, Designated Contract Markets, derivatives clearing organizations, swap execution facilities, swap dealers, major swap participants, and any other counterparty to a swap transaction.		49.2(a))
Mirror Swap	means a swap: To which— A Prime Broker is a counterparty; or Both counterparties are Prime Brokers; That is executed contemporaneously with a corresponding Trigger Swap; That has identical terms and pricing as the contemporaneously executed Trigger Swap, except:		43.2(a))

	<p>That a mirror swap, but not the corresponding Trigger Swap, may include any associated Prime Brokerage service fees agreed to by the parties; and</p> <p>As provided in paragraph (5) of this “mirror swap” definition;</p> <p>With respect to which the sole price forming event is the occurrence of the contemporaneously executed Trigger Swap; and</p> <p>The execution of which is contingent on, or is triggered by, the execution of the contemporaneously executed Trigger Swap. The contractually agreed payments and delivery amounts under a Mirror Swap may differ from those amounts of the corresponding Trigger Swap if:</p> <p>Under all such mirror swaps to which the Prime Broker that is a counterparty to the Trigger Swap is also a counterparty, the aggregate contractually agreed payments and delivery amounts shall be equal to the aggregate of the contractually agreed payments and delivery amounts under the corresponding Trigger Swap; and</p> <p>The market risk and contractually agreed payments and delivery amounts of all such mirror swaps to which a Prime Broker that is not a counterparty to the corresponding Trigger Swap is a party will offset each other, resulting in such Prime Broker having a flat market risk position at the execution of such mirror swaps.</p>		
Non-Major currencies	means all other currencies that are not Super-Major Currencies or Major currencies.		43.2(a))
Novation	means the process by which a party to a swap legally transfers all or part of its rights, liabilities, duties, and obligations under the swap to a new legal party other than the counterparty to the swap under applicable law.		43.2(a))

Off-Facility Swap	means any swap transaction that is not executed on or pursuant to the rules of a Swap Execution Facility or Designated Contract Market.		43.2(a))
Open Swap	means an executed swap transaction that has not reached maturity or expiration, and has not been fully exercised, closed out, or terminated.		49.2(a))
Other Commodity	means any commodity that is not categorized in the interest rate, credit, foreign exchange, equity, or other asset classes as may be determined by the Commission.		43.2(a))
Physical Commodity Swap	means a swap in the Other Commodity asset class that is based on a tangible commodity.		43.2(a))
Position	means the gross and net notional amounts of open swap transactions aggregated by one or more attributes, including, but not limited to, the: (1) Underlying instrument; (2) Index, or reference entity; (3) Counterparty; (4) Asset class; (5) Long risk of the underlying instrument, index, or reference entity; and (6) Short risk of the underlying instrument, index, or reference entity.		49.2(a))
Post-Priced Swap	means an Off-Facility Swap for which the price is not determined as of the time of execution.		43.2(a))
Pricing Event	means the completion of the negotiation of the material economic terms and pricing of a Trigger Swap.		43.2(a))
Prime Broker	means, with respect to a Mirror Swap and its related Trigger Swap, a swap dealer acting in the capacity of a Prime Broker with respect to such swaps.		43.2(a))
Prime Broker Swap	means any swap to which a swap dealer acting in the capacity as Prime Broker is a party.		43.2(a))

Prime Brokerage Agency Arrangement	means an arrangement pursuant to which a Prime Broker authorizes one of its Clients, acting as agent for such Prime Broker, to cause the execution of a Prime Broker Swap.		43.2(a))
Prime Brokerage Agent	means a Client of a Prime Broker who causes the execution of one or more Prime Broker Swap(s) acting pursuant to a Prime Brokerage Agency Arrangement.		43.2(a))
Public Dissemination and Publicly Disseminate	means to make freely available and readily accessible to the public Swap Transaction and Pricing Data in a non-discriminatory manner, through the internet or other electronic data feed that is widely published. Such Public Dissemination shall be made in a consistent, usable, and machine-readable electronic format that allows the data to be downloaded, saved, and analyzed.		43.2(a))
Publicly Reportable Swap Transaction	Publicly Reportable Swap Transaction means: Unless otherwise provided in this part— Any executed swap that is an arm's-length transaction between two parties that results in a corresponding change in the market risk position between the two parties; or Any termination, assignment, Novation, exchange, transfer, amendment, conveyance, or extinguishing of rights or obligations of a swap that changes the pricing of the swap. Examples of executed swaps that do not fall within the definition of publicly reportable swap may include: Internal swaps between one-hundred percent owned subsidiaries of the same parent entity; Swaps entered into by a derivatives clearing organization as part of managing the default of a clearing member.		43.2(a))

	<p>These examples represent swaps that are not at arm's length and thus are not Publicly Reportable Swap Transactions, notwithstanding that they do result in a corresponding change in the market risk position between two parties.</p>		
Reference Price	<p>means a floating price series (including derivatives contract prices and cash market prices or price indices) used by the parties to a swap or swaption to determine payments made, exchanged, or accrued under the terms of a swap contract.</p>		43.2(a))
Reporting Counterparty	<p>means the counterparty required to report SDR Data pursuant to part 43, 45, or 46 of this chapter.</p> <p>And means the party to a swap with the duty to report a Publicly Reportable Swap Transaction in accordance with this part and section 2(a)(13)(F) of the Act.</p>		49.2(a)) 43.2(a))
Rule	<p>means any constitutional provision, article of incorporation, bylaw, Rule, regulation, resolution, interpretation, stated policy, advisory, terms and conditions, trading protocol, agreement or instrument</p>		40.1(i)

	corresponding thereto, including those that authorize a response or establish standards for responding to a specific Emergency, and any amendment or addition thereto or repeal thereof, made or issued by a registered entity or by the governing board thereof or any committee thereof, in whatever form adopted.		
SDR Data	means the specific data elements and information required to be reported to a Swap Data Repository or disseminated by a Swap Data Repository pursuant to two or more of parts 43, 45, 46, and/or 49, as applicable in the context.		49.2(a))
SDR Information	means any information that the Swap Data Repository receives or maintains related to the business of the Swap Data Repository that is not SDR data.		49.2(a))
Section 8 Material	means the business transactions, SDR data, or market positions of any person and trade secrets or names of customers.		49.2(a))
Super-Major Currencies	means the currencies of the European Monetary Union, Japan, the United Kingdom, and United States.		43.2(a))
Swap Data	means the specific data elements and information required to be reported to a Swap Data Repository pursuant to part 45 or made available to the Commission pursuant to this part, as applicable.		49.2(a))
Swap Data Repository	means any person that collects and maintains information or records with respect to transactions or positions in, or the terms and conditions of, swaps entered into by third parties for the purpose of providing a centralized recordkeeping facility for swaps.	SDR	1.3
Swap Execution Facility	means a trading system or platform that is a Swap Execution Facility as defined in CEA section 1a(50) and in § 1.3 of this chapter and that is registered with the	SEF	43.2(a))

	Commission pursuant to CEA section 5h and part 37 of this chapter.		
Swap Transaction and Pricing Data	means all data elements for a swap in appendix A of part 43 that are required to be reported or Publicly Disseminated pursuant to this part.		43.2(a))
Swap Transaction and Pricing Data	means the specific data elements and information required to be reported to a Swap Data Repository or Publicly Disseminated by a Swap Data Repository pursuant to part 43, as applicable.		49.2(a))
Swaps with Composite Reference Prices	means swaps based on Reference Prices that are composed of more than one Reference Price from more than one swap category.		43.2(a))
Trigger Swap	<p>means a swap:</p> <p>That is executed pursuant to one or more Prime Brokerage Agency Arrangements;</p> <p>To which one counterparty or both counterparties are Prime Brokers;</p> <p>That serves as the contingency for, or triggers, the execution of one or more corresponding mirror swaps; and</p> <p>That is a Publicly Reportable Swap Transaction that is required to be reported to a Swap Data Repository pursuant to this part and part 45 of this chapter. A Prime Broker Swap executed on or pursuant to the rules of a Swap Execution Facility or Designated Contract Market shall be treated as the Trigger Swap for purposes of this part.</p>		43.2(a))

2. Corporate structure

2.1 Mission Statement of KOR SDR

KOR's mission is to be the most progressive Swap Data Repository where Clients can efficiently, flexibly and cost effectively meet their regulatory obligations.

References: CFTC Rule(s) §49.20(b)(2)(i).

2.2 Board of Directors

The following Governance Principles have been adopted by the Board of Directors (the "Board") of KOR Reporting Inc. (the "Company") to serve as a flexible framework to assist the Board in the exercise of its responsibilities. These Governance Principles reflect the Board's commitment to monitor the effectiveness of policy and decision making both at the Board and management level. These governance principles should be interpreted in the context of all applicable laws, KOR Reporting's Bylaws, other governing legal documents and company policies. These governance principles are subject to modification from time to time by the Board.

KOR's governance arrangements are transparent to support, among other things, the objectives of the Federal Government pursuant to Section 21(f)(2) of the Act.

References: CFTC Rule(s) §49.20(a), 49.20(b), 49.20(b)(1), and 49.20 (b)(2).

2.2.1 Mission Statement of the Board of Directors

The Board believes that all directors represent the balanced interests of the Company as a whole. It represents the stakeholders' interest in perpetuating a successful business and optimizing long-term financial returns consistent with legal requirements and ethical standards. The Board also recognizes the important role the Company plays in the marketplace and the importance of providing active governance designed to ensure the safety and soundness of its operations. The Board is responsible for establishing the general oversight framework, including identifying and taking reasonable actions, intended to achieve these goals.

The Board's principal oversight functions are to:

- a. Review, approve and monitor the Company's major strategic, financial and business activities and opportunities, including declarations of dividends and major transactions;
- b. Review, approve and monitor the Company's annual budget;
- c. Review, monitor and take reasonable actions with respect to the Company's financial performance;

- d. Review, assess and provide oversight of the Company’s risk management practices, the integrity and adequacy of its enterprise risk management program, which is designed to identify, manage and plan for its Swap Data Repository, compliance, financial, operational, reputational, and strategic and commercial risks;
- e. Select, evaluate and compensate the Chief Compliance Officer and, if necessary, appoint a replacement;
- f. Review and monitor plans for the succession of the Chief Executive Officer and other members of senior management.

References: CFTC Rule(s) §49.20(b)(2)(ii) and 49.20(b)(4).

2.3 Board membership and structure

2.3.1 Size of Board

The Board shall be comprised of at least three Directors. The size of the Board is designed to ensure it maintains the appropriate expertise, industry knowledge and skills to effectively oversee the Company’s complex business while maintaining compliance with applicable listing and regulatory requirements.

2.3.2 Board Composition; Mix of Independent and Employee Directors

At least a majority of the directors will be independent directors as determined in accordance with the section “Determination of ‘Independent’ Directors” below (each an “*Independent Director*” and collectively the “*Independent Directors*”). The Board has adopted and disclosed categorical standards to assist it in determining a director’s independence. The Board believes that it is often in the best interest of KOR Reporting to have non-Independent Directors. The expectation of the Board is that the number of directors who also serve as employees of the Company (each an “*Employee Director*” and collectively the “*Employee Directors*”) should be at least one and fewer than the number of Independent Directors.

2.3.3 Board Membership Criteria

The Board seeks directors from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. Board members should have the characteristics essential for effectiveness as a member of the Board, including but not limited to:

- a. Integrity, objectivity, sound judgment and leadership;
- b. The relevant expertise and experience required to offer advice and guidance to the Chief Executive Officer and other members of senior management.
- c. The ability to make independent analytical inquiries.

- d. The ability to collaborate effectively and contribute productively to the Board’s discussions and deliberations;
- e. An understanding of the Company’s business, strategy and challenges;
- f. The willingness and ability to devote adequate time and effort to Board responsibilities and to serve of Committees at the request of the Board; and
- g. Is not a Disqualified Person (as described below).

A “*Disqualified Person*” is any person who (i) is or has been subject to any statutory disqualification under Section 3(a)(39) of the Securities Exchange Act or Sections 8a (2)-(4) of the Commodity Exchange Act or (ii) is or has been subject to disqualification under 17 CFR § 1.63.

Each Board member is expected to ensure that his or her other commitments do not materially interfere with his or her service overall as a director.

2.3.4 Determination of “Independent” Directors.

The Board shall review annually the relationships that each director has with the Company (either directly or as a partner, equity holder or officer of an organization that has a relationship with the Company). Following such annual review, only those directors who the Board affirmatively determines have no material relationship with the Company (either directly or as a partner, equity holder, or officer of an organization that has a relationship with the Company) will be considered Independent Directors, subject to additional qualifications prescribed applicable law. Each director shall notify the Chairman and Chief Executive Officer as soon as practicable of any event, situation or condition that may affect the Board’s evaluation of his or her independence.

2.3.5 Ethics and Conflicts of Interest

The Board has adopted a Conflict of Interest Policy. The Conflict of Interest Policy incorporates various provisions of applicable corporate law and other standards adopted by the Company to insure that Board and committee decisions are not impacted by conflicts of interest. Directors are expected to avoid any action, position or interest that conflicts with an interest of the Company, or gives the appearance of a conflict, in accordance with the Conflict of Interest Policy and any rules adopted by the Company. The Company annually solicits information from directors in order to monitor potential conflicts of interest and directors are expected to be mindful of their fiduciary obligations to the Company.

When faced with a situation involving a potential conflict of interest, directors are encouraged to seek advice from the General Counsel or from outside counsel designated by the General Counsel.

Directors are expected to act in compliance with the Company’s Board of Directors Code of Ethics.

References: CFTC Rule(s) §49.21(b).

3. Client access to data

3.1 Procedures for gaining access to KOR SDR

KOR SDR provides services as a Swap Data Repository (“SDR”). These services are available to all Market Participants on a fair, open, and equal basis. In order to obtain access to KOR SDR, a Market Participant must execute the KOR Universal Services Agreement (“USA”) and applicable Addendums. KOR SDR does not, and will not, tie or bundle the offering of mandated regulatory services with ancillary services offered by KOR SDR or a KOR Affiliate.

KOR Reporting and KOR Financial are affiliates, but are not in a subsidiary relationship. Privity between the Client and the applicable KOR entity is established through Addendums to the USA.

Details on how to become a Client of KOR SDR can be found in the Client Onboarding Guide.

KOR SDR imposes the following qualifications on Clients of KOR SDR (collectively, the “Client Criteria”):

- a. A valid LEI;¹
- b. Execution of the KOR Universal Services Agreement (“KOR USA”) and applicable Addendums;
- c. Compliance with the KOR SDR Rulebook and KOR SDR Technical Specifications² as published by KOR SDR; and
- d. Successful passing of KOR Know Your Customer (KYC) procedures, which will include but limited to compliance with Applicable Law, specifically those related to sanctions administered and enforced the by the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”).

As a general policy, KOR SDR requires all applicants to execute and submit KOR Universal Services Agreement and applicable addendums in electronic form only. Paper copies will not be accepted.

¹ References: CFTC Rule §45.6, with the exception of registered execution venues which must provide their MIC Code

² The KOR SDR Technical Specifications include all CFTC Technical Specifications in addition to KOR SDR’s additional fields and validations.

In the event a Client at any point fails to comply with any or all of the Client Criteria, such Client shall notify KOR immediately upon discovery. Notice must include a description of all relevant events associated with the failure, planned remediation where applicable, and any other information reasonably requested by KOR.

References: CFTC Rule(s) §49.27(a)(1) and 49.27(a)(2).

3.2 Client Rules & Applicable Law

By entering into the KOR USA, each Client agrees to be bound by the terms of the USA, this Rulebook, and any published policies and guides.

KOR and its Clients are subject to all Applicable Law including Applicable Regulations relevant to the Client or the transaction associated with such Client. Any Applicable Law affecting the (i) duties or obligations of KOR SDR or (ii) the performance of any Client shall take precedence over the rules of the KOR SDR Service. In the event of a conflict between Applicable Law and the rules of the KOR SDR Service, Applicable Law shall prevail.

3.3 Delegated Reporter Client access

Where a Client has authorized a Third-party Reporter or Related Entity Client under the same Parent to submit on its behalf and access its data, KOR will provide access to the Third-party Reporter or Client as long as it has executed the appropriate KOR Universal Services Agreement and applicable addendums and the Client has granted permission through the Client Portal. Related Entity Clients and Third-party Reporters are together referred to as Delegated Reporters.

3.4 Authorized Access Client access

Where a Client has authorized a Third-party Client to access its data, but not submit on its behalf, KOR will provide access to the Authorized Access Client as long as it has executed the appropriate KOR Universal Services Agreement and applicable addendums and the Client has granted permission through the Client Portal.

3.5 Users

3.5.1 Administrative Users

Clients are required to maintain at least two Administrative Users on the KOR SDR System. This information must be provided in order to execute the KOR Client Agreement. The correct contact information must be kept up to date at all times.

Administrative Users are responsible for creating, managing, and removing access to their company's Users and to other Clients who are eligible to access the KOR SDR System on behalf

of the Client including Third-party Client access. Administrative Users will be the main point of contact for KOR's Client Services in regard to urgent issues.

3.5.2 User Access to data

3.5.2.1 Trades, related data and reports

Any Market Participant that has executed a Client Agreement may access SDR Data in the KOR SDR to which they are a party to or for which they have been granted access to on behalf of a Client. Access to KOR SDR is strictly limited to active Users with valid permissions created by their Client's Administrative User. User set up details are outlined in the User Guide.

Upon set up, Users will be provided logins and the ability to access data in the KOR SDR per the User Guide. Access is driven off the Client's LEIs for which the User has been associated. Users may be granted access to multiple LEIs under the same Parent as related entities.

The KOR SDR System will allow Users to view full trade details associated with any individual swap and all associated messages, errors and reports which they have permission to view where their Client LEI is one of the following fields:

- a. Central counterparty
- b. Clearing member
- c. Counterparty 1
- d. Counterparty 2
- e. Submitter identifier
- f. Reporter identifier³
- g. Agent⁴

For swaps executed on a SEF or DCM, the SEF or DCM may access the swap that they had the requirement to report, but not any data subsequently reported by the Reporting Counterparty.

Clearing Members that have executed the appropriate KOR Universal Services Agreement and applicable Addendums may access swaps where they are listed as the Clearing Member.

³ This field was added by KOR to identify who the Submitter identifier is submitting on behalf of for access validation. This will not always be counterparty 1, as the Submitter may be a Delegated Reporter for a SEF with the requirement to report.

⁴ KOR SDR has added the Agent field in order to correctly permission investment managers to view trades where they were the execution agent but are not the counterparty or submitter.

Investment Managers that have executed the appropriate KOR Universal Services Agreement and applicable Addendums and been granted access from their managed funds which are Clients, may access swaps where they are a counterparty or the executing agent.

3.5.2.2 Anonymous execution

SDR Data and SDR Information related to a particular swap transaction that is maintained by KOR SDR may be accessed by either counterparty to that particular swap. However, the SDR Data and SDR Information maintained by KOR SDR that may be accessed by either counterparty to a particular swap shall not include the identity or the legal entity identifier of the other counterparty to the swap, or the other counterparty's clearing member for the swap, if the swap is executed anonymously on a SEF or DCM and cleared at a derivatives clearing organization (“DCO”). This also applies to any Client accessing data on another Client’s behalf acting as that party, including Delegated Reporters, Authorized Access Clients, and investment managers.

References: CFTC Rule(s) §49.17(f)(2).

3.5.3 Review of Market Participant access to KOR SDR

Client’s designated Administrative Users are expected to maintain correct User access at all times. In addition, following the end of each calendar quarter, all Clients will be provided with a report on current User’s access levels and a list of all Client’s they have granted access to their data. At least one of the designated Administrative Users at each Client must review the listing of Users and other party access and confirm whether access should be maintained, removed or changed and make the appropriate updates.

When one or both of the Client’s designated Administrative Users needs to be amended, the Client must contact KOR Client Service (support@korfinancial.com).

Records of all User access are maintained and available for review by the Client and KOR Compliance at all times.

References: CFTC Rules(s): §49.17(d)(1)(I) and 49.17(d)(1)(ii).

4. Unique Identifiers

4.1 Unique transaction identifiers (UTI)

Each swap shall be identified in all recordkeeping and all Swap Data reporting by the use of a unique transaction identifier, which shall be created, transmitted, and used for each swap.

Each registered entity and swap counterparty shall include the unique transaction identifier for a swap in all of its records and all of its Swap Data reporting concerning that swap, from the time it

creates or receives the unique transaction identifier as provided in this section, throughout the existence of the swap and for as long as any records are required by the Act or Commission regulations to be kept concerning the swap, regardless of any life-cycle events concerning the swap, including, without limitation, any changes with respect to the counterparties to the swap.

KOR SDR shall not allow any trade executed on or after UTIs are implemented to be submitted with a Unique Swap Identifier (“USI”) in lieu of a UTI.

Every submission to KOR SDR shall contain the appropriate UTI, otherwise the submission will be rejected. KOR SDR shall validate the format and uniqueness of every UTI. If a party submits the incorrect UTI, they must error that UTI and resubmit the swap as a new message with the correct UTI. When the correct UTI is submitted it will be considered a new trade and if it is submitted after the required reporting timelines, will be classified as a late report.

References: CFTC Rule(s) §45.5 and 45.5(f).

4.1.1 UTI Creation format

The Market Participant designated to generate the UTI shall generate and assign the UTI at, or As Soon As Technologically Practicable (ASATP) following, the time of execution of the swap, and prior to the reporting of required Swap Data. The unique transaction identifier shall consist of a single data element with a maximum length of 52 characters that contains two components:

- a. The legal entity identifier of the Market Participant who generated the UTI⁵; and
- b. An uppercase alphanumeric code generated and assigned to that swap by the automated systems of the SEF or DCM, which shall be unique with respect to all such codes generated and assigned by that SEF or DCM.

References: CFTC Rule(s) §45.5(a)(1)(i)-(ii), §45.5(b)(1) (i)-(ii), §45.5(c)(1) (i)-(ii), §45.5(d)(1) (i)-(ii), §45.5(e), and 45.5(g)(1)-(2).

4.1.2 UTI Transmission

The Market Participant designated to generate the UTI shall transmit the unique transaction identifier electronically as follows:

- a. To the Swap Data Repository to which the swap is reported as part of all submissions.
- b. To each counterparty to the swap, ASATP after execution of the swap but no later than prescribed by 45.5.

⁵ This may be the LEI of the Third-party service provider.

- c. To the DCO, if any, to which the swap is submitted for clearing, as part of the required swap creation data transmitted to the DCO for clearing purposes.
- d. To the agent in the case of a post-allocation swap.

References: CFTC Rule(s) §45.5(a)(2)(i)-(iii), 45.5(b)(2) (i)-(iii), 45.5(c)(2) (i)-(iii), 45.5(d)(2) (i)-(iii), and 45.5(e).

4.1.3 UTI Creation party

4.1.4 Swaps executed on or pursuant to the rules of a SEF or DCM

For each swap executed on or pursuant to the rules of a SEF or DCM, the SEF or DCM shall create⁶ and transmit a unique transaction identifier.

References: CFTC Rule(s) §45.5(a).

4.1.5 Off-Facility Swaps with a financial entity Reporting Counterparty

For each Off-Facility Swap where the Reporting Counterparty is a financial entity participant, the Reporting Counterparty shall create and transmit a unique transaction identifier as provided in paragraphs (b)(1) and (2) of this section.

References: CFTC Rule(s) §45.5(b).

4.1.6 Off-Facility Swaps with a non-SD/MSP/DCO Reporting Counterparty that is not a financial entity

For each Off-Facility Swap for which the Reporting Counterparty is a non-SD/MSP/DCO counterparty that is not a financial entity, the Reporting Counterparty shall either: Create and transmit a unique transaction identifier; or request that the Swap Data Repository to which required swap creation data will be reported create and transmit a unique transaction identifier.

Upon such a request, KOR SDR will generate and assign a UTI ASATP following receipt of the request from the Reporting Counterparty. The UTI shall consist of a single data element with a maximum length of 52 characters that contains two components: (i) The legal entity identifier of the Swap Data Repository; and (ii) An uppercase alphanumeric code generated and assigned to that swap by the automated systems of KOR SDR, which shall be unique with respect to all such codes generated and assigned by KOR SDR. The Reporting Counterparty is then obligated to submit the provided UTI for all messages regarding that swap.

⁶ Per KOR Rule: "UTI Creation Format"

For swaps where the Reporting Counterparty requested KOR SDR generate the UTI and the non-Reporting Counterparty is not a KOR Client, the Reporting Client is required to provide KOR SDR with the contact email of their counterparty. Where the non-Reporting Counterparty is not already a Client, KOR SDR will send an email notice to such party that a swap they are a party of has been reported to KOR SDR. This communication will include a link to the applicable KOR Agreements that they can execute electronically and at no cost as a Verification Client in order to gain secure access to KOR SDR in order for KOR SDR to transmit the UTI.

Where the trade is intended to be cleared, and the DCO is not already a Client, the Reporting Client is required to provide KOR SDR with a contact and the contact's email of the DCO. Where the DCO is not already a Client, KOR SDR will send an email notice to the DCO that a swap they are the intended DCO for has been reported to KOR SDR. This communication will include a link to a KOR Client Agreement that they can execute electronically and at no cost in order to gain secure access to KOR SDR in order for KOR SDR to transmit the UTI.

When a Reporting Counterparty requests KOR to create their UTI, it is then their responsibility to submit the swap and all subsequent messages regarding that swap with the same UTI KOR SDR provided. Details on how to obtain a KOR SDR generated swap can be found in the User Guide.

References: CFTC Rule(s) §45.5(c), 45.5(c)(1), and 45.5(c)(2).

4.1.7 Off-Facility Swaps with a DCO Reporting Counterparty

For each Off-Facility Swap where the Reporting Counterparty is a DCO, the Reporting Counterparty shall create⁷ and transmit a unique transaction identifier.

References: CFTC Rule(s) §45.5(d).

4.1.8 Third-party service reporter

If a registered entity or Reporting Counterparty required by 45.5 to report required swap creation data or required swap continuation data contracts with a third-party service reporter to facilitate reporting pursuant to § 45.9, the registered entity or Reporting Counterparty shall ensure that such Delegated Reporter creates and transmits the unique transaction identifier as otherwise required.

References: CFTC Rule(s) §45.5(g).

4.1.9 Cross-jurisdictional swaps

⁷ Per KOR Rule: "UTI Creation Format"

If a swap is also reportable to one or more other jurisdictions with a regulatory reporting deadline earlier than the deadline set forth in § 45.3 or in Part 43 of CFTC rules, the same unique transaction identifier generated according to the rules of the jurisdiction with the earliest regulatory reporting deadline shall be transmitted and used in all recordkeeping and all Swap Data reporting.

As KOR SDR does not know the cross-jurisdictional reporting obligations of any swaps or the involvement of Delegated Reporters, it shall not validate whose LEI is used to generate a UTI.

References: CFTC Rule(s) §45.5(h).

4.2 Legal Entity Identifiers (LEI)

Each SEF, DCM, DCO, Swap Data Repository, clearing member, agent, submitting entity, Reporting Counterparty and non-Reporting Counterparty to any swap that is eligible to receive a legal entity identifier shall obtain, maintain, and be identified in all recordkeeping and all Swap Data reporting by a single legal entity identifier.

The legal entity identifier used in all recordkeeping and all Swap Data reporting shall be issued under, and shall conform to, ISO Standard 17442, Legal Entity Identifier (LEI), issued by the International Organization for Standardization.

During the Client onboarding process, KOR SDR requires the Client provide their LEI code and legal name that aligns with GLEIF along with additional information such as entity type (e.g., Swap Dealer, Major Swap Participant) and applicable holiday calendar.

Reference data for each SEF, DCM, DCO, SDR, entity reporting, and counterparty to any swap shall be reported, by self-registration, third-party registration, or both, to a Local Operating Unit in accordance with the standards set by the Global Legal Entity Identifier System. All subsequent changes and corrections to reference data previously reported shall be reported, by self-registration, third-party registration, or both, to a Local Operating Unit ASATP following occurrence of any such change or discovery of the need for a correction.

References: CFTC Rule(s) §45.6, 45.6(b), and 45.6(c).

4.2.1 Use of the legal entity identifier

Each SEF, DCM, DCO, Swap Data Repository, clearing member, agent, submitting entity, Reporting Counterparty and non-Reporting Counterparty shall use legal entity identifiers to identify itself and swap counterparties in all recordkeeping and all Swap Data reporting. If a swap counterparty is not eligible to receive a legal entity identifier as determined by the Global Legal Entity Identifier System, such counterparty shall be identified in all recordkeeping and all Swap Data reporting with an alternate identifier as prescribed by the Commission. It is the duty of the

Reporting Counterparty to always submit a unique and consistent Natural Person Identifier. In order to consistently submit a unique value, the LEI of the Reporting Counterparty followed by natural person's email shall be used for the identifier.

Each SD, MSP, SEF, DCM, DCO, and Swap Data Repository shall maintain and renew its legal identity identifier in accordance with the standards set by the Global Legal Entity Identifier System.

Each financial entity Reporting Counterparty executing a swap with a counterparty that is eligible to receive a legal entity identifier, but has not been assigned a legal entity identifier, shall, prior to reporting any required swap creation data for such swap, use best efforts to cause a legal entity identifier to be assigned to the counterparty. If these efforts do not result in a legal entity identifier being assigned to the counterparty prior to the reporting of required swap creation data, the financial entity Reporting Counterparty shall promptly provide the identity and contact information of the counterparty to the Commission.

Per the KOR SDR Technical Specification, KOR SDR shall not accept messages that do not contain LEIs published by GLEIF. The exception being fields which allow Natural Person Identifiers or Privacy Law identifiers, no other identifier types will be accepted. KOR SDR shall not accept LEIs with a status of "INACTIVE" on GLEIF. If an LEI is published under a Local Operating Unit, but is not on GLEIF, it will not be accepted.

The Reporting Counterparty nor other counterparty LEI may be updated by a submission. In the event the incorrect LEI was submitted the UTI must be Errored, and a new swap reported with a new UTI. In the event of a corporate action updates a UTI, the Reporting Counterparty must notify KOR SDR. KOR SDR shall validate the change on GLEIF and update the LEI on all applicable records.

If a Reporting Counterparty ports swaps in from another SDR that used a substitute identifier, those swaps shall be ported in using the correct LEI or if the party is not eligible for an LEI then the Natural Person Identifier.

References: CFTC Rule(s) §45.6(d)(1), 45.6(d)(2), 45.6(d)(3), and 45.6(d)(4).

4.2.2 Privacy law identifiers (PLI)

The term “Privacy Law Identifier” or “PLI” is defined as “a unique identifier, which is not an LEI, and is used to identify a Privacy Law Counterparty⁸ pursuant to [CFTC Letter No. 13-41].” The foregoing PLI definition further states that “[e]ach Reporting Counterparty shall use a consistent and static [PLI] for a Privacy Law Counterparty in each instance that it would use the Opposite LEI and Other Enumerated Identifiers.”

Values such as “name withheld” and similar generic terms that do not correspond to a particular Privacy Law Counterparty do not satisfy the PLI condition. To satisfy the PLI condition of relief in the prior and current No-action letters, a PLI must be unique to each Privacy Law Counterparty and identify the Privacy Law Counterparty to the exclusion of all other counterparties.

KOR SDR will allow a value for Privacy Law Identifier (“PLI”) to be submitted for fields as allowed in the KOR SDR Technical Specifications. It is the duty of the Client to abide by the requirements of when PLIs may be used per the applicable CFTC No-action letter.

It is the duty of the Client to identify and inform KOR SDR when the use of a PLI is no longer applicable in order to upgrade all trades to the applicable LEI without having to error and create new UTIs for the swaps.

References: CFTC No-action letter(s) 12-46, 13-41, 16-03, 16-33, and 17-16.

4.3 Unique Product Identifiers (UPI)

Each swap shall be identified in all recordkeeping and all Swap Data reporting by means of a unique product identifier and product classification system. Each swap sufficiently standardized to receive a unique product identifier shall be identified by a unique product identifier. Each swap not sufficiently standardized for this purpose shall be identified by its description using the product classification system.

References: CFTC Rule(s) §45.7.

⁸ means a non-Reporting Counterparty or a Reporting Entity’s counterparty that meets all of the following criteria:

- (1) The counterparty is not a Commission registered swap dealer (“SD”) or major swap participant (“MSP”);
- (2) The counterparty is a non-U.S. person;
- (3) The counterparty is not guaranteed by, or an affiliate conduit of, a U.S. person; and
- (4) The counterparty is located in an Enumerated Jurisdiction.

4.3.1 Use of the unique product identifier and product classification system by registered entities and swap counterparties

When a unique product identifier and product classification system has been designated by the Commission, each registered entity and swap counterparty shall use the unique product identifier and product classification system in all recordkeeping and Swap Data reporting.

Before a unique product identifier and product classification system has been designated by the Commission, each registered entity and swap counterparty shall use the internal product identifier or product description used by the Swap Data Repository to which a swap is reported in all recordkeeping and Swap Data reporting.

References: CFTC Rule(s) §45.7(c)(1) and §45.7(c)(2).

4.3.2 KOR SDR's temporary unique product identifier system

Until such a time that the Commission designates a UPI provider, KOR's unique product identifier and product classification system shall identify and describe the swap Asset Class and the sub-type within that Asset Class to which the swap belongs, and the underlying product for the swap, with sufficient distinctiveness and specificity to enable the Commission and other financial regulators to fulfill their regulatory responsibilities and to assist in real time reporting of swaps as provided in the Act and Part 43 of CFTC rules. The level of distinctiveness and specificity which the unique product identifier will provide shall be determined separately for each swap Asset Class.

KOR will use the fields and guidance as published by CPMI and IOSCO in the Technical Guidance on the Harmonization of the Unique Product Identifier⁹. Until the UPI is available for use, KOR will attempt to follow the public standards and guidance regarding the UPI creation in order to more seamlessly migrate to the UPI when available. Clients will have access to all allowed data values for the product fields.

Before executing and reporting a swap the Client must verify the applicable product data values exist in the KOR product schema, if they do not, the Client must contact KOR and provide the required new values and their public source or other pertinent details for reference to the KOR Client Support group (support@korfinancial.com) a minimum of 48 business hours before reporting is required. Failure to do so could result in late reporting.

References: CFTC Rule(s) §45.7(a).

⁹ <https://www.bis.org/cpmi/publ/d169.pdf>

5. Client duties and obligations regarding CFTC Rule Part 45 data

5.1 Swap Data reporting: Creation data

5.1.1 Swaps executed on or pursuant to the rules of a SEF or DCM

For each swap executed on or pursuant to the rules of a SEF or DCM, the SEF or DCM shall report required swap creation data electronically to a Swap Data Repository not later than the end of the next Business Day following the execution date.

KOR SDR shall provide the Commission and the SEF, DCM, or their Delegated Reporter with a daily report of all swaps reported that day that did not meet the prescribed timeline. It is the duty of the SEF or DCM, or their Delegated Reporter to review these reports and identify any systematic issues in reporting that need to be resolved and make necessary updates as soon as practicable.

Late reporting is based on KOR SDR calculated Original Submission Timestamp vs. the Execution Timestamp. The Original Submission Timestamp is calculated based on when the swap is first received by KOR SDR and has passed all KOR SDR validations. Business Days means the twenty-four-hour day, on all days except Saturdays, Sundays, and legal holidays, in the location of the reporting party or registered entity reporting data for the swap. For swap execution facilities or DCMs, the US Federal Holiday calendar and Eastern time zone is used.

References: CFTC Rule(s) §45.0(a) and 43.2(a).

5.1.2 Off-Facility Swaps

For each Off-Facility Swap, the Reporting Counterparty shall report required swap creation data electronically to KOR SDR as defined in the KOR SDR Technical Specifications, as applicable.

If the Reporting Counterparty is a SD, MSP, or DCO, the Reporting Counterparty shall report required swap creation data electronically to a Swap Data Repository not later than the end of the next Business Day following the execution date.

If the Reporting Counterparty is a non-SD/MSP/DCO counterparty, the Reporting Counterparty shall report required swap creation data electronically to a Swap Data Repository not later than the end of the second Business Day following the execution date.

KOR SDR shall provide the Commission and the Reporting Counterparty, or their Delegated Reporter with a daily report of all swaps reported that day that did not meet the prescribed timeline. It is the duty of the Reporting Counterparty, or their third-party representative to review these reports and identify any systematic issues in reporting that need to be resolved and make necessary updates as soon as practicable.

Late reporting is based on the KOR SDR calculated Original Submission Timestamp vs. the Execution Timestamp. The Original Submission Timestamp is calculated based on when the swap is first received by KOR SDR and has passed all KOR SDR validations. Business Days means the twenty-four-hour day, on all days except Saturdays, Sundays, and legal holidays, in the location of the reporting party or registered entity reporting data for the swap. For Reporting Counterparties, the US Federal Holiday calendar and Eastern time is used unless the Client that is the Reporting Counterparty provided a different calendar, in which their local calendar and time zone are used. Swaps with an “Event type” of “PORT” are excluded from this report.

References: CFTC Rule(s) §45.3(b), 45.3(b)(1), 45.3(b)(2), and 43.2.

5.1.3 Allocations

For swaps involving allocation, required swap creation data shall be reported electronically to a single Swap Data Repository as follows.

References: CFTC Rule(s) §45.3(c).

5.1.4 Initial swap between Reporting Counterparty and agent

The initial swap transaction between the Reporting Counterparty and the agent shall be reported as defined in the KOR SDR Technical Specifications, as applicable. A unique transaction identifier for the initial swap transaction shall be created.

References: CFTC Rule(s) §45.3(c)(1).

5.1.5 Post-allocation swaps

5.1.6 Duties of the agent

The agent shall inform the Reporting Counterparty of the identities of the Reporting Counterparty's actual counterparties resulting from allocation, ASATP after execution, but no later than eight Business Hours after execution.

References: CFTC Rule(s) §45.3(c)(2)(i).

5.1.7 Duties of the Reporting Counterparty

The Reporting Counterparty shall report required swap creation data, as defined in the KOR SDR Technical Specifications, for each swap resulting from allocation to the same Swap Data Repository to which the initial swap transaction is reported. The Reporting Counterparty shall create a unique transaction identifier for each such swap.

The Reporting Counterparty is required to submit the additional KOR SDR defined field: Agent, with the LEI of the investment manager that executed the initial swap. This field is required in order for KOR SDR to provide access to the investment manager. There is no additional time added to the deadline to report post-allocation swaps.

References: CFTC Rule(s) §45.3(c)(ii).

5.1.8 Multi-asset swaps

For each multi-asset swap, required swap creation data and required swap continuation data shall be reported to a single Swap Data Repository that accepts swaps in the Asset Class treated as the primary Asset Class involved in the swap by the SEF, DCM, or Reporting Counterparty reporting required swap creation data pursuant to this section.

As KOR SDR accepts swaps in all Asset Classes, all multi-asset swaps are accepted by KOR SDR.

References: CFTC Rule(s) §45.3(d).

5.1.9 Mixed swaps

For each mixed swap, required swap creation data and required swap continuation data shall be reported to a Swap Data Repository and to a Security-Based Swap Data Repository registered with the Securities and Exchange Commission. This requirement may be satisfied by reporting the mixed swap to a Swap Data Repository or Security-Based Swap Data Repository registered with both Commissions.

The registered entity or Reporting Counterparty reporting required swap creation data pursuant to this section shall ensure that the same unique transaction identifier is recorded for the swap in both the Swap Data Repository and the Security-Based Swap Data Repository.

References: CFTC Rule(s) §45.3(e)(1) and 45.3(e)(2).

5.2 Swap Data reporting: Continuation data

For each swap, regardless of Asset Class, Reporting Counterparties and DCOs required to report required swap continuation data shall report life-cycle event data for the swap electronically to a Swap Data Repository within the applicable deadlines.

Clients must follow the KOR SDR Technical Specifications to submit continuation data. For open swaps, all continuation data submissions must include all applicable fields and be submitted according to the format and validations prescribed by KOR SDR at the time of submission and not at the time the trade was initially executed.

Clients shall not submit continuation data messages that do not update any KOR SDR fields or correct a previous submission.

KOR SDR shall provide the Commission and the Reporting Counterparty, or their Delegated Reporter with a daily report of all swaps with continuation data reported that day that did not meet the prescribed timeline. It is the duty of the Reporting Counterparty, or their third-party representative to review these reports and identify any systematic issues in reporting that need to be resolved and make necessary updates as soon as practicable.

Continuation late reporting is based on the KOR SDR calculated Submission Timestamp vs. the Event Timestamp. The Submission Timestamp is calculated based on when the swap message is received by KOR SDR and has passed KOR SDR validations. Business Days means the twenty-four-hour day, on all days except Saturdays, Sundays, and legal holidays, in the location of the reporting party or registered entity reporting data for the swap. For Reporting Counterparties, the US Federal Holiday calendar and Eastern time is used unless the Client that is the Reporting Counterparty provided a different calendar, in which their local calendar and time zone are used.

References: CFTC Rule(s) §45.4(a) and 43.2.

5.2.1 Continuation data reporting for original swaps

For each original swap, the DCO shall report required swap continuation data, including terminations, electronically to the Swap Data Repository to which the swap that was accepted for clearing was reported. Such required swap continuation data shall be accepted and recorded by KOR SDR when KOR SDR possesses the original swap report.

The DCO that accepted the swap for clearing shall report all life-cycle event data electronically to a Swap Data Repository not later than the end of the next Business Day following the day that any life-cycle event occurs with respect to the swap.

In addition to all other required swap continuation data, life-cycle event data shall include all of the following:

- a. The legal entity identifier of the Swap Data Repository to which all required swap creation data for each clearing swap was reported by the DCO;
- b. The unique transaction identifier of the original swap that was replaced by the clearing swaps; and
- c. The unique transaction identifier of each clearing swap that replaces a particular original swap.

The KOR SDR Technical Specifications defines the format of the original swap termination message.

KOR SDR shall provide the Commission and the Reporting Counterparty, or their Delegated Reporter with a daily report of all swaps reported two Business Days¹⁰ prior that were submitted with the value of “I” for the field “Cleared” and have not been terminated. As KOR SDR does not know the identity of the Clearing Organization, it is the duty of the Reporting Counterparty, to contact the Clearing Organization to correct the data.

References: CFTC Rule(s) §45.4(b), 45.4(b)(1), 45.4(b)(2), 45.4(b)(2)(i), 45.4(b)(2)(ii), and 45.4(b)(2)(iii).

5.2.2 Life-cycle event data reporting

5.2.3 Reporting Counterparty is a SD, MSP, or DCO

If the Reporting Counterparty is a SD, MSP, or DCO, the Reporting Counterparty shall report life-cycle event data electronically to KOR SDR per the KOR SDR Technical Specifications not later than the end of the next Business Day following the day that any life-cycle event occurred, with the sole exception that life-cycle event data relating to a corporate event of the non-Reporting Counterparty shall be reported not later than the end of the second Business Day following the day that such corporate event occurred.

References: CFTC Rule(s) §45.4(c)(1)(i).

5.2.4 Reporting Counterparty is a non-SD/MSP/DCO

If the Reporting Counterparty is a non-SD/MSP/DCO counterparty, the Reporting Counterparty shall report life-cycle event data electronically to KOR SDR per the KOR SDR Technical Specifications not later than the end of the second Business Day following the day that any life-cycle event occurred.

References: CFTC Rule(s) §45.4(c)(1)(ii).

5.2.5 Valuation, margin, and collateral data reporting

If the Reporting Counterparty is a SD, MSP, or DCO, swap valuation data shall be reported electronically to KOR SDR per the KOR SDR Technical Specifications each Business Day.

If the Reporting Counterparty is a SD or MSP, collateral data shall be reported electronically to KOR SDR per the KOR SDR Technical Specifications each Business Day.

¹⁰ Per US Federal Holidays and Eastern Prevailing Time

KOR SDR shall provide the Commission and the Reporting Counterparty¹¹, or their Delegated Reporter with a daily report of all open swaps reported two calendar days prior or earlier that did not have valuation data reported the previous Business Day. The same report will be provided for collateral data. It is the duty of the Reporting Counterparty, or their third-party representative to review these reports and identify any systematic issues in reporting that need to be resolved and make necessary updates as soon as practicable.

Valuation and collateral data are only recorded as reported when the message has passed all KOR SDR validations. Business Days means the twenty-four-hour day, on all days except Saturdays, Sundays and legal holidays, in the location of the reporting party or registered entity reporting data for the swap. For Reporting Counterparties, the US Federal Holiday calendar and Eastern time is used unless the Client that is the Reporting Counterparty provided a different calendar, in which their local calendar and time zone are used.

References: CFTC Rule(s) §45.4(c)(2)(i) and 45.4(c)(2)(ii).

5.3 The determination of which counterparty is the Reporting Counterparty for each swap

The determination of which counterparty is the Reporting Counterparty for each swap shall be made as provided:

- a. If only one counterparty is a SD, the SD shall be the Reporting Counterparty.
- b. If neither counterparty is a SD, and only one counterparty is a MSP, the MSP shall be the Reporting Counterparty.
- c. If both counterparties are non-SD/MSP/DCO counterparties, and only one counterparty is a financial entity as defined in CEA section 2(h)(7)(C), the counterparty that is a financial entity shall be the Reporting Counterparty.
- d. If both counterparties are SDs, or both counterparties are MSPs, or both counterparties are non-SD/MSP/DCO counterparties that are financial entities as defined in CEA section 2(h)(7)(C), or both counterparties are non-SD/MSP/DCO counterparties and neither counterparty is a financial entity as defined in CEA section 2(h)(7)(C):
 - i. For a swap executed on or pursuant to the rules of a SEF or DCM, the counterparties shall agree which counterparty shall be the Reporting Counterparty.
 - ii. For an Off-Facility Swap, the counterparties shall agree as one term of their swap which counterparty shall be the Reporting Counterparty.

¹¹ Not applicable to non-SD/MSP/DCO Clients.

- e. Notwithstanding the provisions of (a) through (d) of this section, if both counterparties to a swap are non-SD/MSP/DCO counterparties and only one counterparty is a U.S. person, that counterparty shall be the Reporting Counterparty.
- f. Notwithstanding the provisions of paragraphs (a) through (e) of this section, if neither counterparty to a swap is a U.S. person, but the swap is executed on or pursuant to the rules of a SEF or DCM or otherwise executed in the United States, or is cleared by a DCO:
 - g. For such a swap executed on or pursuant to the rules of a SEF or DCM, the counterparties shall agree which counterparty shall be the Reporting Counterparty.
 - h. For an Off-Facility Swap, the counterparties shall agree as one term of their swap which counterparty shall be the Reporting Counterparty.
 - i. If a Reporting Counterparty selected pursuant to paragraphs (a) through (f) of this section ceases to be a counterparty to a swap due to an assignment or Novation, the Reporting Counterparty for reporting of required swap continuation data following the assignment or Novation shall be selected from the two current counterparties as provided in paragraphs (g)(i) through (iv) of this section.
 - j. If only one counterparty is a SD, the SD shall be the Reporting Counterparty and shall fulfill all counterparty reporting obligations.
 - k. If neither counterparty is a SD, and only one counterparty is a MSP, the MSP shall be the Reporting Counterparty and shall fulfill all counterparty reporting obligations.
 - iii. If both counterparties are non-SD/MSP/DCO counterparties, and only one counterparty is a U.S. person, that counterparty shall be the Reporting Counterparty and shall fulfill all counterparty reporting obligations.
 - iv. In all other cases, the counterparty that replaced the previous Reporting Counterparty by reason of the assignment or Novation shall be the Reporting Counterparty, unless otherwise agreed by the counterparties.
 - l. For all swaps executed on or pursuant to the rules of a SEF or DCM, the rules of the SEF or DCM must require each swap counterparty to provide sufficient information to the SEF or DCM to enable the SEF or DCM to report all required swap creation data as provided in 45.8.
 - m. For all swaps executed on or pursuant to the rules of a SEF or DCM, the rules of the SEF or DCM must require each swap counterparty to provide sufficient information to the SEF or DCM to enable the SEF or DCM to report all required swap creation data.
 - n. Notwithstanding the provisions of paragraphs (a) through (h) of this section, if the swap is a clearing swap, the DCO that is a counterparty to such swap shall be the Reporting Counterparty and shall fulfill all Reporting Counterparty obligations for such swap.
 - o. As no information regarding the designation of the counterparties (i.e., SD, MSP, or US Person) is included on the swap message per the KOR SDR Technical Specifications, KOR SDR shall not validate which party should be designated the reporting party.

References: CFTC Rule(s) §45.8, §45.8(a), §45.8(b), 45.8(c), 45.8(d), 45.8(d)(1), 45.8(d)(2), 45.8(e), 45.8(f), 45.8(f)(1), 45.8(f)(2), 45.8(g), 45.8(g)(1), 45.8(g)(2), 45.8(g)(3), 45.8(g)(4), 45.8(g)(5), 45.8(h), and 45.8(i).

5.4 Third-party facilitation of data reporting

Registered entities and Reporting Counterparties required to report required swap creation data or required swap continuation data, while remaining fully responsible for reporting, may contract with Delegated Reporters to facilitate reporting.

References: CFTC Rule(s) §45.9.

5.5 Reporting to a single Swap Data Repository

All Swap Transaction and Pricing Data and Swap Data for a given swap shall be reported to a single Swap Data Repository, which shall be the Swap Data Repository to which the first report of such data is made, unless the Reporting Counterparty changes the Swap Data Repository.

References: CFTC Rule(s) §45.10.

5.5.1 Swaps executed on or pursuant to the rules of a SEF or DCM

To ensure that all Swap Transaction and Pricing Data, and Swap Data for a swap executed on or pursuant to the rules of a SEF or DCM is reported to a single Swap Data Repository:

- a. The SEF or DCM shall report all Swap Transaction and Pricing Data and required swap creation data for a swap to a single Swap Data Repository. ASATP after execution of the swap, the SEF or DCM shall transmit to both counterparties to the swap, and to the DCO, if any, that will clear the swap, the identity of the Swap Data Repository to which such data is reported.
- b. Thereafter, all Swap Transaction and Pricing Data, required swap creation data, and required swap continuation data for the swap shall be reported to that same Swap Data Repository, unless the Reporting Counterparty changes the designated Swap Data Repository.

References: CFTC Rule(s) §45.10(a), 45.10(a)(1), and 45.10(a)(2).

5.5.2 Off-Facility Swaps that are not clearing swaps

To ensure that all Swap Transaction and Pricing Data and Swap Data for an Off-Facility Swap that is not a clearing swap is reported to a single Swap Data Repository:

- a. 56=The Reporting Counterparty shall report all Swap Transaction and Pricing Data and required swap creation data to a single Swap Data Repository. ASATP after execution, the Reporting Counterparty shall transmit to the other counterparty to the swap, and to the DCO, if any, that will clear the swap, the identity of the Swap Data Repository to which such data is reported.
- b. Thereafter, all Swap Transaction and Pricing Data, required swap creation data, and required swap continuation data for the swap shall be reported to the same Swap Data Repository, unless the

Reporting Counterparty changes the Swap Data Repository to which such data is changed to another SDR.

References: CFTC Rule(s) §45.10(b), 45.10(b)(1), and 45.10(b)(2).

5.5.3 Clearing swaps

To ensure that all Swap Transaction and Pricing Data and Swap Data for a given clearing swap, including clearing swaps that replace a particular original swap or that are created upon execution of the same transaction and that do not replace an original swap, is reported to a single Swap Data Repository:

- a. The DCO that is a counterparty to such clearing swap shall report all Swap Transaction and Pricing Data and required swap creation data for that clearing swap to a single Swap Data Repository. ASATP after acceptance of an original swap for clearing, or execution of a clearing swap that does not replace an original swap, the DCO shall transmit to the counterparty to each clearing swap the identity of the Swap Data Repository to which such data is reported.
- b. Thereafter, all Swap Transaction and Pricing Data, required swap creation data and required swap continuation data for that clearing swap shall be reported by the DCO to the same Swap Data Repository to which Swap Data has been reported, unless the Reporting Counterparty changes the Swap Data Repository to which such data is reported.
- c. For clearing swaps that replace a particular original swap, and for equal and opposite clearing swaps that are created upon execution of the same transaction and that do not replace an original swap, the DCO shall report all Swap Transaction and Pricing Data, required swap creation data, and required swap continuation data for such clearing swaps to a single Swap Data Repository.

References: CFTC Rule(s) 45.10(c), 45.10(c)(1), 45.10(c)(2), and 45.10(c)(3).

5.6 Change of Swap Data Repository

A Reporting Counterparty may change the Swap Data Repository to which Swap Transaction and Pricing Data and Swap Data is reported.

References: CFTC Rule(s) §45.10(d).

5.6.1 SDR Porting: Notifications

At least five Business Days prior to changing the Swap Data Repository to which the Reporting Counterparty reports Swap Transaction and Pricing Data and Swap Data for a swap, the Reporting Counterparty shall provide notice of such change to the other counterparty to the swap, the Swap Data Repository to which Swap Transaction and Pricing Data and Swap Data is currently reported, and the Swap Data Repository to which Swap Transaction and Pricing Data and Swap Data will be reported going forward. Such notification shall include the unique transaction identifier of the

swap and the date on which the Reporting Counterparty will begin reporting such Swap Transaction and Pricing Data and Swap Data to a different Swap Data Repository.

References: CFTC Rule(s) §45.10(d)(1).

5.6.2 KOR SDR Porting: Procedure

After providing the required notifications, the Reporting Counterparty shall follow KOR SDR's procedure as defined in the KOR SDR Rulebook, Technical Specifications, and User Guide to complete the change of Swap Data Repository.

The Reporting Counterparty shall report the change of Swap Data Repository to the Swap Data Repository to which the Reporting Counterparty is currently reporting Swap Transaction and Pricing Data and Swap Data as a life-cycle event.

On the same day that the Reporting Counterparty reports required swap continuation data, the Reporting Counterparty shall also report the change of Swap Data Repository to the Swap Data Repository to which Swap Transaction and Pricing Data and Swap Data will be reported going forward as a life-cycle event for such swap. The required swap continuation data report shall identify the swap using the same unique transaction identifier used to identify the swap at the previous Swap Data Repository.

Thereafter, all Swap Transaction and Pricing Data, required swap creation data, and required swap continuation data for the swap shall be reported to the same Swap Data Repository, unless the Reporting Counterparty for the swap makes another change to the Swap Data Repository to which such data is reported.

References: CFTC Rule(s) §45.10(d)(2), 45.10(d)(2)(i), 45.10(d)(2)(ii), and 45.10(d)(2)(iii).

5.6.3 Changing Swap Data Repository to KOR SDR

In order to port in swaps to KOR SDR:

- a. At least five Business Days prior to porting into KOR SDR, the Client must provide notification in writing to KOR SDR of their intention to port in (support@korfinancial.com). Such notification shall include:
 - i. The UTIs of the swaps porting;

- ii. Planned porting date;¹² and
 - iii. Indication if the Client is porting all swaps or only open swaps.
- b. Execute of the KOR Universal Services Agreement and applicable Addendums.
- c. Administrative User must set up all User access.
- d. Client must complete testing including the porting in of applicable swaps in a non-production environment.
- e. Client must complete all steps and port out trades from their current SDR on the same date trades are ported into KOR SDR.¹³
- f. All ported in swaps shall be reported with [Action type] = 'NEWT' and [Event type] = 'PORT'. Note that the transaction is reported using the same UTI and same execution timestamp.
 - i. KOR only accept open swaps for porting in by a Client.
 - ii. All swaps must be the current KOR SDR Technical Standards.
 - iii. All swaps shall be reported in their current state.

5.6.4 Changing Swap Data Repository out of KOR SDR

In order to port out swaps from KOR SDR:

- a. At least five Business Days prior to porting out of KOR SDR, the Client must provide notification in writing to KOR SDR of their intention to port out (support@korfinancial.com). Such notification shall include:
 - i. The UTIs of the swaps porting;
 - ii. Planned porting date;¹⁴ and
 - iii. Indication if the Client is porting all swaps or only open swaps.
- b. Prior to the date the Client is porting out data, the Client must test their port out messages in a KOR SDR non-production environment.
- c. For all swaps that are being ported out, the Reporting Counterparty submits a continuation data report that includes the field values: [Action type] = 'PRTO', [Event type] = 'PORT' and

¹² KOR SDR has the right to request the Client select another date if they need KOR Client support if KOR has already committed support to other activities (e.g., other porting Clients, technical release, systems testing, or holiday schedules).

¹³ A Client may elect to start submitting new swaps to KOR SDR prior to porting in all open swaps.

¹⁴ KOR SDR has the right to request the Client select another date if they need KOR Client support if KOR has already committed support to other activities (e.g., other porting Clients, technical release, systems testing, or holiday schedules).

[New SDR identifier] = 'LEISDR2'. This three-value combination is an indication that this transaction (UTI) will no longer be reported, effectively removing the active transaction from KOR SDR.

- d. The Client must verify all open swaps have been ported out and all open errors resolved.

6. Client data reporting standards regarding CFTC Rule Part 45

6.1 Part 45: Data reported to Swap Data Repositories

In reporting required swap creation data and required swap continuation data to KOR SDR, each Reporting Counterparty, SEF, DCM, and DCO shall report the Swap Data elements in part 45 appendix 1 in the form and manner provided in the technical specifications published by the Commission. In addition, the submitting Client shall report any additional fields as prescribed by KOR SDR in the form and manner provided in the KOR Technical Specifications.

In reporting required swap creation data and required swap continuation data to KOR SDR, each Reporting Counterparty, SEF, DCM, and DCO making such report shall satisfy the Swap Data Validation Procedures of KOR SDR.

In reporting Swap Data to KOR SDR, each Reporting Counterparty, SEF, DCM, and DCO shall use the facilities, methods, or data standards provided or required by KOR SDR.

The fields, validations, and methods are published in the [KOR SDR Technical Specifications](#).

References: CFTC Rule(s) §45.13(a)(1), 45.13(a)(2), and 45.13(a)(3).

6.2 Part 45: Data Validation Acceptance Message

KOR SDR shall validate SDR Data ASATP after such data is accepted according to the validation conditions set forth by the Commission in the SDR Technical Specifications and any other validations KOR SDR deems necessary to meet the SDR Regulations.

For each required swap creation data or required swap continuation data report submitted to KOR SDR, the KOR Swap Data Repository shall notify the Reporting Counterparty, SEF, DCM, DCO, or Delegated Reporter submitting the report whether the report satisfied the Swap Data validation procedures. KOR SDR shall provide such notification ASATP after accepting the required swap creation data or required swap continuation data report.

If the submitted SDR Data contains one or more data validation errors, KOR SDR shall distribute a Data Validation Error Message to the Client that submitted such SDR Data ASATP after acceptance of such data. Each Data Validation Error Message shall indicate which specific data validation error(s) were identified in the SDR Data. Where technologically practicable, KOR SDR

will process all validations for the submission and return all applicable validation errors to the Client.

If a required swap creation data or required swap continuation data report to KOR SDR does not satisfy the Data Validation Procedures of KOR SDR, the Reporting Counterparty, SEF, DCM, or DCO required to submit the report has not yet satisfied its obligation to report required swap creation or continuation data within the timelines set forth in CFTC Rule(s) 45.3 and 45.4. The Reporting Counterparty, SEF, DCM, or DCO has not satisfied its obligation until it submits the required Swap Data report per the KOR SDR Technical Specifications which includes the requirement to satisfy the Data Validation Procedures of KOR SDR, within the applicable time deadline set forth in CFTC Rule(s) 45.3 and 45.4.

KOR SDR will not accept a joint submission of Swap Transaction and Pricing Data and Swap Data. Part 43 and 45 messages must be submitted independently but provide the required information to tie the two to the same UTI.

References: CFTC Rule(s) §49.10(c), 45.13(b)(1), 49.10(c)(2), 45.13(b)(2), and 49.10(c)(3).

7. Part 45: Correcting errors in Swap Data and verification of Swap

Data accuracy

7.1 Part 45: Correction of errors

Any SEF, DCM, or Reporting Counterparty that by any means becomes aware of any error relating to Swap Data that it was required to report shall correct the error. To correct an error, the SEF, DCM, or Reporting Counterparty shall submit complete and accurate Swap Data to KOR SDR or completely and accurately report Swap Data for a swap that was not previously reported to a Swap Data Repository, as applicable. The requirement to correct any error applies regardless of the state of the swap that is the subject of the Swap Data, including a swap that has terminated, matured, or otherwise is no longer considered to be an open swap. The KOR User Guide outlines how Clients must report corrections to archived swaps.

References: CFTC Rule(s) §45.14(a)(1).

7.1.1 Part 45: Timing requirement for correcting errors

The SEF, DCM, or Reporting Counterparty shall correct any error ASATP after discovery of the error. In all cases, errors shall be corrected within seven Business Days after discovery. Any error that a Reporting Counterparty discovers or could have discovered during the verification process is considered discovered as of the moment the Reporting Counterparty began the verification process during which the error was first discovered or discoverable.

References: CFTC Rule(s) §45.14(a)(1)(i).

7.1.2 Part 45: Notification of failure to timely correct

If the SEF, DCM, or Reporting Counterparty will, for any reason, fail to timely correct an error, the SEF, DCM, or Reporting Counterparty shall notify the Commission in the manner and timeframe prescribed by the Commission.

In the case that the submitting Client believes the issue in correcting data to be related to the KOR SDR Technical Specification validations, the UPI not being available, the KOR SDR validations, or any issue with submitting data to KOR SDR where the Client believes the issue is internal to the KOR system, the Client is required to notify KOR SDR Client support (support@korfinancial.com) as soon as practicable but not later than the Business Day following the discovery.

References: CFTC Rule(s) §45.14(a)(1)(ii).

7.1.3 Part 45: Form and manner for error correction

A SEF, DCM, or Reporting Counterparty shall conform to KOR SDR's technical specifications created for the correction of errors.

References: CFTC Rule(s) §45.14(a)(1)(iii).

7.1.4 Part 45: Non-Reporting Counterparties

Any non-Reporting Counterparty that by any means becomes aware of any error in the Swap Data for a swap to which it is the non-Reporting Counterparty, shall notify the Reporting Counterparty for the swap of the error ASATP after discovery, but not later than three Business Days following discovery of the error. If the non-Reporting Counterparty does not know the identity of the Reporting Counterparty, the non-Reporting Counterparty shall notify the SEF or DCM where the swap was executed of the error ASATP after discovery, but no later than three Business Days following the discovery. Such notice from the non-Reporting Counterparty to the SEF, DCM, or Reporting Counterparty constitutes discovery.

References: CFTC Rule(s) §45.14(a)(2).

7.1.5 Part 45: Exception

The requirements to correct errors only apply to errors in Swap Data relating to swaps for which the record retention period under CFTC Rule § 45.2 has not expired as of the time the error is discovered. Errors in Swap Data relating to swaps for which the record retention periods under CFTC Rule § 45.2 have expired at the time that the errors are discovered are not subject to the

requirements to correct errors. If a Client attempts to submit a swap that is past the retention period, the message shall fail KOR SDR validations.

References: CFTC Rule(s) §45.14(a)(3).

7.2 Part 45: Verification that Swap Data is complete and accurate

KOR Swap Data Repository shall verify the accuracy and completeness of Swap Data that it receives from Clients.

Each Reporting Counterparty shall verify that there are no errors in the Swap Data for all open swaps that the Reporting Counterparty reported, or was required to report, to a Swap Data Repository.

KOR SDR shall provide Clients with a positive acknowledgement (“ACK”) or negative acknowledgement (“NACK”) for all messages submitted to KOR SDR including a detailed error message for all NACKS that identifies what validations failed. It is the duty of the Client to monitor and correct these errors. Clients will have access to a report of all open error messages that shall be reviewed and resolved ASATP. If a message was submitted in error and failed validations, the Client must correct and resubmit the message until it passes all validations per the KOR Technical Specifications.

References: CFTC Rule(s) §45.14(b) and 49.11(a).

7.2.1 Part 45: Method of verification

KOR SDR shall provide an open swaps report to all Clients and their Delegated Reporters or Authorized Access Clients when applicable. This report will provide the User with a view of the most recent validated and accepted open swaps for which they have access for each field that was required to be reported per Part 45 of CFTC rules where the Client is the Reporting Counterparty. This information will allow Clients to successfully perform Swap Data verification required under CFTC Rule § 45.14

Each Reporting Counterparty shall utilize this mechanism for verification. The Client must compare all Swap Data in the open swaps verification report with all Swap Data contained in the Reporting Counterparty's internal books and records for each swap, to verify that there are no errors in the relevant Swap Data maintained by KOR SDR. In the event the Client identifies an error, including but not limited to: (1) an invalid field value, (2) a missing field value, (3) an incorrect UTI, (4) a swap that is not reported, (5) a swap that is closed that should be open, (6) a swap that is open that should be closed, (7) a swap that is reported that should not have been reported, or (8) a swap who's counterparty's identifier should be updated; then the Client is required to resubmit and correct the UTI(s). After submitting all of the corrections, the Client is

required to re-execute the open swaps verification report and verify the identified swaps are now correct. This process shall not be re-executed after each individual swap is corrected, but instead after the Client believes all incorrect swaps have been corrected. This process shall be repeated until the Client has verified that the open swaps report is in line with their internal books and records.

Notwithstanding the foregoing, a Reporting Counterparty is not required to verify the accuracy and completeness of any Swap Data to which the Reporting Counterparty is not permitted access under the Act or Commission regulations, including, but not limited to, CFTC Rule §49.17. KOR SDR is required to adhere to all applicable confidentiality requirements of the CEA and Part 49 of CFTC rules, including, but not limited to, CFTC Rule §49.17. The Swap Data accessible to any Reporting Counterparty or their Delegated Reporter or Authorized Access Client shall not include any Swap Data that the relevant Reporting Counterparty is prohibited to access under any Commission regulation.

In particular, under CFTC Rule 49.17(f), KOR may not permit either counterparty, third party reporter, agent or clearing member to access the opposing counterparty LEI or counterparty clearing member for cleared swaps executed anonymously on a SEF or DCM.

As the Client does not provide feedback to KOR SDR that they have executed or completed the verification process, KOR SDR shall not produce any reports as to the Reporting Counterparty's compliance with CFTC Rule 45.14.

References: CFTC Rule(s) §45.14(b)(1), 45.14(b)(2), 49.11(b)(1), 49.11(b)(2), and 49.11(b)(3).

7.2.2 Part 45: Verification policies and procedures

In performing verification as required, each Reporting Counterparty shall conform to KOR SDR Rule: [Part 45: Method of verification](#). If a Reporting Counterparty utilizes a Delegated Reporter or Authorized Access Client to perform verification, the Reporting Counterparty shall require the Delegated Reporter or Authorized Access Client to conform to the same policies and procedures while performing verification on behalf of the Reporting Counterparty.

References: CFTC Rule(s) §45.14(b)(2), 49.11(c)(1), and 49.11(c)(2).

7.2.3 Part 45: Correcting errors

Any and all errors discovered during the verification process shall be corrected.

References: CFTC Rule(s) §45.14(b)(3).

7.2.4 Part 45: Frequency

Each Reporting Counterparty shall perform verification at a minimum:

- a. If the Reporting Counterparty is a SD, MSP, or DCO, once every thirty calendar days; or
- b. If the Reporting Counterparty is a non-SD/MSP/DCO, once every calendar quarter, provided that there are at least two calendar months between verifications.

KOR SDR shall allow each Reporting Counterparty that is a Client to utilize the verification with at least sufficient frequency to allow them to perform the Swap Data verification required under CFTC Rule §45.14. If usage becomes excessive, KOR SDR has the right to review the Client's data verification procedures and/or limit access as is deemed appropriate.

References: CFTC Rule(s) §45.14(b)(4) 45.14(b)(4)(i), 45.14(b)(4). 45.14(b)(4)(ii), and 49.11(b)(4).

7.2.5 Part 45: Delegated Reporters and Authorized Access Clients

Where a Reporting Client has notified KOR SDR and systematically granted access to a Delegated Reporter or Authorized Access Client, the Delegated Reporter or Authorized Access Client will be provided with the same data access as Reporting Counterparty. The access for the Delegated Reporter or Authorized Access Client shall be in addition to the access for the Reporting Counterparty. The Client is responsible for granting and revoking access to the Delegated Reporter or Authorized Access Client when appropriate.

Reference the User Guide for instructions detailing how each Client can grant and revoke access regarding a Delegated Reporter or Authorized Access Client.

References: CFTC Rule(s) §49.11(b)(5).

7.2.6 Part 45: Verification log

Each Reporting Counterparty shall keep a log of each verification that it performs. For each verification, the log shall include all errors discovered during the verification, and the corrections performed. This requirement is in addition to any other applicable Reporting Counterparty recordkeeping requirement.

References: CFTC Rule(s) §45.14(b)(5).

7.2.7 Part 45: Error defined

For the purposes of data verification, there is an error when Swap Data is not completely and accurately reported. This includes, but is not limited to, the following circumstances:

- a. Any of the Swap Data for a swap reported to KOR SDR is incorrect or any of the Swap Data that is maintained by KOR SDR differs from any of the relevant Swap Data contained in the books and records of a party to the swap.

- b. Any of the Swap Data for a swap that is required to be reported to a Swap Data Repository or to be maintained by a Swap Data Repository is not reported to a Swap Data Repository or is not maintained by a Swap Data Repository as required by this part.
- c. None of the Swap Data for a swap that is required to be reported to a Swap Data Repository or to be maintained by a Swap Data Repository is reported to KOR SDR or is maintained by KOR SDR.
- d. Any of the Swap Data for a swap that is no longer an Open Swap is maintained by KOR SDR as if the swap is still an open swap.

References: CFTC Rule(s) §45.14(c)(1), 45.14(c)(1)(i), 45.14(c)(1)(ii), 45.14(c)(1)(III), and 45.14(c)(1)(iv).

7.2.8 Part 45: Presumption

There is a presumption that an error exists if the Swap Data that is maintained and disseminated by KOR SDR for a swap is not complete and accurate. This includes, but is not limited to, the Swap Data that KOR SDR makes available to the Reporting Counterparty for verification.

References: CFTC Rule(s) §45.14(c)(2).

8. KOR SDR duties and obligations regarding CFTC Rule Part 45 data

8.1 Accept SDR data

KOR SDR accepts, validates, and promptly records all SDR Data and other required information for all swaps in its approved Asset Classes. KOR SDR has been approved to offer services in the following Asset Classes: Interest rate, credit, foreign exchange, equity and other commodity. KOR provides access to the KOR SDR Services to all Market Participants for swaps in the aforementioned Asset Classes on a non-discriminatory basis.

As a general matter, entities reporting SDR Data to KOR SDR are required to report all fields required by Part 43 and Part 45 of the Commission regulations, as applicable, and in accordance with the CFTC Technical Specification¹⁵ in addition to any additional fields prescribed by KOR and defined in the KOR SDR Technical Specifications.

¹⁵ The CFTC Technical Specification is available on the CFTC's website. As of this date, the latest version of the CFTC Technical Specification is available at https://www.cftc.gov/media/4891/DMO_Part43_45TechnicalSpecification091720/download.

KOR SDR has established reliable and secure technological protocols that provide for the electronic connectivity between KOR SDR and its Clients. Such protocols provide for the receipt of SDR Data and can be found in the [SDR User Guide and KOR Technical Specifications](#).

References: CFTC Rule(s) §49.10(a)(1), 49.10(b), and 49.10(a)(2).

8.2 Validate SDR D

KOR is responsible for validating SDR Data ASATP after such data is accepted in accordance with the validation conditions set forth by the Commission in CFTC Rule 49.10(c) and the KOR SDR Technical Specifications. In addition, and at the discretion of KOR, KOR may adopt additional validation requirements as KOR deems necessary to meet its regulatory and compliance obligations as an SDR.

More specifically, KOR is responsible for validating each SDR Data report submitted to KOR SDR and notifying the Client submitting the report whether the report satisfied KOR's Data Validation Procedures ASATP after accepting the SDR Data report.

If the submitted SDR Data contains one or more data validation errors, KOR is responsible for distributing a Data Validation Error Message to the Client that submitted such SDR Data ASATP after acceptance of such data. Each Data Validation Error Message must indicate which specific data validation error(s) was identified in the SDR data. Where technologically practicable, KOR SDR will process all validations for the submission and return all applicable validations errors to the Client.

KOR SDR will not accept a joint submission of Swap Transaction and Pricing Data under Part 43 and Swap Data under Part 45 of CFTC rules. Instead, KOR will require Clients to submit Part 43 and 45 messages independently but provide the required information to tie the two to the same UTI.

References: CFTC Rule(s) §49.10(c), 49.10(c)(1), 45.13(b), 43.3(f)(1), 49.10(c)(2), and 49.10(c)(3).

8.3 Prevent invalidation or modification of data

KOR SDR has established systems and User access restrictions reasonably designed to prevent any provision in a valid swap from being invalidated or modified through its verification or recording process. Client Agreements contain language intended to prevent any such invalidation or modification.

References: CFTC Rule(s) §49.10(d).

8.4 Error corrections

KOR has implemented systemic measures to help ensure that all Client submissions are accurately reflected in KOR SDR. The onus lies on the Client to flag all submissions with the applicable Action and Event type. Amended records are saved as a new version while keeping the older version(s) for tracking changes that occurred on the trade. KOR employs active monitoring and alerting of system component general health and specific processes to ensure the continuous operation of data processing. Specifically:

- a. All message processing errors and exceptions at the message level are logged and monitored 24/7 by the monitoring system.
- b. Monitoring and alerting if the database/application server and other processes are down or unreachable.

KOR SDR shall accept error corrections for SDR Data. Error corrections include corrections to errors and omissions in SDR Data previously reported to KOR SDR pursuant to CFTC Regulations Part 43, 45, or 46, as well as omissions in reporting SDR Data for swaps that were not previously reported to a Swap Data Repository as required under CFTC Regulations Part 43, 45, or 46. The requirement to accept error corrections applies for all swaps, regardless of the state of the swap that is the subject of the SDR Data. This includes swaps that have terminated, matured, or are otherwise no longer considered to be open swaps, provided that the record retention period under § 49.12(b)(2) has not expired as of the time the error correction is reported.

KOR SDR shall record the corrections, as soon as technologically practicable after KOR SDR accepts the error correction. Where a correction is made to a Part 43 message, KOR to disseminate the corrected data as soon as technologically practicable after KOR records the corrected data.

All error corrections are recorded in accordance with KOR's recordkeeping policies and procedures. KOR SDR disseminates corrected data to the public and the CFTC, as applicable, in accordance with its dissemination policies and procedures.

References CFTC Rule §49.10(e)(1), 49.10(e)(2), 49.10(e)(3), and 49.10(e)(4).

8.5 KOR SDR Recordkeeping requirements

KOR SDR shall maintain:

- a. Full, complete, and systematic records, together with all pertinent data and memoranda, of all activities relating to the business of KOR SDR, including, but not limited to, all SDR Information and all SDR Data that is reported to KOR SDR pursuant to Commission regulations.
- b. A copy of the written policies and procedures, including the code of ethics and conflicts of interest policies adopted in furtherance of compliance with the CEA and Commission regulations;
- c. 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 CFTC Rule

§49.22(f)(1) and the board minutes or similar written record of such review, that record the submission of the annual compliance report to the Board of Directors or senior officer; and

- d. Any records relevant to KOR'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:
 - i. Created, sent, or received in connection with the annual compliance report and
 - ii. Contain conclusions, opinions, analyses, or financial data related to the annual compliance report.

References: CFTC Rule(s) §49.22(g)(1), 49.12(a), 49.22(g)(1)(i), 49.22(g)(1)(ii), 49.22(g)(1)(iii), 49.22(g)(1)(iii)(A), and 49.22(g)(1)(iii)(B).

8.5.1 Maintenance of records

KOR SDR shall maintain all SDR Data and timestamps reported to or created by KOR Swap Data Repository pursuant to this chapter, and all messages related to such reporting, throughout the existence of the swap that is the subject of the SDR Data and for five years following final termination of the swap¹⁶, during which time the records shall be readily accessible by KOR SDR and available to the Commission via real-time electronic access, and for a period of at least ten additional years in archival storage from which such records are retrievable by KOR SDR within three Business Days.

References: CFTC Rule(s) §49.12(b)(1) and 49.12(b)(2).

8.5.2 Records of data errors and omissions

KOR SDR shall create and maintain an accurate record of all reported SDR Data that fails to satisfy KOR SDR's Data Validation Procedures including, but not limited to, all SDR Data reported to KOR SDR that fails to satisfy the data validation procedures, all data validation errors, and all related messages and timestamps. KOR SDR shall make these records available to the Commission on request.

KOR SDR shall create and maintain an accurate record of all SDR Data errors and omissions reported to KOR SDR and all corrections disseminated by KOR SDR pursuant to Parts 43, 45, and 46 of the Commission regulations. KOR SDR shall make these records available to the Commission on request.

References: CFTC Rule(s) §49.12(c), 49.12(c)(1) and 49.12(c)(2).

¹⁶ In the case the swap had an event that terminated the swap before its original end date, the calculation shall be based on the actual termination date of the swap, not the original.

8.6 Positions

KOR SDR shall calculate Position views of data. These views will include the gross and net notional amount, by leg, for all open swaps. For swaps executed in a notional other than USD, the notional in USD must be submitted for KOR to aggregate open swaps in a single currency, USD. These aggregated views are available by Reporting Counterparty LEI using one or more of the following attributes:

- a. Asset Class
- b. UPI
- c. Underlying instrument
- d. Counterparty

References: CFTC Rule(s) §49.12(e) and 49.2(a).

8.7 Monitoring, screening, and analyzing Swap Data

Under CFTC Rule 49.13, SDRs are required to assist the CFTC in any standing swap surveillance objectives set by the CFTC as well as perform any other monitoring, screening, and analysis tasks upon request by the CFTC. Notwithstanding, KOR SDR is not a “self-regulatory organization” under the CEA or CFTC regulations, and as such, KOR SDR’s role with respect to any such objectives or tasks will be limited to monitoring, screening, and analyzing the SDR Data.

KOR will monitor, screen, and analyze SDR Data for the purpose of any standing swap surveillance objectives¹⁷ that the Commission may establish as well as perform specific monitoring, screening, and analysis tasks based on ad hoc requests by the Commission. KOR SDR will only create new custom reports or make changes to existing reports based on Commission requests made in writing and sent to the CCO.

KOR SDR will provide automated reports of invalid, missing, and/or late data. It is the duty of the Clients to monitor these reports and correct data or reporting issues. Where KOR SDR identifies Clients, who are not correcting data or have consistently large numbers of late reports, KOR SDR Compliance department in connection with the Client Services department will contact the Client to work to resolve the issues. The Commission will be granted access to these reports upon request.

References: CFTC Rule(s) §49.13(a) and 49.13(b).

8.8 Reporting Clearing Exemptions/Exceptions

¹⁷ KOR SDR is not a Self-Regulatory Organization (“SRO”).

Market Participants have the obligation to report clearing exemption/exception elections.

KOR SDR shall provide Clients with a User Interface to submit and review Clearing Exemption/Elections as defined in CFTC Regulation §50.50(b) and §50.52(c) annually per CFTC Regulation §50.52(d). When a swap is mandatory clearable, but not cleared, then the parties that have elected a clearing exemption/election are required to indicate which parties are electing what exemption per the KOR Technical Specifications.

8.9 Monitoring, screening, and analyzing end user clearing exemption claims

Market Participants have the obligation to report clearing exemption/exception elections.

Clients and the Commission will have the ability to query and filter swaps based on the reported fields “Clearing exceptions and exemptions - Counterparty 1” and “Clearing exceptions and exemptions - Counterparty 2” per the list of values provided in the KOR SDR Technical Specification. These fields must be populated on all trades which are not cleared and are mandatory clearable.

KOR SDR shall provide Clients with a User Interface to submit and review Clearing Exemption/Elections as defined in CFTC Regulation §50.50(b) and §50.52(c) annually per CFTC Regulation §50.52(d). The Commission will have access to electronically view the submitted forms.

KOR SDR systems will be able to also identify, aggregate, and sort swaps exempt from clearing.

References: CFTC Rule(s) §49.14.

9. Client duties and obligations regarding CFTC Rule Part 43 data

9.1 Part 43: Responsibilities to report Swap Transaction and Pricing Data in real-time

The Reporting Counterparty, SEF, or DCM responsible for reporting a swap shall report the Publicly Reportable Swap Transaction to a Swap Data Repository ASATP after execution, subject to CFTC Rule(s) 43.3(a)(2) through (6). Such reporting shall be done in the manner set forth in per the KOR SDR Technical Specifications.

References: CFTC Rule(s) §43.3(a)(1).

9.1.1 Part 43: Swaps executed on or pursuant to the rules of a SEF or DCM

For each swap executed on or pursuant to the rules of a SEF or DCM, the SEF or DCM shall report Swap Transaction and Pricing Data to a Swap Data Repository ASATP after execution.

KOR SDR shall provide the Commission and the SEF, DCM, or their Delegated Reporter with a daily report of all swaps reported for Part 43 that day that did not meet the prescribed timeline. For swaps executed On Facility, KOR SDR shall consider Part 43 messages submitted later than 15 minutes after the Execution Timestamp to be late. The report shall contain the necessary information to identify the swap and the difference in the execution to submitted time. It is the duty of the SEF, DCM, or their Delegated Reporter representative to review these reports and identify any systematic issues in reporting that need to be resolved and make necessary updates as soon as practicable.

Late reporting is based on the KOR SDR calculated Submission Timestamp vs. the Execution Timestamp for the first time KOR SDR receives a Part 43 message for a UTI. The Submission Timestamp is calculated based on when the swap is first received by KOR SDR and has passed all KOR SDR validations.

References: CFTC Rule §43.3(a)(2).

9.1.2 Part 43: Off-Facility Swaps

Except as otherwise provided in (a) through (6) of this section, a Reporting Counterparty shall report all Publicly Reportable Swap Transactions that are Off-Facility Swaps to a Swap Data Repository for the appropriate Asset Class in accordance with the rules set forth in this part ASATP after execution. Unless otherwise agreed to by the parties prior to execution, the following shall be the Reporting Counterparty for a Publicly Reportable Swap Transaction that is an Off-Facility Swap:

- a. If only one party is a SD or MSP, then the SD or MSP shall be the Reporting Counterparty;
- b. If one party is a SD and the other party is a MSP, then the SD shall be the Reporting Counterparty;
- c. If both parties are SDs, then the SDs shall designate which party shall be the Reporting Counterparty prior to execution of such swap;
- d. If both parties are MSPs, then the MSPs shall designate which party shall be the Reporting Counterparty prior to execution of such swap; and
- e. If neither party is a SD or a MSP, then the parties shall designate which party shall be the Reporting Counterparty prior to execution of such swap.

References: CFTC Rule(s) §43.3(a)(3), 43.3(a)(3)(i), 43.3(a)(3)(ii), 43.3(a)(3)(iii), 43.3(a)(3)(iv), and 43.3(a)(3)(v).

9.1.3 Part 43: Post-priced swaps

9.1.4 Part 43: Post-priced swaps reporting delays

The Reporting Counterparty may delay reporting a Post-Priced Swap to a Swap Data Repository until the earlier of the price being determined and 11:59:59 p.m. eastern time on the execution date. If the price of a Publicly Reportable Swap Transaction that is a Post-Priced Swap is not determined by 11:59:59 p.m. eastern time on the execution date, the Reporting Counterparty shall report to a Swap Data Repository by 11:59:59 p.m. eastern time on the execution date all Swap Transaction and Pricing Data for such Post-Priced Swap other than the price and any other then-undetermined Swap Transaction and Pricing Data and shall report each such item of previously undetermined Swap Transaction and Pricing Data ASATP after such item is determined. Where the undetermined field is required on submission per the KOR Technical Specifications, the message will fail.

References: CFTC Rule(s) §43.3(a)(4)(i).

9.1.5 Part 43: Other economic terms

The Post-Priced Swap reporting delay does not apply to Publicly Reportable Swap Transactions with respect to which the price is known at execution, but one or more other economic or other terms are not yet known at the time of execution.

References: CFTC Rule(s) §43.3(a)(4)(ii).

9.1.6 Part 43: Clearing swaps

If a clearing swap, is a Publicly Reportable Swap Transaction, the DCO that is a party to such swap shall be the Reporting Counterparty and shall fulfill all Reporting Counterparty obligations for such swap ASATP after execution.

References: CFTC Rule(s) §43.3(a)(5).

9.1.7 Part 43: Prime Broker Swaps

A Mirror Swap is not a Publicly Reportable Swap Transaction. Execution of a Trigger Swap, shall be deemed to occur at the time of the Pricing Event for such Trigger Swap.

With respect to a given set of swaps, if it is unclear which is, or are the mirror swap(s) and which is the related Trigger Swap (including, but not limited to, situations where there is more than one Prime Broker counterparty within such set of swaps and situations where the Pricing Event for each set of swaps occurs between Prime Brokerage Agents of a common Prime Broker), or if under the Prime Brokerage Agency Arrangement, the Trigger Swap would occur between two Prime Brokers, the Prime Broker(s) shall determine which of the Prime Broker Swaps shall be treated as the Trigger Swap and which are mirror swaps.

Trigger Swaps shall be reported in accordance with the following:

- a. Trigger Swaps executed on or pursuant to the rules of a SEF or DCM shall be reported pursuant to CFTC Rule 43.3 (a)(2); and
- b. Off-facility Trigger Swaps shall be reported pursuant to CFTC Rule 43.3 (a)(3), except that if a counterparty to a Trigger Swap is a SD that is not a Prime Broker with respect to that Trigger Swap, then that SD counterparty shall be the Reporting Counterparty for the Trigger Swap.

References: CFTC Rule(s) §43.3(a)(6)(i), 43.3(a)(6)(ii), 43.3(a)(6)(iii), 43.3(a)(6)(iii)(A), and 43.3(a)(6)(iii)(B).

9.1.8 Part 43: Third-party facilitation of data reporting

Any person required to report Swap Transaction and Pricing Data, while remaining fully responsible for reporting, may contract with a Delegated Reporter to facilitate reporting.

References: CFTC Rule(s) §43.3(a)(7).

9.2 Part 43: Public Dissemination of Swap Transaction and Pricing Data by Swap Data repositories in real-time

KOR SDR shall Publicly Disseminate Swap Transaction and Pricing Data ASATP after such data is received from a SEF, DCM, or Reporting Counterparty, unless such Swap Transaction and Pricing Data is subject to a time delay described in CFTC Rule §43.5, in which case the Swap Transaction and Pricing Data shall be Publicly Disseminated in the manner described in CFTC Rule §43.5.

References: CFTC Rule(s) §43.3(b)(1).

9.2.1 Part 43: Prohibitions on disclosure of data

A SEF or DCM shall not disclose Swap Transaction and Pricing Data relating to Publicly Reportable Swap Transactions, prior to the Public Dissemination of such data by a Swap Data Repository unless:

- a. Such disclosure is made no earlier than the transmittal of such data to a Swap Data Repository for Public Dissemination;
- b. Such disclosure is only made to market participants on such SEF or DCM;
- c. Market participants are provided advance notice of such disclosure; and
- d. Any such disclosure by the SEF or DCM is non-discriminatory.

References: CFTC Rule(s) §43.3(b)(3)(i), 43.3(b)(3)(i)(A), 43.3(b)(3)(i)(B), 43.3(b)(3)(i)(C), 43.3(b)(3)(i)(D), 43.3(b)(3)(ii), 43.3(b)(3)(ii)(A), 43.3(b)(3)(ii)(B), 43.3(b)(3)(ii)(C), and 43.3(b)(3)(ii)(D).

10. Client data reporting standards regarding CFTC Rule Part 43

10.1 Part 43: Data reported to KOR SDR

For all transactions which require real-time reporting under Part 43 of CFTC rules, KOR SDR Clients submitting data are required to report all fields required by Appendix A to Part 43 of CFTC rules, in accordance with the KOR SDR Technical Specifications.

In reporting Swap Transaction and Pricing Data to KOR SDR, each Reporting Counterparty, SEF, or DCM making such report shall satisfy the Data Validation Procedures of KOR SDR.

In reporting Swap Transaction and Pricing Data, each Reporting Counterparty, SEF, or DCM shall use the facilities, methods, or data standards required by KOR SDR.

KOR SDR specifies its required fields and validations in the [KOR SDR Technical Specification](#).

References: CFTC Rule(s) §43.3(d)(1), 43.3(d)(2), and 43.3(d)(3).

10.2 Part 43: Correction of errors

10.2.1 Part 43: Swap execution facilities, DCMs, and Reporting Counterparties

Any SEF, DCM, or Reporting Counterparty that by any means becomes aware of any error relating to Swap Transaction and Pricing Data that it was required to report shall correct the error. To correct an error, the SEF, DCM, or Reporting Counterparty shall submit complete and accurate Swap Transaction and Pricing Data to KOR SDR, or completely and accurately report Swap Transaction and Pricing Data for a swap that was not previously reported, as applicable. The requirement to correct any error applies regardless of the state of the swap that is the subject of the Swap Transaction and Pricing Data, including a swap that has terminated, matured, or otherwise is no longer considered to be an open swap.

References: CFTC Rule(s) §43.3(e)(1).

10.2.2 Part 43: Timing requirement for correcting errors

The SEF, DCM, or Reporting Counterparty shall correct any error ASATP after discovery of the error. In all cases, errors shall be corrected within seven Business Days after discovery. Any error that a Reporting Counterparty discovers or could have discovered during the verification process

required under CFTC Rule §45.14(b) is considered discovered as of the moment the Reporting Counterparty began the verification process during which the error was first discovered or discoverable.

References: CFTC Rule(s) §43.3(e)(1)(i).

10.2.3 Part 43: Notification of failure to timely correct

If the SEF, DCM, or Reporting Counterparty will, for any reason, fail to timely correct an error, the SEF, DCM, or Reporting Counterparty shall notify the Commission in the manner and timeframe prescribed by the Commission.

In the case that the submitting Client believes the issue in correcting data to be related to the KOR SDR Technical Specification validations, the UPI not being available, the KOR SDR validations, or any issue with submitting data to KOR SDR where the Client believes the issue is internal to the KOR system, the Client is required to notify KOR SDR as soon as practicable but not later than the Business Day following the discovery.

References: CFTC Rule(s) §43.3(e)(1)(ii).

10.2.4 Part 43: Form and manner for error correction

In order to satisfy the requirements of this section, a SEF, DCM, or Reporting Counterparty shall conform to the KOR SDR Technical Specifications for correction of errors.

KOR SDR will provide Client's access to the following reports for Part 43 data where they were the submitting Client, or their Delegated Reporter submitted on their behalf.

- a. A report on all outstanding errors on Part 43 submissions.
- b. A report on ACKs and NACKs on Part 43 submissions.
- c. A daily report on the Publicly Disseminated message for their Part 43 submissions.
- d. A report on their submitted and validated Part 43 submissions.
- e. A report on the last valid Part 43 message related to all open swaps.

References: CFTC Rule(s) §43.3(e)(1)(iii).

10.2.5 Part 43: Non-Reporting Counterparties

Any non-Reporting Counterparty that by any means becomes aware of any error in the Swap Transaction and Pricing Data for a swap to which it is the non-Reporting Counterparty, shall notify the Reporting Counterparty for the swap of the error ASATP after discovery, but not later than three Business Days following discovery of the error. If the non-Reporting Counterparty does not know the identity of the Reporting Counterparty, the non-Reporting Counterparty shall notify the

SEF or DCM where the swap was executed of the error ASATP after discovery, but no later than three Business Days following the discovery. Such notice from the non-Reporting Counterparty to the SEF, DCM, or Reporting Counterparty constitutes discovery.

References: CFTC Rule(s) §43.3(e)(2).

10.2.6 Part 43: Exception

The requirements to correct errors set forth in CFTC Rule 43.3(e) only apply to errors in Swap Transaction and Pricing Data relating to swaps for which the record retention period under CFTC Rule 45.2 has not expired as of the time the error is discovered. Errors in Swap Transaction and Pricing Data relating to swaps for which the record retention periods under CFTC Rule 45.2 have expired at the time that the errors are discovered are not subject to the requirements to correct errors set forth in CFTC Rule 43.3(e). KOR SDR will not accept the submission of swaps past their retention period.

References: CFTC Rule(s) §43.3(e)(3).

10.2.7 Part 43: Error defined

10.2.7.1 Part 43: Errors

There is an error when Swap Transaction and Pricing Data is not completely and accurately reported. This includes, but is not limited to, the following circumstances:

- a. Any of the Swap Transaction and Pricing Data for a swap reported to KOR SDR is incorrect or any of the Swap Transaction and Pricing Data that is maintained by KOR SDR differs from any of the relevant Swap Transaction and Pricing Data contained in the books and records of a party to the swap.
- b. Any of the Swap Transaction and Pricing Data for a swap that is required to be reported to the Swap Data Repository or to be maintained by a Swap Data Repository is not reported to the Swap Data Repository or is not maintained by the Swap Data Repository as required by this part.
- c. None of the Swap Transaction and Pricing Data for a swap that is required to be reported to a Swap Data Repository or to be maintained by a Swap Data Repository is reported to a Swap Data Repository or is maintained by a Swap Data Repository.
- d. Any of the Swap Transaction and Pricing Data for a swap that is no longer an Open Swap is maintained by KOR SDR as if the swap is still an open swap.

References: CFTC Rule(s) §43.3(e)(4)(i), 43.3(e)(4)(i)(A), 43.3(e)(4)(i)(B), 43.3(e)(4)(i)(C) and 43.3(e)(4)(i)(D).

10.2.7.2 Part 43: Presumption

For the purposes of this section, there is a presumption that an error exists if the Swap Data or the Swap Transaction and Pricing Data that is maintained and disseminated by KOR SDR for a swap is not complete and accurate. This includes, but is not limited to, the Swap Data that KOR SDR makes available to the Reporting Counterparty for verification under CFTC Rule §49.11.

References: CFTC Rule(s) §43.3(e)(4)(ii).

10.3 Part 43: Data Validation Acceptance Message

KOR SDR shall validate each Swap Transaction and Pricing Data report submitted to KOR SDR and notify the Reporting Counterparty, SEF, or DCM submitting the report whether the report satisfied the Data Validation Procedures of KOR SDR ASATP after accepting the Swap Transaction and Pricing Data report. After each submission, the submitting Client will be returned a response message that indicates if the submission was valid or not. Users will also have the ability to query all error messages and submission logs maintained by KOR SDR. All error messages will clearly state what part of the KOR SDR Technical Specifications validations failed.

If a Swap Transaction and Pricing Data report submitted to KOR SDR does not satisfy the Data Validation Procedures of KOR SDR, the Reporting Counterparty, SEF, or DCM required to submit the report has not satisfied its obligation to report Swap Transaction and Pricing Data in the manner provided in the KOR SDR Technical Specifications. The Reporting Counterparty, SEF, or DCM has not satisfied its obligation until it submits the Swap Transaction and Pricing Data report, which satisfies the Data Validation Procedures of KOR SDR.

References: CFTC Rule(s) §43.3(f)(1) and 43.3(f)(2).

10.4 Part 43: Swap Transaction and Pricing Data to be Publicly Disseminated in real-time

10.4.1 Reporting of notional or principal amounts to KOR SDR

10.4.1.1 Part 43: Off-Facility Swaps

The Reporting Counterparty shall report the actual notional or principal amount of any Publicly Reportable Swap Transaction that is an Off-Facility Swap to KOR SDR.

References: CFTC Rule(s) §43.4(d)(1).

10.4.2 Part 43: Swaps executed on or pursuant to the rules of a SEF or DCM

A SEF or DCM shall report the actual notional or principal amount for all swaps executed on or pursuant to the rules of such SEF or DCM to a Swap Data Repository that accepts and Publicly Disseminates such data pursuant to this part.

The actual notional or principal amount for any Block Trade executed on or pursuant to the rules of a SEF or DCM shall be reported to the SEF or DCM pursuant to the rules of the SEF or DCM.

References: CFTC Rule(s) §43.4(d)(2)(i) and 43.4(d)(2)(ii).

10.5 Part 43: Block Trades and large notional Off-Facility Swaps

10.5.1 Part 43: Required notification

As the required time delay for Public Dissemination is based on the registration designation of the counterparties and if the swap is subject to mandatory clearing, this information is required to be submitted per the KOR SDR Technical Specifications.

10.5.2 Part 43: Block Trade election

Block Trades entered into on a trading system or platform, that is not an order book as defined in CFTC Rule §37.3(a)(3) of a SEF, or pursuant to the rules of a SEF or DCM.

- a. If the parties make such an election, the Reporting Counterparty shall notify the SEF or DCM, as applicable, of the parties' election. The parties to a Publicly Reportable Swap Transaction may elect to have a Publicly Reportable Swap Transaction treated as a Block Trade if such swap:
 - i. Is executed on the trading system or platform, that is not an order book as defined in CFTC Rule § 37.3(a)(3) of a SEF, or pursuant to the rules of a SEF or DCM; and
 - ii. That has a notional amount at or above the appropriate minimum block size.
- b. The SEF or DCM, as applicable, shall notify KOR SDR of such a Block Trade election when reporting the Swap Transaction and Pricing Data to KOR SDR in accordance with this part.
- c. The SEF or DCM, as applicable, shall not disclose Swap Transaction and Pricing Data relating to a Block Trade subject to the Block Trade election prior to the expiration of the applicable delay set forth in CFTC Rule §43.5(d).

References: CFTC Rule(s) §43.6(h)(1), 43.6(h)(1)(i), 43.6(h)(1)(i)(A), 43.6(h)(1)(i)(B), 43.6(h)(1)(ii), and 43.6(h)(1)(iii).

10.5.3 Large Notional Off-Facility Swap election

The parties to a Publicly Reportable Swap Transaction that is an Off-Facility Swap and that has a notional amount at or above the Appropriate Minimum Block Size may elect to have the Publicly Reportable Swap Transaction treated as a large notional Off-Facility Swap. If the parties make

such an election, the Reporting Counterparty for such Publicly Reportable Swap Transaction shall notify KOR SDR of the Reporting Counterparty's election when reporting the Swap Transaction and Pricing Data in accordance with this part.

References: CFTC Rule(s) §43.6(h)(2).

10.5.4 Part 43: Special Provisions relating to appropriate minimum block sizes and Cap Sizes

The following special rules shall apply to the determination of appropriate minimum block sizes and Cap Sizes. KOR SDR may require information on the swap submission to indicate when special provisions are invoked in order to accurately create compliance reports on Part 43 data.

References: CFTC Rule(s) §43.6(i).

10.5.5 Swaps with optionality

The notional amount of a swap with optionality shall equal the notional amount of the component of the swap that does not include the option component.

References: CFTC Rule(s) §43.6(i)(1).

10.5.6 Swaps with Composite Reference Prices

The parties to a swap transaction with composite Reference Prices may elect to apply the lowest Appropriate Minimum Block Size or Cap Size applicable to one component Reference Price's swap category of such Publicly Reportable Swap Transaction.

References: CFTC Rule(s) §43.6(i)(2).

10.5.7 Notional amounts for physical commodity swaps

Unless otherwise specified in CFTC Rule §43.6, the notional amount for a Physical Commodity Swap shall be based on the notional unit measure utilized in the related futures contract or the predominant notional unit measure used to determine notional quantities in the cash market for the relevant, underlying physical commodity.

References: CFTC Rule(s) §43.6(i)(3).

10.5.8 Currency conversion

Unless otherwise specified in this part, when the Appropriate Minimum Block Size or Cap Size for a Publicly Reportable Swap Transaction is denominated in a currency other than U.S. dollars, parties to a swap and registered entities may use a currency exchange rate that is widely published within the preceding two Business Days from the date of execution of the swap transaction in order

to determine such qualification. The converted USD amount shall be submitted to KOR SDR per the KOR SDR Technical Specifications.

References: CFTC Rule(s) §43.6(i)(4).

10.5.9 Successor currencies

For currencies that succeed a super-major currency, the appropriate currency classification for such currency shall be based on the corresponding nominal gross domestic product classification (in U.S. dollars) as determined in the most recent World Bank, World Development Indicator at the time of succession. If the gross domestic product of the country or nation utilizing the successor currency is:

- a. Greater than \$2 trillion, then the successor currency shall be included among the Super-Major Currencies;
- b. Greater than \$500 billion but less than \$2 trillion, then the successor currency shall be included among the Major currencies; or
- c. Less than \$500 billion, then the successor currency shall be included among the non-Major currencies.

References: CFTC Rule(s) §43.6(i)(5), 43.6(i)(5)(i), 43.6(i)(5)(ii), and 43.6(i)(5)(iii).

10.5.10 Aggregation

The aggregation of orders for different accounts in order to satisfy the Appropriate Minimum Block Size or the Cap Size requirement is permitted for Publicly Reportable Swap Transactions only if each of the following conditions is satisfied:

- a. The aggregation of orders is done by a person who:
 - i. Is a commodity trading advisor registered pursuant to section 4n of the Act, or exempt from such registration under the Act, or a principal thereof, and who has discretionary trading authority or directs Client accounts;
 - ii. Is an investment adviser who has discretionary trading authority or directs Client accounts and satisfies the criteria of §4.7(a)(2)(v); or
 - iii. Is a foreign person who performs a similar role or function as the persons and is subject as such to foreign regulation;
- b. The aggregated transaction is reported pursuant to Part 45 of CFTC rules as a Block Trade or large notional Off-Facility Swap, as applicable, subject to the Cap Size thresholds;
- c. The aggregated orders are executed as one swap transaction; and
- d. Aggregation occurs on a DCM or SEF if the swap is listed for trading by a DCM or SEF.

References: CFTC Rule(s) §43.6(i)(6), 43.6(i)(6)(i), 43.6(i)(6)(i)(A), 43.6(i)(6)(i)(B), 43.6(i)(6)(i)(C), 43.6(i)(6)(ii), 43.6(i)(6)(iii), and 43.6(i)(6)(iv).

10.6 Part 43: Information required by KOR SDR for block and large notional swap elections

The Reporting Counterparty, SEF, or DCM which submits the Part 43 data must include all information for KOR SDR to verify the calculation of the block or large notional election based on the CFTC designated categories according to the KOR Technical Specifications. This includes information regarding special provisions.

If a trade qualifies for the block or large notional election but the swap is submitted with a value of “False” for the field: “Block trade election indicator”, the dissemination will not be delayed.

For swaps submitted with a value of “True” for the field: “Block Trade election indicator”:

- a. The dissemination will be delayed for the initial Public Dissemination.
- b. Updates to the swap will not be delayed unless the update is received before the initial swap is Publicly Disseminated, in which case they will be disseminated immediately after the initial dissemination.
 - i. With the exception, if an update is submitted with a value of “EROR” for the field “Action Type” before the swap is Publicly Disseminated, the swap will never be Publicly Disseminated.

For swaps submitted with a value of “True” for the field: “Block trade election indicator” the Reporting Client is required to submit the field “Block Category” with a value applicable to the Asset Class per CFTC Rule §43.6(c), or the value of “Not Covered” where the underlier is not covered.

KOR SDR will generate a daily compliance report provided to the Commission and the Reporting Counterparty, SEF, or DCM which submits the Part 43 data, or their Delegated Reporter that identifies all swaps that were submitted with a value of “True” for the field: “Block trade election indicator” where the swap did not qualify for the election per KOR SDR’s calculation from the information provided by the Client. It is the duty of the SEF, DCM, or their third-party representative to review these reports and identify any systematic issues in reporting that need to be resolved and make necessary updates as soon as practicable.

For avoidance of doubt, KOR is not responsible for improperly Publicly Disseminated data when the Reporting Counterparty, SEF, or DCM which submitted the data did not provide accurate information.

References: CFTC Rule(s) §43.6(c).

10.7 Part 43: Information required by KOR SDR for commodities masking

For off facility swaps in the other commodities Asset Class, the Part 43 message must include the additional field “Related Futures Contract” which must be populated with either (1) a value from Part 43 Appendix B list, or (2) the value of “No Related Futures Contract”.

This field allows KOR SDR to validate when to mask the UPI and underlying identifier.

For swaps submitted with a value of “No Related Futures Contract” the Reporting Counterparty must provide the masking data in order for the swap to be accurately disseminated. This includes the fields:

- a. “Other Commodity swap category” which must be populated with a valid value from Part 43 Appendix D; and
- b. “Other Commodity region” which must be populated with a valid value from Part 43 Appendix E1 or E2.

References: CFTC Rule(s) §43.4(c), Part 43 Appendix B, D, and E.”

11. KOR SDR duties and obligations regarding CFTC Rule Part 43 data

11.1 Real-time public reporting

KOR SDR will establish electronic systems as necessary to accept and disseminate data in connection with real-time public reporting pursuant to Part 43 of CFTC rules for all swaps in its approved Asset Classes. KOR SDR will publicly report Swap Transaction and Pricing Data on each publicly reportable swap received.

KOR SDR shall Publicly Disseminate Swap Transaction and Pricing Data ASATP after such data is received from a SEF, DCM, or Reporting Counterparty, unless such Swap Transaction and Pricing Data is subject to a time delay described in CFTC Rule 43.5, in which case the Swap Transaction and Pricing Data shall be Publicly Disseminated in the manner described in CFTC Rule 43.5.

For all transactions which require real-time reporting under Part 43 of CFTC rules, Clients submitting data are required to report all fields required by Appendix A to Part 43 of CFTC rules, in accordance with the KOR SDR Technical Specification.

References: CFTC Rule(s) §43.3(b)(1), 43.3(b)(2), 43.3(b)(4), and 49.15(b).

11.1.1 Duty to notify the Commission of untimely data

KOR SDR shall notify the Commission of any swap transaction for which the real-time Swap Data was not received by KOR SDR in accordance with Part 43 of CFTC rules where KOR SDR has the information necessary to determine missing 43 submissions based on Part 45 data. In order to provide the Commission with accurate reports on Part 43 data, KOR SDR may require information regarding the applicability of Public Dissemination of a swap on the Part 45 message.

KOR SDR shall provide the Commission and the Reporting Counterparty or their Delegated Reporter with a daily report of all swaps reported for Part 43 that day that did not meet the prescribed timeline. For swaps executed Off Facility, where the Reporting Counterparty is a SD, MSP or DCO that do not qualify for the large notional delay KOR SDR shall consider Part 43 messages submitted later than 15 minutes after the Execution Timestamp to be late. For swaps executed Off Facility, where the Reporting Counterparty is a non-SD/MSP/DCO that do not qualify for the large notional delay KOR SDR shall consider Part 43 messages submitted later than 1 hour after the Execution Timestamp to be late. For Trades that qualify for the large notional delay, KOR SDR shall consider Part 43 messages submitted later than the delay period to be late. For post priced swaps, KOR SDR shall consider Part 43 messages submitted later than 11:59:59 p.m. eastern time on the execution date to be late. The report shall contain the necessary information to identify the swap and the difference in the execution to submitted time. It is the duty of the Reporting Counterparty or their Delegated Reporter representative to review these reports and identify any systematic issues in reporting that need to be resolved and make necessary updates as soon as practicable.

KOR SDR will publicly report Swap Transaction and Pricing Data on each publicly reportable swap received. KOR SDR Compliance will perform ad-hoc reviews as part of the Audit Program to ensure that all required transactions received, are in fact reported and available on KOR SDR's website. These reviews will ensure that all required swaps are appropriately time stamped, all required fields have been publicly reported and any fields that are required to be masked were not mistakenly made available to the public.

References: CFTC Rule(s) §49.15(c).

11.1.2 Availability of Swap Transaction and Pricing Data to the public

KOR SDR shall make Swap Transaction and Pricing Data available on the KOR website for one year after the initial Public Dissemination of such data and shall make instructions freely available on said website on how to download and search such data. Swap Transaction and Pricing Data that is Publicly Disseminated shall be made available free of charge.

Reference Part 43 Public Website Guide.

References: CFTC Rule(s) §43.3(c)(1) and 43.3(c)(2).

11.1.3 Swap Transaction and Pricing Data to be Publicly Disseminated in real-time

KOR SDR shall Publicly Disseminate the information described in Appendix A of Part 43 of CFTC rules for the Swap Transaction and Pricing Data, as applicable, in the form and manner provided in the KOR SDR Technical Specifications.

KOR SDR shall require any data and fields necessary to compare the Swap Transaction and Pricing Data that was Publicly Disseminated in real-time to the data reported to KOR SDR pursuant to section 2(a)(13)(G) of the CEA or to confirm that parties to a swap have reported in a timely manner pursuant to CFTC Rule 43.3 as described in the User Guide. Such additional information shall not be Publicly Disseminated by KOR SDR.

References: CFTC Rule(s) §43.4(a) and 43.4(b).

11.1.4 Anonymity of the parties to a Publicly Reportable Swap Transaction

Swap Transaction and Pricing Data that is Publicly Disseminated in real-time shall not disclose the identities of the parties to the swap or otherwise facilitate the identification of a party to a swap. KOR SDR shall not Publicly Disseminate such data in a manner that discloses or otherwise facilitates the identification of a party to a swap.

KOR SDR requires Clients to provide KOR SDR with Swap Transaction and Pricing Data that includes an actual description of the underlying asset(s). KOR SDR Publicly Disseminate the actual underlying asset(s) of all Publicly Reportable Swap Transactions in the interest rate, credit, equity, and foreign exchange Asset Classes.

References: CFTC Rule(s) §43.4(c)(1) and 43.4(c)(3).

11.1.5 Masking of Delivery Location – Other Commodity Asset Class

For public reporting of transactions in the Other Commodity Asset Class, to ensure anonymity of the counterparties, KOR SDR has established procedures on how Clients shall report data and how KOR SDR shall disseminate that data in accordance with CFTC Rule(s) Part 43 – Appendix D and E Mapping in the KOR SDR Technical Specifications and User Guide.

11.1.6 Liquid markets

The actual underlying assets shall be Publicly Disseminated for any Publicly Reportable Swap Transaction that references or is Economically Related to one of the contracts published by the

Commission, or any Publicly Reportable Swap Transaction executed on or pursuant to the rules of a registered SEF or DCM.

References: CFTC Rule(s) §43.4(c)(4).

11.1.7 Illiquid markets

The underlying assets of publicly reportable swaps that reference or are Economically Related to one of the contracts published by the Commission shall be Publicly Disseminated by limiting the geographic detail of the underlying assets, pursuant to CFTC Rule(s) Part 43 – Appendix D and E. For these swaps, the unique product identifier shall not be disseminated in order to preserve the masking, instead, all of the product fields that are not the underlier will be disseminated along with the information from CFTC Rule(s) Part 43-Appendix D and E.

References: CFTC Rule(s) §43.4(c)(4).

11.1.8 Notional rounding and capping

KOR SDR has implemented rounding and capping practices consistent with CFTC Rules 43.4(f) and (g)¹⁸. KOR SDR will disseminate the notional or principal amounts of a publicly reportable swap transaction subject to rounding as set forth in 43.4(f) and cap size as set forth in 43.4(g).

References: CFTC Rule(s) §43.4(e).

11.1.9 Time delays for Public Dissemination of Swap Transaction and Pricing Data

Block Trades and large notional Off-Facility Swaps are subject to certain time delays. KOR SDR shall implement the time delays from execution time based on the Commission’s instructions in 43.5(d) through (h), as follows:

- a. No later than the prescribed time delay period
- b. No sooner than the prescribed time delay period
- c. Precisely upon the expiration of the time delay period

It is solely the duty of the Reporting Counterparty or execution venue to indicate to KOR SDR if the time delay is applicable by correctly populating the Block Trade election indicator field.

¹⁸ KOR SDR shall update its rounding and capping logic per 43.4(h) when and as published by the Commission.

Where the CFTC grants no action to any parties to delay Public Dissemination outside of the prescribed time periods¹⁹, it will be the duty of the Reporting Counterparty or execution venue to delay their report to KOR SDR until such time that it shall be immediately disseminated.

References: CFTC Rule(s) §43.5(a), 43.5(b), 43.5(b)(1), 43.5(b)(2), 43.5(b)(3), 43.5(d), 43.5(d)(2), 43.5(e), 43.5(e)(1), 43.5(e)(2), 43.5(e)(2)(ii), 43.5(e)(3), 43.5(e)(3)(ii), 43.5(f), 43.5(f)(3), 43.5(h), and 43.5(h)(3).

12. Dispute Resolution

KOR has established procedures and provides facilities for effectively resolving disputes over the accuracy of the SDR Data and positions that are recorded in the KOR SDR.

When the Reporting Counterparty does not agree with the accuracy of the reporting of a swap in KOR SDR, but are prevented from amending the swap to what they believe to be accurate, the Client must follow the following steps:

- a. Enter a ticket with KOR SDR support with the details of the issue; and
- b. Submit an allowed value per the KOR SDR Technical Specifications for the KOR SDR field “Reporting Counterparty Dispute”. The allowed values are a high-level indication of the issue. Sample values may include but are not limited to: “No accurate UPI available” or “KOR SDR Technical Specifications do not allow for accurate representation”. Clients may contact KOR SDR to add additional values, but these values will be at the discretion of KOR SDR.

References: CFTC Rule(s) §49.10(f).

13. Chief Compliance Officer

13.1 CCO Designation

KOR SDR will at all times have a Chief Compliance Officer.

References: CFTC Rule(s) §49.22(b)(1).

13.2 CCO Supervision

The CCO shall be provided adequate authority and resources to develop and enforce the policies and procedures developed to ensure compliance and fulfill the duties set forth for CCOs in the Act and Commission regulations and in this Rulebook. The chief compliance officer shall have supervisory authority over all staff acting at the direction of the chief compliance officer. The

¹⁹ For example, CFTC Letter No. 14-134

CCO is responsible for overseeing KOR SDR Compliance Department and ensuring compliance with the CEA as applicable. On a periodic basis and as needed, the CCO shall consult with the CEO on the adequacy of resources and make recommendations where needed. The CCO has supervisory authority to inspect books and records and interview KOR SDR employees. Upon identification of a potential violation of any regulatory requirement or internal policy or procedure, the CCO is responsible for taking steps to investigate and remediate any such matter.

References: CFTC Rule(s) §49.22(b)(1)(i) and 49.22(b)(1)(ii).

13.3 CCO Qualifications

The CCO shall have the “background and skills appropriate for fulfilling the responsibilities of the position.” KOR senior management has identified the minimum standards that must be met for an individual to be considered to have the background and skills necessary to carry out the duties of the position of CCO. Below is a list of the qualifications identified and considered when the candidate for the position of CCO is recommended to the BOD for approval and appointment:

- a. The individual may not be subject to statutory disqualification under section 8a(2) or 8a(3) of the CEA.
- b. The individual may not be a member of KOR SDR's legal department or serve as its general counsel.
- c. The individual must have sufficient compliance experience to carry out its responsibilities. Such experience could be demonstrated by:
 - i. Previously holding the title of CCO, as long as the firm at which the individual held such title has not been designated as a disciplined firm subject to enhanced supervisory requirements imposed by NFA or FINRA;
 - ii. Functioned in a compliance role or compliance supporting function for a minimum of seven years; or
 - iii. The individual possesses product knowledge sufficient to make any such decision required of the CCO.

References: CFTC Rule(s) §49.22(b)(2), 49.22(b)(2)(i), and 49.22(b)(2)(ii).

14. KOR SDR system

14.1 Hours of Operation

The KOR SDR operates 7 days per week, 24 hours per day; including the KOR SDR User Interface and the KOR SDR Public Website. KOR SDR does not have planned system downtime to perform system maintenance or updates. In the event of scheduled maintenance that requires special closing hours, those hours will be the least disruptive to KOR SDR’s reporting responsibilities. KOR SDR

will provide reasonable advanced notice to Clients and the public. During any ad hoc scheduled or unplanned system closures, KOR SDR will accept and hold in queue SDR Data submitted by Clients and shall promptly process all SDR Data received during the closure. If an unplanned outage causes KOR SDR to be unable to receive and hold SDR Data in a queue, then KOR SDR will promptly notify Clients and the public of the outage and will again notify them immediately upon resumption of normal operations.

References: CFTC Rule(s) §49.28(a), 49.28(a)(1), 49.28(a)(2), 49.28(c), 49.28(c)(1), and 49.28(c)(2).

14.2 Emergency policies and procedures

KOR has developed a comprehensive Business Continuity and Disaster Recovery Program. KOR SDR is included within the broader Business Continuity and Disaster Recovery Program applicable to KOR as a whole. These policies shall enumerate the circumstances under which KOR SDR is authorized to invoke its Emergency authority and the procedures that it shall follow to declare an Emergency. Such policies and procedures shall also address the range of measures that it is authorized to take when exercising such Emergency authority.

The Board of Directors have the power to act in emergencies. In the event that the BOD determines that an emergency situation exists in which the operation of KOR SDR is likely to be disrupted, the integrity of the data maintained by KOR SDR threatened, or the normal functioning of KOR SDR has been or is likely to be disrupted, or a KOR SDR Significant Action²⁰ occurs, the board may, upon a majority vote of the members present or upon a majority vote of the members who respond to a poll, take such action as may in the Board's sole discretion appear necessary to prevent, correct or alleviate the emergency condition. In responding to an emergency situation, the directors who abstain from voting on a Significant Action shall not be counted in determining whether such action was approved by a majority vote, but such members can be counted for the purpose of determining whether a quorum exists. Without limiting the foregoing, the board may

²⁰ A Significant Action is defined as a KOR SDR action or Rule change which addresses an emergency or the following enumerated circumstances: (1) any action taken by the US or any foreign government or any state or local government body, any other contract market, board of trade or any other exchange or trade association (foreign or domestic), which may have a direct impact on the services provided by KOR SDR, any circumstances in which it appears that a User or any other Person has failed to fulfill its obligations under the User Agreement. (2) force majeure, which shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, or act of God) which is beyond the control of the User (3) as directed by the regulator(s) and/or (4) any other circumstance which may have a severe adverse effect upon the functioning of KOR SDR.

(1) stop accepting derivatives data, (2) suspend direct electronic access to KOR SDR (3) suspected real-time reporting of derivatives data and (4) modify the operating days or hours.

In the event a Client or User affected by the Emergency action, KOR SDR shall contact the Client or User as soon as reasonably practicable after taking any action.

References: CFTC Rule(s) §49.23(a), 49.23(b), 49.23(c), 49.23(d) and 49.23(e).

14.3 Systems Safeguards

14.3.1 Systems testing

KOR SDR shall conduct regular, periodic, objective testing and review of its automated systems to ensure that they are reliable, secure, and have adequate scalable capacity. It shall also conduct regular, periodic testing and review of its business continuity-disaster recovery capabilities.

14.3.2 Systems testing planning

To the extent practicable, KOR shall:

- a. Where possible, coordinate with Clients and service providers to participate in synchronized testing in a manner adequate to enable effective resumption of KOR SDR's fulfillment of its duties and obligations following a disruption causing activation of KOR SDR's business continuity and disaster recovery plan;
- b. Participate in periodic, synchronized testing of its business continuity and disaster recovery plan and the business continuity and disaster recovery plans of its Clients, and the business continuity and disaster recovery plans required, as applicable, by each appropriate prudential regulator, the Financial Stability Oversight Council, the Securities and Exchange Commission, the Department of Justice or any other person deemed appropriate by the CFTC; and
- c. Ensure that its business continuity and disaster recovery plan take into account the business continuity and disaster recovery plans of its telecommunications, power, water, and other essential service providers.

References: CFTC Rule(s) §49.24(k), 49.24(k)(1), 49.24(k)(2), and 49.24(k)(3).

14.4 Fees

Fees are assessed in a consistent, non-preferential manner and are not permitted to be used as a barrier to entry. KOR SDR will not offer preferential pricing arrangements to any Client on any basis, including volume discounts or reductions unless such discounts or reductions apply to all Clients uniformly and are not otherwise established in a manner that would effectively limit the application of such discount or reduction to a select number of Clients.

Any fee or charge assessed by KOR SDR for the collection of real-time Swap Transaction and Pricing Data shall be equitable and non-discriminatory. If KOR SDR allows a fee discount based

on the volume of data reported to it for Public Dissemination, then such discount shall be made available to all Reporting Counterparties, SEFs and DCMs that are Clients in an equitable and non-discriminatory manner.

All fees are fully disclosed and available on the KOR SDR Website.

Changes to the KOR SDR fee schedule will be consistent with the principles set forth in this section and must be processed through the rule amendment process.

References: CFTC Rule(s) §43.3(g), 49.27(b)(1), 43.3(g), 49.19(e)(3), 49.27(b)(2), and 49.27(b)(3).

15. Disciplinary procedures

15.1 Violation of KOR SDR rules

The CCO or his or her designee is responsible for investigation of any potential violation of the KOR SDR Rulebook. The CCO has the authority to request information of any Client as part of an investigation of any rule violation. Rule violations will be documented, and all supporting documentation will be retained. If deemed necessary by the CCO, a Client or User's access may be suspended or revoked. The CCO is also responsible for making a decision to restore a Client or User's access by conducting a comprehensive review of a Client's compliance with regulatory requirements as well as KOR SDR Rules, as applicable.

15.2 Client Denial, Revocation, or Suspension

KOR Reporting has the right to decline, revoke, or suspend a Client. Market Participants may be denied access pursuant to Applicable Law (e.g., OFAC or the direction of a regulator), violation of KOR SDR Rules, or improper use of the system. KOR shall notify the applicable regulator of any Client whose access has been denied, revoked, or suspended due to Applicable Law. Final determination to decline, revoke, or suspend a Client shall be made by the Chief Compliance Officer.

In the event a Client is denied, revoked, or suspended; KOR shall provide the Market Participant written notice containing the grounds for determination and the opportunity to appeal the decision to the CCO and Board of Directors by written request.

15.3 Restoring Client Access

KOR may restore access to a Client after approval from the CCO and/or the Board of Directors. The CCO shall take under consideration Applicable Law, regulatory requirements, and the Market



Participant's response to the cause of denial, revocation, or suspension. All decisions shall be documented when determining whether to restore access.