



# RTX FINTECH & RESEARCH LLC

Swap Execution Facility

## By Upload to CFTC Portal

Christopher J. Kirkpatrick  
Secretary of the Commission  
Commodity Futures Trading Commission

May 10, 2024

## Self-Certification of Rule Amendment Under § 40.6(a): Rulebook

Dear Secretary Kirkpatrick:

RTX Fintech & Research LLC (RTX SEF) intends to implement an amended rulebook under 17 CFR § 40.6(a) on May 24, 2024. This rulebook replaces the one that RTX SEF implemented on August 30, 2023.

*Attachment A* contains the amended rulebook, and *Attachment B* contains a redline against the prior version of the rulebook (effective August 30, 2023).

Below is the concise explanation and analysis that the Commission requires under § 40.6(a)(7)(v). This rulebook amends Part 1 (Definitions), Rule 514 (Trade Cancellations and Price Adjustments), and Rule 602 (Trading via Electronic Trading Systems). Its purpose is to establish an additional type of trading session called a “LTF Session” that will be conducted in accordance with the “Liquidity Trading Facility,” a new order book that is separate and distinct from RTX SEF’s Electronic Order Book. RTX SEF has also made a non-substantive revision in Rule 602(a)(vi) by using different language to describe the same functionality in response to confusion about whether RTX SEF is providing a central limit order book (it is not).

The amended rulebook complies with both the Commodity Exchange Act (Act) and Commission’s regulations. Specifically, it complies with Core Principle 2 (Compliance with Rules) and § 37.202 because it adheres to open-access principles and promotes a fair, transparent platform.

No one has expressed any substantive opposing views to the rule amendment that RTX SEF has not incorporated into the rule.

Finally, on behalf of RTX SEF, I certify the following:

1. RTX SEF has posted on its website a notice of pending certification with the Commission and a copy of this submission.
2. The rule amended complies with the Act and the Commission's regulations.

If you have any questions about this submission, please contact me.

Sincerely yours,

A handwritten signature in black ink that reads "Glenn Chaleff". The signature is written in a cursive, flowing style.

Glenn Chaleff

Chief Compliance Officer

[glenn@rtxfintech.com](mailto:glenn@rtxfintech.com) | (917) 694-4856

# **Attachment A**

Amended Rulebook

# **RTX FINTECH & RESEARCH LLC ("RTX SEF")**

## **RULES**

BY ACCESSING, OR ENTERING ANY ORDER INTO, THE RTX FINTECH & RESEARCH LLC FACILITY, AND WITHOUT ANY NEED FOR ANY FURTHER ACTION, UNDERTAKING OR AGREEMENT, A PARTICIPANT REPRESENTS THAT IT IS AN ELIGIBLE CONTRACT PARTICIPANT AS DEFINED IN SECTION 1a(18) OF THE COMMODITY EXCHANGE ACT AND SUCH PERSONS, AND THEIR AUTHORIZED TRADERS, AGREE:

- (I)** TO BE BOUND BY, AND COMPLY WITH, THE RULES OF RTX FINTECH & RESEARCH LLC, AND APPLICABLE LAW, IN EACH CASE TO THE EXTENT APPLICABLE TO IT OR THEM, AND
- (II)** TO BECOME SUBJECT TO THE JURISDICTION OF RTX FINTECH & RESEARCH LLC WITH RESPECT TO ANY AND ALL MATTERS ARISING FROM, RELATED TO, OR IN CONNECTION WITH, THE STATUS, ACTIONS OR OMISSIONS OF SUCH PARTICIPANT AND THE PARTICIPANT'S AUTHORIZED TRADERS.

# TABLE OF CONTENTS

<b>PART 1.</b>	<b>DEFINITIONS .....</b>	<b>1</b>
<b>PART 2.</b>	<b>GOVERNANCE .....</b>	<b>9</b>
201.	Board of Directors.....	9
202.	Officers.....	9
203.	Chief Compliance Officer .....	9
204.	Compliance Department .....	11
205.	Regulatory Oversight Committee .....	12
206.	Disciplinary Committee .....	12
207.	Restrictions on Directors, Officers, Committee Members, Employees and Consultants .....	13
208.	Emergency Powers .....	16
209.	Conflicts of Interest .....	18
210.	Prohibition on Admission as Participant .....	21
<b>PART 3.</b>	<b>PARTICIPANTS.....</b>	<b>22</b>
301.	Status of Participants.....	22
302.	Eligibility.....	22
303.	Application Procedures.....	23
304.	Denial of Admission .....	24
305.	Admission of a Participant .....	25
306.	Authorized Traders .....	25
307.	Surveillance.....	26
308.	Recording of Conversations.....	26
309.	Market Data .....	27
310.	Liquidity Provider Programs .....	28
311.	Termination of Participation.....	28
312.	Independent Software Vendors .....	28
<b>PART 4.</b>	<b>OBLIGATIONS OF PARTICIPANTS .....</b>	<b>30</b>
401.	Payment of Fees and Assessments.....	30
402.	Compliance with the Rules .....	30
403.	Required Records and Reporting.....	30
404.	Requirements for Persons Submitting Orders .....	34
405.	Responsibility for Orders .....	35

406.	System Security.....	35
407.	User IDs and Confidentiality .....	35
408.	Cooperation in Investigations.....	37
409.	Notification .....	37
<b>PART 5.</b>	<b>TRADING.....</b>	<b>39</b>
501.	Required Transactions .....	39
502.	Permitted Transactions .....	39
503.	Trading Day and Trading Hours .....	40
505.	Pre-Execution Discussions and Cross Trades.....	40
506.	Reserved .....	41
507.	Prohibited Orders .....	41
508.	Enforceability .....	41
509.	Order Size Limitations.....	42
510.	Block Trade Transactions .....	42
511.	Public Disclosure of Data .....	43
512.	Off-Facility Transactions .....	44
513.	Package Transactions.....	45
514.	Trade Cancellations and Price Adjustments .....	47
515.	Error Trades .....	53
516.	Reserved .....	54
517.	Real-Time Market Monitoring .....	54
518.	Post-Trade Anonymity .....	55
<b>PART 6.</b>	<b>TRADING ELECTRONICALLY .....</b>	<b>56</b>
601.	Scope.....	56
602.	Trading via Electronic Trading Systems. ....	56
603.	Order Types .....	58
604.	Confirmations and Objections .....	58
605.	Trade Invalidation Upon Revocation of Clearing Authorization .....	59
607.	Assisted Order Entry .....	59
<b>PART 7.</b>	<b>TRADING BY VOICE .....</b>	<b>61</b>
701.	Scope.....	61
702.	Trading by Voice Trading Systems .....	61
703.	Voice Trading Systems .....	61
704.	Order Types .....	63
705.	Confirmation of Voice Transactions and Objections .....	64

	706.	Record Keeping and Reporting .....	65
<b>PART 8.</b>		<b>CLEARING AND FINANCIAL INTEGRITY OF CONTRACTS.....</b>	<b>66</b>
	801.	Scope.....	66
	802.	Relation to Clearing Organization.....	66
	803.	Clearing Authorization Required .....	67
	804.	Financial Integrity for Permitted Transactions .....	68
	805.	Trades Not Accepted for Clearing.....	68
	806.	Disputes Related to Clearing .....	68
	807.	Establishment of Daily and Final Settlement Prices .....	69
<b>PART 9.</b>		<b>BUSINESS CONDUCT .....</b>	<b>70</b>
	901.	Violation of Law .....	70
	902.	Rule Violation.....	70
	903.	No Transfers.....	70
	904.	False Information .....	70
	905.	Manipulation Prohibited .....	70
	906.	Prohibition on Misstatements .....	70
	907.	Employees of the RTX SEF .....	71
	908.	Abusive Trading Practices Prohibited .....	71
	909.	Detrimental Conduct .....	71
	910.	Fraud Prohibited .....	71
<b>PART 10.</b>		<b>DISCIPLINARY PROCEEDINGS .....</b>	<b>72</b>
	1001.	Scope .....	72
	1002.	Investigations.....	72
	1003.	Review of Investigation Report .....	72
	1004.	Respondent.....	73
	1005.	Notice of Charges .....	73
	1006.	Service .....	73
	1007.	Answer from Respondent.....	74
	1008.	Right to Representation .....	75
	1009.	Hearings.....	75
	1010.	Decision .....	76
	1011.	Penalties .....	77
	1012.	Reserved .....	77
	1013.	Settlement .....	78
	1014.	Minor Penalties .....	78

1015.	Participant Responsibility Actions .....	79
1016.	Action Against Non-Participants .....	79
1017.	Conflicts of Interest or Bias .....	80
<b>PART 11.</b>	<b>RESERVED .....</b>	<b>82</b>
<b>PART 12.</b>	<b>MISCELLANEOUS .....</b>	<b>83</b>
1201.	Prohibition of Compensation to RTX SEF Employees.....	83
1202.	Rule Adoption, Amendment, and Repeal.....	83
1203.	Confidentiality of Information.....	83
1205.	Limitation of Liability .....	85
1206.	Dispute Resolution .....	86
1207.	Publication of Information .....	87
1208.	Trading System .....	87
1209.	Enforceability.....	88
1210.	Audit Trail .....	88
1211.	Conflicts with Governing Documents.....	88
1212.	Time References. ....	88
<b>PART 13.</b>	<b>PRODUCTS .....</b>	<b>89</b>
1301.	Swap Contracts Made Available to Trade .....	89
1302.	Position Limits or Position Accountability .....	89
1303.	Risk Controls for Trading .....	89
1304.	Swaps Listed for Trading.....	90



# RULES

## PART 1. DEFINITIONS

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Any pronoun shall include the corresponding masculine, feminine, and neuter forms. The word “will” shall be construed to have the same meaning and effect as the word “shall.” The words “include,” “included,” “includes,” or “including” shall be deemed, in each case, to be followed by the phrase “without limitation,” or the phrase “but not limited to,” if not expressly followed by such phrase.

Unless the context otherwise indicates, the following terms have the meanings set forth below:

“**Act**” means the same as [Commodity Exchange Act](#), 7 U.S.C. Section 1 et seq.

“**Affiliate**” means, with respect to a [Person](#), any other [Person](#) who directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such [Person](#).

“**Applicable Law**” means, with respect to any [Person](#), any statute, law, regulation, rule, or ordinance of any [Regulatory Authority](#) applicable to such [Person](#), including the [Commodity Exchange Act](#), [Commission Regulations](#), and, to the extent applicable to such [Person](#), similar foreign laws or regulations that are applicable to such [Person](#)’s activities on the RTX SEF.

“**Applicant**” means a [Person](#) who has submitted an application to the RTX SEF to be approved as a [Participant](#).

“**Approved Communication Method**” means a mode of communication approved by RTX SEF through which an RTX SEF employee may communicate with a Participant during the Business Day. All such modes shall be surveilled by the Compliance Department. The only currently approved modes of communication are: (1) recorded RTX SEF phone lines (these phone numbers are posted on RTX SEF’s website); (2) Bloomberg IM; and (3) Symphony IM.

“**Authorized Trader**” means any [Person](#) who is issued a [User ID](#) to trade for: (i) a [Participant](#) (in this case, such a Person would include, but not be limited to, an employee of a [Participant](#) or an employee of a [Participant](#)’s Affiliate provided that the [Participant](#) maintains supervisory authority over such employee).

“**Automated Trading Application (“ATA”)**” means an electronic application that performs a trading strategy to independently initiate activity on the [Trading System](#) without active human input.

“**Bid**” means an order to buy a [Contract](#) or pay fixed payments on a [Contract](#) at a specified price or spread.

**“Block Trade”** shall have the same meaning as in Commission Rule 43.2, 17 C.F.R. §43.2.

**“Board”** means the Board of Managers of the RTX SEF.

**“Board of Directors”** means the Board of Managers of the RTX SEF.

**“Broker”** means a [Person](#) who is a [Futures Commission Merchant](#) or an [Introducing Broker](#) under the [Commodity Exchange Act](#) and registered as such, unless exempt from registration.

**“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.

**“Chief Compliance Officer”** or **“CCO”** means the person with (i) the authority and resources to develop and enforce policies and procedures necessary to fulfill the duties set forth for chief compliance officers in the [Commodity Exchange Act](#) and [Commission Regulations](#) regarding SEFs; and (ii) supervisory authority over all staff acting in furtherance of the Chief Compliance Officer’s statutory, regulatory, and self-regulatory obligations.

**“Cleared Transaction”** means a transaction of a “Cleared Swap” (as defined under Section 1a(7) of the Act), where Cleared Swap means any swap that is, directly or indirectly, submitted to and cleared by a derivatives clearing organization registered with the Commission.

**“Clearing Organization”** means a derivatives clearing organization specified by the [RTX SEF](#) to clear transactions effected on or subject to the [Rules](#) of the [RTX SEF](#).

**“Clearing Participant”** means any [Person](#) who has clearing and settlement privileges on a Clearing Organization and who clears trades for [Participants](#) of RTX SEF.

**“Clearing Participant ID”** means the unique identifier code assigned by the [RTX SEF](#) to each [Clearing Participant](#).

**“Commodity”** means any “commodity” within the definition of that term contained in Section 1a(9) or the [Commodity Exchange Act](#).

**“Commodity Exchange Act”** means the Commodity Exchange Act, as it may be amended from time to time, 7 U.S.C. Section 1 et seq.

**“Commission”** or **“CFTC”** means the Commodity Futures Trading Commission.

**“Commission Regulation”** or **“Commission Rule”** means any rule, regulation, or order of the [Commission](#), as in effect from time to time, and any interpretation thereof by the [Commission](#) or its staff.

**“Compliance Department”** means the department of the [RTX SEF](#) responsible for overseeing market activity, conducting surveillance, and ensuring that the trading and other activities conducted on the [RTX SEF](#) comply with [Applicable Law](#) and the [Rules](#) of the [RTX SEF](#). The Compliance Department includes the Surveillance Service Provider.

**“Contract”** means a [Swap](#) contract executed on or through the [RTX SEF](#).

**“Control”** means the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise. Any person who (i) is a director, general partner, or officer exercising executive responsibility (or having similar status or functions); (ii) directly or indirectly has the right to vote 25% or more of a class of a voting security or has the power to sell or direct the sale of 25% or more of a class of a voting security; or (iii) in the case of a partnership, has the right to receive upon dissolution, or has contributed, 25% or more of the capital, is presumed to control that company.

**“Customer”** means any [Person](#) who is a “customer” within the meaning set forth in Section 1.3 of [Commission Regulations](#).

**“Delta Hedge”** means a trading strategy that aims to reduce (hedge) the risk associated with an option, swaption, variance [Swap](#), tranche, or other structured trade from price movements in the underlying asset.

**“DCO”** means a derivatives clearing organization (as defined in Section 1a(15) of the CEA) and as specified by the [RTX SEF](#) to clear transactions effected on or subject to the [Rules](#) of the [RTX SEF](#).

**“Designated Contact”** means the person employed by any [Participant](#) who shall have the right to activate or deactivate the [User ID](#) of any of the [Participant’s Authorized Trader](#).

**“Electronic Order Book”** means all open [Orders](#) entered into the [Trading System](#), except those entered into the Voice Order Book and Liquidity Trading Facility, displayed electronically. This is an order book that is separate from both the Voice Order Book and the Liquidity Trading Facility.

**“Electronic Order Book Trading Session”** means a [Trading Session](#) that remains open throughout the [Business Day](#) in which the [Trading System](#) will receive and execute [Orders](#) in accordance with these [Rules](#).

**“Electronic Trading System”** means the electronic systems administered by or on behalf of the [RTX SEF](#) for the execution of [Swap](#) transactions.

**“Eligible Contract Participant”** or **“ECP”** means any [Person](#) who is an “eligible contract participant” within the meaning set forth in section 1a(18) of the [Commodity Exchange Act](#).

**“Emergency”** shall have the meaning set forth in Rule 208.

“**Entity**” means any [Person](#) other than a natural person.

“**Execution Specialist**” means an employee of the [RTX SEF](#) using telephonic or other means of electronic communication devices: 1) to assist [Participants](#) in the entry or withdrawal of [Orders](#) to be matched through the operation of the [Trading System](#) and in the negotiation and execution of [Block Trades](#) provided under Rule 510 of this rulebook, and 2) to facilitate [Voice Trading](#). Execution Specialists also act in connection with the operation of various [Trading Facility](#) sessions of the [Trading System](#).

“**Facility**” means RTX FINTECH & RESEARCH LLC, a registered swaps execution facility.

“**FINRA**” means the Financial Industry Regulatory Authority.

“**Futures Commission Merchant**” or “**FCM**” shall have the same meaning as defined in section 1a(28) of the [Commodity Exchange Act](#).

“**Governmental Agency**” means the [Commission](#), the Securities and Exchange Commission, and any other agency (federal or state) or domestic or foreign authority regulating trading in commodities, securities, futures contracts, options, currencies, or other financial instruments.

“**Illiquid Swap**” means any [Swap](#) having a daily trading volume of fewer than three transactions per week on the [RTX SEF](#) over the preceding three-month period.

“**Internal Digital Ledger**” means all Voice Orders and trades entered into the Voice Order Book maintained electronically.

“**Introducing Broker**” shall have the same meaning as defined in section 1a(31) of the [Commodity Exchange Act](#).

“**ITBCS**” or “**Intended to be Cleared**” means a Swap transaction of the sort described in Commission Rule 37.9(d) where it is intended to be cleared.

“**Liquidity Trading Facility**” or “**LTF**” means an order book, separate and distinct from the EOB, through which RTX SEF will periodically run an LTF Session upon predetermined prior notice to Participants as described in Rule 602(b).

“**LTF Session**” means a trading session conducted on the Liquidity Trading Facility in accordance with Rule 602(b).

“**Made Available to Trade**” means those swaps contracts listed or offered for trading on the [RTX SEF](#) as defined in Rule 1301 of this rulebook.

“**Major Swap Participant**” shall have the meaning in section 1a(33) of the [Commodity Exchange Act](#).

**“Market Data”** means any and all data and other information contained in, displayed on, generated by, or derived from the [Trading System](#) or reported to the [RTX SEF](#), including, without limitation, bids, offers, prices, executions, and volumes.

**“Market Data Vendors”** means publishers of electronic information with whom the [RTX SEF](#) has a contractual relationship to disseminate [Market Data](#).

**“Named Party in Interest”** means a “named party in interest” as defined in Rule 209(a)(iv) of this rulebook.

**“NFA”** means the National Futures Association.

**“Non-U.S. Participant”** means any Person located outside the United States, its territories, or its possessions who is engaged in soliciting or in accepting orders for the purchase or sale of any [Swap](#) on or subject to the rules of the [RTX SEF](#) from only Persons located outside the United States, its territories, or its possessions.

**“Off-Facility Transaction”** means a transaction arranged by a [Broker](#) between two [Participants](#) or [Customers](#) that is to be executed pursuant to the [Rules](#) of the [RTX SEF](#). Such a transaction is reported to the [RTX SEF](#) and is not considered as having been executed until its acceptance by the [RTX SEF](#).

**“Offer”** means an order to sell a [Contract](#) or receive fixed payments on a Contract at a specified price or spread.

**“Opening Period”** means the opening period of a specified [Trading Session](#).

**“Operating Agreement”** means the corporate organizational document of RTX FINTECH & RESEARCH LLC.

**“Operational Procedures”** mean the procedures governing an LTF Session in accordance with Rule 602(b).

**“Order”** means any firm [Bid](#) or [Offer](#) placed into the [Trading System](#) for purposes of buying or selling a [Swap](#) on or subject to the rules of the [RTX SEF](#).

**“Package Transaction”** means any transaction that consists of two or more component transactions executed between two or more counterparties where: 1) execution of each component transaction is contingent upon the execution of all other component transactions, and 2) the component transactions are priced or quoted together as one economic transaction with simultaneous or near-simultaneous execution of all components.

**“Participant”** means any [Person](#) granted [Trading Privileges](#) by the [RTX SEF](#).

**“Participant Data”** means any and all data and other information submitted to the [Trading System](#) by a [Participant](#) or on behalf of a [Participant](#).

**“Participant ID”** means the unique identifier code assigned by the [RTX SEF](#) to each [Participant](#).

**“Permitted Transaction”** means any transaction involving a [Swap](#) listed or offered for trading on or subject to the Rules of the [RTX SEF](#) for trading that is not a [Required Transaction](#).

**“Person”** means an individual, corporation, limited liability company, partnership, trust, or other entity.

**“Pre-Execution Communication”** means one or more communications between market participants for the purpose of discerning interest in the execution of a transaction prior to exposure of such market participants’ [Orders](#) (i.e., price, size, and other terms) to the [RTX SEF](#).

**“Proprietary Account”** means a “proprietary account” as defined in Section 1.3 of the [Commission Regulations](#).

**“Product”** means a group of Swaps, Package Transactions, or Contracts.

**“Proprietary Data or Personal Information”** for the purposes of Rule 309(c) of this rulebook means information that would separately disclose business transactions, market positions, or the trade secrets of a [Participant](#) or provide non-public information about a natural person.

**“Quote”** means a [Bid](#) or an [Offer](#), or a [Bid](#) and an [Offer](#).

**“Regulatory Authority”** means any domestic or foreign government (or political subdivision), governmental or regulatory authority, agency, court, or commission, or other governmental or regulatory entity (including any [Self-Regulatory Organization](#)).

**“Review Panel”** means those members of the Disciplinary Committee who consider investigation reports from the Compliance Department regarding violations of the Rules and take actions pursuant to Rule 1003.

**“Required Transaction”** means any transaction involving a [Swap Made Available to Trade](#) on the [RTX SEF](#) that is subject to the trade execution requirement of section 2(h)(8) of the [Act](#).

**“Respondent”** has the meaning set forth in Rule 1004 of this rulebook.

**“Reporting Party”** shall have the same meaning as “reporting counterparty” under CFTC Regulation 45.8.

**“RTX SEF”** means RTX FINTECH & RESEARCH LLC, a registered swaps execution facility.

**“Rules”** means, with respect to any [Entity](#), the rules of such [Entity](#) and the interpretations, resolutions, orders, directives, and procedures of the [Entity](#) thereunder

as in effect from time to time, and if no other [Entity](#) is specified, means the [Rules](#) of the [RTX SEF](#) and the interpretations, resolutions, orders, directives, and procedures of the [RTX SEF](#) thereunder as in effect from time to time.

“**SDR**” means “swap data repository” as defined in section 1a(48) of the [Act](#).

“**Securities Exchange Act**” means the Securities Exchange Act of 1934, as it may be amended from time to time, 15 U.S.C. Section 78a et seq.

“**Self-Regulatory Organization**” or “**SRO**” has the meaning given that term in [Commission Regulation](#) 1.3(ee).

“**Settlement Price**” means the price established each day as the basis for settlement of [Swaps](#).

“**Significant Action**” means a “significant action” as defined by Section 1.69(a)(8) of the [Commission Regulations](#).

“**STP Facility**” means a straight-through processing entity that sends Swap transactions to clearing, reporting, and counterparties.

“**Supervised Persons**” means any directors, officers, agents (other than a Broker), or employees (including any [Authorized Traders](#)) of any [Participant](#).

“**Support Desk**” means the designated group of employees that is responsible for [RTX SEF](#) market operations, real-time systems monitoring, and customer support.

“**Surveillance Service Provider**” means Eventus Systems, Inc.

“**Swap**” has the meaning set forth in section 1a(47) of the [Commodity Exchange Act](#), and as further defined by the [Commission](#), and includes, among others, options and swaptions, and caps and floors, provided that for purposes of these [Rules](#) the term “Swap” shall pertain only in respect of activities on or subject to the [Rules](#) of the [RTX SEF](#).

“**Swap Dealer**” shall have the same meaning as defined in section 1a(49) of the [Commodity Exchange Act](#).

“**Swap Execution Facility**” or “**SEF**” shall have the same meaning as defined in section 1a(50) of the [Commodity Exchange Act](#).

“**Technology-Assisted Voice Trading System**” means a Voice Trading session in which the [Execution Specialist](#) is assisted by an automated functionality.

“**Tenor**” means the time to maturity of a [Swap](#).

“**Trading Day**” shall mean 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 these days, please see RTX SEF's website where RTX SEF will publish this information.

**"Trading Facility"** shall have the same meaning as defined in section 1a(51) of the [Commodity Exchange Act](#).

**"Trading Hours"** means, with respect to any [Swap](#), the hours during which the [RTX SEF](#) is regularly open for the trading of such [Swap](#). For these hours, please see RTX SEF's website where RTX SEF will publish this information.

**"Trading Participant"** means a [Participant](#) of the [RTX SEF](#) who is not a [Clearing Participant](#).

**"Trading Privileges"** means the right granted to a [Participant](#) to directly access the [Trading System](#) for the purpose of transacting in [Swaps](#) subject to the [Rules](#) of the [RTX SEF](#). No person may exercise [Trading Privileges](#) during any suspension of such [Person's](#) [Trading Privileges](#) ordered by the [RTX SEF](#).

**"Trading Session"** means a specified period of time during which a particular trade matching functionality is available to market participants.

**"Trading System"** means the electronic or voice systems administered by or on behalf of the [RTX SEF](#) for the execution of [Swap](#) transactions.

**"User ID"** means a unique identifier code assigned by the [Support Desk](#) to: (i) each [Authorized Trader](#) who trades for such [Participant](#) or any [Affiliate](#) of such [Participant](#); or (ii) to any other [Person](#) with [Trading Privileges](#).

**"Voice Order Book"** means a [Trading Facility](#) that provides a non-automated method for trading facilitated by an [Execution Specialist](#) who enables multiple participants to enter [Bids](#) or [Offers](#) to multiple participants through the use of telephone, electronic messaging, or other communication devices.

**"Voice Order"** means an Order entered into a Voice Order Book whereby a Participant communicates such an Order using an Approved Communication Method to an Execution Specialist.

**"Voice Trading"** is where an Execution Specialist makes known to [Participants](#) the existence of trading interest in a [Swap](#), facilitates the communication of [Bids](#) or [Offers](#) among [Participant](#)s, and assists in orderly trading on the Voice Order Book.

**"Voice Trading System"** means a Voice Trading session that remains open throughout the [Business Day](#) and in which an [Execution Specialist](#) stands ready to facilitate the execution of [Orders](#) in accordance with these [Rules](#).



## **PART 2. GOVERNANCE**

### **201. Board of Directors.**

The Board shall have all the powers and authority permitted by law, the RTX SEF's Rules and its Operating Agreement. The Board of Directors shall be appointed by the sole member of RTX Fintech & Research LLC. The Board shall be composed in accordance with the standards set forth in Commission Rule 1.64(b)(1) and (b)(3), which are incorporated herein by reference.

### **202. Officers**

The officers of the RTX SEF shall have all the powers and authority provided in the Operating Agreement, these Rules and such other additional duties and powers as the Board may confer on them or any of them. The officers of the RTX SEF shall consist of the Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, General Counsel, Chief Compliance Officer and such other officers as the Board may appoint.

### **203. Chief Compliance Officer**

- (a)** The Board of Directors shall appoint the Chief Compliance Officer to whom the Chief Compliance Officer shall directly report. The Chief Compliance Officer shall meet with the Board of Directors at least annually and with the Regulatory Oversight Committee at least quarterly. The Chief Compliance Officer may only be removed by the vote of a majority of the Board of Directors.
  - (i) Commission Notification.** The RTX SEF shall notify the Commission within two business days of the appointment or removal—whether interim or permanent—of a Chief Compliance Officer.
- (b)** The Chief Compliance Officer shall carry out the following duties:
  - (i)** Oversee and review the RTX SEF's compliance with section 5h of the Act and Commission Rules thereunder;
  - (ii)** resolve any conflicts of interest that may arise, in consultation with the Board of Directors or the Chief Executive Officer, including:
    - (A)** conflicts between business considerations and compliance requirements;
    - (B)** conflicts between business considerations and the requirement that the RTX SEF provide fair, open, and impartial access as provided in Commission Rule 37.202; and
  - (iii)** establish and administer written policies and procedures reasonably designed to prevent violations of the Act and Commission Rules;
  - (iv)** take reasonable steps to ensure compliance with the Act and Commission Rules;

- (v)** establish procedures for the remediation of noncompliance issues identified by the Chief Compliance Officer through a compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint;
- (vi)** establish and follow appropriate procedures for the handling, management response, remediation, retesting, and closing of noncompliance issues;
- (vii)** establish and administer a compliance manual designed to promote compliance with Applicable Laws, rules, and regulations and a written code of ethics designed to prevent ethical violations and to promote honesty and ethical conduct;
- (viii)** supervise the RTX SEF's self-regulatory program with respect to trade practice surveillance, market surveillance, real-time market monitoring, compliance with audit trail requirements, disciplinary proceedings, audits, examinations, and other regulatory responsibilities with respect to Participants (including ensuring compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements), the effectiveness and sufficiency of services provided by Surveillance Service Provider; and
- (ix)** prepare and sign an annual compliance report.
  - (A)** Such annual compliance report for the year since the end of the previous review period must contain the following information:
    - (1)** description of the swap execution facility's written policies and procedures, including the code of ethics and conflict of interest policies;
    - (2)** review of applicable Commission regulations and each subsection and core principle of section 5h of the Act, that, with respect to each identifies the policies and procedures that are designed to ensure compliance, provides a self-assessment as to the effectiveness of these policies and procedures, and discusses areas for improvement and recommends potential or prospective changes or improvements to its compliance program and resources;
    - (3)** a list of any material changes to compliance policies and procedures since the last annual compliance report;
    - (4)** a description of the financial, managerial, and operational resources set aside for compliance including a description of the RTX SEF's self-regulatory program's staffing and structure, a catalogue of investigations and disciplinary actions taken since the last annual compliance report, and a review of the performance of disciplinary committees and panels; and

- (5) a description of any material compliance matters, including noncompliance issues identified through a compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint, and an explanation of how they were resolved.
  - (B) The Chief Compliance Officer shall sign a certification that, to the best of his or her knowledge and reasonable belief, and under penalty of law, the annual compliance report is accurate and complete.
  - (C) Before the RTX SEF submits the annual compliance report to the Commission in accordance with Commission Regulation 37.1501, the Chief Compliance Officer shall timely submit the report to the Board of Directors for review. Related to this action are the following:
    - (1) Members of the Board of Directors and the senior officer shall not require the Chief Compliance Officer to make any changes to the annual compliance report.
    - (2) The annual compliance report shall be submitted electronically to the Commission not later than 90 days after the end of the RTX SEF's fiscal year. The RTX SEF shall concurrently file it with the fourth-quarter financial report pursuant to Commission Regulation 37.1306.
  - (D) Promptly upon discovery of any material error or omission made in a previously filed annual compliance report, the Chief Compliance Officer shall file an amendment with the Commission to correct the material error or omission. The Chief Compliance Officer shall submit the amended annual compliance report to the Board of Directors, or in the absence of the Board of Directors, to the senior officer of the RTX SEF, and the amendment shall contain the certification required under Commission Regulation 37.1501(d)(5).
- (c) The RTX SEF shall maintain all records demonstrating compliance with the duties of the Chief Compliance Officer and the preparation and submission of annual compliance reports consistent with Commission Regulations 37.1000 and 37.1001.

#### **204. Compliance Department**

- (a) The RTX SEF has the power and authority to regulate its facilities to ensure that the facilities are not used for any improper purpose and to establish and enforce rules and procedures to ensure fair and equitable trading through its facilities.

- (b) The RTX SEF shall be authorized to conduct and to oversee surveillance, investigation, and rule enforcement activities. The Chief Compliance Officer shall be in charge of the Compliance Department. The personnel of the Compliance Department may not operate under the direction or control of a Participant.
- (c) The RTX SEF has contracted with a Surveillance Software Provider for software which will assist the Compliance Department in the performance of market, trade practice, financial, audit trail surveillance.

## 205. Regulatory Oversight Committee

- (a) **Establishment of Regulatory Oversight Committee.** The Regulatory Oversight Committee (“ROC”) shall be composed of only persons who meet the definition of being a Public Director. The ROC shall be appointed by the Board of Directors.
- (b) **Role of the ROC.** The Regulatory Oversight Committee shall:
  - (i) Meet at least quarterly;
  - (ii) monitor the regulatory program of the registered entity for sufficiency, effectiveness, and independence;
  - (iii) oversee the regulatory program, including trade practice surveillance, market surveillance and regulatory responsibilities with respect to members;
  - (iv) review the size and allocation of the regulatory budget and the performance of the Chief Compliance Officer; and
  - (v) review all regulatory proposals and recommend changes to the program.

## 206. Disciplinary Committee

- (a) **Establishment of the Disciplinary Committee.** The Disciplinary Committee is a committee of the RTX SEF whose members shall consist of such members appointed by the Board of Directors of the RTX SEF. The members of the Disciplinary Committee shall constitute the RTX SEF’s Review Panel(s) and Hearing Panel(s). A member of a Hearing Panel may not serve as a member of the Review Panel in the same matter and each Hearing Panel and each Review Panel must include a member that is not a Participant of the RTX SEF.
- (b) **Composition.** At least one member of the Disciplinary Committee, who shall be chair, must be a Public Participant, a person that would not be disqualified from serving as a Public Director under Commission Rule 1.3(ccc)(3). The Disciplinary Committee may include as members RTX SEF officers and employees. However, no employee of the Compliance Department of the RTX SEF or any person involved in adjudicating any other stage of the same proceeding may serve on the Disciplinary Committee.
- (c) **Role of the Disciplinary Committee.** The Disciplinary Committee is authorized to determine whether violations of these Rules have been committed, to accept

offers of settlement, to set and impose appropriate penalties, and to exercise such other powers and duties as provided in Part 10 of these Rules governing disciplinary proceedings.

## **207. Restrictions on Directors, Officers, Committee Members, Employees and Consultants**

Members of the Board of the RTX SEF, officers of the RTX SEF, members of committees of the RTX SEF, employees of the RTX SEF, members of the Board of Directors, officers, and employees of any corporate affiliate of the RTX SEF performing functions for the RTX SEF, and consultants and contractors to the RTX SEF and their employees shall comply with the following restrictions and obligations:

- (a) Improper Use or Disclosure of Material Non-Public Information.** No member of the Board of Directors or of any Board committee, no member of any other committee of the RTX SEF, no officer of the RTX SEF, no employee of the RTX SEF, no member of the Board of Directors, officer or any employee of any corporate affiliate of the RTX SEF performing functions for the RTX SEF and no consultant to the RTX SEF shall:

  - (i)** trade for such person's own account, or for or on behalf of any other account, in any commodity interest on the basis of any material, non-public information obtained through the performance of such person's official duties; or
  - (ii)** use or disclose, for any purpose other than the performance of such person's official duties, any material, non-public information obtained by such person as a result of such person's official duties, provided, however, that this Section shall not prohibit disclosures made by such person in the course of his or her official duties or disclosures made to any other self-regulatory organization, a court of competent jurisdiction or any agency or department of the federal or state government.
- (b) Restrictions on Trading by Officers and Employees.** No employee or officer of the RTX SEF, or of any corporate affiliate, may trade, directly or indirectly in:

  - (i)** Any commodity interest traded on or cleared by the RTX SEF;
  - (ii)** Any related commodity interest;
  - (iii)** An interest rate related contract traded on contract markets or swap executions facilities or cleared by derivative clearing organizations other than the RTX SEF if the person has access to material, non-public information concerning such commodity interest; or
  - (iv)** An interest rate related contract traded on or cleared by a linked exchanged if the person has access to material, non-public information concerning such commodity interest.
- (c) Eligibility for Service on Boards and Committees.**

  - (i)** A person shall be ineligible to serve on the Board of Directors, a disciplinary committee, arbitration panel or, oversight panel who:

- (A) Was found within the prior three years by a final decision of a self-regulatory organization, an administrative law judge, a court of competent jurisdiction or the Commission to have committed a disciplinary offense;
  - (B) Entered into a settlement agreement within the prior three years in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense;
  - (C) Currently is suspended from trading on any contract market, is suspended or expelled from membership with any self-regulatory organization, is serving any sentence of probation or owes any portion of a fine imposed pursuant to either:
    - (1) A finding by a final decision of a self-regulatory organization, an administrative law judge, a court of competent jurisdiction or the Commission that such person committed a disciplinary offense; or,
    - (2) A settlement agreement in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense.
  - (D) Currently is subject to an agreement with the Commission or any self-regulatory organization not to apply for registration with the Commission or membership in any self-regulatory organization;
  - (E) Currently is subject to or has had imposed on him within the prior three years a Commission registration revocation or suspension in any capacity for any reason, or has been convicted within the prior five years of any of the felonies listed in section 8a(2)(D) (ii) through (iv) of the Act;
- (ii) Any person who is a member of the Board of the RTX SEF or any committee of the RTX SEF shall immediately notify the Chief Executive Officer of any information or occurrence which subjects such person to disqualification pursuant to paragraph (i) of this section.
- (d) Restrictions on Participation on Board and Committees.**
- (iii) no person shall vote, participate in deliberations or take any action involving the regulatory functions of the RTX SEF as a member of the Board of Directors of the RTX SEF or any committee of the RTX SEF on any matter involving a Named Party in Interest if such member:
    - (A) is a Named Party in Interest as defined in Rule 209(a)(iv);
    - (B) is associated with a named party in interest through a “broker association” as defined in Commission Rule 156.1;
    - (C) is an employer, employee, or fellow employee of a Named Party in Interest;

- (D) has any other significant, ongoing business relationship with a Named Party in Interest; including but not limited to, employment with or acting as a Director of an entity that either:
    - (1) employs, directly or indirectly through ownership or control, the Named Party in Interest, or
    - (2) is owned or controlled, directly or indirectly, by the Named Party in Interest; or
  - (E) has a family relationship as defined in Rule 209(a) with a Named Party in Interest.
- (iv) prior to the consideration of any matter involving a Named Party in Interest, each member of the Board of Directors of the RTX SEF or a committee (as the case may be) must disclose to the Chief Compliance Officer of the RTX SEF, whether he or she has one of the relationships listed in paragraph (d)(i) of this section with a Named Party in Interest. The Chief Compliance Officer shall determine whether any such member of the Board of Directors or the committee is subject to the restrictions set forth in paragraph (d)(i) in any matter involving a Named Party in Interest, which determination, taking into consideration the exigency of the action to be taken, shall be based upon:
- (A) information provided by such member pursuant to this paragraph (d)(ii); and
  - (B) any other source of information that is held by and reasonably available to the RTX SEF.
- (v) no person shall vote or participate in deliberations on any Significant Action as a member of the Board of Directors of the RTX SEF or any committee of the RTX SEF if such member knowingly has a material conflict of interest, including but not limited to having a direct and substantial financial interest in the result of the vote based upon positions maintained at the RTX SEF or elsewhere that could reasonably be expected to be affected by the action.
- (vi) the Chief Compliance Officer shall determine whether a member of the Board of Directors or a committee is subject to the restrictions contained in this paragraph (d) in any Significant Action after a review of the information described in paragraph (d)(iv) above. Taking into consideration the exigency of the Significant Action, such determination should be based upon:
- (A) the most recent large trader reports and clearing records available to the RTX SEF;
  - (B) information provided by the member pursuant to paragraph (d)(ii) above; and
  - (C) any other source of information that is held by and is reasonably available to the RTX SEF.

- (vii) any member of the Board of Directors of the RTX SEF or any committee who would otherwise be required to abstain from deliberations pursuant to this paragraph (i) of this subsection may participate in deliberations, prior to a vote on a Significant Action for which he or she otherwise would be required to abstain pursuant to paragraph (iii) of this subsection, if in the judgment of the deliberating body such participation would be consistent with the public interest and if such member recues himself or herself from voting on such action. In making a determination as to whether to permit such member to participate in such deliberations, the deliberating body shall consider whether the member's participation in deliberations is necessary for the deliberating body to achieve a quorum and whether the member has unique or special expertise, knowledge or experience in the matter under consideration. Prior to making any such determination, the deliberating body must fully consider the position information which is the basis for the member's direct and substantial financial interest in the result of a vote on a Significant Action.
- (viii) the Board of Directors of the RTX SEF and each committee of the RTX SEF must reflect in their minutes or otherwise document that the conflicts determination procedures required by paragraphs (ii) and (iv) of this section have been followed. Such records also must include:
  - (A) the names of all members who attended the meeting in person or who otherwise were present by electronic means;
  - (B) the name of any member who voluntarily recused himself or herself or was required to abstain from deliberations and/or voting on a matter and the reason for the recusal or abstention, if stated; and
  - (C) information on the position information that was reviewed for each member.
- (e) **Seconded personnel.** An employee seconded to or by the RTX SEF shall cooperate with any request for information or documents in any investigation or inquiry by a Governmental Agency relating to the business or operation of the RTX SEF.

## 208. Emergency Powers

- (a) "Emergency" shall mean any occurrence or circumstance which, in the opinion of the Board, or its designee authorized pursuant to this Rule, or as indicated to RTX SEF by the CFTC, requires immediate action to maintain markets with fair and orderly trading and to prevent or address manipulation or disruptive trading practices, whether the need for intervention arises exclusively from such occurrence or circumstance only involving RTX SEF's market or as part of a coordinated, cross-market intervention including, without limitation, the following:



- (i) any circumstance that may materially affect trading on RTX SEF or RTX SEF's market, including the failure of a Clearing Organization or Clearing Participant;
  - (ii) any action taken by any United States or foreign regulatory, self-regulatory, judicial, arbitral, or governmental (whether national, state or municipal) or quasi-governmental authority, or any agency, department, instrumentality, or sub-division thereof; or other Person exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or any other swap execution facility, designated contract market, board of trade, derivatives clearing organization, security-based swap execution facility or other exchange or trading platform (foreign or domestic) that may have a direct impact on trading on RTX SEF, the settlement or enforceability of any Trades conducted on RTX SEF, or RTX SEF's market
  - (iii) any actual, attempted or threatened corner, squeeze, congestion, manipulative activity or undue concentration of positions on RTX SEF or in RTX SEF's market;
  - (iv) any circumstance that may have a severe, adverse effect upon the physical operations and facilities of RTX SEF including, without limitation, fire or other casualty, flood or other natural disasters, bomb threats, acts of terrorism or war, other loss of or interruptions of essential services such as power, computer failures or malfunctions, communications failures, or disruptions in transportation; and
  - (v) any other unusual, unforeseeable or adverse circumstances as determined by RTX SEF.
- (b) Subject to applicable law during an Emergency, RTX SEF will approve and apply temporary rules and procedures ("Emergency Powers") pursuant to procedures set forth in this Rule.
- (c) Emergency Powers may require or authorize RTX SEF, the Board, any committee of the Board, the Chief Executive Officer or any other Officer to take actions necessary or appropriate to respond to the Emergency, including, but not limited to, the following actions:
- (i) suspending or restricting trading or limiting trading to liquidating only (in whole or in part);
  - (ii) extending, limiting or changing trading hours;
  - (iii) imposing intraday market restrictions;
  - (iv) imposing special margin requirements;
  - (v) transferring both customer contracts and the margin in coordination with RTX SEF's Clearing Organizations and Clearing Participants;
  - (vi) ordering the liquidation or transfer of open positions;
  - (vii) shortening or extending trading hours;
  - (viii) suspending or curtailing trading in a Product;
  - (ix) altering the terms and conditions of a Product;
  - (x) imposing or modifying price limits; and/or
  - (xi) imposing or modifying position limits.

- (d) Before any Emergency Rules may be adopted and enforced, a vote of the Board approving such Emergency Powers must occur at a duly convened Board meeting. Directors may attend such meeting in person or by teleconference. If the Chief Executive Officer determines that the Emergency Powers must be implemented with respect to an Emergency before a meeting of the Board can reasonably be convened, then the Chief Executive Officer shall have the authority, without Board action, to implement any Emergency Powers with respect to such Emergency that he or she deems necessary or appropriate to respond to such Emergency. In such circumstances, the Chief Executive Officer must convene a meeting as soon as practicable. The Board may modify any Emergency Powers implemented by the Chief Executive Officer.
- (e) As soon as practicable, the Board shall be notified of any exercise of emergency authority pursuant to this Rule and with respect to the Commission, the RTX SEF shall comply with the requirements of Commission Regulation 40.6(a)(6).
- (f) Any time that RTX SEF takes actions necessary or appropriate to respond to an Emergency, including any modification of previously adopted actions, a duly authorized representative of RTX SEF will promptly notify the CFTC of such actions and, when possible, will post an announcement of such actions on the RTX SEF website.
- (g) When the Board, any committee of the Board or the Chief Executive Officer determines that the Emergency has been reduced sufficiently to allow RTX SEF to resume normal functioning, any such actions responding to the Emergency will be terminated and notification of such termination will be provided on RTX SEF's website.

## **209. Conflicts of Interest**

- (a) *Definitions.* For purposes of this Rule 209, the following definitions shall apply:
  - (i) the term "family relationship of a Person" shall mean such Person's spouse, former spouse, parent, stepparent, child, stepchild, sibling, stepbrother, stepsister, grandparent, grandchild, uncle, aunt, nephew, niece or in-law.
  - (ii) the term "Board" shall mean the Board, and any committee thereof duly authorized to take action or to recommend the taking of action on behalf of the RTX SEF.
  - (iii) the term "member's affiliated firm" shall mean a firm in which a member of the relevant deliberating body is an employee or a "principal", as defined in Commission Regulation 3.1(a).
  - (iv) the term "named party in interest" shall mean a "named party in interest" as defined in Section 1.69 of the Commission Regulations.
  - (v) the term "significant action" shall mean any of the following types of actions or rule changes that are implemented without the Commission's prior approval:

- (A)** Any actions or Rule of the RTX SEF changes which address an “Emergency”, as defined in Rule 208; and
- (B)** Any changes in margin levels that are (i) designed to respond to extraordinary market conditions, such as an actual or attempted squeeze or corner or congestion due to undue position concentration or (ii) otherwise likely to have a substantial effect on prices in any Swap.

**(b)** Named Party in Interest Conflict.

- (i)** *Prohibition.* No Officer, Chief Compliance Officer or member of the Board or any standing committee shall participate in such body’s deliberations or voting in any matter involving a named party in interest where such person (A) is a named party in interest, (B) is an employer, employee or fellow employee of a named party in interest, (C) is associated with a named party in interest through a broker association, (D) has a family relationship with a named party in interest or (E) has any other significant, ongoing business relationship with a named party in interest, excluding relationships limited to executing Swaps opposite each other or to clearing Swaps through the same Clearing Participant.
- (ii)** *Recusal.* Where the Chief Compliance Officer has or believes that he or she may have one of the relationships listed in this Rule with a named party in interest, or where the Chief Compliance Officer has or believes that he or she may have any personal, professional or familial relationships with respect to any person or entity, who is likely to be materially affected by any significant action on which the Chief Compliance Officer would participate in deliberations or decision making, the Chief Compliance Officer shall recuse himself or herself from the matter giving rise to the conflict and the Board shall appoint an individual meeting all the requirements of a Chief Compliance Officer to serve as Chief Compliance Officer for the specific matter giving rise to the conflict.
- (iii)** *Disclosure.* Prior to consideration of any matter involving a named party in interest, each member of the deliberating body shall disclose to the Chief Executive Officer, or his or her designee, whether such member has or believes that he or she may have one of the relationships listed in paragraph (b)(i) of this Rule 209 with a named party in interest.
- (iv)** *Procedure and Determination.* The Chief Executive Officer, or his or her designee, shall determine whether any member of the relevant deliberating body is subject to a conflicts restriction under this paragraph (b). Such determination shall be based upon a review of the following information:
  - (A)** information provided by such member pursuant to clause (iii) above and any additional information requested by the Chief Executive Officer or his or her designee; and

- (B) any other source of information that is held by and reasonably available to the self-regulatory organization.
- (c) Financial Interest in a Significant Action Conflict.
  - (i) *Prohibition.* No Officer, Chief Compliance Officer or member of the Board or any standing committee shall participate in such body's deliberations and voting on any significant action if such person knows or reasonably should know that he or she has a direct or indirect substantial financial interest in the result of the vote based upon either RTX SEF or non-RTX SEF positions that could reasonably be expected to be affected by the significant action under consideration, as determined pursuant to this paragraph (c).
  - (ii) *Procedure for Determination.* The RTX SEF shall follow the following procedure for determining whether any member of its governing board, disciplinary committees or oversight committees is subject to a conflicts restriction under this section in any significant action. Such a member shall seek the review of the Chief Compliance Officer, whose determination must include a review of:
    - (A) Gross positions held at the RTX SEF in the member's personal accounts or "controlled accounts," as defined in Commission Rule 1.3(j);
    - (B) Gross positions held at the RTX SEF in proprietary accounts, as defined in Commission Rule 1.17(b)(3), at the member's affiliated firm;
    - (C) Gross positions held at the RTX SEF in accounts in which the member is a principal, as defined in Commission Rule 3.1(a);
    - (D) Net positions held at the RTX SEF in "customer" accounts, as defined in Commission Rule 1.17(b)(2), at the member's affiliated firm; and,
    - (E) Any other types of positions, whether maintained at the RTX SEF or elsewhere, held in the member's personal accounts or the proprietary accounts of the member's affiliated firm that the RTX SEF reasonably expects could be affected by the significant action.
  - (iii) *Procedure and Determination.* The Chief Compliance Officer shall determine whether any member of the relevant deliberating body is subject to a conflicts restriction under this paragraph (c) based upon a review of the most recent large trader reports and clearing records available to the RTX SEF, information provided by such member with respect to positions pursuant to clause (ii) above and any other source of information that is held by and reasonably available to the RTX SEF, taking into consideration the exigency of the significant action being contemplated.
  - (iv) *Deliberation Exemption.* Any Officer, member of the Board, a "disciplinary committee" or "oversight panel" (both as defined in

Commission Regulation 1.69) who would otherwise be required to abstain from deliberations and voting pursuant to this paragraph (c) (excluding the Chief Compliance Officer) may participate in deliberations, but not voting, if the deliberating body, after considering the factors specified below, determines that such participation would be consistent with the public interest, provided, however, that before reaching any such determination, the deliberating body shall fully consider the position information specified in clause (ii) above which is the basis for such member's substantial financial interest in the significant action that is being contemplated. In making its determination, the deliberating body shall consider:

- (A) whether such member's participation in deliberations is necessary to achieve a quorum; and
  - (B) whether such member has unique or special expertise, knowledge or experience in the matter being considered.
- (d) *Documentation.* The minutes of any meeting to which the conflicts determination procedures set forth in this Rule apply shall reflect the following information:
- (i) the names of all members of the relevant deliberating body who attended such meeting in person or who otherwise were present by electronic means;
  - (ii) the name of any member of the relevant deliberating body who voluntarily recused himself or herself or was required to abstain from deliberations or voting on a matter and the reason for the recusal or abstention, if stated; and
  - (iii) information on the position information that was reviewed for each member of the relevant deliberating body.

## **210. Prohibition on Admission as Participant**

No officer or employee of the RTX SEF shall be admitted as a Participant; provided however, nothing in this rule limits or precludes an Execution Specialist from carrying out his or her functions.

## **PART 3. PARTICIPANTS**

### **301. Status of Participants**

- (a)** Participants shall have the privileges, rights and obligations set forth in, or established pursuant to, these Rules.
- (b)** Subject to the requirements and procedures set forth in this Part 3, Trading Privileges shall be offered to all Applicants from time to time approved by the RTX SEF as eligible to be Participants, subject to any limitation, restriction or revocation from time to time imposed by the RTX SEF. Trading Privileges are non-transferable, non-assignable and may not be sold or leased.

### **302. Eligibility**

- (a)** RTX SEF shall provide impartial access to any eligible contract participant and any limitations on access will be applied in an impartial and non-discriminatory manner.
- (b)** Unless otherwise prohibited by these Rules, any Person is eligible to become a Participant, provided that such Person meets the following standards:
  - (i)** the Applicant must qualify as an Eligible Contract Participant (“ECP”) at all times and must promptly notify RTX SEF if it fails to qualify as an ECP;
  - (ii)** if a natural person, the Applicant shall have attained the age of majority and shall be of good character;
  - (iii)** if an Entity, the Applicant shall be duly organized, existing and in good standing under the laws of its jurisdiction of organization;
  - (iv)** the Applicant shall have good commercial standing and business experience;
  - (v)** the Applicant shall have adequate financial resources and credit as reasonably determined by the RTX SEF;
  - (vi)** the Applicant shall, where relevant, be registered, licensed or otherwise permitted by the appropriate Governmental Agency to conduct business on the Trading System or subject to the rules of the RTX SEF;
  - (vii)** the Applicant shall have such operational capabilities (including without limitation such hardware, software, communications systems and staffing) as the RTX SEF may from time to time determine is appropriate in view of such Person’s anticipated type and level of activity on the Trading System or subject to the rules of the RTX SEF;
  - (viii)** the Applicant shall only trade for their own account and not as an agent or broker on behalf of customers;
  - (ix)** the Applicant shall meet any other criteria that the RTX SEF may from time to time prescribe.

### **303. Application Procedures**

- (a)** Every Person applying to become a Participant shall complete an application on a form prescribed by the RTX SEF and shall file it with the RTX SEF with any documents that the RTX SEF requires.
- (b)** An Applicant must name in its application for admission a natural person who will be authorized to represent it. An Applicant must name at least one natural person who, if approved by the RTX SEF, will be an Authorized Trader. An Applicant who is a natural person shall be considered by the RTX SEF to be both the representative and the Authorized Trader. The Participant may change an Authorized Trader at any time, but only after notifying RTX SEF in writing in advance.
- (c)** The Applicant must designate at least one senior officer who is responsible for supervising all activities of its employees relating to transactions effected on the Trading System or subject to the RTX SEF's Rules and advise the RTX SEF of the name, title, and address for the senior officer, phone number, fax number and e-mail address of each such officer;
- (d)** An Applicant shall:
  - (i)** agree to abide by the Rules of the RTX SEF and adhere to Applicable Law; and
  - (ii)** consent to the jurisdiction of the RTX SEF in all matters arising under the Rules.
- (e)** Every Applicant and all Persons associated with the Applicant may be investigated by the RTX SEF. The Applicant shall file with the RTX SEF any additional information and documents as the RTX SEF, or any individual, corporation, RTX SEF or association authorized by the RTX SEF to act on its behalf, may request.
- (f)** Upon completion of the application process, the RTX SEF shall consider and then approve or reject the application for admission, unless there is just cause for delay. Applicants who are natural persons as well as holders of a significant interest in and/or senior management of Applicant Entities may be required to appear in person before the RTX SEF. The RTX SEF may also require any Participant, significant shareholder or manager associated with a Participant who may possess information relevant to the Applicant's suitability for membership to provide additional information.
- (g)** The RTX SEF shall approve an application for admission if it finds that the Applicant meets all of the qualifications to become a Participant. The RTX SEF shall reject an application for admission if it does not make such a finding or if it finds that, if the application were approved, the Participant would be subject to suspension or expulsion under the provisions of these Rules or Applicable Law, including, without limitation, the Commodity Exchange Act.
- (h)** Written notice of the action of the RTX SEF, specifying in the case of rejection of an application the grounds therefore, shall be given promptly to the Applicant.

### **304. Denial of Admission**

- (a)** The RTX SEF may deny the application of any Person (or a Person associated with the Applicant) to become a Participant if the Person:
- (i)** does not meet one or more of the standards of eligibility set forth in Rule 302 or does not follow the procedures to apply for admission set forth in these Rules or established by the RTX SEF;
  - (ii)** has been convicted of any felony or misdemeanor involving, arising from, or related to, the purchase or sale of any Commodity, security, futures contract, option or other financial instrument, or involving or arising from fraud or moral turpitude, or is permanently or temporarily enjoined by order, judgment or decree of any court of competent jurisdiction or any Governmental Agency from engaging in or continuing any conduct or practice in connection with the purchase or sale of any Commodity, security, futures contract, option or other financial instrument, or is or has been subject to an order of the Commission denying the Person trading privileges on or subject to the rules of any registered entity;
  - (iii)** has had any fine, cease and desist order, denial of trading privileges, censure or other discipline (whether through an adverse determination, voluntary settlement or otherwise) imposed on such Person by any Governmental Agency;
  - (iv)** has ever been expelled from, suspended by or subject to any other disciplinary action (whether through an adverse determination, voluntary settlement or otherwise) imposed on such person by any SRO;
  - (v)** is subject to any material unsatisfied judgments, the enforcement of which has not been stayed by a court of competent jurisdiction;
  - (vi)** has made any false or misleading statement in or in connection with any application filed with the RTX SEF;
  - (vii)** is subject to a statutory disqualification as defined in the Securities Exchange Act; or
  - (viii)** if, under all of the circumstances, the RTX SEF in its discretion determines that admitting the Person as a Participant would not be in the best interests of the RTX SEF and the denial is otherwise consistent with the RTX SEF's obligations under the Act.
- (b)** In the event that an application for membership is denied by the RTX SEF, the Applicant shall have an opportunity to be heard upon the specific grounds for the denial. An Applicant denied membership may challenge the denial by filing with a petition for review of the denial by the RTX SEF's Appeals Committee. The petition shall be filed within thirty calendar days of the date upon which the RTX SEF's decision was mailed to the Applicant. Hearings shall be conducted in a manner that will give the Person an opportunity to present fully and fairly to the RTX SEF the Person's reasons why the application should be granted.



### **305. Admission of a Participant**

- (a)** In the event that the RTX SEF grants the application for admission of any Person to become a Participant (or at any time prior thereto), the Person shall, within such time as the RTX SEF may specify, take the following actions:
  - (i)** unless the Applicant is itself a Clearing Participant, declare on a form prescribed by the RTX SEF that it has in effect an agreement with a Clearing Participant to clear the Applicant's transactions;
  - (ii)** file such other documents and take such other actions as the RTX SEF may prescribe; and
  - (iii)** establish and maintain a working connection with the Trading System in accordance with such procedures and protocols as the RTX SEF may have in effect from time to time.
- (b)** Upon completing such actions, such Person shall become a Participant, with all of the rights, privileges and obligations set forth in, or established pursuant to the Rules; and
  - (i)** the RTX SEF shall notify the Person of the effective date and time of becoming a Participant and of the Participant ID and, in the case of a Clearing Participant, the Clearing Participant ID;
  - (ii)** if the Person does not complete the actions specified in paragraph (a) within the time specified by the RTX SEF, then unless the RTX SEF extends the time, the Person shall be deemed to have withdrawn the application to become a Participant.

### **306. Authorized Traders**

- (a)** Authorized Traders.
  - (i)** Each Participant that is not a natural Person shall appoint one or more persons to act as an Authorized Trader, and any such Authorized Trader shall be entitled to exercise Trading Privileges on behalf of the Participant subject to the terms and conditions of these Rules.
  - (ii)** Participants may not appoint or designate a Broker, FCM or IB as an Authorized Trader who would be entitled to exercise Trading Privileges on behalf of the Participant.
  - (iii)** A Participant wishing to appoint an Authorized Trader shall notify the RTX SEF and each Authorized Trader will consent to abide by the Rules of the RTX SEF and Applicable Law prior to accessing the Trading System. Each Authorized Trader must satisfy such requirements as may be prescribed by the RTX SEF from time to time and shall be subject to the disciplinary authority of the RTX SEF, including possible restriction or revocation of Trading Privileges.
- (b)** All trading-related provisions of these Rules shall apply to each Participant and each Participant shall be responsible for the actions and omissions of each of its

Authorized Traders, other Supervised Persons. Each Participant will ensure on an ongoing basis that none of its Authorized Traders, other Supervised Persons is subject to statutory disqualification as defined by the Commodity Exchange Act (unless an appropriate exemption has been obtained with respect thereto).

- (c) Each Participant will ensure that each of its Authorized Traders, other Supervised Persons (as applicable) will be technically proficient in respect of the use of the Trading System. Each Participant shall have procedures for performing day-to-day monitoring of its Authorized Traders, other Supervised Persons to ensure that each will conduct its business in a fair and equitable manner and in accordance with the Rules of the RTX SEF.
- (d) For purposes of these Rules, any reference to the Trading Privileges of a Participant shall also be deemed to refer and apply to the exercise of Trading Privileges by any of such Participant's Authorized Trader whether designated or deemed designated.
- (e) For purposes of these Rules, any reference to a Participant submitting or receiving Orders, Bids, Offers or Message traffic into or from the Trading System or RTX SEF or engaging in transactions in Swaps matched through the Trading System or an Off- facility Transaction reported to the RTX SEF and executed subject to the Rules of the RTX SEF, shall be deemed to also refer and apply to any such actions engaged in by any of such Participant's Authorized Trader and the knowledge of, or matters known to, any Participant shall be deemed to also refer to and include the knowledge of, or matters known to, its Authorized Traders or other Supervised Persons.

### **307. Surveillance**

The RTX SEF has contracted with Eventus Systems, Inc. for the Validus software which will assist the Compliance Department in performance of market surveillance, trade practice, and audit trail surveillance. The failure by any Person subject to the RTX SEF's Rules to furnish any information requested by the Compliance Department related to its performance of these functions, as authorized by the RTX SEF and acting on behalf of the RTX SEF with respect to these functions, shall constitute a violation of these Rules. The RTX SEF retains ultimate responsibility for the trading activity on the platform and oversight of each Participant through their Authorized Traders or other Supervised Persons.

### **308. Recording of Conversations**

Participants acknowledge and consent to the RTX SEF's right and power to record conversations between employees, officers and agents of the RTX SEF and Participants and their employees, officers and agents, to the extent permitted by Applicable Law. Participants shall inform their employees and agents of the RTX SEF's right and power to record conversations and shall obtain their consent thereto. The RTX SEF shall retain any such recordings under the terms and conditions the RTX SEF may prescribe from time to time and pursuant to Commission rules.

### 309. Market Data

- (a) Subject to each Participant's rights in its Participant Data, and unless otherwise provided for in Rule 309(c), the RTX SEF owns all rights, title and interest in and to all intellectual property and other proprietary rights (including, without limitation, all copyright, patent, trademark or trade secret rights) in Market Data, and all derivative works based thereon. No Person including but not limited to Participants, employees, agents, vendors and other Persons affiliated with any of the foregoing may use (except that each Participant may use solely internally for the purposes of the Participant executing Swap transactions on the Trading System), or distribute, sell or retransmit Market Data to any third party without the consent of the RTX SEF, nor take any action contrary or detrimental to RTX SEF's interest in the Market Data. RTX SEF may at any time further restrict use of or access to or establish utilization fees in respect of Market Data.
- (b) For the avoidance of doubt and notwithstanding any provisions of Rule 309 or Rule 1208: (1) each Participant retains such proprietary interest in its Participant Data and no restrictions herein shall apply to Participant's use of such Participant Data or resulting executions by the Participant; and (2) no restrictions herein shall apply to RTX SEF's use or disclosure either for the purpose of fulfilling the RTX SEF's regulatory obligations or as may be required by Applicable Law of any Participant Data or any data or information that has been collected or received from any Participant or employees, agents, vendors or other Persons affiliated with any of the foregoing.
- (c) Unless a Participant provides written notice to the General Counsel of the RTX SEF, such writing may be electronic, the RTX SEF may not use for business or marketing purposes Proprietary Data or Personal Information that has been collected or received from such Participant or from any of its employees, agents, vendors and their Affiliates and other Persons affiliated with any of the foregoing for the purpose of fulfilling the RTX SEF's regulatory obligations. *Provided however*, the RTX SEF may share such Proprietary Data or Personal Information with one or more registered entities (as such term is defined in Commission Regulations) where necessary for regulatory purposes. Access to the RTX SEF will not be conditioned upon the consent to use such Proprietary Data or Personal Information for business or marketing purposes and no Person shall be denied access to the RTX SEF as a consequence of refusal to submitting such notice to the RTX SEF.
- (d) Unless otherwise provided for Rule 309(c), for the avoidance of doubt, nothing herein restricts use, distribution, sublicense, disclosure or sale, in any manner, media or jurisdiction and each Participant on behalf of itself and its Affiliates and other Persons affiliated with any of the foregoing hereby grants the RTX SEF a non- exclusive, perpetual, freely transferable, irrevocable, worldwide and royalty-free license to use, distribute, sublicense, disclose and sell, in any manner, media and jurisdiction (in each case, for the benefit of the RTX SEF and/or its Affiliates) Participant Data on an aggregated basis without directly or indirectly identifying any Participant.

### **310. Liquidity Provider Programs**

From time to time, RTX SEF, in order to provide liquidity and orderliness in a market, may adopt certain programs granting one or more Participants certain benefits in return for assuming and adequately performing obligations (“Liquidity Providers”). Such programs will be available to all Participants. Any such program may contain:

- (a) The qualifications to become a Liquidity Provider, including without limitation any minimum net capital requirements;
- (b) The procedure by which a Participant may seek and receive designation as a Liquidity Provider;
- (c) The obligations of a Liquidity Provider, including without limitation, maximum Bid/Offer spread and minimum quote size in certain Products; and/or
- (d) The benefits granted a Liquidity Provider, including without limitation, reduced transaction fees and or certain compensatory payments from the RTX SEF.

### **311. Termination of Participation**

- (a) The participation of any Person may be terminated at any time by the RTX SEF pursuant to Part 10 of the Rules; or the participation of a Participant may be terminated if the RTX SEF shall determine, after reasonable notice and an opportunity to be heard, that such Participant no longer meets any one or more of the eligibility standards set forth in Rule 302; *provided, however*, nothing in this section shall limit the RTX SEF’s right to summarily suspend any Person having Trading Privileges under Rule 1015(a).
- (b) A Participant may terminate voluntarily its status upon written notice to the RTX SEF, specifying the effective date of termination, which shall be (A) not less than 30 days following the date of giving of such notice or (B) such other date as may be approved by the RTX SEF. Notwithstanding the 30 day notification period, a Participant may voluntarily suspend its Participant status immediately upon notice to the RTX SEF and cessation of trading activities. The Participant shall incur no new liability during the period of its voluntary suspension.
- (c) Notwithstanding any termination of its membership, a Participant shall remain subject to the jurisdiction of the RTX SEF after the effective date of termination with respect to any investigation or proceeding against the Person pursuant to Part 10 of the Rules or any claim in arbitration filed against the Person pursuant to Part 11 of the Rules that is commenced by the RTX SEF within two years of the effective date of termination.
- (d) Any Participant whose participation has been terminated shall immediately notify the RTX SEF of any change in its address as most recently reported to the RTX SEF for a period of one year following the effective date of termination.

### **312. Independent Software Vendors**

- (a)** RTX SEF shall provide impartial access to any independent software vendor (“ISV”) and any limitations on access will be applied in an impartial and non-discriminatory manner.
- (b)** An ISV may apply to connect to RTX SEF, and shall be permitted to do so by RTX SEF, provided that the ISV meets the following criteria initially and on a continuing basis:
  - (i)** The ISV applies for connection privileges on a form prescribed by RTX SEF and provides such supporting documentation as required by RTX SEF;
  - (ii)** The ISV satisfies the definition of Eligible Contract Participant;
  - (iii)** The ISV is duly organized, existing, and in good standing under the laws of its jurisdiction of organization;
  - (iv)** The ISV has good commercial standing and business experience;
  - (v)** The ISV has adequate financial resources and credit as reasonably determined by RTX SEF;
  - (vi)** The ISV is, where relevant, registered, licensed, or otherwise permitted to do business as an ISV; and
  - (vii)** The ISV meets any other criteria that RTX SEF may from time to time prescribe;
- (c)** An ISV that is connected to RTX SEF must pay fees as provided under the conditions set forth in Rule 401. RTX SEF will charge comparable fee structures for ECPs and ISVs receiving comparable access to, or services from, RTX SEF.
- (d)** For the avoidance of doubt, any Person directly accessing RTX SEF via an ISV must have been granted Trading Privileges on RTX SEF under Rule 305 or 306.

## **PART 4. OBLIGATIONS OF PARTICIPANTS**

### **401. Payment of Fees and Assessments**

The RTX SEF, in its discretion and with reasonable written notice, may impose fees, charges and assessments upon Participants. Participants shall pay any fees, charges and assessments in a manner prescribed by the RTX SEF on a prompt basis. The RTX SEF may suspend any Participant or impose other penalties pursuant to Part 10 for failure to pay any such fee, charge, or assessment on a timely basis.

### **402. Compliance with the Rules**

Each Participant or Authorized Trader shall, by making application for a User ID or by placing any Order directly or indirectly, have agreed to:

- (i) be bound by the Rules of the RTX SEF;
- (ii) be subject to the jurisdiction of the RTX SEF;
- (iii) comply with all applicable Rules of RTX SEF; and
- (iv) comply with Applicable Law.

### **403. Required Records and Reporting**

Each Participant shall make and file reports relating to the RTX SEF in accordance with (and in the manner and form and at such times as may be prescribed by) Commission Regulations.

- (a) **Commission Reporting Requirement for Swaps.** The RTX SEF will report each Swaps transaction (including those Swaps as part of Package Transactions) to a swap data repository chosen by the RTX SEF as soon as technologically practicable after execution; both 17 CFR Part 43 and Part 45 data are reported to the SDR, as applicable. The Reporting Party for each Swap executed on or subject to the Rules shall be established pursuant to CFTC Regulation 45.8. If both counterparties to a Swap executed pursuant to the Rules are equal in the hierarchy (for example, both are Swap Dealers), the Reporting Party for such Swap shall be determined as follows:
  - (i) For interest rate Swaps, the fixed rate payer when a single fixed rate payer exists, otherwise the party with the first swap identifier when sorted in reverse ASCII sort order, using the Legal Entity Identifier, DTCC ID, and no identifier, ranked in that order, and for swaptions, the option buyer.
- (b) **Unique Transaction Identifiers (UTI).** Under 17 CFR § 45.5(g), a registered entity or reporting counterparty required under 17 CFR Part 45 to report required swap creation data or required swap continuation data may contract with a third-party service provider to facilitate reporting pursuant to 17 CFR § 45.9. In such circumstances, the registered entity or reporting counterparty must ensure

that such third-party service provider creates and transmits the unique transaction identifier as otherwise required for such category of swap by 17 CFR § 45.5(a)–(e). In addition, the form of this unique transaction identifier must satisfy the requirements in 17 CFR § 45.5(g). To facilitate its reporting pursuant to 17 CFR § 45.9, RTX SEF contracts with the third-party service provider MarkitWire and shall fulfill its obligations under 17 CFR § 45.5(g).

- (c) Unique Product Identifier (UPI) and Product Classification System.** RTX SEF will use the designated UPI and product classification system that the Commission designated in all recordkeeping and all swap data reporting pursuant to 17 CFR Part 45 when the Commission designates a UPI and product classification system. Before the Commission designates a UPI and product classification system, RTX SEF shall use the internal product identifier or product description used by the SDR to which a swap is reported in all recordkeeping and all swap data reporting pursuant to 17 CFR Part 45.
- (d) Reporting of Errors.** Any errors or omissions in Swap transaction and pricing data or swap data (except for the cancellation of trades and price adjustments made under the provisions of and subject to the procedures of Rule 514) that were publicly disseminated in real time or that had to be reported shall be corrected as follows.

  - (i)** If a party to the Swap becomes aware of an error or omission in the Swap transaction and pricing data or swap data reported with respect to such Swap, such party shall notify the other party of the error and/or correction as soon as technologically practicable.
  - (ii)** If a Reporting Party to a Swap itself becomes aware of an error or omission in the Swap transaction or pricing data or swap data that the RTX SEF reported to a SDR, or such error is reported to it by the other party, the Reporting Party shall submit corrected data to the RTX SEF in writing as soon as technologically practicable; such writing may be electronic, in the form and manner specified by the RTX SEF.
  - (iii)** The RTX SEF shall—as soon as technologically practicable—submit corrected data to the SDR to which the transaction and pricing data or swap data was first reported for those errors of which the RTX SEF becomes aware or that are reported to it.
  - (iv)** No Participant shall submit or agree to submit a cancellation or correction to the RTX SEF for the purpose of re-reporting Swap transaction and pricing data or swap data in order to gain or extend a delay in public dissemination of accurate Swap transaction or pricing data or swap data, or to otherwise evade this reporting requirement.
  - (v)** Notwithstanding anything to the contrary in this Rule, all correction of errors, with respect to either Swap transaction and pricing data or swap data, must satisfy the requirements of 17 CFR § 43.3(e) and 45.14. In addition, swap data accuracy must be verified in accordance with 17 CFR § 45.14.

- (e) **Commission Recordkeeping Requirements.** Each Participant shall keep all records relating to the RTX SEF that are required by the Commission and Applicable Law to be kept, in such form and manner and for such period, as required by Commission Rule and Applicable Law, including but not limited to records by a Participant of its trading, including records of its activity in the index or instrument used as a reference price, the underlying commodity, and related derivatives markets, and make such records available, upon request, to the RTX SEF or, if applicable, and the Commission.
- (f) **RTX SEF Reporting Requirements.** Each Participant shall make and file reports with the RTX SEF at the times, in the form, and containing such information relating to the RTX SEF as the RTX SEF may prescribe from time to time. And at all times, upon RTX SEF's request, each Participant shall furnish the RTX SEF with the information it needs to fully perform its operational, risk-management, governance, and regulatory functions and requirements under the Commodity Exchange Act and Commission Regulations. Upon the Commission's request, RTX SEF shall provide necessary information—in its possession—to perform any of the functions described in section 5h of the Act to the Commission.
- (g) **RTX SEF Recordkeeping Requirements.**
- (i) Each Participant shall make such records relating to orders received, transactions effected, and positions carried relating to the RTX SEF, and shall maintain such records in such form and manner and for such time, as required by Commission Rule and Applicable Law. Such records shall at all times be open to inspection by the RTX SEF upon reasonable prior notice and subject to Participant's reasonable security policies. Such reasonable security policies may include a requirement that inspections be conducted by authorized personnel acting within the scope of their authority, that inspection be carried out on premise, that the inspection be on systems provided by the Participant, and that the inspecting personnel keep a record of all documents inspected and provide such record to Participant.
  - (ii) **Audit Trail Records.** Each Participant shall make and retain all audit trail records. Such records shall include, but are not be limited to, User IDs, records of customer order information (whether filled, unfilled, or cancelled), account identifiers that relate the account to the account owner, time of Order entry, all Orders, indications of interest, or request customer-type-indicator codes.
- (h) **Responding to Information Requests.**
- (i) Each Participant shall timely furnish the information relating to the RTX SEF as may from time to time be requested by any representative of the RTX SEF acting within the scope of the jurisdiction of the RTX SEF and in the course of its, his or her duties, except to the extent prohibited by Applicable Law. Any representative of the RTX SEF when engaged in the examination of any subject within the RTX SEF's jurisdiction, has the power to summon and examine any Participant and any employee, officer, partner, or agent thereof in order to carry out the RTX SEF's



functions, except to the extent prohibited by Applicable Law. The representative of the RTX SEF may require such individual to submit a sworn statement of his or her information.

- (ii) From time-to-time, RTX SEF shall review each Participant's compliance with the applicable recordkeeping and audit trail requirements of the RTX SEF, including, but not limited to the requirements of this Rules 403, 407, 510, and 512. At a minimum, RTX SEF will perform annual audit trail reviews of all Participants. RTX SEF may, however, conduct other audit trail reviews during the year to confirm or verify audit trail data quality.
- (i) **Employee Supervision and Training.** Each Participant shall reasonably supervise all activities of its employees relating to transactions effected on the Trading System or subject to these Rules. Without limiting the generality of the foregoing:

  - (i) each Participant shall continue to have at all times at least one senior officer who is responsible for such supervision and shall promptly advise the RTX SEF of any change in the name, title, address, phone number, fax number or e-mail address of each such officer;
  - (ii) each Participant shall be responsible for training its employees regarding the requirements of these Rules, the Commodity Exchange Act, and Commission Regulations;
  - (iii) each Participant shall furnish the RTX SEF with the name, location, birth date (or other acceptable identifier) and User ID of each Authorized Trader; and
  - (iv) each Participant is responsible for ensuring that each of its Authorized Traders receives training regarding these Rules and in the operation and propose use of the Trading System.
  - (v) The RTX SEF reserves the right to refuse or revoke access to the Trading System of any Authorized Trader when such action would serve the best interests of the RTX SEF, and to the extent practicable under the circumstances, will provide notice to the Participant prior to taking such action.
- (j) **Rules Violations by Employees.** Any violation of the Rules by any employee of a Participant shall constitute a violation of the Rules by such Participant.
- (k) **Responsibility for Swaps Entered Under Participant ID.** Each Participant shall be fully responsible for timely performance of all obligations under or in connection with any Swap or contract resulting from the entry of any order into the Trading System with such Participant's Participant ID and any Swap otherwise resulting and reported to the Trading System with such ID.
- (l) **Order Entry Under Participant ID.** Each Participant shall be responsible for assigning and reporting of any message input mnemonic indicator that may be required by the RTX SEF to be included with orders submitted to the Trading System for the entry of any order into the Trading System under such Participant's Participant ID.

- (m) **Maintenance of Eligibility for Trading.** Each Participant shall at all times continue to meet the standards of eligibility set forth in Rule 302 and not be subject to any of the grounds for denial of an application for admission as a Participant set forth in Rule 304.
- (n) **Maintenance of Financial Requirements.** Participants shall at all times maintain their financial resources at or in excess of the amount reasonably prescribed by the RTX SEF from time to time in respect of the Participant's capacity at the RTX SEF. Any Participant registered with the Commission or with the SEC must comply with the applicable financial requirements set forth by the Commission or SEC, respectively.

#### **404. Requirements for Persons Submitting Orders**

- (a) Each Order submitted to the Trading System—Electronic Order Book or Voice Order Book—shall be submitted under the applicable User ID and shall indicate the Clearing Organization to be used upon trading the order as provided under Part 8 of these Rules, along with clearing account numbers for the Futures Commission Merchant that has agreed to clear their trades, along with account numbers for allocation of accounts as permitted by the Trading System.
- (b) To qualify to receive one or more User IDs, the Person must be a Participant or Authorized Trader and such Person shall meet all RTX SEF mandated eligibility standards of Rule 302 and other requirements under the Rules. Each Participant shall be responsible for granting and/or authorizing the use of any User ID for Orders that are submitted using that Participant's User ID and shall be responsible for all Orders entered, or other actions taken, through the use of its User IDs.
- (c) Each Participant or Authorized Trader, as applicable, shall provide in writing to the RTX SEF, and keep current such information as the RTX SEF may require concerning (i) itself, and (ii) in the case of a Participant, each of its Authorized Traders.
- (d) Each Participant, as applicable, shall provide in writing to the RTX SEF upon request, such information as the RTX SEF may reasonably require concerning each of its Supervised Persons, including but not limited to the identity of each such Supervised Person.
- (e) Any request that the RTX SEF activate or deactivate a User ID shall be submitted in writing by a Designated Contact(s) of the relevant Person in the manner provided for by the RTX SEF; provided that the consent of the Designated Contact of a Participant shall be required for the activation of the User ID of any of such Participant's Authorized Traders. The Designated Contact of any Participant shall have the right to activate or deactivate the User ID of any of such Participant's Authorized Traders. The RTX SEF shall have no liability for any action or inaction due to its good faith reliance upon a written request or for any communication system failure.

- (f) The Participant or Customer will be responsible for each Order that it enters on the RTX SEF for itself or which is entered on its behalf. All Orders that have been entered on the RTX SEF are subject to acceptance by other Participants.

#### **405. Responsibility for Orders**

Except as otherwise provided by these Rules, each Participant shall be responsible for:

- (i) all Orders placed by it, and by any of its Supervised Persons (in the case of a Participant); and
- (ii) use of any of the User IDs assigned to it and any of its Authorized Traders (in the case of a Participant).

#### **406. System Security**

Each Participant shall:

- (i) be solely responsible for controlling and monitoring the use of all User IDs issued to it, and its Authorized Traders by the RTX SEF;
- (ii) ensure that each Person accessing the Trading System using such User IDs is assigned a unique password and that each password is used only by the Person to whom it is assigned; and
- (iii) shall notify the RTX SEF promptly upon becoming aware of any unauthorized disclosure or use of such User IDs or passwords or access to the RTX SEF or of any other reason for deactivating User IDs or passwords.

Each Participant shall be bound by any actions taken through the use of such User IDs or passwords (other than any such actions resulting from the fault or negligence of the RTX SEF), including the execution of transactions, whether or not such actions were authorized by such Participant or any of its Supervised Persons or executed by anyone other than an Authorized Trader of such Participant.

#### **407. User IDs and Confidentiality**

- (a) No Person may use a User ID to place any Order except as permitted by these Rules; nor may any Person knowingly permit or assist the unauthorized use of a User ID. Each Participant on behalf of itself and each of its Supervised Persons shall ensure that no User ID is used by any Person not authorized by these Rules.
- (b) Participants identify to the RTX SEF User IDs that are assigned to an Automated Trading Application.
- (c) Participants in each case as applicable, that are not individuals, must:
  - (i) restrict access through password protection to any system capable of submitting Orders to the RTX SEF to individual users authorized by the

relevant Participant (including its Authorized Traders or Supervised Persons);

- (ii) require creation, maintenance, and record keeping of accurate and complete records regarding each individual that is issued or authorized to use a unique User ID;
- (iii) require, in the case of a Participant to create, maintain, and record keep accurate and complete records regarding the individuals that are issued or authorized to use a unique User ID; and
- (iv) require that individuals protect and maintain the security of any User ID and prohibit the use of such User ID, except as permitted in this section, by any other Person, including subsidiaries, affiliates, divisions or business units of Participants. Participants may be issued, and may utilize, multiple User IDs solely for the purpose of identifying their subsidiaries, Affiliates, divisions or business units, which make separate trading decisions. Multiple individuals trading in the name of a single Participant under the same User ID are permitted to trade through the use of that User ID.

**(d) Confidentiality of Trading System.**

- (i) Without limiting anything set forth in in these Rules, and in addition thereto, any and all non-public information in any form obtained by a Participant arising out of or related to the provision or use of the Trading System—Electronic Order Book and Voice Order Book— including but not limited to trade secrets, processes, computer software and other proprietary data, research, information or documentation related thereto (“Confidential Information”), shall be deemed to be confidential and proprietary information of the RTX SEF. Participants are required to hold such Confidential Information in strict confidence and the disclosure of such Confidential Information to third parties (other than to its employees, its Affiliates and their employees, its agents or professional advisors) or the use of such Confidential Information for any purpose whatsoever other than as contemplated by the Rules shall be a violation of this Rule.
- (ii) Confidential Information shall not include information which is:
  - (A) in or becomes part of the public domain;
  - (B) known to or obtained by such party previously without an obligation of confidentiality;
  - (C) independently developed by such party outside of this agreement;
  - (D) required to be disclosed by Applicable Law, or pursuant to a subpoena or order of a court or regulatory, self-regulatory or legislative body of competent jurisdiction, or in connection with any regulatory or self-regulatory request for information, or that the RTX SEF otherwise deems advisable, in its discretion, to

disclose to a governmental, self-regulatory or legislative organization; or

- (E) information submitted by Participants that is displayed by the RTX SEF on the Trading System or otherwise distributed or sold by the RTX SEF regarding Bids, Offers, or executed transactions, provided that such displays and distributed or resold information shall not identify Participant by name, unless the RTX SEF is explicitly directed to do so by Participant and only then for the express purposes set forth in and under conditions in compliance with the Rules.

#### **408. Cooperation in Investigations**

Each Participant, Clearing Participant, Authorized Trader or Supervised Person shall cooperate with any investigation of the RTX SEF, its designee, the Commission, or the Department of Justice. RTX SEF shall have the authority to examine the books and records kept by RTX SEF's Participants and persons under investigation. Cooperation shall include permitting RTX SEF staff to examine the books and records kept by any Participant and persons under investigation.

#### **409. Notification**

Each Participant shall notify the RTX SEF in writing as soon as reasonably practical (but in no event later than 21 days) after becoming aware of any of the following events:

- (a) Any refusal of admission to, or involuntary withdrawal of any membership or clearing membership in any SRO;
- (b) Any expulsion, suspension, or fine in excess of \$100,000 (whether through an adverse determination, voluntary settlement, or otherwise) imposed by any SRO related to trading activities on the RTX SEF or to Products listed for trading on the RTX SEF;
- (c) Any denial or withdrawal of any application for any registration or license by or from any Governmental Agency and any revocation, suspension, or conditioning of any registration or license granted by any Governmental Agency which is related to trading activities on the RTX SEF or to products listed for trading on the RTX SEF to trading activities or to products listed for trading on the RTX SEF;
- (d) Any fine, in excess of \$100,000, significant cease and desist order, denial of trading privileges, censure, or other significant sanction or discipline (whether through an adverse determination, voluntary settlement, or otherwise) imposed by any Governmental Agency or SRO with respect to activity subject to the rules of any Swap Execution Facility;
- (e) Any indictment of the Participant or any of its senior officers for any conviction of the Participant or any of its senior officers of, any confession of guilt or plea of guilty or *nolo contendere* by the Participant or any of its senior officers to any felony or misdemeanor involving, arising from, or related to the purchase or

sale of any Commodity, security, futures contract, option or other financial instrument or involving or arising from fraud or moral turpitude;

- (f)** Commencement of any judicial or administrative proceeding against the Participant by any Governmental Agency related to trading activities on the RTX SEF or to products listed for trading on the RTX SEF which could reasonably be expected to result in the disqualification of a Participant;
- (g)** Commencement by or against the Participant of a case in bankruptcy or of any other action or proceeding to liquidate, reorganize or restructure the Participant pursuant to any applicable provision of law, federal or state, domestic or foreign;
- (h)** Any damage to or failure or inadequacy of the systems, facilities or equipment of the Participant which might materially and adversely affect the ability of the Participant to effect transactions on the RTX SEF or subject to the Rules; to comply with the Rules; in the case of a Clearing Participant, to clear transactions effected on the RTX SEF or subject to the Rules; or to timely perform its regulatory or financial obligations under or in connection with transactions effected on the RTX SEF or subject to the Rules;
- (i)** Any other material change in any information contained in the application for admission as a Participant, and
- (j)** Any failure to maintain segregated funds as required by the Commission where the Participant is a Clearing Participant or a Futures Commission Merchant.

In addition, all Participants shall immediately notify the RTX SEF—in writing—of their being in imminent danger of losing their ECP status. Upon providing such notice, such Participants shall start to wind down trading activity on RTX SEF and shall immediately cease any trading on RTX SEF upon losing their ECP status.

## PART 5. TRADING

### 501. Required Transactions

- (a) **Execution.** Required Transactions, except for Block Trades which shall be traded in accordance with Rule 510, shall be matched via the Electronic Order Book in accordance with the provisions of Rule 602, or through the Voice Order Book in accordance with Rule 702. Each Required Transaction may be executed through any of the foregoing functionalities.
- (b) **Clearing.** All Swaps that are Required Transactions shall be settled in accordance with the rules of the Clearing Organization.
- (c) **Mandatory Trading.** A Participant that is a Swap Dealer or Major Swap Participant that enters into or facilitates a Swap transaction on the RTX SEF that is subject to mandatory clearing pursuant to Section 2(h) of the Commodity Exchange Act shall be responsible for compliance with the mandatory trading requirement under Section 2(h)(8) of the Commodity Exchange Act.
- (d) **Facilitation of Straight-Through Processing of Required Transactions.** Required Transactions are required to be cleared. The following requirements shall facilitate the straight-through-processing of such transactions to the applicable Clearing Organization:
  - (i) No Order for a Required Transaction may be submitted unless a Clearing Participant has been identified in advance for each party to the transaction;
  - (ii) Each Clearing Participant as required by Commission Regulation 1.73 shall establish risk-based limits in the proprietary account and in each customer account based on position size, order size, margin requirements, or similar factors, and
  - (iii) Each Order entered, whether it be via the Electronic Order Book in accordance with Rule 602 or the Voice Order Book in accordance with Rule 702, shall be screened against such risk-based limits using a system of risk controls that ensures compliance with Commission Regulation 1.73.

### 502. Permitted Transactions

- (a) **Execution.**
  - (i) Permitted Transactions may be matched via the Electronic Order Book in accordance with the provisions of Rule 602, or through the Voice Order Book in accordance with Rule 702. Each cleared Permitted Transaction may be executed through any of the foregoing functionalities.
  - (ii) Permitted Transactions that are not matched by the RTX SEF, having been entered into or confirmed and reported to the RTX SEF subject to the provisions of Rule 512, shall be recorded as a transaction executed

subject to the rules of the RTX SEF. Each cleared Permitted Transaction may be executed under the provisions of Rule 512.

- (b) Clearing.** All Swaps that are Permitted Transactions shall be cleared and settled in accordance with the rules of the Clearing Organization.
- (c) Facilitation of Straight-Through Processing of Permitted Transactions.** The following requirements shall facilitate the straight-through-processing of such transactions to the applicable Clearing Organization:
  - (i)** No Order for a Permitted Transaction may be submitted unless a Clearing Participant has been identified in advance for each party to the transaction;
  - (ii)** Each Clearing Participant as required by Commission Regulation 1.73 shall establish risk-based limits in the proprietary account and in each Customer account based on position size, order size, margin requirements, or similar factors, and
  - (iii)** Each Order entered, whether it be via the Electronic Order Book in accordance with Rule 602 or the Voice Order Book in accordance with Rule 702, shall be screened against such risk-based limits using a system of risk controls that ensures compliance with Commission Regulation 1.73.

### **503. Trading Day and Trading Hours**

- (a)** From time-to-time, RTX SEF shall determine the Trading Days for each calendar year and Trading Hours.
- (b)** RTX SEF shall publish notice of its Trading Hours, Trading Days, and holidays on its website. Unless expressly stated on the website, all time references shall be based upon local time in New York, New York.
- (c)** Trading Hours may vary by product. The Support Desk will be staffed and operate at all times during the Trading Hours of any Swap transaction.
- (d)** No Participant may make any Bid or Offer for, or engage in any transaction in, any Swap before or after such hour outside of Trading Hours for that Swap.

### **505. Pre-Execution Discussions and Cross Trades**

- (a)** No Participant shall enter a pre-discussed Required Transaction through the Electronic Order Book or through the Voice Order Book for illegal or improper purposes (including, without limitation, any conduct prohibited by Part 9 of these Rules) or for a Required Transaction knowingly assume on its own behalf or on behalf of a Customer account the opposite side of its own Order or its Customer's Order (a "Cross Trade"), except where the Person is entering into both sides of a Customer Order on a non-discretionary, pre-arranged basis, unless:



- (i) Prior written blanket or transaction specific consent has been obtained in respect of any relevant Customer account;
  - (ii) The Participant waits for at least 15 seconds after the initial Order is submitted to the Trading System or Execution Specialist before submitting the opposite side;
  - (iii) The trade was matched but unable to be executed on a system or venue and was sent to the RTX SEF for execution in accordance with Rule 603, as applicable;
  - (iv) The trade is Block Trade in accordance with Rule 510.
- (b) Notwithstanding the foregoing, a Participant shall not be in violation of this rule due to Cross Trades executed by two Participants trading for the same account, or for separate accounts of the same beneficial ownership, where neither Participant has knowledge of the other's Order and there is no coordination or prearrangement of the Cross Trade, provided that the relevant Participant shall be responsible, upon the request of the RTX SEF, to demonstrate to the reasonable satisfaction of the RTX SEF, that neither Participant had knowledge of the other's Order.
- (c) For the avoidance of doubt, no delay in entering both sides of a pre-discussed Permitted Transaction or of a Cross Trade of a Permitted Transaction through the Electronic Order Book or through the Voice Order Book is required. No Person shall enter a pre-discussed Permitted Transaction or Cross Trade in a Permitted Transaction for illegal or improper purposes (including, without limitation, any conduct prohibited by Part 9 of these Rules).

**506. Reserved**

**507. Prohibited Orders**

It shall be prohibited for any Participant:

- (a) To enter, report or confirm any Bids, Offers, or transactions to the RTX SEF when such Participant knows or should have known that it is insolvent, within the meaning of any applicable bankruptcy or insolvency laws, federal or state, domestic or foreign, without the prior written approval of the RTX SEF;
- (b) To enter, report or confirm Bids, Offers, or transactions to the RTX SEF other than in good faith for the purpose of executing transactions, or to make any Bid or Offer that is not for a true and bona fide price or that is for the purpose of establishing a market price which does not reflect the true state of the market.

**508. Enforceability**

- (a) In accordance with Commission Regulation 37.6, a transaction entered into on or pursuant to the rules of RTX SEF shall not be void, voidable, subject to rescission, otherwise invalidated, or rendered unenforceable as a result of:

- (i) A violation by RTX SEF of the provisions of section 5h of the Act or Part 37 of the Commission’s Regulations;
- (ii) Any Commission proceeding to alter or supplement a rule, term, or condition under section 8a(7) of the Act or to declare an emergency under section 8a(9) of the Act; or
- (iii) Any other proceeding the effect of which is to:
  - (A) Alter or supplement a specific term or condition or trading rule or procedure; or
  - (B) Require RTX SEF to adopt a specific term or condition, trading rule or procedure, or to take or refrain from taking a specific action.

## **509. Order Size Limitations**

In order to avoid error, the Electronic Trading System will prevent a Participant, and their respective Authorized Traders, from trading over a specified size, per side, per transaction, and per Swap. Such size controls are not cumulative and may be exceeded through the entry of multiple Orders. No size limitation exists for voice transactions or Block Trades under Rule 510.

## **510. Block Trade Transactions**

- (b) The RTX SEF may designate any Swap as eligible for privately negotiated transactions, or “Block Trades,” under this Rule and has determined the appropriate minimum block size for the Swaps in which Block Trades are permitted to be the same level as provided in 17 C.F.R. Appendix F to Part 43.
- (c) The price at which a Block Trade is executed shall not affect any Order in the Trading System.
- (d) Participants, Authorized Traders may elect to trade a Swap that has been designated by the RTX SEF as eligible for Block Trades as a Block Trade by entering the trade details into the trade entry window or by reporting such transaction to an Execution Specialist for trade entry. Block Trades shall comply with the following conditions:
  - (i) Each Block Trade transaction must be at least for the minimum transaction size as determined by the RTX SEF for that Swap. Orders may not be aggregated in order to achieve the minimum transaction size.
  - (ii) The mutually agreed price at which a Block Trade is executed must be fair and reasonable in light of:
    - (A) the size of such Block Trade; and
    - (B) the price and size of other trades in the same Swap at the relevant time and other related Swaps, any underlying cash market and/or related futures markets, at the relevant time.

- (iii) The price must be reasonable based upon market conditions, prices in other tenors or for related Swap contracts or based upon an established model for relating the relative prices between Swaps.
  - (iv) Each party to a Block Trade must qualify as an “eligible contract participant,” as that term is defined in Section 1a(18) of the Act.
  - (v) Each Block Trade transaction must involve swaps that are subject to the Required Transaction requirements. RTX SEF does not permit Block Trade transactions involving swaps that are considered to be Permitted Transactions.
- (e) Each Block Trade must be reported by the seller to the RTX SEF as soon as technologically practicable after execution but in no event later than 10 minutes following execution of such Block Trade. The RTX SEF will publicize information identifying the trade as a Block Trade and identifying the relevant Swap immediately after such information has been reported to the RTX SEF or at such time as is deemed appropriate by applicable regulations to that Swap. To comply with the requirements of 17 CFR § 43.6(h)(1)(ii)–(iii), RTX SEF:
- (i) Shall notify the SDR of a block trade election when reporting the swap transaction and pricing data to the SDR in accordance with 17 CFR Part 43; and
  - (ii) 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 17 CFR § 43.5(d).
- (f) Each party to a Block Trade shall record the following details of the transaction:
- (i) the Swap to which such Block Trade relates;
  - (ii) the nominal size of the Block Trade; and
  - (iii) the price and time of execution, and the beneficial owners of the transaction.
- (g) Upon request by the RTX SEF, such party shall produce satisfactory evidence, including the order ticket referred to in the preceding sentence that the Block Trade meets the requirements set forth in this Rule.
- (h) Notwithstanding anything to the contrary in this Rule 510, until December 30, 2022, or such later time as the relief in CFTC Letter No. 20-35 shall be extended, the RTX SEF may facilitate the execution of Block Trades within the scope of this Rule 510 that are intended to be cleared by enabling the applicable Clearing Participants to complete the pre-execution credit check required under Commission Rule 1.73 pursuant to the procedures of Rules 501(d) and Rule 502(c)(iii) at the time a Block Trade is identified to the RTX SEF. Execution of the Block Trade shall not occur until completion of the pre-execution credit check. Block Trades which are rejected on the basis of credit at the time that they are identified to the RTX SEF shall be void *ab initio*.

## **511. Public Disclosure of Data**

- (a) If a registered SDR accepts data for an asset class, the RTX SEF will report or cause to be reported to an SDR, such swap transaction and pricing data as required by Commission Regulations for all Swap transactions executed on or subject to the Rules of the RTX SEF; both 17 CFR Part 43 and 45 data are to be reported to the SDR, as applicable. The RTX SEF reports such information to the following SDRs:

Swap	SDR
Interest Rate Swaps	DTCC

In addition, reports to the SDR shall include the actual notional or principal amount for all swaps executed on or pursuant to the rules of RTX SEF and swap transaction and pricing data that includes an actual description of the underlying asset(s), in accordance with 17 CFR § 43.4(d)(2)(i) and 43.4(c)(2), respectively. And as required under 17 CFR § 43.4(d)(2)(ii), the actual notional or principal amount for any block trade executed on or pursuant to the rules of RTX SEF shall be reported to RTX SEF.

- (b) The RTX SEF shall disclose to all Participants on the RTX SEF data regarding price, size, and side of a Swap transaction executed via the Electronic Order Book and may disclose such information for a transaction executed on the Voice Order Book, upon transmittal of such information to the SDR.
- (c) Nothing in this Rule 511 shall prohibit the RTX SEF from disclosing:
- (i) to all Participants on the Facility Orders, including price and side information, prior to a trade being executed; or,
  - (ii) to the counterparties to an executed trade, price, size or any other material terms of their executed transaction prior to transmittal of the information to an SDR and its public disclosure by the RTX SEF.

## 512. Off-Facility Transactions

The RTX SEF may record a Permitted Transaction arranged as an Off-Facility Transaction by one or more Broker as being executed subject to the Rules of the RTX SEF, if the following conditions are met:

- (a) The Participants have provided blanket or transaction-specific consent to entering into a Permitted Transaction arranged by a Broker(s);
- (b) All of the terms of the Permitted Transactions are agreed by the Participants prior to the Participants or Authorized Traders reporting the Permitted Transaction to the RTX SEF; *provided, however*, the transaction shall not be considered to be executed until accepted by the RTX SEF;
- (c) The Participants or Authorized Traders report the terms of the Permitted Transaction in the form and manner specified by the RTX SEF as soon as practicable, but in no event more than 15 minutes, following agreement of the Participants to the terms of the transaction;
- (d) It complies with Part 8 of the Rules;

- (e) Each applicable Clearing Participant, in accordance with Commission Regulation 1.73, shall establish and apply risk-based limits in respect of such Participant and, as facilitated by the RTX SEF, shall screen such Off-Facility Transaction for compliance with the limits through an automated or non-automated system of risk controls reasonably designed to ensure compliance with the limits;
- (f) The transaction may not be entered into for illegal or improper purposes (including, without limitation, any conduct prohibited by Part 9 of these Rules);
- (g) The Participants and Broker must keep full, complete, and systematic records of the transaction as required by Commission Rule 1.35;
- (h) The Participants for whom the transaction has been arranged shall be responsible, upon the request of the RTX SEF to demonstrate to the reasonable satisfaction of the RTX SEF that the transaction complies with the conditions of the Act, Commission Rules, and the conditions of this Rule 512, including making available to the RTX SEF, upon request, access to the Broker's records relating to the transaction.

### **513. Package Transactions**

A package transaction means a multi-leg transaction priced or quoted as one economic transaction, involving at least one Swap. For all package transactions, the RTX SEF's audit trail records shall identify the Swap transaction(s) as being priced under the procedures of this Rule. The Swap leg or legs of a package transaction may be executed by the RTX SEF subject to the following conditions.

- (a) *U.S. Dollar Swap Spread.*
  - (i) A U.S. Dollar Swap Spread is a transaction in a U.S. Dollar Swap traded as a spread price between a U.S. Treasury security and the Swap. U.S. Dollar Swaps are available for trading as a spread transaction via:
    - (A) the Electronic Order Book under Rule 602(a) of the Rules, and Assisted Order Entry (Rule 607);
    - (B) the Voice Order Book under Part 7, including but not limited to regular Voice Trading Facility (Rule 703(a)), Voice Work-up (Rule 703(a)(x) of the Rules;
    - (C) Pre-execution discussed and crossed trades under Rule 505, and
  - (ii) Orders in U.S. Dollar Swap Spreads are subject to the pre-trade credit check under Rule 501(d).
  - (iii) Upon a buyer and seller being matched by the RTX SEF in a U.S. Dollar Swap Spread transaction, the RTX SEF notifies each party of 1) the price or spread (yield differential) at which the transaction occurs, 2) the identity of the opposing party, 3) the Swap price or yield, and 4) the US Treasury security price and yield. The Swap price must be equal to, or close to the prevailing market Swap price at the time the Swap transaction occurs and the US Treasury security price must be close to the prevailing U.S. Treasury market security price at the time the Swap

transaction occurs. The parties to the Swap subsequently then enter into a separate cash market transaction bilaterally for the Treasury security at such prevailing cash market price.

- (iv) For the avoidance of doubt, the RTX SEF takes no part in facilitating cash market Treasury security transactions.
- (b) *MAT/MAT*. A MAT/MAT package consists of two (or more) Required Transaction legs of the same Swap but of different Tenors, traded based upon the spread value of the defined relationship of the legs. When entering a Bid (Offer) such Orders shall be subject to the pre-trade credit check under Rule 501(d). A MAT/MAT package can be traded via any of the functionalities or facilities provided in paragraph (a)(i)(A),(B) and (C) of this Rule. Upon being matched based upon the spread value, the RTX SEF executes the two legs of the transaction at a price calculated by the RTX SEF derived from the prevailing price for the shorter Tenor leg.
- (c) *MAT/Non-MAT (Cleared)*. A MAT/Non-MAT (Cleared) package consists of at least one Required Transaction and one (or more) cleared Permitted Transaction based upon the spread value of the defined relationship of the legs. When entering a Bid (Offer) such Orders shall be subject to the pre-trade credit check under Rule 501(d). A MAT/Non-MAT (Cleared) package can be traded via any of the functionalities or facilities provided in paragraph (a)(i)(A),(B) and (C) of this Rule. Upon being matched based upon the spread value, the RTX SEF executes the two legs of the transaction at a price calculated by the RTX SEF derived from the prevailing price for the Required Transaction leg.
- (d) *MAT/Non-Swap Instruments*. As permitted under Commission Rules 37.9(d) and 37.9(a)(2) and as pursuant to 37.9(c)(2), the Required Transaction leg or legs of a package transaction that consists of one or more Required Transaction and one or more non-Swap instrument, shall be subject to the procedures of Rule 512; *provided, however*, this provision shall not apply to U.S. Dollar Spreads which shall be subject to the procedures of paragraph (a).

  - (i) The Broker, when reporting the Swap leg of the package to the RTX SEF for execution shall also include the trade details of the non-Swap leg or legs of the package.
- (e) *MAT/Futures*. Until November 15, 2025, or such later time as the relief in CFTC Letter No. 22-15 (NAL 22-15) may be extended, the Required Transaction leg or legs of a package transaction that consists of one or more Required Transaction and one or more are contracts for the purchase or sale of a Commodity for future delivery, shall be subject to the procedures of Rule 512.
- (f) *MAT/Non-CFTC Swap*. As permitted under Commission Rules 37.9(d) and 37.9(a)(2) and as pursuant to 37.9(c)(2), the Required Transaction leg or legs of a package transaction that consists of one or more Required Transaction and one or more of the components is a swap over which the CFTC does not have exclusive jurisdiction, shall be subject to the procedures of Rule 512.
- (g) For all package transactions, the RTX SEF's audit trail records shall identify the Swap transaction(s) as being priced under the procedures of this Rule 513.

## 514. Trade Cancellations and Price Adjustments

- (a) Trade Cancellation, Amendment, or Adjustment Authority.** The RTX SEF's trade cancellation policy authorizes the Board, through its designee the Chief Compliance Officer (or the Chief Compliance Officer's delegate) (the "Designee"), to amend trade prices, cancel (bust) trades, or to make such other adjustments when such action is necessary to mitigate market disrupting events; to mitigate instances where market integrity has been compromised caused by the improper or erroneous use of the RTX SEF; or to address manifest unfairness caused by a material error of the Execution Specialist in Order handling or other material error by the RTX SEF, such as the incorrect display of a Bid or Offer, erroneous execution, or erroneous reporting of a Swap transaction.
- (b)** Notwithstanding any other provision of this Rule, the Designee may adjust trade prices, cancel any trade executed through the RTX SEF, execute a new or off-setting Swap on behalf of the parties to a disputed transaction on the RTX SEF or another SEF, or require the parties to execute a new or off-setting Swap transaction on the RTX SEF or another SEF, if the Designee determines that allowing the trade to stand as executed may have a material, adverse effect on the integrity of the market or is otherwise necessary or appropriate to address manifest unfairness caused by a material error of the Execution Specialist or other material error by the RTX SEF; provided, however, that any such determination by the Designee (if other than the Chief Compliance Officer) will be subject to review by the Chief Compliance Officer if the Designee determines such review to be necessary or appropriate. Subject to the immediately preceding sentence, the decision of the Designee shall be final.
- (c)** Any trade price amendment, trade cancellation, or other trade adjustment shall be made subject to the standards of this Rule 514, such standards being clear, fair, and publicly available. Any determination made under this Rule 514 to adjust any trade price, cancel any trade, or make any other adjustment shall be made subject to the procedures of Rule 514(d), (e), (f) and (g) and announced to the market by a message from the Support Desk or such other method as the RTX SEF shall provide.
- (d) Procedure—Review of Trades Made in Erroneous Use of RTX SEF or Resulting from Error of the RTX SEF.** The Designee's decision on whether to cancel or amend a trade claimed to be made through erroneous use of the RTX SEF or as a result of an error by the Execution Specialist or the RTX SEF shall be made under the following procedure:

  - (i) Review of Trades.** The Designee may review a trade based on its analysis of market conditions or a request for review by a user of the RTX SEF.
  - (ii) Request for Review.** A request for review must be made within 20 minutes from the execution of the trade. The request may be verbal, with a writing (which may be electronic) to follow within one hour from the execution of the trade. The request must specify the trade details,

the time of its occurrence, the desired outcome (amend, cancel, or other action) and the reason for such a request, including whether due to erroneous trading or a material error by the Execution Specialist in Order handling or other material error by the RTX SEF such as the incorrect display of a Bid or Offer, erroneous execution, or erroneous reporting of a Swap transaction.

- (iii) The Designee shall promptly determine whether the trade will be subject to review, and upon deciding to review a trade, the Designee will promptly notify the counterparties and issue an alert to all Participants on the RTX SEF indicating that the trade is under review. The Designee, in his or her discretion, may also notify the Compliance Department of the requestor.

In the course of its review of any trade, the Designee may, but is not obligated to, inform any of the parties to the trade of the identity and contact information of any other party to the trade.

- (e) **Procedure—Review of Improper Trades.** The Designee’s decision on whether to cancel or amend a trade claimed to be improper shall be made under the following procedure:

- (i) **Review of Trades.** The Designee may review a trade based on its analysis of market conditions or a request for review by a user of the RTX SEF.
- (ii) **Request for Review.** For trades claimed to be improper, a request for review must be made within 20 minutes from the execution of the trade. The request may be verbal, with a writing (which may be electronic) to follow within one hour from the execution of the trade. The request must specify the trade details, the time of its occurrence, the desired outcome (amend or cancel) and detail the basis on which the trade should be considered improper and the reason supporting the cancellation or amendment of such a trade. The written request must be countersigned by the customer desk head or a business individual with supervisory authority for the requestor. The RTX SEF will make its determination based upon the request for review.
- (iii) Upon receiving a written request to cancel or amend an improper trade, the Designee, in the Designee’s discretion, may offer the counterparty an opportunity to respond to the reasons cited in the written request that the trade was improper and to provide an explanation why the trade should not be considered to be improper; *provided, however*, the counterparty shall not have a right to view the written request if the Designee shall in his or her discretion determine that the contents or identity of the requestor should not be disclosed.
- (iv) The Designee, upon reviewing the written request for cancellation or amendment of an improper trade and any statement of the counterparty to the requestor will determine whether the trade on its face violated Applicable Law or these Rules and whether the trade affected the integrity of the market, including but not limited to



whether the trade had a material adverse effect on market prices or orderly trading in the market.

**(f) Designee's Determination.**

- (i)** The Designee shall communicate his or her determination to the parties whether to cancel the trade, amend or adjust the trade, to order such other actions as within the RTX SEF's authority or to let the trade stand, and shall communicate his determination to the market.
- (ii)** Upon a determination by the Designee that a trade shall be cancelled or amended the RTX SEF shall implement the decision including as necessary or appropriate entering into new or off-setting Swap transactions on behalf of the parties or ordering the parties to do so.
- (iii)** Issues of liability in cases where reasonable out-of-pocket losses have been incurred by Persons whose trades were cancelled or amended will be determined by the Designee based upon all relevant facts and circumstances, including the conduct of the respective parties. A party whose erroneous, or improper Order handling was the cause of the cancelled, amended or adjusted trade shall be liable for reasonable out-of-pocket losses of the counterparty to the transaction. Parties that know a transaction to be erroneous, improper, or executed in error have an obligation to mitigate the loss.
  - (A)** A claim for a loss pursuant to this Rule must be submitted to the RTX SEF, on a RTX SEF claim form, within five Business Days of the cancelled, amended, or adjusted trade giving rise to the claim. The RTX SEF shall reject any claim that is not permitted by this Rule and such decision shall be final. All claims which are not rejected by the RTX SEF shall be forwarded to the party responsible for the Order(s) that resulted in the cancelled, amended or adjusted trade and that party shall, within ten Business Days of receipt of the claim, admit or deny responsibility in whole or in part.
  - (B)** To the extent that liability is admitted, payment shall be made within ten Business Days. To the extent liability is denied, the claim shall be resolved by and pursuant to the arbitration rules of the NFA or such other self-regulatory organization as the parties may agree in accordance with the procedures of Part 11 of the Rules.
  - (C)** In the event that the error causing the loss was made by, or is the responsibility of, the RTX SEF, the RTX SEF in its sole discretion may take such steps as it deems necessary and appropriate to recompense the party or parties for their out-of-pocket loss.

**(g) Trade Price Adjustment and Cancellation Process—Other Erroneous Trades.**

The Designee will first determine whether the trade price is within the "No Review Range." During fast market conditions, upon the release of significant

news, or in other circumstances in which the Designee determines it is appropriate, and upon consultation with the Chief Compliance Officer, may without prior notice, temporarily increase the published No Review Range, up to an amount that is double the published range.

- (i) *Information considered.* In applying the No Review Range, the Designee shall determine the market price for that Swap immediately before the trade under review (the “Market Price”). The Designee may consider any relevant information, including the existing market conditions, the volatility of the market, the prices of related instruments in other markets, the last trade price on the RTX SEF of the same or a related Swap, a better bid or offer price, a more recent price in a related Swap or related Swap Tenor, and any other factors that the Designee deems relevant.
- (ii) *Trade Price Inside the No Review Range.* If the Designee determines that the price of the trade was inside the No Review Range, the Designee will promptly issue an alert to all Participants, Authorized Traders on the Electronic Trading System indicating that the trade shall stand.
- (iii) *Trade Price Outside the No Review Range.* If the Designee determines that a trade price is outside the applicable No Review Range, the trade price shall be adjusted to a price agreed upon in a reasonable time by a Person not responsible for an Order that results in a trade price adjustment that is within the No Review Range or in the absence of such agreement to a price that equals the Market Price for that Swap at the time of the questioned trade, plus or minus the standard or adjusted No Review Range, provided, however, that in the event that such adjusted price would be outside the trading range of the day at the time of the questioned trade, then such adjustment shall be limited to the trading range as applicable. In the event there are multiple parties, prices and/or Swaps involved in the transactions at issue, the Designee has the authority, but not the obligation, to bust rather than price adjust such transactions. The Designee will promptly issue an alert to all Participants, Authorized Traders on the Electronic Trading System indicating that the prices of the trades outside the No Review Range have been adjusted to the No Review Range limit or have been cancelled.

(h) **No Review Range.** The No Review Range shall be as follows:

<b>Swap Contract</b>	<b>No Review Range</b> (where a % is used, it is expressed as a % from the mid-market range)
EUR interest rate Swap outright, spreads and butterfly strategies	A price 1.5 basis point in yield above or below the prevailing mid-market price

<b>Swap Contract</b>	<b>No Review Range</b> (where a % is used, it is expressed as a % from the mid-market range)
USD interest rate Swap outrights, spreads and butterfly strategies	A price 1.5 basis point in yield above or below the prevailing mid-market price
GBP interest rate Swap outrights	A price 2 basis points in yield above or below the prevailing mid-market price
GBP interest rate Swap basis swaps	A price 2 basis points in yield above or below the prevailing mid-market price
GBP interest rate Swap spreads and butterfly strategies	A price 1.5 basis point in yield above or below the prevailing mid-market price
JPY interest rate Swap outrights	A price 2 basis points in yield above or below the prevailing mid-market price
GBP interest rate Swap spreads and butterfly strategies	A price 2 basis points in yield above or below the prevailing mid-market price
GBP interest rate Swap basis swaps	A price 2 basis points in yield above or below the prevailing mid-market price
MXN 28D TIIE swap spreads and butterfly strategies	A price 5 basis points in yield above or below the prevailing mid-market price
MXN 28D TIIE swap outrights	A price 5 basis points in yield above or below the prevailing mid-market price
TIIE de Fondo swap spreads and butterfly strategies	A price 5 basis points in yield above or below the prevailing mid-market price
TIIE de Fondo swap outrights	A price 5 basis points in yield above or below the prevailing mid-market price

**(i) Liability for Losses Resulting from a Price Adjustment or Cancelled Trade.**

- (i) *Price-Adjusted Trades.* A Person responsible for an Order that results in a trade price adjustment shall generally not be liable for losses, other than the price adjustment, incurred by Persons whose trade prices were adjusted.

- (ii) *Cancelled Trades.* Issues of liability in cases where reasonable out-of-pocket losses have been incurred by Persons whose trades were cancelled will be determined by the Support Desk based upon all relevant facts and circumstances, including the conduct of the respective parties.
- (j) **Claim Process.** A claim for a loss pursuant to this Rule must be submitted to the RTX SEF, on a RTX SEF claim form, within five Business Days of the price-adjusted trade giving rise to the claim. The RTX SEF shall reject any claim that is not permitted by this Rule and such decision shall be final. All claims which are not rejected by the RTX SEF shall be forwarded to the party responsible for the Order(s) that resulted in a price adjustment. Such party shall, within ten Business Days of receipt of the claim, admit or deny responsibility in whole or in part.

To the extent that liability is admitted, payment shall be made within ten Business Days. To the extent liability is denied, the claim shall be resolved by and pursuant to the arbitration rules of the NFA or such other self-regulatory organization as the parties may agree in accordance with the procedures of Part 11 of the Rules.
- (k) **Trade Cancellation or Offset Procedures.** Upon a determination by the Designee that a trade shall be cancelled or that trade prices shall be adjusted, that decision will be implemented. The cancelled trade price and any price quotes that have been adjusted will be reflected as cancelled in the RTX SEF's official record of time and sales.
- (l) **Adjustment Trades.** Positions that result from a trade determined by the Designee to be outside the No Review Range that cannot be cancelled shall be adjusted at the direction of the RTX SEF, by entry of the RTX SEF into new or off-setting trades as appropriate on behalf of the parties to the cancelled or adjusted trade or ordering such parties to enter into new or off-setting trades as directed by the RTX SEF. The adjusting trades must use the original trade price and quantity. Any party may, but is not required to, include a cash adjustment to another party to the trade. Trades determined by the Designee to be inside the No Review Range may not be reversed in this manner.
- (m) **Arbitration of Disputes Regarding Adjustment Trade.** If a party does not agree to transfer a position pursuant to Rule 514(j), any other party to the trade may file an arbitration claim in accordance with the procedures of Part 11 of the Rules against the Person representing the other side of the trade. Written notice of such claim must be provided to the RTX SEF within five Business Days of receipt of the opposite party's timely denial of liability under Rule 514(j). Failure to file the claim within those five Business Days shall be deemed a waiver of all claims. The arbitration claim will be conducted in accordance with the procedures of Part 11 of the Rules.
- (n) **Voluntary Adjustment of Trade Price.** When a trade outside of the No Review Range is cancelled in accordance with this Rule, the parties to the trade may agree voluntarily to reestablish the trade but to adjust its price and make a cash adjustment provided that all of the following conditions are met:

- (i) the Designee approves the adjustment.
- (ii) the trade adjustment must be within the range of the high and low of the previous day's price range.
- (iii) the quantity of the position being reestablished is the same as the quantity of the trade that was cancelled.
- (iv) in the case of a trade below the Market Price, the adjusted price must be the lowest price that traded at or about the time of the trade without being cancelled. In the case of a trade above the Market Price, the adjusted price must be the highest price that traded at or about the time of the trade without being cancelled.
- (v) the parties to the adjusted trade must report it to the RTX SEF using a Transfer Trade not later than the close of business on the Business Day after the trade occurred.

## 515. Error Trades

- (a) **Scope.** In accordance with Commission Rule 37.9(c), Rule 515 shall apply where an operational or clerical error or omission made by the RTX SEF, one of the counterparties, or an agent of the counterparty, causes a trade to be rejected from clearing, where one leg of a Package Transaction is rejected from clearing due to the sequencing of the submission of the legs ("Rejected Error Trade"), or is identified after the trade has been cleared ("Cleared Error Trade") (together "Error Trades"). Legs of a Package Transaction that have been accepted for clearing are not within the scope of this Rule.
- (b) **Rejected Error Trades.** Upon an affirmative finding by the RTX SEF that a trade has been rejected due to an error or an erroneous term other than for reasons of credit, the Rejected Error Trade shall be considered to be void *ab initio* and the RTX SEF may execute a new trade with the original terms but for the correction of the erroneous terms and submit the new trade to the applicable DCO as quickly as technologically practicable, but in no event in more than 1 hour from the notice of rejection from clearing. The new trade shall be subject to the procedures of Rule 501(d) or Rule 502(c), as applicable. Any new trade which is also rejected is considered to be *void ab initio* and may not be submitted again.
- (c) **Cleared Error Trades.** Upon an affirmative finding by the RTX SEF that a trade is being carried on the books of a DCO in error, in order to "reverse and resubmit" the trade in error, a trade to offset the Swaps carried in error on the books of the DCO shall be executed by the RTX SEF and a new transaction shall be executed by the RTX SEF with the original terms of the Cleared Error Trade but for the correction of the erroneous terms. Such correcting trades must be executed and submitted for clearing no later than three business days from the execution of the Cleared Error Trade, with the exception provided in (d)(i). The new trade shall be subject to the procedures of Rule 501(d) or Rule 502(c), as applicable.

**(d) Consent to Correction of Error Trades.** In the event that an error comes to the attention of the RTX SEF, the RTX SEF may correct obvious errors under the procedures of paragraph (b) or (c) of this Rule 515 without the consent or knowledge of the counterparties to the transaction. In the event that the RTX SEF is unable to determine how to correct an Error Trade on its face, the RTX SEF shall inform the counterparties to the trade and request their assistance in determining the nature and the substance of the error. The RTX SEF may not correct such non-obvious errors unless the parties shall agree.

- (i)** Alternatively, for cleared swaps, the RTX SEF may use an *ex post facto* review process in which the counterparties determine that an error has occurred and correct the error. The offsetting trade and the correct transaction must be executed and submitted for clearing as quickly as technologically practicable, but no later than 24 hours after the erroneous cleared swap was executed.

The Participant must notify the RTX SEF in writing, using the RTX SEF contact email addresses located in [www.rtxfintech.com](http://www.rtxfintech.com), no later than 24 hours after the error trade was executed. The RTX SEF shall conduct an *ex post facto* review of the error trade, offsetting trade, and correct trade on a T+1 basis. Such review will consider whether a transaction cancellation or price adjustment will adversely impact market integrity, facilitate market manipulation or other illegitimate activity, or otherwise violate the CEA, Commission regulations, or the RTX SEF's Rules.

The RTX SEF must make an affirmative finding that there was an error as part of its *ex post facto* review.

**(e) Reporting.** The RTX SEF shall report the following to an SDR as soon as technologically practicable after the original trade is rejected by the DCO:

- (i)** Cancellation of the original trade under part 43 of the Commission Rules;
- (ii)** A part 45 termination under the Commission Rules, indicating that the original trade is void *ab initio*; and
- (iii)** Swap transaction and pricing data and swap data pursuant to parts 43 and 45 of the Commission Rules for the newly executed trade(s).

## **516. Reserved**

## **517. Real-Time Market Monitoring**

Real-time monitoring of trading on RTX SEF for compliance purposes shall be conducted by the RTX SEF Compliance Department.

- (a)** RTX SEF shall monitor and evaluate data on:

- (i) an ongoing basis in order to detect and prevent manipulation, price distortion, and where necessary disruptions in the cash-settlement process, and
  - (ii) general market data in order to detect and prevent manipulative activity that would result in the failure of the market price to reflect the normal forces of supply and demand, unusual trading volumes, and impairments to market liquidity.
- (b) In addition, RTX SEF may protect market integrity through use of the following system safeguards to prevent the entry of orders in any of the following circumstances:
  - (i) pre-trade quantity limits on individual orders to screen for order quantities not within acceptable parameters;
  - (ii) pre-trade price collars to screen for orders outside of current market conditions;
  - (iii) execution throttles to screen for the execution of too many orders over a specified period of time;
  - (iv) message throttles to screen for the submission of too many messages in a specified period of time; and
  - (v) pre-trade check to screen for risk-based limits set by the clearing member.

#### **518. Post-Trade Anonymity**

- (a) Pursuant to the Commission Rule § 37.9(f), it is prohibited to disclose, directly or indirectly, including through a third-party service provider, the identity of a counterparty for swaps executed, pre-arranged or pre-negotiated anonymously on or pursuant to the rules of a SEF and intended to be cleared at the time of execution.
- (b) Prohibition on post-trade name give-up shall not apply to components of a package transaction that are uncleared swaps or non-swap instruments. Examples include, but are not limited by, swaps executed with a US Treasury hedge cleared bilaterally between the counterparties, swaps executed as part of a hedge to an interest rate option or credit option and swaps executed as part of a package with an uncleared swap.

## **PART 6. TRADING ELECTRONICALLY**

### **601. Scope**

The RTX SEF shall determine the Swaps to be offered for trading through the Electronic Trading Systems under this section. But all Swaps, including Permitted Transactions, that RTX SEF makes available to trade on the SEF may be executed through the Electronic Trading Systems.

### **602. Trading via Electronic Trading Systems.**

Transactions executed electronically may be matched on RTX SEF via any Electronic Trading System provided for under this Rule. An Electronic Trading System is a Trading Facility, as defined by section 1a(51) of the Act, that enables multiple participants to offer Bids or Offers to multiple other participants on the facility.

#### **(a) *Electronic Order Book Trading Session.***

- (i)** An Electronic Order Book (“EOB”) is an electronic Trading System in which all Orders are managed based upon price/time priority, which means A) an Order with a better price (highest Bid, cheapest Offer) has execution priority over an Order with an inferior price (not highest Bid, not cheapest Offer) and B) for two Orders with the same price and same direction, the Order that is entered into the EOB first will be matched first against an aggressing opposing Order.
- (ii)** All Orders are matched by the action of one Participant hitting (lifting) a displayed Bid (Offer) or by the Electronic Order Book matching electronically two passive orders that occur at the same price.
- (iii)** All Orders in the EOB Session are “firm” or executable.
- (iv)** Any Order entered into the EOB Session must be in the form and contain the information the RTX SEF requires, including, but not limited to, Order type, size, direction, price (if applicable), and the applicable User ID. Any Order not complying with RTX SEF requirements shall not be accepted.
- (v)** An Order may only be entered into the EOB Session by a Participant or by an Execution Specialist acting in his or her discretion pursuant to Rule 703(a)(xi) or at the direction of a Participant.
- (vi)** For Required Transactions, only the best Bid and Offer Orders in the EOB Trading Session are displayed to all Participants.
- (vii)** A Participant responding to a displayed Order may accept a firm Bid or Offer or counter the Bid or Offer of the initiating Participant or of any other responding Participant. For the avoidance of doubt, an executed transaction may take place between two responding Participants. Responding Participants shall be anonymous unless the responding Participant authorizes the Execution Specialist to disclose the



Participant's identity. But notwithstanding any other provision in these Rules, for all swaps that are executed anonymously and intended to be cleared, RTX SEF shall not disclose the identity of any counterparty to the swap.

- (viii)** Any Order entered into the EOB Session shall remain open in the Electronic Trading System until executed, cancelled, or until it expires.
- (ix)** The Participant will be responsible for each Order that it enters on the RTX SEF for itself or which is entered on its behalf.
- (x)** The Trading Session for an EOB remains open throughout the Business Day.
- (xi)** All Orders open at the end of the Business Day are cancelled.

**(b)** *Liquidity Trading Facility ("LTF").*

- (i)** The Liquidity Trading Facility ("LTF") is an order book, separate and distinct from the EOB, through which RTX SEF will periodically run an LTF Session upon predetermined prior notice to Participants as described immediately below.
  - (A)** Prior to the commencement of any LTF Session, RTX SEF will publish the Swaps that will be available to trade in the LTF Session, indicative prices (derived from market data available to RTX SEF) at which these Swaps may trade in the session, and procedures for participation in the session called the "Operational Procedures."
  - (B)** These Operational Procedures will also include the length of the sessions, the procedures governing the submission of orders, limits, and the methodology underlying the trade-matching algorithm. These orders will not be visible to other Participants.
  - (C)** The Operational Procedures will not take effect until certified or approved in accordance with Commission Regulations.
- (ii)** To trade in an LTF Session, Participants will enter orders to buy and sell the Swaps listed in the LTF Session subject to the Operational Procedures.
- (iii)** RTX SEF will then execute the orders submitted in the LTF Session using a predetermined, non-discretionary trade-matching algorithm subject to the Participants' instructions.
- (iv)** Once the LTF Session completes, RTX SEF will deliver trade confirmations to the swap buyers and sellers that conform to the parameters the Participants set.

## 603. Order Types

- (a) **Type of Orders and Order Attributes.** The following orders may be entered by a Participant into Electronic Trading Systems:
- (i) *Limit Orders.* A limit order is an order to buy or sell a stated amount of a Swap or strategy at a given price. Such an order shall remain in the EOB until executed or cancelled.
  - (ii) *Market Orders.* A market order is an order to buy or sell a stated amount of a Swap or strategy at the best available price on the EOB session at the time the order is entered.
  - (iii) *Time in Force ("TIF") Orders.* A TIF Order is a limit order that remains open for a period of time selected by the Participant or Execution Specialist (at the request of the Participant) when the Order is first entered. The Order is automatically cancelled at the end of that period unless the time is extended or the Order is executed.
  - (iv) *All or None ("AON").* An AON order is a limit order or TIF Order where only the full amount specified on the Order can be executed. AON Orders are ignored in the order matching process by corresponding orders that have less than the required AON amount to make a trade.
  - (v) *One Cancels the Other ("OCO").* An OCO Order provides the Participant the ability to enter certain Orders that are linked together whereby the execution of a trade on one linked Order results in the immediate cancellation of the remaining linked order(s) in the OCO group.
  - (vi) *One Executes Other ("OEO").* An OEO order provides the Participant with the ability to enter certain Orders that are linked together whereby the execution of a trade on one linked Order results in the immediate execution of a trade on other linked Order in the OEO group.
  - (vii) *Request for Trade™ ("RFT™").* An RFT™ Order is an electronic TIF Order entered via the RFT™ user interface that is managed in the EOB. For Required Transactions, all RFT™ Orders are displayed to all Participants in an EOB Session. All RFT™ Orders are firm.

## 604. Confirmations and Objections

The confirmation of all terms of the transaction shall take place at the same time as execution.

- (a) **Anonymous Trading.** In accordance with Rule 518, confirmations of transactions executed anonymously will not show counterparty names or identifiers, unless such a transaction is a Package Transaction under Commission Rule 37.9(d).
- (b) **Confirmation of Cleared Transactions.** Upon execution, the RTX SEF shall notify a Participant of the matching of Bids and Offers through the Electronic Trading System as follows.

- (i) Initial notification: Following trade matching, the RTX SEF will send an initial electronic message that confirms the instrument, the price, direction and amount to both sides of a trade.
- (ii) Confirmation: Upon execution of the transaction, the RTX SEF will issue an electronic confirmation which shall legally supersede any previous agreement and shall include all material economic terms of the executed transaction and which the counterparties agree shall confirm execution of the transaction.
- (c) **Objections.** Objections to the material economic terms of transaction confirmations must be submitted to the RTX SEF, in writing, promptly upon receipt, but no later than the close of that Business Day.

### **605. Trade Invalidation Upon Revocation of Clearing Authorization**

Once the RTX SEF has received notice from a Clearing Organization that a Clearing Participant's authorization has been terminated, any trade destined for that Clearing Organization subsequently matched by the Electronic Trading System for that Clearing Participant or for a Trading Participant guaranteed by that Clearing Participant shall be considered to be invalid and shall be cancelled by the RTX SEF. Further, a Participant shall notify immediately RTX SEF that its Clearing Participant's authorization has been terminated.

### **607. Assisted Order Entry**

An Execution Specialist, acting on behalf of a Participant using an Approved Communication Method may, upon request of the Participant, assist a Participant in the entry or withdrawal of Orders into the Electronic Trading System.

- (a) Any Execution Specialist entering an Order into the Electronic Trading System shall have a unique User ID paired with the Participant's ID for whom the Execution Specialist is acting.
- (b) Upon receipt of a request for assistance in the entry or withdrawal of an immediately executable Order, the Execution Specialist must enter the executable Order immediately into the Electronic Trading System.
- (c) Any request by a Participant for assistance in the entry of an Order that is not immediately executable shall be entered into the Electronic Trading System as soon as practicable. The Execution Specialist must make a record of the time at which the request for assistance was first made and the time that the Order was entered into the Electronic Trading System.
- (d) Notwithstanding any other provision of these Rules, in the event that a Participant objects under Rule 604(c) to the contents of a the confirmation of a transaction that has taken place through the assistance of an Execution Specialist under the provisions of this Rule, the Board, through its designee the Chief Executive Officer or the Chief Executive Officer's Designee (the "Designee"), is authorized in his or her discretion to adjust trade prices or cancel

a trade when such action is necessary to correct a clear clerical error on the part of the Execution Specialist in carrying out the instructions of the Participant that is assisted by the Execution Specialist. Any trade price adjustment or trade cancellation shall be made subject to the standards of this rule. Any determination made under this rule to adjust any trade price or cancel any trade shall be announced to the market and such adjustment shall be reported by the RTX SEF to the SDR.

## **PART 7. TRADING BY VOICE**

### **701. Scope**

The RTX SEF shall determine the Swaps to be offered for trading where such Swaps are matched using any Voice Trading System provided for under this section. For the avoidance of doubt, all Swaps, including Permitted Transactions, that RTX SEF makes available to trade on the SEF may be executed through the Voice Trading Systems (including the Voice Order Book as defined in Rule 703).

### **702. Trading by Voice Trading Systems**

A Voice Trading System is a Trading Facility, as defined by section 1a(51) of the Act, that uses Voice Functionality that enables multiple participants to offer Bids or Offers that are open to multiple participants through the use of telephone, electronic messaging or other Approved Communication Methods. Voice Trading is facilitated by an Execution Specialist who makes known to Participants the existence of trading interest in a Swap, facilitates the communication of Bids or Offers among multiple Participants, and assists in orderly trading on the RTX SEF.

### **703. Voice Trading Systems**

#### **(a) Voice Order Book.**

- (i)** An Voice Order Book (“VOB”) is a Trading System in which all Orders are managed based upon price/time priority, which means A) an Order with a better price (highest Bid, cheapest Offer) has execution priority over an Order with an inferior price (not highest Bid, not cheapest Offer) and B) for two Orders with the same price and direction, the Order that is entered into the VOB first will be matched first against an aggressing opposing Order. All Orders are recorded in the Internal Digital Ledger. The Voice Order Book is separate from the Electronic Order Book.
- (ii)** The VOB is a Trading Session that remains open throughout the Business Day.
- (iii)** All Orders are communicated by the Participant to the Execution Specialist who is responsible for managing the Order in the VOB according to price/time priority rules under Rule 703 (a)(i).
- (iv)** Any Order communicated to the Execution Specialist shall include the information the RTX SEF requires, including, but not limited to, Order type, size, side, price (if applicable). Any Order not complying with RTX SEF requirements shall not be accepted by the Execution Specialist.
- (v)** An Order is considered firm or executable at the time first communicated to the Execution Specialist.

- (vi) An Order is matched by the action of a Participant communicating an executable Bid or Offer to the Execution Specialist to hit (lift) a resting Bid (Offer) being managed in the VOB.
- (vii) An initiating Participant shall be anonymous unless the Participant authorizes the Execution Specialist to disclose the initiating Participant's identity.
- (viii) In the absence of an initiating Participant, the Execution Specialist has discretion to initiate trading by communicating with Participants to ascertain trading interest.
- (ix) A responding Participant may accept a communicated Bid or Offer or counter such Bid or Offer of the initiating Participant or of any other responding Participant. For the avoidance of doubt, an executed transaction may take place between two responding Participants. Responding Participants shall be anonymous unless the responding Participant authorizes the Execution Specialist to disclose the Participant's identity.
- (x) **Voice Work-up.** In order to encourage the provision of liquidity to the VOB, following the execution of an initial transaction (which shall be indicated to the counterparties as having been executed by communication of the Execution Specialist) either of the parties to the executed transaction or any other market participant (following transmittal by the RTX SEF to an SDR of information relating to the initial, executed transaction) may request a work-up trading session. To open a work-up trading session, the Execution Specialist announces the work up session and price. Counterparties to the initial transaction may have a priority for additional amounts at the work-up price. Resting Bids or Offers at the work-up price or better must be included in the work-up session. During the work-up session, execution occurs at the time that a buyer and a seller agree on the quantity of their respective transaction (the price being the work-up price), such execution being indicated to the counterparties by communication of the Execution Specialist. Separate transactions entered into during the work-up process will not be confirmed or reported as a single aggregate transaction. The work-up shall end when, to the extent possible, all buying and selling interest at that price have been filled. Any unfilled Bid or Offer at that price at the conclusion of the work-up shall be treated as a resting Bid or Offer depending upon the instruction of the market participant.
- (xi) **Hybrid Trading of Required Transactions.** Upon a Participant's request, the Execution Specialist will enter any Voice Order communicated to the Execution Specialist into the EOB Trading Session under Rule 607 whenever there appears to be sufficient liquidity in the Electronic Order Book to fill the Order; when the request is made, the Execution Specialist will notify the Participant whether there appears to be sufficient liquidity in the Electronic Order Book to fill the Order (or a portion of it). And unless specified by the Participant, all such Orders shall be entered into the Electronic Order Book as a Time in Force

("TIF") Order where it shall remain a firm Order for a period of 20 seconds and then expire.

- (xii) **Post-Trade Anonymity.** Notwithstanding any other provision in this Rule, for all swaps that are executed anonymously and intended to be cleared, RTX SEF shall not disclose the identity of any counterparty to the swap.

## 704. Order Types

- (a) **Type of Orders and Order Attributes.** The following orders may be entered by a Participant verbally via an Execution Specialist into the Voice Order Book:

- (i) *Limit Orders.* A Limit Order is an Order to buy or sell a stated amount of a Swap or strategy at a given price. Such an order shall remain in the VOB session until executed or cancelled by Participant.
- (ii) *Market Orders.* A Market Order is an Order to buy or sell a stated amount of a Swap or strategy at the best available price on the VOB session at the time the order is entered.
- (iii) *Time in Force ("TIF") Orders.* A TIF Order is a limit order that remains open in the VOB session for a period of time selected by the Participant or Execution Specialist (at the request of the Participant) when the Order is first entered. The Order is automatically cancelled at the end of that period unless the time is extended, or the Order is executed.
- (iv) *Good until Bettered Orders. ("GTB").* A GTB Order is an Order to buy or sell a stated amount of a Swap or strategy to be executed at the communicated price until bettered by another Order (whether from the original participant or another) whereupon it cancels or until the Order is cancelled by the Participant.
- (v) *All or None ("AON").* An AON Order is a limit order or TIF Order where only the full amount specified on the Order can be executed. AON Orders are ignored in the order matching process by corresponding Orders that have less than the required AON amount to make a trade.
- (vi) *Good until Bettered Orders All or None. ("GTB AON").* A GTB AON Order is an GTB Order where only the full amount specified on the Order can be executed. Like regular AON Orders, GTB AON Orders are ignored in the Order matching process by corresponding Orders that have less than the required AON amount to make a trade.
- (vii) *One Cancels the Other ("OCO").* An OCO Order provides the Participant the ability to enter certain Orders that are linked together whereby the execution of a trade on one linked Order results in the immediate cancellation of the remaining linked Order(s) in the OCO group.
- (viii) All Orders cease to be active at the close of the Business Day.

- (b) **Voice Orders for Required Transactions.** Notwithstanding anything to the contrary in these Rules, each Voice Order for a Required Transaction

communicated by a Participant to an Execution Specialist shall be considered to be firm from the time the Order is first communicated to the Execution Specialist for a period of 20 seconds (or such period as communicated to the Execution Specialist).

*Provided, however,* the Order shall no longer be considered to be firm during the remainder of that period, after:

- (i) The Participant's Order is filled;
- (ii) The Participant communicates to the Execution Specialist that the Order is cancelled and such communication is received by the Execution Specialist prior to the Order having been filled, *provided, however,* if the Order has been filled in part, only that part of the Order remaining unfilled shall be cancelled;
- (iii) The Participant is filled in the same Swap for the same size but at a different price as the original Order;
- (iv) A new Order at a better price in the same Swap is entered onto the RTX SEF by the same or a different Participant; or
- (v) A Material Market Event occurs. A "Material Market Event" means one determined in the sole discretion of the RTX SEF and shall include, but not be limited to:
  - (A) Economic news releases by the U.S. Department of Labor Bureau of Labor Statistics;
  - (B) Other recurring material economic news releases;
  - (C) Announcements of the Board of Governors of the U.S. Federal Reserve System;
  - (D) A natural or man-made disaster or a *force majeure*.

## **705. Confirmation of Voice Transactions and Objections**

The confirmation of all terms of the transaction shall take place at the same time as execution.

- (a) **Anonymous Trading.** In accordance with Rule 518, confirmations of transactions executed anonymously will not show counterparty names or identifiers, unless such a transaction is a Package Transaction.
- (b) **Confirmation of Cleared Transactions.** Upon execution, the RTX SEF shall notify a Participant of the matching of Bids and Offers through the Electronic Trading System as follows.
  - (i) *Initial notification:* With respect to Cleared Transactions matched in a Voice Trading Session under Rule 703 but prior to confirmation of the execution of the transaction, the matched transaction will be subject to the agreement of the parties as to trade structure parameters (the instrument, the price, direction and amount) and to a manual credit check.



- (ii) *Confirmation*: Upon completion of the transaction, the Execution Specialist will key in trade details, which shall include all material economic terms, and that the counterparties agree to these terms at which time RTX SEF will issue a written trade confirmation of the executed trade to the parties, which writing may be electronic, and which shall legally supersede any previous agreement, and shall serve as a confirmation of the transaction.
- (c) **Objections**. Objections to the contents of transaction confirmations must be submitted to the RTX SEF, in writing, promptly upon receipt, but no later than the close of that Business Day.

Notwithstanding any other provision of these Rules, in the event that a Participant objects under this section to the contents of the confirmation of a transaction that has taken place through the Voice Order Book under Part 7 of these Rules, the Board, through its designee the Chief Executive Officer (or the Chief Executive Officer's delegate) (the "Designee"), is authorized in his or her discretion to adjust trade prices or cancel a trade when such action is necessary to correct a clear clerical error on the part of the Execution Specialist in facilitating trading via the Voice Order Book. Any trade price adjustment or trade cancellation shall be made subject to the standards of this rule. Any determination made under this rule to adjust any trade price or cancel any trade shall be announced to the market by a message from the Support Desk or such other method as the RTX SEF shall provide and such adjustment shall be reported by the RTX SEF to the SDR.

## **706. Record Keeping and Reporting**

All Voice-assisted trading shall be recorded in an unalterable format and retained as required under Commission Rule 1.31. All Bids and Offers managed through the Voice Order Book will be retained in an unalterable format as required under Commission Rule 1.31. The Execution Specialist shall key in the trade details of the transaction immediately upon execution. RTX SEF shall report such transactions as having been executed on or subject to the Rules of RTX SEF, identifying such transactions as voice-assisted transactions and reporting swap transaction and pricing data to a Swap Data Repository as soon as technologically practicable after execution, as required under 17 CFR Part 43, and swap data to a Swap Data Repository as required by 17 CFR § 45.3(a) in the form and manner specified in the technical specification referenced in 17 CFR § 45.13(a).

## PART 8. CLEARING AND FINANCIAL INTEGRITY OF CONTRACTS

### 801. Scope

Rules 802, 803, 805, 806 and 807 shall apply to both Required and Permitted Transactions. Rule 804 shall apply only to Permitted Transactions.

### 802. Relation to Clearing Organization

- (a) **Rules of Clearing Organization.** The Bylaws and Rules of the Clearing Organization shall be applicable to the clearing of Swaps which are Required Transactions traded on or subject to the rules of the RTX SEF.
- (b) **Cleared Swaps.** Every Swap executed on or subject to the rules of the RTX SEF that is a Required Transaction will be forwarded by the RTX SEF to the Clearing Organization selected by the Participant directly to the Clearing Organization or via a STP Facility.
- (c) **Choice of Clearing Organization.** If more than one Clearing Organization is available for clearing the Swap, each Participant may designate its choice of Clearing Organization for selected transactions by designating a specific Clearing Organization for each Order. But the Participant's choices will only include those Clearing Organizations with whom RTX SEF has executed a clearing services agreement; to clear any RTX SEF product through a particular Clearing Organization, RTX SEF must first have a clearing services agreement with that Clearing Organization. In addition, for a trade to be executed between two Participants, both would have to designate the same Clearing Organization.
- (i) Participants may designate the Clearing Organization by hitting a Bid or lifting an Offer for the displayed price of a product cleared by a specific Clearing Organization. Participants may enable a general filter on RTX SEF systems to view only prices for a selected Clearing Organization(s).
  - (ii) Trades executed as transactions to be cleared at a specified Clearing Organization will be subject to the collateral requirements of that Clearing Organization, including the timing of collateral funding requirements of that Clearing Organization.
  - (iii) Subject to the clearing authorization requirement of Rule 803, Participants may choose a Clearing Organization to which the Swap will be forwarded by the RTX SEF. Such Clearing Organization shall be authorized or licensed by the Commission, or otherwise meet Commission requirements, to clear such Swaps. Such Clearing Organizations are limited to the following:

Swap	Clearing Organization
Interest Rate Swaps	LCH Ltd. and CME, Inc.

- (d) **Margin.** A Participant must comply with all margin requirements of the relevant Clearing Organization and its Clearing Participant, if applicable, and any applicable margin requirement set forth by Commission Regulation or Applicable Law.

### **803. Clearing Authorization Required**

#### **(a) Clearing Participant Authorization.**

- (i) Every ITBCS trade executed on the Trading System or subject to the rules of the RTX SEF shall be cleared through a Clearing Participant authorized by the designated Clearing Organization for the given product.
- (ii) Each Clearing Participant by entering into a relationship to intermediate clearing on behalf of a Trading Participant as provided in subsection (b) of this Rule 803, shall be subject to, and shall be considered to have consented to, the jurisdiction of the RTX SEF, in respect of such transactions, including the jurisdiction of the RTX SEF to impose sanctions for violations under Rule 1016.

- (b) **Trading Participant Authorization.** Each Trading Participant must establish and maintain a relationship with a Clearing Participant that will intermediate the clearing of the Trading Participant's Swap transactions.

Each Trading Participant must:

- (i) identify to the RTX SEF its Clearing Participant;
- (ii) ensure they do not request quotes, Bid or Offer or generally trade Swaps for a designated Clearing Organization without appropriate authorization; and
- (iii) notify the RTX SEF of any change in relationship with a Clearing Participant. Such notification must be made prior to executing any trade on the Trading System or any cleared trade subject to the rules of the RTX SEF.

- (c) **Evidence of Agreement with Clearing Participant.** Evidence of an agreement between the Clearing Participant and its Trading Participant must be provided to the RTX SEF in the form and manner requested by the RTX SEF and must be specific with respect to the products covered thereunder.

- (d) **Termination of Clearing Authorization.** A Clearing Participant may terminate at any time its authorization of a Trading Participant by informing the RTX SEF and as applicable the Trading Participant. Notice shall be given in as promptly a form as possible and shall be provided in writing no more than twenty-four hours after being given by any other means.

- (i) In the event the Clearing Participant notifies the RTX SEF that it will no longer clear a Trading Participant's Swaps, until the Trading Participant establishes a relationship with another Clearing Participant acceptable to the RTX SEF, the RTX SEF will take immediate steps to:

- (A) withdraw all of the Trading Participant's resting orders from the Trading System,
- (B) terminate the Trading Participant's access to the Trading System; and
- (C) terminate the Trading Participant's access to execute trades subject to the rules of the RTX SEF.

#### **804. Financial Integrity for Permitted Transactions**

- (a) **Clearing of Swaps.** Permitted Transactions executed on or subject to the rules of the RTX SEF are not required to be cleared under applicable law. Permitted Transactions may be cleared if both counterparties agree, prior to or subsequent to execution, to submit the trade to an agreed upon Clearing Organization. RTX SEF requires, however, that all swap transactions executed on or subject to the rules of the RTX SEF must be cleared, including Permitted Transactions. Based on this, all swap transactions executed on RTX SEF will be cleared. If the counterparties elect to clear a transaction prior to execution or at the time of execution, it will be forwarded by the RTX SEF to the agreed upon Clearing Organization directly or via a STP Facility. A Participant electing to clear a transaction must comply with all margin requirements of the relevant Clearing Organization and its Clearing Participant, if applicable, and any applicable margin requirement set forth by Commission Regulation or Applicable Law.

#### **805. Trades Not Accepted for Clearing**

- (a) **Clearing Certainty.** The RTX SEF shall promote certainty of clearing by identifying to the Participant that an Order for a cleared contract, if executed, would be within the clearing credit or trading limits which are applied by the Clearing Participant to the Person on whose behalf the Order has been entered.
- (b) **Trades Rejected for Clearing.** In the event that a Swap is rejected by the Clearing Organization to which it has been submitted, the RTX SEF will so inform the Participants that are the counterparties to the trade. A trade for which the RTX SEF has received a rejection notice from the Clearing Organization is void ab initio; *provided however*, nothing in this Rule shall supersede the procedures of Rule 515 which shall apply to Error Trades.
- (c) **Breakage Agreements Prohibited.** Participants are prohibited from requiring breakage agreements with other Participants as a condition of trading with them.

#### **806. Disputes Related to Clearing**

Disputes arising from or in connection with the clearance, delivery or settlement of Transaction shall be resolved pursuant to the Bylaws, Rule and procedures of the Clearing Organization.

## **807. Establishment of Daily and Final Settlement Prices**

17 CFR § 16.01(b)(4)(i) requires RTX SEF to publicly disclose swap instrument settlement prices and nominal price methodologies for each listed instrument.

- (a)** The RTX SEF shall calculate a daily settlement price for each Swap listed for trading on the RTX SEF and priced that day via firm orders or transactions. Such daily settlement prices shall be calculated in the same manner, shall be published to [www.rtxfintech.com](http://www.rtxfintech.com) before 7 PM each Business Day and shall be subject to subsequent review and revision by each of the Facility's Clearing Organizations in accordance with each respective Clearing Organization's rules and procedures. For information on other information that RTX SEF will publish to its website, see Rule 1207.
- (b)** Calculation. The RTX SEF will calculate daily settlement prices for Swaps receiving Bids or Offers through the Business Day only. Swaps listed for specific Clearing Organization clearing that do not receive any executable Bids and Offers in the order book on any particular day will not have daily settlement prices calculated. The settlement price will be established using an algorithm which calculates the settlement price using the following hierarchy of price inputs:

  - (i)** the mid-price of the best executable bid/offer spread present at the close rounded to the nearest price increment; then
  - (ii)** the most recent of the following:

    - (A)** actual Bid;
    - (B)** actual Offer; and
    - (C)** last trade.

## **PART 9. BUSINESS CONDUCT**

### **901. Violation of Law**

It shall be prohibited for any Participant to violate or fail to conform to applicable provisions of the Act, Commission Regulations or any other law applicable to trading on the RTX SEF.

### **902. Rule Violation**

It shall be prohibited for any Participant to violate or fail to conform to the Rules and procedures of the RTX SEF or with any decision or order of a committee of the RTX SEF or any order of any officer, employee or agent of the RTX SEF when acting within his, her or its jurisdiction.

### **903. No Transfers**

No Participant shall transfer or assign such Participant's trading privileges. Any purported transfer or assignment shall not be binding on the RTX SEF. Persons who acquire or succeed to the business of any Participant may obtain trading privileges only by application to the RTX SEF pursuant to Part 3 of these Rules, except upon the prior written consent of the RTX SEF if the Person is succeeding to the business of a Participant solely as a result of the change in the corporate form of the Participant.

### **904. False Information**

It shall be prohibited for any Participant to disseminate any false, misleading or knowingly inaccurate information, including reports concerning any Swap or market information or conditions that affect or tend to affect the price of any Swap executed on the RTX SEF.

### **905. Manipulation Prohibited**

No Participant shall manipulate, or attempt to manipulate, the price of, or to corner, any Swap executed on the RTX SEF, or in connection therewith the Underlying Commodity.

### **906. Prohibition on Misstatements**

No Participant shall furnish false or misleading information or fail to furnish information in respect of such Participant's activities on or subject to the Rules of the RTX SEF, when requested by the RTX SEF or any committee, officer, employee, or agent of the RTX SEF, acting in the course of his, her or its duties.

### **907. Employees of the RTX SEF**

It shall be prohibited for any Participant to knowingly carry an account, enter an order or effect any transaction for any employee of the RTX SEF, the Clearing Organization or any other Participant without the prior written consent of the employer and which is communicated in writing to RTX SEF for review and decision (which may be in the form of a blanket consent to all orders and transactions entered or executed after such consent is given).

### **908. Abusive Trading Practices Prohibited**

No Participant shall engage in front-running, wash trading, pre-arranged trading, fraudulent trading, money passes, accommodation trading, any other manipulative activity prohibited by the Act or Commission regulation or disruptive trading practice (which includes any trading practice described in Section 4c(a)(5) of the Act or in applicable interpretive guidance issued by the Commission and in force at the time of the violation), or enter into non-competitive transactions on or subject to the Rules of the RTX SEF except as otherwise authorized by these Rules, or execute any such Order on behalf of another with such knowledge of its nature.

### **909. Detrimental Conduct**

No Participant or employee of RTX SEF shall engage in conduct or practices inconsistent with just and equitable principles of trade or conduct or practices detrimental to the best interests of the RTX SEF.

### **910. Fraud Prohibited**

No Participant shall use or employ, or attempt to use or employ, any manipulative device, scheme, or artifice to defraud, or engage, or attempt to engage, in any act, practice, or course of business, which operates or would operate as a fraud or deceit upon any other Participant.

## **PART 10. DISCIPLINARY PROCEEDINGS**

### **1001. Scope**

The procedures of this Part 10 shall apply to any Person that is subject to, and that is bound by, the Rules of the RTX SEF.

### **1002. Investigations**

**(a) Investigation.** The Compliance Department and its designees are responsible for investigating possible violations of the Rules upon request from Commission staff or the discovery or receipt of information which, in their judgment, indicates a possible basis for finding that a violation has occurred or will occur. Investigations shall be conducted by the Compliance Department in accordance with these Rules. The RTX SEF may contract for the performance of specified functions assigned by these Rules to the Compliance Department to (1) a registered futures association; or (2) a registered entity. The RTX SEF retains ultimate responsibility of the investigations.

**(b) Investigation Report.** After conducting an investigation, the Compliance Department shall prepare a written report including the reason the investigation was initiated, a summary of the complaint, if any, the relevant facts, the Compliance Department's conclusions, analysis and recommendation as to whether disciplinary action should be pursued. This written report shall be produced within twelve months following the initiation of the investigation, absent mitigating circumstances. If the Compliance Department has determined that a reasonable basis exists for finding a violation, it shall make a recommendation as to whether the Disciplinary Committee should proceed with the matter. The Compliance Department may also issue a warning letter to the Person being investigated or forward to the Review Panel of the Disciplinary Committee a recommendation that it issue a warning letter. A warning letter issued to the Person under investigation under this paragraph is not a penalty or an indication that a finding of a violation has been made. But as required under 17 CFR § 37.206(f), RTX SEF may issue no more than one warning letter per rolling twelve-month period to the same Participant for the same violation.

The investigation report shall become part of the investigation file, which shall be maintained by the Compliance Department for a period of not less than five years after the completion of such report. The Compliance Department shall promptly provide the Disciplinary Committee with a copy of each investigation report.

### **1003. Review of Investigation Report**

The Review Panel shall promptly review each investigation report prepared by the Compliance Department. In the event the Review Panel decides that additional investigation or evidence is needed, it shall promptly direct the Compliance Department to conduct further investigation. Within a reasonable period of time not to exceed sixty



days after the receipt of a completed investigation report, the Review Panel shall take one of the following actions:

- (a) If the Review Panel determines that no reasonable basis exists for finding a violation or that prosecution is otherwise unwarranted, it may direct that no further action be taken. Such determination must be in writing and contain a brief statement setting forth the reasons therefore.
- (b) If the Review Panel determines that a reasonable basis exists for finding a violation which should be adjudicated, it shall direct that any Person alleged to have committed the violation be served by Compliance Department with a notice of charges, thus commencing disciplinary proceedings pursuant to these Rules.
- (c) The Review Panel may also determine to issue a warning letter to the Person being investigated. A warning letter issued to Person under investigation under this paragraph is not a penalty or an indication that a finding of a violation has been made.

#### **1004. Respondent**

A Person alleged in a Notice of Charges to have committed a violation shall be referred to as the Respondent.

#### **1005. Notice of Charges**

A written Notice of Charges shall be served by Compliance Department on any Respondent as directed by the Review Panel. A Notice of Charges means a notice of a disciplinary proceeding by RTX SEF Compliance Department that shall include the following:

- (a) State the acts, practices or conduct in which the Respondent is alleged to have engaged;
- (b) State the provision of the Rules alleged to have been, or are about to be, violated;
- (c) State the predetermined penalty, if any;
- (d) State that the Respondent is entitled to a hearing on the charges upon written request served upon the Compliance Department within 30 days of service of the Notice of Charges and filed with the Hearing Panel of the Disciplinary Committee and that failure so to request a hearing within 30 days, except for good cause shown, shall be deemed a waiver of the right to a hearing; and
- (e) State that the Respondent is entitled to serve an answer upon the Compliance Department within 30 days of service of the Notice of Charges and to file such answer with the Hearing Panel and that failure in an answer to deny expressly any allegation or any charge in the Notice of Charges shall be deemed to be an admission of such allegation or charge.

#### **1006. Service**

Service of a Notice of Charges or any other document in a disciplinary proceeding on a Respondent shall be made by personal delivery to the Respondent or the Respondent's agent appointed under Rule 303(b) or by first class mail addressed to the Respondent at the last address filed by the Respondent with, or otherwise known to, the RTX SEF. However, if the Respondent is represented by counsel in the disciplinary proceeding, service shall be by personal delivery to counsel or by first class mail addressed to counsel at the last address filed by counsel with the RTX SEF. Service of any document on the Compliance Department shall be made by personal delivery to the Compliance Department or by first class mail addressed to the Compliance Department, in either case at the address specified in the notice of charges. Filing with the Disciplinary Committee may be made by personal delivery to the Disciplinary Committee or by first class mail addressed to the Disciplinary Committee at the address specified in the notice of charges. Service by mail shall be complete when deposited in an official depository of the United States Postal Service. If service is made by mail, any time period in these Rules calculated with respect to the date of service shall be extended by a period of five days. Service may be effected through electronic mail or facsimile upon the agreement of all parties.

#### **1007. Answer from Respondent**

- (a)** A Respondent receiving a Notice of Charges may serve a written answer to the Notice of Charges upon the Compliance Department and file the answer with the Hearing Panel, provided that:

  - (i)** the answer must be in writing and include a statement that the Respondent admits, denies or is without knowledge or information sufficient to form a belief as to the truth of each allegation.
  - (ii)** failure to serve an answer within 30 days following the service of the Notice of Charges shall be deemed an admission of all allegations contained in the notice of charges.
  - (iii)** failure in an answer to expressly deny any charge or allegation shall be deemed to be an admission of the charge or allegation; provided, however, that a statement of a lack of sufficient knowledge or information to form a belief as to the truth of an allegation shall have the effect of a denial of the allegation.
- (b)** If the Respondent admits or fails to deny any of the charges in a notice of charges, the Hearing Panel may find that the violation of the Rules alleged in the charge has been committed and may impose a penalty no greater than the predetermined penalty, if any, stated in the Notice of Charges for such violation or violations. If no predetermined penalty was so stated, the Hearing Panel shall impose a penalty for each violation found to have been committed.
- (c)** If the Hearing Panel imposes a penalty pursuant to paragraph (b) of this Rule, the Respondent and the Compliance Department shall be promptly served with a written notice of any penalty to be imposed and shall advise the Respondent that he or she may request a hearing on the penalty, provided that a written request for a hearing must be served upon the Compliance Department within

30 days following service of the notice and filed with the Hearing Panel. However, no hearing shall be permitted on a penalty that is less than or equal to the predetermined penalty, except for good cause shown. If the Respondent fails to request a hearing within 30 days following service of the notice, the Respondent shall be deemed to have accepted the penalty, and the decision of the Hearing Panel shall be the final action of the RTX SEF.

#### **1008. Right to Representation**

A Respondent shall be entitled to be represented by legal counsel or any other representative of the Respondent's choosing in any proceedings under this part of the Rule; provided, however, that this Rule does not constitute the basis for any claim that the RTX SEF must furnish an attorney to a Respondent.

#### **1009. Hearings**

- (a)** If the Respondent has, in a timely manner, requested a hearing on a charge which is denied in the Respondent's answer or on a penalty imposed by the Hearing Panel pursuant to Rule 206 and this Part 10 (other than a predetermined penalty stated in the notice of charges), the Respondent shall have an opportunity for a hearing on the matter. Such hearing shall be promptly convened after fair notice to the Respondent.
- (b)** Any hearing shall be conducted before a Hearing Panel of three members of the Disciplinary Committee.
- (c)** The Respondent shall be entitled in advance of the hearing to examine all books, documents, or other tangible evidence in the possession or under the control of the RTX SEF which are to be relied upon by the Compliance Department in presenting the charges contained in the Notice of Charges or which are relevant to those charges or the penalties.
- (d)** The formal rules of evidence need not apply; nevertheless, the procedures for the hearing may not be so informal as to deny a fair hearing.
- (e)** The Compliance Department shall be a party to the hearing and shall present its case on those charges and penalties which are the subject of the hearing.
- (f)** The Respondent shall be entitled to appear personally at the hearing.
- (g)** The Respondent shall be entitled to cross-examine any persons appearing as witnesses at the hearing.
- (h)** The Respondent shall be entitled to call witnesses and to present such evidence as may be relevant to the charges or the penalties and the Compliance Department shall be entitled to cross-examine any witness called by the Participant.
- (i)** The RTX SEF shall require Persons within its jurisdiction called as witnesses to appear at the hearing and to produce evidence. It shall make reasonable efforts to secure the presence of all other Persons called as witnesses whose testimony would be relevant.

- (j) A substantially verbatim record of the hearing shall be made and shall become a part of the record of the proceeding. The record must be one that is capable of being accurately transcribed; however, it need not be transcribed unless the transcript is requested by Commission staff or the Respondent. The record shall be transcribed pursuant to Commission Rule 9.21(a) if the decision is appealed to or reviewed by the Commission. In all other instances, a summary record of the hearing is permitted.
- (k) The cost of transcribing the record of the hearing shall be borne by the Respondent if the Respondent requests the transcript or appeals the decision to the Commission. In all other instances, the cost of transcribing the record shall be borne by the RTX SEF.
- (l) A penalty pursuant to Part 10 may be summarily imposed by the hearing panel of the Disciplinary Committee upon any person within its jurisdiction whose actions impede the progress of a hearing.

## **1010. Decision**

- (a) Promptly following the hearing, the Hearing Panel of the Disciplinary Committee shall render a written decision based upon the weight of the evidence contained in the record of the proceeding and shall serve a copy of its decision within 30 days upon the Compliance Department and the Respondent. The decision, shall be the final action of the RTX SEF and shall not be subject to appeal within the RTX SEF. The decision shall become effective at the time set forth therein the decision, which shall be not less than fifteen days after the written decision has been delivered to the Person disciplined or denied access. Where delivery is by U.S. mail, an additional three day period shall be provided prior to the decision becoming effective. *Provided, however,* that a decision may become effective in fewer than fifteen days if, as determined by the RTX SEF and stated in the decision, such an action is necessary to protect the best interests of the RTX SEF, the violation relates to timely submission of accurate records required for clearing, or the disciplined Person consents to the penalty and the timing of its effectiveness. The decision shall include:
  - (i) the Notice of Charges or a summary of the charges;
  - (ii) the answer, if any, or a summary of the answer;
  - (iii) a brief summary of the evidence produced at the hearing or, where appropriate, incorporation by reference of the investigation report;
  - (iv) a statement of findings and conclusions with respect to each charge, a complete explanation of the evidentiary and other basis for such findings and conclusions with respect to each charge and basis for imposing sanctions, and an indication of each specific Rule which the Respondent is found to have violated; and
  - (v) a declaration of any penalty imposed and the effective date of such penalty.

- (b) When a decision under Rules 1010, 1015, or 1016 has become final, the RTX SEF shall—in the event that the Respondent is a member of the National Futures Association—within thirty days, provide a copy of such decision by electronically providing such information to the National Futures Association for entry into its Background Affiliation Status Information Center system.

#### **1011. Penalties**

- (a) The Hearing Panel of the Disciplinary Committee may impose any one or more of the following penalties for violation of the Rules against any Person that is subject to the jurisdiction of the RTX SEF, including but not limited to, any Participant or Clearing Participant:
  - (i) a censure or reprimand;
  - (ii) suspension of trading privileges;
  - (iii) termination as a Participant or its acceptability as a Clearing Participant;
  - (iv) a fine of up to \$100,000 per violation; or
  - (v) such other penalty as the hearing panel in its discretion shall deem appropriate.
- (b) In the case of any penalty imposed on a Respondent denying access in whole or in part to the RTX SEF's market, the Hearing Panel shall issue an order to all Participants prohibiting them from granting such access, directly or indirectly, and any knowing violation of such an order shall constitute a violation of the Rules.
- (c) Any penalty imposed under Rule 1011, 1012, 1013, 1014, 1015 or 1016 shall be commensurate with the violation committed, shall take into account the respondent's disciplinary history and where applicable, shall include full customer restitution, except where the amount of restitution or to whom it should be provided cannot be reasonably determined.
- (d) Each Participant will be responsible for paying any fine or other amount imposed on but not paid by any of its Supervised Persons.

#### **1012. Reserved**

### **1013. Settlement**

- (a) At any time after the issuance of a Notice of Charges and prior to the issuance of a decision pursuant to Rule 1010, a Respondent may serve upon the Compliance Department and file with the Disciplinary Committee a written proposal to settle the matter in question. The Disciplinary Committee may accept or reject the settlement proposal, but may not alter its terms unless the Respondent agrees. The Disciplinary Committee, in its discretion, may permit the Respondent to accept a penalty without either admitting or denying the violations upon which the penalty is based.
- (b) If the Disciplinary Committee accepts a settlement proposal, it shall issue a written decision specifying the violations it has reason to believe were committed and any penalty to be imposed. If the settlement proposal specifies that the Respondent is agreeing to accept a penalty without either admitting or denying any violations, the decision shall so state.
- (c) If the Disciplinary Committee does not accept a settlement proposal or if the Respondent withdraws the proposal after its submission but before its final acceptance by the Disciplinary Committee, the proceedings shall continue against the Respondent, but the Respondent shall not be deemed to have made any admissions by reason of the settlement proposal and shall not be otherwise prejudiced by having submitted the settlement proposal.

### **1014. Minor Penalties**

- (a) The Compliance Department may summarily impose a fine against any Participant:

  - (i) for failing to make timely payments of dues, fees, fines, assessments or other charges;
  - (ii) for failing to make timely and accurate submissions to the RTX SEF of notices, reports, or other information required under any provision of the Rules; or
  - (iii) for failing to keep any records required under any provision of the Rules.
- (b) The amounts of the fines for any category of violations which may be imposed pursuant to this Rule shall be set by the RTX SEF from time to time, provided that the minimum fine shall not be less than \$1,000 and the maximum fine for any one violation shall not exceed \$10,000. Nothing contained in this Rule shall preclude any other action against a Participant pursuant to the Rules. The imposition of a fine against a Participant pursuant to this Rule shall be the final action of the RTX SEF if the Participant does not request review as provided in paragraph (c) of this Rule.
- (c) The Compliance Department shall serve a Participant with written notice of a fine imposed pursuant to paragraph (a) of this Rule. Such notice shall specify the date of the occurrence for which the fine is being imposed, the provision or provisions of the Rules giving rise to the fine and the amount of the fine. Within 10 days of the service of such notice, the Participant shall either pay the fine or

serve the RTX SEF with a written request specifying the basis for review of the fine by a hearing panel of the Disciplinary Committee.

### **1015. Participant Responsibility Actions**

- (a)** The RTX SEF may summarily suspend any Participant exercising Trading Privileges or take other summary action if the RTX SEF reasonably believes that such immediate action is necessary to protect the best interests of the marketplace.
- (b)** Any action taken against any Participant exercising Trading Privileges pursuant to this Rule shall be taken after notice and an opportunity to be heard, unless the RTX SEF determines that giving such notice or opportunity to be heard before taking such action is not practicable under the circumstances. The notice shall state the action, the reasons for the action, and the effective time and date and the duration of the action. In any case in which action is taken without prior notice and opportunity to be heard, the RTX SEF shall give the Participant notice and an opportunity to be heard promptly thereafter.
- (c)** Any hearing held pursuant to this Rule shall be held before a Hearing Panel of the Disciplinary Committee and shall be conducted in compliance with Part 10.
- (d)** Promptly following the hearing held pursuant to this Rule, the Hearing Panel of the Disciplinary Committee shall render a written decision based upon the weight of the evidence contained in the record of the proceeding and shall serve a copy of such decision on the Participant and the Compliance Department. The decision shall be the final action of the RTX SEF and shall not be subject to appeal within the RTX SEF. The decision shall include:
  - (i)** a description of any summary action taken or proposed to be taken;
  - (ii)** the reasons for the summary action;
  - (iii)** a brief summary of the evidence produced at the hearing;
  - (iv)** findings and conclusions;
  - (v)** a determination that the summary action should be affirmed, modified, reversed, or imposed; and
  - (vi)** a declaration of any summary action to be taken pursuant to the determination specified in subparagraph (v) and the effective date and duration of the action.

### **1016. Action Against Non-Participants**

- (a)** If the Compliance Department has reason to believe that any non-Participant is conducting his trading activities in violation of the Commodity Exchange Act, Commission Rules or these Rules, it may require the non-Participant and any Participant that handles or clears the non-Participant's trades to appear, produce documents and testify at a Compliance Department interview or investigation, or at a hearing before the Disciplinary Committee.

- (b) If, after hearing, the Disciplinary Committee determines that the actions of the non- Participant violate the Commodity Exchange Act, the Commission Rules or these Rules, the Disciplinary Committee may: 1) issue a censure or reprimand; 2) order any Clearing Participant to liquidate all or any portion of such non-Participant's position; 3) order that no Participant accept new positions on behalf of any such non-Participant; 4) deny or terminate access of such non-Participant to the Trading System and the RTX SEF; 5) impose any Penalty authorized under Rule 1011, or 6) order such other action as is necessary to prevent a threat to the integrity of the market or to RTX SEF or further violations of the Commodity Exchange Act or these Rules.
- (c) In the case of a penalty imposed on a Respondent that is not a Participant denying access to the RTX SEF, the Hearing Panel shall issue an order to all Participants prohibiting them from granting such access, directly or indirectly, and any knowing violation of such an order shall constitute a violation of the Rules.

#### **1017. Conflicts of Interest or Bias**

- (a) No member of any committee of the RTX SEF shall knowingly participate in the committee's deliberations and voting on any matter involving a named party-in-interest where the member is precluded from doing so pursuant to Part 2.
- (b) Prior to the consideration of any matter involving a named party-in-interest, each member of a committee of the RTX SEF must disclose to the Chief Compliance Officer of the RTX SEF (or to his or her designee) whether he or she has any one of the relationships listed in Rules 207 and 209 with the named party-in-interest.
- (c) Any Respondent which is a named party-in-interest in any proceeding under this Part of the Rules may serve a written request on the Chief Compliance Officer of the RTX SEF for disqualification of any member of any committee of the RTX SEF on the grounds that such member has one of the relationships listed in Rules 207 or 209 or that any other cause exists which might cause the member to have a bias against such Respondent.
- (d) The Chief Compliance Officer (or his or her designee) shall determine whether or not any member of a committee of the RTX SEF will be disqualified from deliberating, voting or otherwise participating in any matter based upon:
  - (i) information provided by such Participant pursuant to paragraph (b) of this Rule;
  - (ii) information provided by a Respondent which is a named party-in-interest pursuant to paragraph (c) of this Rule; and
  - (iii) any other source of information that is reasonably available to the RTX SEF.
- (e) The Chief Compliance Officer (or his or her designee) shall promptly serve written notice of his or her determination on the member of the committee and



on the Respondent which is the named party-in-interest, and such determination shall be final and not subject to appeal within the RTX SEF.

No employee of the Compliance Department or any other employee of the RTX SEF may serve in any investigatory, prosecutorial or decision-making capacity relating to any matter involving a named party-in-interest if he or she would be precluded from participating in deliberations and voting on such matters pursuant to Part 2 if he or she were a member of a committee of the RTX SEF. The provisions of paragraphs (b) through (e) of this Rule shall be applicable to such employee of the RTX SEF as though such person were a member of a committee of the RTX SEF.

**PART 11. RESERVED**

## **PART 12. MISCELLANEOUS**

### **1201. Prohibition of Compensation to RTX SEF Employees**

No Participant, Affiliate of a Participant or employee thereof shall give any compensation or gratuity to any RTX SEF employee, and no RTX SEF employee shall accept any compensation or gratuity from any Participant, Affiliate of a Participant or employee thereof; provided that the foregoing shall not preclude giving or accepting items of nominal value.

### **1202. Rule Adoption, Amendment, and Repeal**

- (a)** Rules may be adopted, amended or repealed by the RTX SEF as provided in these Rules. However, no Rule and no amendment or repeal of a Rule shall apply to any Swap or Swap entered into prior to the adoption thereof if such Rule, amendment or repeal would affect the amount of money to be paid, or would affect the specifications of the Swap or Underlying Commodity to be delivered, under such Swap, unless emergency action has been taken pursuant to Rule 208.
- (b)** Unless a Rule is adopted, amended or repealed as an emergency action pursuant to Rule 208, or it is otherwise impracticable under the circumstances, the RTX SEF shall:
  - (i)** post on its website the submission to the Commission certifying or requesting approval of such Rule, Rule amendment or Rule repeal for a period of not less than five business days prior to filing the submission with the Commission;
  - (ii)** notify Participants of the posting of the submission when it is first posted; and
  - (iii)** accept comments on the submission from Participants and the public from the time of posting until the conclusion of the Commission's review period.

### **1203. Confidentiality of Information**

- (a)** Except as provided in Rule 309, all information received by the RTX SEF concerning positions, margin or premium payments, or deliveries, financial statements filed with the RTX SEF, or other non-public information submitted to the RTX SEF for regulatory purposes by any Participant ("Participant Information"), shall be held in confidence by the RTX SEF and shall not be made known to any other Person except as follows:
  - (i)** With the written consent of the Participant providing such information;
  - (ii)** To the Commission or the United States Department of Justice pursuant to the requirements of the Commodity Exchange Act or any Regulation of the Commission or of any other Governmental Agency with

jurisdiction over the RTX SEF, which would allow the RTX SEF to carry out such information-sharing agreements and international information-sharing agreements as the CFTC may require;

- (iii)** Pursuant to a subpoena issued by or on behalf of any Person or, in the RTX SEF's discretion, pursuant to a written request from the Congress of the United States, any committee or subcommittee thereof, the General Accounting Office, or any department or agency of the United States, the State of New York or the City of New York;
- (iv)** Pursuant to an order issued by a court having jurisdiction over the RTX SEF;
- (v)** To any SRO or authority acting under contract to the RTX SEF for performance of SRO functions, for audit, compliance, surveillance, or disciplinary purposes;
- (vi)** To any Person in the business of providing data processing or similar services for the purpose of performing computations or analysis, or of preparing reports or records, for the RTX SEF, subject to reasonable confidential safeguards;
- (vii)** To counsel for the RTX SEF; or
- (viii)** To any other Person to the extent and pursuant to such terms and conditions as the RTX SEF, from time to time, may deem appropriate, employing reasonable confidential safeguards.

In addition, the RTX SEF shall share information with other regulatory organizations, data repositories, and third-party data reporting services as required by the Commission or as otherwise necessary and appropriate to fulfill its self-regulatory and reporting responsibilities.

- (b)** Participant Information shall not include information which is:
  - (i)** in or becomes part of the public domain;
  - (ii)** known to or obtained by such party previously without an obligation of confidentiality;
  - (iii)** independently developed by such party outside of this Agreement;
  - (iv)** required to be disclosed by Applicable Law, or pursuant to a subpoena or order of a court or regulatory, self-regulatory or legislative body of competent jurisdiction, or in connection with any regulatory or self-regulatory request for information, or that the RTX SEF otherwise deems advisable, in its discretion, to disclose to a governmental, self-regulatory or legislative organization.; or
  - (v)** information submitted by Participants that is displayed by the RTX SEF on the Trading System or otherwise distributed or sold by the RTX SEF regarding Bids, Offers, or executed transactions, provided that such displays and distributed or sold information shall not identify Participant by name, unless the RTX SEF is explicitly directed to do so by Participant

and only then for the express purposes set forth in and under conditions in compliance with the Rules.

- (c) If information concerning one or more named Participants is requested pursuant to paragraphs (b), (c) or (d) above, the RTX SEF shall notify each such Participant prior to furnishing such information, unless in the judgment of the RTX SEF it would be contrary to the best interests of the RTX SEF to do so.

## **1205. Limitation of Liability**

- (a) Business on the Trading System may from time to time be suspended or restricted or the RTX SEF may from time to time be closed for a temporary period or for such longer period as may be determined in accordance with the Rules including, without limitation, as a result of a decision taken under Rule 208 on the occurrence of one or more events which require such action to be taken in the interests of maintaining a fair and orderly market. Any such action may result in the inability of one or more Participants to enter into Swaps. Furthermore, a Participant may from time to time be prevented or hindered from entering into Swaps, or trading Swaps, or errors in orders for Swaps and/or Swaps may arise, or submission of trades to the Clearing Organization or to a confirmation/affirmation platform may be delayed, as a result of a failure or malfunction of communications, equipment, market facilities, the Trading System, or software supplied to a Participant by the RTX SEF or any other Person.
- (b) EXCEPT IN INSTANCES WHERE THERE HAS BEEN A FINDING OF FRAUD OR WILLFUL OR WANTON MISCONDUCT, IN WHICH CASE THE PARTY FOUND TO HAVE ENGAGED IN SUCH CONDUCT CANNOT AVAIL ITSELF OF THE PROTECTIONS OF THIS RULE, THE RTX SEF (INCLUDING ITS AFFILIATES), THE CLEARING ORGANIZATION, CLEARING PARTICIPANTS, PARTICIPANTS AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, LICENSORS AND SERVICE PROVIDERS AND VENDORS (EACH, A "DISCLAIMING PARTY" AND COLLECTIVELY, "DISCLAIMING PARTIES") SHALL NOT BE LIABLE TO ANY PERSON FOR ANY LOSS, DAMAGE OR COST (INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES AND COURT COSTS), WHETHER DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, LOST PROFITS OR OTHERWISE OF ANY KIND, REGARDLESS OF WHETHER ANY OF THEM HAS BEEN ADVISED OR IS OTHERWISE AWARE OF THE POSSIBILITY OF SUCH DAMAGES, ARISING OUT OF THE USE OR PERFORMANCE OF THE TRADING SYSTEM, ANY COMPONENT(S) THEREOF, OR ANY FAULT, FAILURE, MALFUNCTION OR OTHER ALLEGED DEFECT IN THE TRADING SYSTEM, INCLUDING ANY INABILITY TO ENTER OR CANCEL ORDERS IN THE TRADING SYSTEM, OR ANY FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY OR TERMINATION, OR ANY OTHER CAUSE IN CONNECTION WITH THE FURNISHING, PERFORMANCE, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF THE TRADING SYSTEM, INCLUDING BUT NOT LIMITED TO (1) ANY OF THE CIRCUMSTANCES OR OCCURRENCES REFERRED TO IN PARAGRAPH (a) OF THIS RULE OR (2) ANY FAILURE OR DELAY IN TRANSMISSION OF ORDERS OR TRADES OR LOSS OF ORDERS OR TRADES RESULTING FROM (A) MALFUNCTION OF THE TRADING SYSTEM, (B) DISRUPTION

OF COMMON CARRIER LINES, (C) LOSS OF POWER, (D) ACTS OR FAILURES TO ACT OF ANY THIRD PARTY, (E) NATURAL DISASTERS OR (F) ANY AND ALL OTHER CAUSES. THE FOREGOING SHALL APPLY REGARDLESS OF WHETHER A CLAIM ARISES IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE. THE FOREGOING LIMITATIONS ARE CUMULATIVE AND SHALL NOT LIMIT OR RESTRICT THE APPLICABILITY OF ANY OTHER LIMITATION OR RULE, TRADING PROCEDURE OR NOTICE OF THE RTX SEF OR RULE OF THE CLEARING ORGANIZATION.

- (c) THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS PROVIDED BY ANY DISCLAIMING PARTY RELATING TO THE TRADING SYSTEM OR ANY FACILITY SERVICE OR FACILITIES USED TO SUPPORT THE TRADING SYSTEM, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY AND WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR USE.
- (d) IF ANY OF THE FOREGOING LIMITS ON THE LIABILITY OF A DISCLAIMING PARTY SHOULD BE DEEMED TO BE INVALID, INEFFECTIVE, OR UNENFORCEABLE OR IN THE EVENT THE RTX SEF ELECTS TO ASSUME RESPONSIBILITY FOR DIRECT, OUT OF POCKET LOSSES DIRECTLY CAUSED BY THE GROSS NEGLIGENCE OF A DISCLAIMING PARTY AND ANY PARTICIPANT OR THIRD PARTY SUSTAINS A LOSS, DAMAGE OR COST RESULTING FROM USE OF THE TRADING SYSTEM, THE ENTIRE LIABILITY OF ALL DISCLAIMING PARTIES SHALL NOT EXCEED \$50,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES ON A SINGLE CALENDAR DAY; \$200,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES IN A SINGLE CALENDAR MONTH; AND \$500,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES IN A SINGLE CALENDAR YEAR. IF THE NUMBER OF ALLOWED CLAIMS ARISING OUT OF ANY FAILURE OR MALFUNCTIONS ON A SINGLE DAY OR SINGLE MONTH CANNOT BE FULLY SATISFIED BECAUSE OF THE ABOVE DOLLAR LIMITATIONS, ALL SUCH CLAIMS SHALL BE LIMITED TO A PRO RATA SHARE OF THE MAXIMUM AMOUNT FOR THE RESPECTIVE PERIOD.
- (e) NOTWITHSTANDING ANY OF THE FOREGOING, THIS RULE SHALL IN NO WAY LIMIT THE APPLICABILITY OF ANY PROVISION OF THE ACT OR COMMISSION REGULATIONS.

## 1206. Dispute Resolution

- (a) **Choice of Law.** The law of the State of New York shall govern any dispute arising between the RTX SEF and a Participant without giving effect to the provisions, policies or principles of any state law relating to choice or conflict of laws.
- (b) **Arbitration Required.** Any dispute arising between the RTX SEF and a Participant must be brought to arbitration within one (1) year from the occurrence of the event giving rise to the dispute. Any such dispute shall be settled by arbitration administered in New York, NY by the American Arbitration Association (the "AAA") under its Commercial Arbitration Rules. The dispute will be submitted to one arbitrator that has experience with and knowledge of commodities, derivatives and Swaps as listed on the National Roster of Arbitrators, and who is appointed by the AAA. Judgment on the award rendered by the arbitrator will be binding on the parties and may be entered in

any state or federal court sitting in New York, New York, and the parties shall be deemed to have consented to the personal jurisdiction of any such court. Each party to the arbitration shall bear its own costs and expenses, as well as an equal share of the administrative and arbitrator fees. However, the arbitrator may reimburse the prevailing party for its costs and expenses in any award. If for any reason this Arbitration provision is unenforceable, the parties hereby consent to the venue and jurisdiction of the federal and state courts located in New York, New York, and waive any objection thereto. Each Party hereby waives its right to trial by jury in any such action.

#### **1207. Publication of Information**

The RTX SEF as provided by Commission Rule 16.01 shall record for each business day and publish on its website, [www.rtxfintech.com](http://www.rtxfintech.com), in pdf format, market data on swaps. For daily settlement prices, RTX SEF will publish such prices to its website before 7 p.m. each Business Day as provided under Rule 807.

#### **1208. Trading System**

Each Participant and other Persons affiliated with the foregoing hereby acknowledges and agrees that the RTX SEF owns and shall retain all right, title and interest in and to the Trading System and related, associated and/or supporting systems administered by or on behalf of the RTX SEF (including, without limitation, the ones for order entry, confirmation and reporting of the Swap transactions, whether entered through the Electronic Order Book, Voice Order Book, all components of all of the foregoing, including, without limitation, all related applications, all application programming interfaces, user interface designs, software and source code and any and all intellectual property rights therein, including, without limitation, all registered or unregistered, as applicable copyright, trade mark, service mark, trade secret, trade name, data or database rights, design rights, moral rights, inventions, whether or not capable or protection by patent or registration, rights in commercial information or technical information, including, without limitation, know-how, research and development data and manufacturing methods, patent, and other intellectual property and ownership rights, including, without limitation, applications for the grant of any of the same, in or to any and all of the foregoing and all other related proprietary rights of the RTX SEF and/or any of its Affiliates (together, with any and all enhancements, corrections, bug fixes, updates and other modifications to any of the foregoing and any and all data or information of any kind transmitted by means of any of the foregoing, "Proprietary Information"). Each Participant, on behalf of itself and each of its Affiliates, and other Persons affiliated with the foregoing, further acknowledges and agrees that the Proprietary Information is the exclusive, valuable and confidential property of the RTX SEF. Each Participant acknowledges and agrees that it shall not and shall not permit its Affiliates, and other Persons affiliated with any of the foregoing to, reverse engineer, copy, bug fix, correct, update, transfer, reproduce, republish, broadcast, create derivative works based on or otherwise modify, in any manner, all or any part of the Trading System or the Proprietary Information. Each Participant further agrees to and shall cause each of its Affiliates, and other Persons affiliated with any of the foregoing

to, keep the Proprietary Information confidential and not to use (except that each Participant may use solely internally for the purposes of the Participant executing Swap transactions on the Trading System), and not to transfer, rent, lease, loan, sell or distribute, directly or indirectly, all or any portion of the Trading System or any Proprietary Information.

### **1209. Enforceability**

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

- (a) A violation by the swap execution facility of the provisions of section 5h of the Act or the Commission's rules;
- (b) Any Commission proceeding to alter or supplement a rule, term, or condition under section 8a(7) of the Act or to declare an emergency under section 8a(9) of the Act; or
- (c) Any other proceeding the effect of which is to:
  - (i) Alter or supplement a specific term or condition or trading rule or procedure; or
  - (ii) Require the RTX SEF to adopt a specific term or condition, trading rule or procedure, or to take or refrain from taking a specific action.

### **1210. Audit Trail**

The RTX SEF shall make available all audit trail data and reconstructions to the Commission in a form, manner and time that is acceptable to the Commission.

### **1211. Conflicts with Governing Documents**

In the event of any conflict between any provision of these Rules and any provision of the governing documents of the RTX SEF, the provision of the governing documents shall govern, except where the governing documents provide otherwise.

### **1212. Time References.**

Except as may be otherwise expressly provided in these Rules, all references to times in these Rules shall be to the local time prevailing in New York, New York.



## PART 13. PRODUCTS

### 1301. Swap Contracts Made Available to Trade

Every Swap or an economically equivalent Swap that is required to be cleared under Commission Rule 37.10 and which has been made available for trading on a swap execution facility and which is listed for trading on the RTX SEF is Made Available to Trade on the RTX SEF—*provided, however*, that the following Swaps listed or offered for trading on or subject to the Rules of the RTX SEF shall not be considered to be Made Available to Trade on the RTX SEF:

- (a) Block trades as provided under Rule 510.

### 1302. Position Limits or Position Accountability

To reduce the potential threat of market manipulation or congestion, the RTX SEF shall adopt for each of the contracts of the RTX SEF, as is deemed necessary and appropriate by the RTX SEF, position limitations or position accountability levels for speculators. The RTX SEF shall on an on-going basis monitor positions established on or through the RTX SEF for unusual activity, including but not limited to, unusual volumes, patterns or concentrations of transactions.

For any contract that is subject to a position limitation established by the Commission pursuant to section 4a(a) of the Act, the RTX SEF shall: (1) set its position limitation at a level no higher than the Commission limitation; and (2) monitor positions established on or through the RTX SEF for compliance with the limit set by the Commission and the limit, if any, set by the RTX SEF.

### 1303. Risk Controls for Trading

- (a) To reduce the potential for market disruption, the RTX SEF may, in its discretion, take any action that it deems necessary and appropriate, including but not limited to restricting or halting trading when doing so is in the best interest of the swap market.
- (b) The RTX SEF may impose a similar risk control action taken by another market trading a Swap that is fungible with, or a substitute for, a Swap traded on the RTX SEF.
- (c) **Required Determinations.** Before taking any action in accordance with this Rule, the RTX SEF shall first determine that the action is necessary, appropriate, and not an undue interference on the swap market's price discovery function. Further, the RTX SEF shall document its process for further evaluation and notify its Participants ahead of any action taken.

#### **1304. Swaps Listed for Trading**

The terms and conditions of the Swaps Listed for trading on the RTX SEF shall be as provided in Attachment A to these Rules. The RTX SEF shall list for trading only Swaps that are not readily susceptible to manipulation, having certified such swaps listed for trading (or in the discretion of the RTX SEF, having submitted such Swaps for voluntary approval under 17 C.F.R. 40.3) and having submitted any required supporting information set forth in 17 C.F.R. Part 38, Appendix C.

## **Attachment B**

Redline Against Prior Version

# RTX FINTECH & RESEARCH LLC ("RTX SEF")

## RULES

BY ACCESSING, OR ENTERING ANY ORDER INTO, THE RTX FINTECH & RESEARCH LLC FACILITY, AND WITHOUT ANY NEED FOR ANY FURTHER ACTION, UNDERTAKING OR AGREEMENT, A PARTICIPANT REPRESENTS THAT IT IS AN ELIGIBLE CONTRACT PARTICIPANT AS DEFINED IN SECTION 1a(18) OF THE COMMODITY EXCHANGE ACT AND SUCH PERSONS, AND THEIR AUTHORIZED TRADERS, AGREE:

- (I) TO BE BOUND BY, AND COMPLY WITH, THE RULES OF RTX FINTECH & RESEARCH LLC, AND APPLICABLE LAW, IN EACH CASE TO THE EXTENT APPLICABLE TO IT OR THEM, AND
- (II) TO BECOME SUBJECT TO THE JURISDICTION OF RTX FINTECH & RESEARCH LLC WITH RESPECT TO ANY AND ALL MATTERS ARISING FROM, RELATED TO, OR IN CONNECTION WITH, THE STATUS, ACTIONS OR OMISSIONS OF SUCH PARTICIPANT AND THE PARTICIPANT'S AUTHORIZED TRADERS.

## TABLE OF CONTENTS

<b>PART 1.</b>	<b>DEFINITIONS.....</b>	<b>1</b>
<b>PART 2.</b>	<b>GOVERNANCE.....</b>	<b>9</b>
	201. Board of Directors.....	9
	202. Officers.....	9
	203. Chief Compliance Officer.....	9
	204. Compliance Department.....	11
	205. Regulatory Oversight Committee.....	12
	206. Disciplinary Committee.....	12
	207. Restrictions on Directors, Officers, Committee Members, Employees and Consultants.....	13
	208. Emergency Powers.....	16
	209. Conflicts of Interest.....	18
	210. Prohibition on Admission as Participant.....	21
<b>PART 3.</b>	<b>PARTICIPANTS.....</b>	<b>22</b>
	301. Status of Participants.....	22
	302. Eligibility.....	22
	303. Application Procedures.....	23
	304. Denial of Admission.....	24
	305. Admission of a Participant.....	25
	306. Authorized Traders.....	25
	307. Surveillance.....	26
	308. Recording of Conversations.....	26
	309. Market Data.....	27
	310. Liquidity Provider Programs.....	28
	311. Termination of Participation.....	28
	312. Independent Software Vendors.....	28
<b>PART 4.</b>	<b>OBLIGATIONS OF PARTICIPANTS.....</b>	<b>30</b>
	401. Payment of Fees and Assessments.....	30
	402. Compliance with the Rules.....	30
	403. Required Records and Reporting.....	30
	404. Requirements for Persons Submitting Orders.....	34
	405. Responsibility for Orders.....	35

406.	System Security .....	35
407.	User IDs and Confidentiality .....	35
408.	Cooperation in Investigations .....	37
409.	Notification .....	37
<b>PART 5.</b>	<b>TRADING .....</b>	<b>39</b>
501.	Required Transactions .....	39
502.	Permitted Transactions .....	39
503.	Trading Day and Trading Hours .....	40
505.	Pre-Execution Discussions and Cross Trades .....	40
506.	Reserved .....	41
507.	Prohibited Orders .....	41
508.	Enforceability .....	41
509.	Order Size Limitations .....	42
510.	Block Trade Transactions .....	42
511.	Public Disclosure of Data .....	43
512.	Off-Facility Transactions .....	44
513.	Package Transactions .....	45
514.	Trade Cancellations and Price Adjustments .....	47
515.	Error Trades .....	53
516.	Reserved .....	54
517.	Real-Time Market Monitoring .....	54
518.	Post-Trade Anonymity .....	55
<b>PART 6.</b>	<b>TRADING ELECTRONICALLY .....</b>	<b>56</b>
601.	Scope .....	56
602.	Trading via Electronic Trading Systems .....	56
603.	Order Types .....	58
604.	Confirmations and Objections .....	58
605.	Trade Invalidation Upon Revocation of Clearing Authorization .....	59
607.	Assisted Order Entry .....	59
<b>PART 7.</b>	<b>TRADING BY VOICE .....</b>	<b>61</b>
701.	Scope .....	61
702.	Trading by Voice Trading Systems .....	61
703.	Voice Trading Systems .....	61
704.	Order Types .....	63
705.	Confirmation of Voice Transactions and Objections .....	64

	706.	Record Keeping and Reporting.....	65
<b>PART 8.</b>		<b>CLEARING AND FINANCIAL INTEGRITY OF CONTRACTS.....</b>	<b>66</b>
	801.	Scope .....	66
	802.	Relation to Clearing Organization .....	66
	803.	Clearing Authorization Required .....	67
	804.	Financial Integrity for Permitted Transactions .....	68
	805.	Trades Not Accepted for Clearing .....	68
	806.	Disputes Related to Clearing .....	68
	807.	Establishment of Daily and Final Settlement Prices .....	69
<b>PART 9.</b>		<b>BUSINESS CONDUCT .....</b>	<b>70</b>
	901.	Violation of Law.....	70
	902.	Rule Violation .....	70
	903.	No Transfers .....	70
	904.	False Information .....	70
	905.	Manipulation Prohibited .....	70
	906.	Prohibition on Misstatements.....	70
	907.	Employees of the RTX SEF .....	71
	908.	Abusive Trading Practices Prohibited.....	71
	909.	Detrimental Conduct .....	71
	910.	Fraud Prohibited.....	71
<b>PART 10.</b>		<b>DISCIPLINARY PROCEEDINGS .....</b>	<b>72</b>
	1001.	Scope .....	72
	1002.	Investigations .....	72
	1003.	Review of Investigation Report .....	72
	1004.	Respondent .....	73
	1005.	Notice of Charges .....	73
	1006.	Service.....	73
	1007.	Answer from Respondent .....	74
	1008.	Right to Representation .....	75
	1009.	Hearings .....	75
	1010.	Decision.....	76
	1011.	Penalties.....	77
	1012.	Reserved.....	77
	1013.	Settlement.....	78
	1014.	Minor Penalties .....	78

1015.	Participant Responsibility Actions .....	79
1016.	Action Against Non-Participants .....	79
1017.	Conflicts of Interest or Bias .....	80
<b>PART 11.</b>	<b>RESERVED.....</b>	<b>82</b>
<b>PART 12.</b>	<b>MISCELLANEOUS .....</b>	<b>83</b>
1201.	Prohibition of Compensation to RTX SEF Employees .....	83
1202.	Rule Adoption, Amendment, and Repeal.....	83
1203.	Confidentiality of Information.....	83
1205.	Limitation of Liability.....	85
1206.	Dispute Resolution .....	86
1207.	Publication of Information .....	87
1208.	Trading System.....	87
1209.	Enforceability .....	88
1210.	Audit Trail.....	88
1211.	Conflicts with Governing Documents.....	88
1212.	Time References.....	88
<b>PART 13.</b>	<b>PRODUCTS.....</b>	<b>89</b>
1301.	Swap Contracts Made Available to Trade .....	89
1302.	Position Limits or Position Accountability .....	89
1303.	Risk Controls for Trading .....	89
1304.	Swaps Listed for Trading .....	90



# RULES

## PART 1. DEFINITIONS

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Any pronoun shall include the corresponding masculine, feminine, and neuter forms. The word “will” shall be construed to have the same meaning and effect as the word “shall.” The words “include,” “included,” “includes,” or “including” shall be deemed, in each case, to be followed by the phrase “without limitation,” or the phrase “but not limited to,” if not expressly followed by such phrase.

Unless the context otherwise indicates, the following terms have the meanings set forth below:

“**Act**” means the same as [Commodity Exchange Act](#), 7 U.S.C. Section 1 et seq.

“**Affiliate**” means, with respect to a [Person](#), any other [Person](#) who directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such [Person](#).

“**Applicable Law**” means, with respect to any [Person](#), any statute, law, regulation, rule, or ordinance of any [Regulatory Authority](#) applicable to such [Person](#), including the [Commodity Exchange Act](#), [Commission Regulations](#), and, to the extent applicable to such [Person](#), similar foreign laws or regulations that are applicable to such [Person](#)’s activities on the RTX SEF.

“**Applicant**” means a [Person](#) who has submitted an application to the RTX SEF to be approved as a [Participant](#).

“**Approved Communication Method**” means a mode of communication approved by RTX SEF through which an RTX SEF employee may communicate with a Participant during the Business Day. All such modes shall be surveilled by the Compliance Department. The only currently approved modes of communication are: (1) recorded RTX SEF phone lines (these phone numbers are posted on RTX SEF’s website); (2) Bloomberg IM; and (3) Symphony IM.

“**Authorized Trader**” means any [Person](#) who is issued a [User ID](#) to trade for: (i) a [Participant](#) (in this case, such a Person would include, but not be limited to, an employee of a [Participant](#) or an employee of a [Participant](#)’s Affiliate provided that the [Participant](#) maintains supervisory authority over such employee).

“**Automated Trading Application (“ATA”)**” means an electronic application that performs a trading strategy to independently initiate activity on the [Trading System](#) without active human input.

“**Bid**” means an order to buy a [Contract](#) or pay fixed payments on a [Contract](#) at a specified price or spread.

**“Block Trade”** shall have the same meaning as in Commission Rule 43.2, 17 C.F.R. §43.2.

**“Board”** means the Board of Managers of the RTX SEF.

**“Board of Directors”** means the Board of Managers of the RTX SEF.

**“Broker”** means a [Person](#) who is a [Futures Commission Merchant](#) or an [Introducing Broker](#) under the [Commodity Exchange Act](#) and registered as such, unless exempt from registration.

**“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.

**“Chief Compliance Officer”** or **“CCO”** means the person with (i) the authority and resources to develop and enforce policies and procedures necessary to fulfill the duties set forth for chief compliance officers in the [Commodity Exchange Act](#) and [Commission Regulation](#) regarding SEFs; and (ii) supervisory authority over all staff acting in furtherance of the Chief Compliance Officer’s statutory, regulatory, and self-regulatory obligations.

**“Cleared Transaction”** means a transaction of a “Cleared Swap” (as defined under Section 1a(7) of the Act), where Cleared Swap means any swap that is, directly or indirectly, submitted to and cleared by a derivatives clearing organization registered with the Commission.

**“Clearing Organization”** means a derivatives clearing organization specified by the [RTX SEF](#) to clear transactions effected on or subject to the [Rules](#) of the [RTX SEF](#).

**“Clearing Participant”** means any [Person](#) who has clearing and settlement privileges on a Clearing Organization and who clears trades for [Participants](#) of RTX SEF.

**“Clearing Participant ID”** means the unique identifier code assigned by the [RTX SEF](#) to each [Clearing Participant](#).

**“Commodity”** means any “commodity” within the definition of that term contained in Section 1a(9) or the [Commodity Exchange Act](#).

**“Commodity Exchange Act”** means the Commodity Exchange Act, as it may be amended from time to time, 7 U.S.C. Section 1 et seq.

**“Commission”** or **“CFTC”** means the Commodity Futures Trading Commission.

**“Commission Regulation”** or **“Commission Rule”** means any rule, regulation, or order of the [Commission](#), as in effect from time to time, and any interpretation thereof by the [Commission](#) or its staff.

“**Compliance Department**” means the department of the [RTX SEF](#) responsible for overseeing market activity, conducting surveillance, and ensuring that the trading and other activities conducted on the [RTX SEF](#) comply with [Applicable Law](#) and the [Rules](#) of the [RTX SEF](#). The Compliance Department includes the Surveillance Service Provider.

“**Contract**” means a [Swap](#) contract executed on or through the [RTX SEF](#).

“**Control**” means the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise. Any person who (i) is a director, general partner, or officer exercising executive responsibility (or having similar status or functions); (ii) directly or indirectly has the right to vote 25% or more of a class of a voting security or has the power to sell or direct the sale of 25% or more of a class of a voting security; or (iii) in the case of a partnership, has the right to receive upon dissolution, or has contributed, 25% or more of the capital, is presumed to control that company.

“**Customer**” means any [Person](#) who is a “customer” within the meaning set forth in Section 1.3 of [Commission Regulations](#).

“**Delta Hedge**” means a trading strategy that aims to reduce (hedge) the risk associated with an option, swaption, variance [Swap](#), tranche, or other structured trade from price movements in the underlying asset.

“**DCO**” means a derivatives clearing organization (as defined in Section 1a(15) of the CEA) and as specified by the [RTX SEF](#) to clear transactions effected on or subject to the [Rules](#) of the [RTX SEF](#).

“**Designated Contact**” means the person employed by any [Participant](#) who shall have the right to activate or deactivate the [User ID](#) of any of the [Participant’s Authorized Trader](#).

“**Electronic Order Book**” means all open [Orders](#) entered into the [Trading System](#), except those entered into the Voice Order Book [and Liquidity Trading Facility](#), displayed electronically. This is an order book that is separate from [both](#) the Voice Order Book [and the Liquidity Trading Facility](#).

“**Electronic Order Book Trading Session**” means a [Trading Session](#) that remains open throughout the [Business Day](#) in which the [Trading System](#) will receive and execute [Orders](#) in accordance with these [Rules](#).

“**Electronic Trading System**” means the electronic systems administered by or on behalf of the [RTX SEF](#) for the execution of [Swap](#) transactions.

“**Eligible Contract Participant**” or “**ECP**” means any [Person](#) who is an “eligible contract participant” within the meaning set forth in section 1a(18) of the [Commodity Exchange Act](#).

“**Emergency**” shall have the meaning set forth in Rule 208.

Deleted: —  
Deleted: —

“Entity” means any [Person](#) other than a natural person.

“Execution Specialist” means an employee of the [RTX SEF](#) using telephonic or other means of electronic communication devices: 1) to assist [Participants](#) in the entry or withdrawal of [Orders](#) to be matched through the operation of the [Trading System](#) and in the negotiation and execution of [Block Trades](#) provided under Rule 510 of this rulebook, and 2) to facilitate [Voice Trading](#). Execution Specialists also act in connection with the operation of various [Trading Facility](#) sessions of the [Trading System](#).

“Facility” means RTX FINTECH & RESEARCH LLC, a registered swaps execution facility.

“FINRA” means the Financial Industry Regulatory Authority.

“Futures Commission Merchant” or “FCM” shall have the same meaning as defined in section 1a(28) of the [Commodity Exchange Act](#).

“Governmental Agency” means the [Commission](#), the Securities and Exchange Commission, and any other agency (federal or state) or domestic or foreign authority regulating trading in commodities, securities, futures contracts, options, currencies, or other financial instruments.

“Illiquid Swap” means any [Swap](#) having a daily trading volume of fewer than three transactions per week on the [RTX SEF](#) over the preceding three-month period.

“Internal Digital Ledger” means all Voice Orders and trades entered into the Voice Order Book maintained electronically.

“Introducing Broker” shall have the same meaning as defined in section 1a(31) of the [Commodity Exchange Act](#).

“ITBCS” or “Intended to be Cleared” means a Swap transaction of the sort described in Commission Rule 37.9(d) where it is intended to be cleared.

“Liquidity Trading Facility” or “LTF” means an order book, separate and distinct from the EOB, through which RTX SEF will periodically run an LTF Session upon predetermined prior notice to Participants as described in Rule 602(b).

“LTF Session” means a trading session conducted on the Liquidity Trading Facility in accordance with Rule 602(b).

“Made Available to Trade” means those swaps contracts listed or offered for trading on the [RTX SEF](#) as defined in Rule 1301 of this rulebook.

“Major Swap Participant” shall have the meaning in section 1a(33) of the [Commodity Exchange Act](#).

**"Market Data"** means any and all data and other information contained in, displayed on, generated by, or derived from the [Trading System](#) or reported to the [RTX SEF](#), including, without limitation, bids, offers, prices, executions, and volumes.

**"Market Data Vendors"** means publishers of electronic information with whom the [RTX SEF](#) has a contractual relationship to disseminate [Market Data](#).

**"Named Party in Interest"** means a "named party in interest" as defined in Rule 209(a)(iv) of this rulebook.

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

**"Non-U.S. Participant"** means any Person located outside the United States, its territories, or its possessions who is engaged in soliciting or in accepting orders for the purchase or sale of any [Swap](#) on or subject to the rules of the [RTX SEF](#) from only Persons located outside the United States, its territories, or its possessions.

**"Off-Facility Transaction"** means a transaction arranged by a [Broker](#) between two [Participants](#) or [Customers](#) that is to be executed pursuant to the [Rules](#) of the [RTX SEF](#). Such a transaction is reported to the [RTX SEF](#) and is not considered as having been executed until its acceptance by the [RTX SEF](#).

**"Offer"** means an order to sell a [Contract](#) or receive fixed payments on a [Contract](#) at a specified price or spread.

**"Opening Period"** means the opening period of a specified [Trading Session](#).

**"Operating Agreement"** means the corporate organizational document of RTX FINTECH & RESEARCH LLC.

**"Operational Procedures"** mean the procedures governing an LTF Session in accordance with Rule 602(b).

**"Order"** means any firm [Bid](#) or [Offer](#) placed into the [Trading System](#) for purposes of buying or selling a [Swap](#) on or subject to the rules of the [RTX SEF](#).

**"Package Transaction"** means any transaction that consists of two or more component transactions executed between two or more counterparties where: 1) execution of each component transaction is contingent upon the execution of all other component transactions, and 2) the component transactions are priced or quoted together as one economic transaction with simultaneous or near-simultaneous execution of all components.

**"Participant"** means any [Person](#) granted [Trading Privileges](#) by the [RTX SEF](#).

**"Participant Data"** means any and all data and other information submitted to the [Trading System](#) by a [Participant](#) or on behalf of a [Participant](#).

“**Participant ID**” means the unique identifier code assigned by the [RTX SEF](#) to each [Participant](#).

“**Permitted Transaction**” means any transaction involving a [Swap](#) listed or offered for trading on or subject to the Rules of the [RTX SEF](#) for trading that is not a [Required Transaction](#).

“**Person**” means an individual, corporation, limited liability company, partnership, trust, or other entity.

“**Pre-Execution Communication**” means one or more communications between market participants for the purpose of discerning interest in the execution of a transaction prior to exposure of such market participants’ [Orders](#) (i.e., price, size, and other terms) to the [RTX SEF](#).

“**Proprietary Account**” means a “proprietary account” as defined in Section 1.3 of the [Commission Regulations](#).

“**Product**” means a group of Swaps, Package Transactions, or Contracts.

“**Proprietary Data or Personal Information**” for the purposes of Rule 309(c) of this rulebook means information that would separately disclose business transactions, market positions, or the trade secrets of a [Participant](#) or provide non-public information about a natural person.

“**Quote**” means a [Bid](#) or an [Offer](#), or a [Bid](#) and an [Offer](#).

“**Regulatory Authority**” means any domestic or foreign government (or political subdivision), governmental or regulatory authority, agency, court, or commission, or other governmental or regulatory entity (including any [Self-Regulatory Organization](#)).

“**Review Panel**” means those members of the Disciplinary Committee who consider investigation reports from the Compliance Department regarding violations of the Rules and take actions pursuant to Rule 1003.

“**Required Transaction**” means any transaction involving a [Swap Made Available to Trade](#) on the [RTX SEF](#) that is subject to the trade execution requirement of section 2(h)(8) of the [Act](#).

“**Respondent**” has the meaning set forth in Rule 1004 of this rulebook.

“**Reporting Party**” shall have the same meaning as “reporting counterparty” under CFTC Regulation 45.8.

“**RTX SEF**” means RTX FINTECH & RESEARCH LLC, a registered swaps execution facility.

“**Rules**” means, with respect to any [Entity](#), the rules of such [Entity](#) and the interpretations, resolutions, orders, directives, and procedures of the [Entity](#) thereunder

as in effect from time to time, and if no other [Entity](#) is specified, means the [Rules](#) of the [RTX SEF](#) and the interpretations, resolutions, orders, directives, and procedures of the [RTX SEF](#) thereunder as in effect from time to time.

“**SDR**” means “swap data repository” as defined in section 1a(48) of the [Act](#).

“**Securities Exchange Act**” means the Securities Exchange Act of 1934, as it may be amended from time to time, 15 U.S.C. Section 78a et seq.

“**Self-Regulatory Organization**” or “**SRO**” has the meaning given that term in [Commission Regulation](#) 1.3(ee).

“**Settlement Price**” means the price established each day as the basis for settlement of [Swaps](#).

“**Significant Action**” means a “significant action” as defined by Section 1.69(a)(8) of the [Commission Regulations](#).

“**STP Facility**” means a straight-through processing entity that sends Swap transactions to clearing, reporting, and counterparties.

“**Supervised Persons**” means any directors, officers, agents (other than a Broker), or employees (including any [Authorized Traders](#)) of any [Participant](#).

“**Support Desk**” means the designated group of employees that is responsible for [RTX SEF](#) market operations, real-time systems monitoring, and customer support.

“**Surveillance Service Provider**” means Eventus Systems, Inc.

“**Swap**” has the meaning set forth in section 1a(47) of the [Commodity Exchange Act](#), and as further defined by the [Commission](#), and includes, among others, options and swaptions, and caps and floors, provided that for purposes of these [Rules](#) the term “Swap” shall pertain only in respect of activities on or subject to the [Rules](#) of the [RTX SEF](#).

“**Swap Dealer**” shall have the same meaning as defined in section 1a(49) of the [Commodity Exchange Act](#).

“**Swap Execution Facility**” or “**SEF**” shall have the same meaning as defined in section 1a(50) of the [Commodity Exchange Act](#).

“**Technology-Assisted Voice Trading System**” means a Voice Trading session in which the [Execution Specialist](#) is assisted by an automated functionality.

“**Tenor**” means the time to maturity of a [Swap](#).

“**Trading Day**” shall mean 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 these days, please see RTX SEF's website where RTX SEF will publish this information.

**"Trading Facility"** shall have the same meaning as defined in section 1a(51) of the [Commodity Exchange Act](#).

**"Trading Hours"** means, with respect to any [Swap](#), the hours during which the [RTX SEF](#) is regularly open for the trading of such [Swap](#). For these hours, please see RTX SEF's website where RTX SEF will publish this information.

**"Trading Participant"** means a [Participant](#) of the [RTX SEF](#) who is not a [Clearing Participant](#).

**"Trading Privileges"** means the right granted to a [Participant](#) to directly access the [Trading System](#) for the purpose of transacting in [Swaps](#) subject to the [Rules](#) of the [RTX SEF](#). No person may exercise [Trading Privileges](#) during any suspension of such [Person's Trading Privileges](#) ordered by the [RTX SEF](#).

**"Trading Session"** means a specified period of time during which a particular trade matching functionality is available to market participants.

**"Trading System"** means the electronic or voice systems administered by or on behalf of the [RTX SEF](#) for the execution of [Swap](#) transactions.

**"User ID"** means a unique identifier code assigned by the [Support Desk](#) to: (i) each [Authorized Trader](#) who trades for such [Participant](#) or any [Affiliate](#) of such [Participant](#); or (ii) to any other [Person](#) with [Trading Privileges](#).

**"Voice Order Book"** means a [Trading Facility](#) that provides a non-automated method for trading facilitated by an [Execution Specialist](#) who enables multiple participants to enter [Bids](#) or [Offers](#) to multiple participants through the use of telephone, electronic messaging, or other communication devices.

**"Voice Order"** means an Order entered into a Voice Order Book whereby a Participant communicates such an Order using an Approved Communication Method to an Execution Specialist.

**"Voice Trading"** is where an Execution Specialist makes known to [Participants](#) the existence of trading interest in a [Swap](#), facilitates the communication of [Bids](#) or [Offers](#) among [Participants](#), and assists in orderly trading on the Voice Order Book.

**"Voice Trading System"** means a Voice Trading session that remains open throughout the [Business Day](#) and in which an [Execution Specialist](#) stands ready to facilitate the execution of [Orders](#) in accordance with these [Rules](#).



## **PART 2. GOVERNANCE**

### **201. Board of Directors.**

The Board shall have all the powers and authority permitted by law, the RTX SEF's Rules and its Operating Agreement. The Board of Directors shall be appointed by the sole member of RTX Fintech & Research LLC. The Board shall be composed in accordance with the standards set forth in Commission Rule 1.64(b)(1) and (b)(3), which are incorporated herein by reference.

### **202. Officers**

The officers of the RTX SEF shall have all the powers and authority provided in the Operating Agreement, these Rules and such other additional duties and powers as the Board may confer on them or any of them. The officers of the RTX SEF shall consist of the Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, General Counsel, Chief Compliance Officer and such other officers as the Board may appoint.

### **203. Chief Compliance Officer**

- (a)** The Board of Directors shall appoint the Chief Compliance Officer to whom the Chief Compliance Officer shall directly report. The Chief Compliance Officer shall meet with the Board of Directors at least annually and with the Regulatory Oversight Committee at least quarterly. The Chief Compliance Officer may only be removed by the vote of a majority of the Board of Directors.
  - (i) Commission Notification.** The RTX SEF shall notify the Commission within two business days of the appointment or removal—whether interim or permanent—of a Chief Compliance Officer.
- (b)** The Chief Compliance Officer shall carry out the following duties:
  - (i)** Oversee and review the RTX SEF's compliance with section 5h of the Act and Commission Rules thereunder;
  - (ii)** resolve any conflicts of interest that may arise, in consultation with the Board of Directors or the Chief Executive Officer, including:
    - (A)** conflicts between business considerations and compliance requirements;
    - (B)** conflicts between business considerations and the requirement that the RTX SEF provide fair, open, and impartial access as provided in Commission Rule 37.202; and
  - (iii)** establish and administer written policies and procedures reasonably designed to prevent violations of the Act and Commission Rules;
  - (iv)** take reasonable steps to ensure compliance with the Act and Commission Rules;

- (v) establish procedures for the remediation of noncompliance issues identified by the Chief Compliance Officer through a compliance office review, look- back, internal or external audit finding, self-reported error, or validated complaint;
- (vi) establish and follow appropriate procedures for the handling, management response, remediation, retesting, and closing of noncompliance issues;
- (vii) establish and administer a compliance manual designed to promote compliance with Applicable Laws, rules, and regulations and a written code of ethics designed to prevent ethical violations and to promote honesty and ethical conduct;
- (viii) supervise the RTX SEF's self-regulatory program with respect to trade practice surveillance, market surveillance, real-time market monitoring, compliance with audit trail requirements, disciplinary proceedings, audits, examinations, and other regulatory responsibilities with respect to Participants (including ensuring compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements), the effectiveness and sufficiency of services provided by Surveillance Service Provider; and
- (ix) prepare and sign an annual compliance report.
  - (A) Such annual compliance report for the year since the end of the previous review period must contain the following information:
    - (1) description of the swap execution facility's written policies and procedures, including the code of ethics and conflict of interest policies;
    - (2) review of applicable Commission regulations and each subsection and core principle of section 5h of the Act, that, with respect to each identifies the policies and procedures that are designed to ensure compliance, provides a self- assessment as to the effectiveness of these policies and procedures, and discusses areas for improvement and recommends potential or prospective changes or improvements to its compliance program and resources;
    - (3) a list of any material changes to compliance policies and procedures since the last annual compliance report;
    - (4) a description of the financial, managerial, and operational resources set aside for compliance including a description of the RTX SEF's self-regulatory program's staffing and structure, a catalogue of investigations and disciplinary actions taken since the last annual compliance report, and a review of the performance of disciplinary committees and panels; and

- (5) a description of any material compliance matters, including noncompliance issues identified through a compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint, and an explanation of how they were resolved.
  - (B) The Chief Compliance Officer shall sign a certification that, to the best of his or her knowledge and reasonable belief, and under penalty of law, the annual compliance report is accurate and complete.
  - (C) Before the RTX SEF submits the annual compliance report to the Commission in accordance with Commission Regulation 37.1501, the Chief Compliance Officer shall timely submit the report to the Board of Directors for review. Related to this action are the following:
    - (1) Members of the Board of Directors and the senior officer shall not require the Chief Compliance Officer to make any changes to the annual compliance report.
    - (2) The annual compliance report shall be submitted electronically to the Commission not later than 90 days after the end of the RTX SEF's fiscal year. The RTX SEF shall concurrently file it with the fourth-quarter financial report pursuant to Commission Regulation 37.1306.
  - (D) Promptly upon discovery of any material error or omission made in a previously filed annual compliance report, the Chief Compliance Officer shall file an amendment with the Commission to correct the material error or omission. The Chief Compliance Officer shall submit the amended annual compliance report to the Board of Directors, or in the absence of the Board of Directors, to the senior officer of the RTX SEF, and the amendment shall contain the certification required under Commission Regulation 37.1501(d)(5).
- (c) The RTX SEF shall maintain all records demonstrating compliance with the duties of the Chief Compliance Officer and the preparation and submission of annual compliance reports consistent with Commission Regulations 37.1000 and 37.1001.

#### **204. Compliance Department**

- (a) The RTX SEF has the power and authority to regulate its facilities to ensure that the facilities are not used for any improper purpose and to establish and enforce rules and procedures to ensure fair and equitable trading through its facilities.

- (b) The RTX SEF shall be authorized to conduct and to oversee surveillance, investigation, and rule enforcement activities. The Chief Compliance Officer shall be in charge of the Compliance Department. The personnel of the Compliance Department may not operate under the direction or control of a Participant.
- (c) The RTX SEF has contracted with a Surveillance Software Provider for software which will assist the Compliance Department in the performance of market, trade practice, financial, audit trail surveillance.

#### **205. Regulatory Oversight Committee**

- (a) **Establishment of Regulatory Oversight Committee.** The Regulatory Oversight Committee (“ROC”) shall be composed of only persons who meet the definition of being a Public Director. The ROC shall be appointed by the Board of Directors.
- (b) **Role of the ROC.** The Regulatory Oversight Committee shall:
  - (i) Meet at least quarterly;
  - (ii) monitor the regulatory program of the registered entity for sufficiency, effectiveness, and independence;
  - (iii) oversee the regulatory program, including trade practice surveillance, market surveillance and regulatory responsibilities with respect to members;
  - (iv) review the size and allocation of the regulatory budget and the performance of the Chief Compliance Officer; and
  - (v) review all regulatory proposals and recommend changes to the program.

#### **206. Disciplinary Committee**

- (a) **Establishment of the Disciplinary Committee.** The Disciplinary Committee is a committee of the RTX SEF whose members shall consist of such members appointed by the Board of Directors of the RTX SEF. The members of the Disciplinary Committee shall constitute the RTX SEF’s Review Panel(s) and Hearing Panel(s). A member of a Hearing Panel may not serve as a member of the Review Panel in the same matter and each Hearing Panel and each Review Panel must include a member that is not a Participant of the RTX SEF.
- (b) **Composition.** At least one member of the Disciplinary Committee, who shall be chair, must be a Public Participant, a person that would not be disqualified from serving as a Public Director under Commission Rule 1.3(ccc)(3). The Disciplinary Committee may include as members RTX SEF officers and employees. However, no employee of the Compliance Department of the RTX SEF or any person involved in adjudicating any other stage of the same proceeding may serve on the Disciplinary Committee.
- (c) **Role of the Disciplinary Committee.** The Disciplinary Committee is authorized to determine whether violations of these Rules have been committed, to accept

offers of settlement, to set and impose appropriate penalties, and to exercise such other powers and duties as provided in Part 10 of these Rules governing disciplinary proceedings.

**207. Restrictions on Directors, Officers, Committee Members, Employees and Consultants**

Members of the Board of the RTX SEF, officers of the RTX SEF, members of committees of the RTX SEF, employees of the RTX SEF, members of the Board of Directors, officers, and employees of any corporate affiliate of the RTX SEF performing functions for the RTX SEF, and consultants and contractors to the RTX SEF and their employees shall comply with the following restrictions and obligations:

- (a) Improper Use or Disclosure of Material Non-Public Information.** No member of the Board of Directors or of any Board committee, no member of any other committee of the RTX SEF, no officer of the RTX SEF, no employee of the RTX SEF, no member of the Board of Directors, officer or any employee of any corporate affiliate of the RTX SEF performing functions for the RTX SEF and no consultant to the RTX SEF shall:

  - (i)** trade for such person's own account, or for or on behalf of any other account, in any commodity interest on the basis of any material, non-public information obtained through the performance of such person's official duties; or
  - (ii)** use or disclose, for any purpose other than the performance of such person's official duties, any material, non-public information obtained by such person as a result of such person's official duties, provided, however, that this Section shall not prohibit disclosures made by such person in the course of his or her official duties or disclosures made to any other self-regulatory organization, a court of competent jurisdiction or any agency or department of the federal or state government.
- (b) Restrictions on Trading by Officers and Employees.** No employee or officer of the RTX SEF, or of any corporate affiliate, may trade, directly or indirectly in:

  - (i)** Any commodity interest traded on or cleared by the RTX SEF;
  - (ii)** Any related commodity interest;
  - (iii)** An interest rate related contract traded on contract markets or swap executions facilities or cleared by derivative clearing organizations other than the RTX SEF if the person has access to material, non-public information concerning such commodity interest; or
  - (iv)** An interest rate related contract traded on or cleared by a linked exchanged if the person has access to material, non-public information concerning such commodity interest.
- (c) Eligibility for Service on Boards and Committees.**

  - (i)** A person shall be ineligible to serve on the Board of Directors, a disciplinary committee, arbitration panel or, oversight panel who:

- (A) Was found within the prior three years by a final decision of a self-regulatory organization, an administrative law judge, a court of competent jurisdiction or the Commission to have committed a disciplinary offense;
  - (B) Entered into a settlement agreement within the prior three years in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense;
  - (C) Currently is suspended from trading on any contract market, is suspended or expelled from membership with any self-regulatory organization, is serving any sentence of probation or owes any portion of a fine imposed pursuant to either:
    - (1) A finding by a final decision of a self-regulatory organization, an administrative law judge, a court of competent jurisdiction or the Commission that such person committed a disciplinary offense; or,
    - (2) A settlement agreement in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense.
  - (D) Currently is subject to an agreement with the Commission or any self-regulatory organization not to apply for registration with the Commission or membership in any self-regulatory organization;
  - (E) Currently is subject to or has had imposed on him within the prior three years a Commission registration revocation or suspension in any capacity for any reason, or has been convicted within the prior five years of any of the felonies listed in section 8a(2)(D) (ii) through (iv) of the Act;
- (ii) Any person who is a member of the Board of the RTX SEF or any committee of the RTX SEF shall immediately notify the Chief Executive Officer of any information or occurrence which subjects such person to disqualification pursuant to paragraph (i) of this section.
- (d) Restrictions on Participation on Board and Committees.**
- (iii) no person shall vote, participate in deliberations or take any action involving the regulatory functions of the RTX SEF as a member of the Board of Directors of the RTX SEF or any committee of the RTX SEF on any matter involving a Named Party in Interest if such member:
    - (A) is a Named Party in Interest as defined in Rule 209(a)(iv);
    - (B) is associated with a named party in interest through a “broker association” as defined in Commission Rule 156.1;
    - (C) is an employer, employee, or fellow employee of a Named Party in Interest;



(vii) any member of the Board of Directors of the RTX SEF or any committee who would otherwise be required to abstain from deliberations pursuant to this paragraph (i) of this subsection may participate in deliberations, prior to a vote on a Significant Action for which he or she otherwise would be required to abstain pursuant to paragraph (iii) of this subsection, if in the judgment of the deliberating body such participation would be consistent with the public interest and if such member recuses himself or herself from voting on such action. In making a determination as to whether to permit such member to participate in such deliberations, the deliberating body shall consider whether the member's participation in deliberations is necessary for the deliberating body to achieve a quorum and whether the member has unique or special expertise, knowledge or experience in the matter under consideration. Prior to making any such determination, the deliberating body must fully consider the position information which is the basis for the member's direct and substantial financial interest in the result of a vote on a Significant Action.

(viii) the Board of Directors of the RTX SEF and each committee of the RTX SEF must reflect in their minutes or otherwise document that the conflicts determination procedures required by paragraphs (ii) and (iv) of this section have been followed. Such records also must include:

- (A) the names of all members who attended the meeting in person or who otherwise were present by electronic means;
- (B) the name of any member who voluntarily recused himself or herself or was required to abstain from deliberations and/or voting on a matter and the reason for the recusal or abstention, if stated; and
- (C) information on the position information that was reviewed for each member.

(e) **Seconded personnel.** An employee seconded to or by the RTX SEF shall cooperate with any request for information or documents in any investigation or inquiry by a Governmental Agency relating to the business or operation of the RTX SEF.

## **208. Emergency Powers**

(a) "Emergency" shall mean any occurrence or circumstance which, in the opinion of the Board, or its designee authorized pursuant to this Rule, or as indicated to RTX SEF by the CFTC, requires immediate action to maintain markets with fair and orderly trading and to prevent or address manipulation or disruptive trading practices, whether the need for intervention arises exclusively from such occurrence or circumstance only involving RTX SEF's market or as part of a coordinated, cross-market intervention including, without limitation, the following:



- (i) any circumstance that may materially affect trading on RTX SEF or RTX SEF's market, including the failure of a Clearing Organization or Clearing Participant;
  - (ii) any action taken by any United States or foreign regulatory, self-regulatory, judicial, arbitral, or governmental (whether national, state or municipal) or quasi-governmental authority, or any agency, department, instrumentality, or sub-division thereof; or other Person exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or any other swap execution facility, designated contract market, board of trade, derivatives clearing organization, security-based swap execution facility or other exchange or trading platform (foreign or domestic) that may have a direct impact on trading on RTX SEF, the settlement or enforceability of any Trades conducted on RTX SEF, or RTX SEF's market
  - (iii) any actual, attempted or threatened corner, squeeze, congestion, manipulative activity or undue concentration of positions on RTX SEF or in RTX SEF's market;
  - (iv) any circumstance that may have a severe, adverse effect upon the physical operations and facilities of RTX SEF including, without limitation, fire or other casualty, flood or other natural disasters, bomb threats, acts of terrorism or war, other loss of or interruptions of essential services such as power, computer failures or malfunctions, communications failures, or disruptions in transportation; and
  - (v) any other unusual, unforeseeable or adverse circumstances as determined by RTX SEF.
- (b) Subject to applicable law during an Emergency, RTX SEF will approve and apply temporary rules and procedures ("Emergency Powers") pursuant to procedures set forth in this Rule.
- (c) Emergency Powers may require or authorize RTX SEF, the Board, any committee of the Board, the Chief Executive Officer or any other Officer to take actions necessary or appropriate to respond to the Emergency, including, but not limited to, the following actions:
  - (i) suspending or restricting trading or limiting trading to liquidating only (in whole or in part);
  - (ii) extending, limiting or changing trading hours;
  - (iii) imposing intraday market restrictions;
  - (iv) imposing special margin requirements;
  - (v) transferring both customer contracts and the margin in coordination with RTX SEF's Clearing Organizations and Clearing Participants;
  - (vi) ordering the liquidation or transfer of open positions;
  - (vii) shortening or extending trading hours;
  - (viii) suspending or curtailing trading in a Product;
  - (ix) altering the terms and conditions of a Product;
  - (x) imposing or modifying price limits; and/or
  - (xi) imposing or modifying position limits.

- (d) Before any Emergency Rules may be adopted and enforced, a vote of the Board approving such Emergency Powers must occur at a duly convened Board meeting. Directors may attend such meeting in person or by teleconference. If the Chief Executive Officer determines that the Emergency Powers must be implemented with respect to an Emergency before a meeting of the Board can reasonably be convened, then the Chief Executive Officer shall have the authority, without Board action, to implement any Emergency Powers with respect to such Emergency that he or she deems necessary or appropriate to respond to such Emergency. In such circumstances, the Chief Executive Officer must convene a meeting as soon as practicable. The Board may modify any Emergency Powers implemented by the Chief Executive Officer.
- (e) As soon as practicable, the Board shall be notified of any exercise of emergency authority pursuant to this Rule and with respect to the Commission, the RTX SEF shall comply with the requirements of Commission Regulation 40.6(a)(6).
- (f) Any time that RTX SEF takes actions necessary or appropriate to respond to an Emergency, including any modification of previously adopted actions, a duly authorized representative of RTX SEF will promptly notify the CFTC of such actions and, when possible, will post an announcement of such actions on the RTX SEF website.
- (g) When the Board, any committee of the Board or the Chief Executive Officer determines that the Emergency has been reduced sufficiently to allow RTX SEF to resume normal functioning, any such actions responding to the Emergency will be terminated and notification of such termination will be provided on RTX SEF's website.

## 209. Conflicts of Interest

- (a) *Definitions.* For purposes of this Rule 209, the following definitions shall apply:
  - (i) the term "family relationship of a Person" shall mean such Person's spouse, former spouse, parent, stepparent, child, stepchild, sibling, stepbrother, stepsister, grandparent, grandchild, uncle, aunt, nephew, niece or in-law.
  - (ii) the term "Board" shall mean the Board, and any committee thereof duly authorized to take action or to recommend the taking of action on behalf of the RTX SEF.
  - (iii) the term "member's affiliated firm" shall mean a firm in which a member of the relevant deliberating body is an employee or a "principal", as defined in Commission Regulation 3.1(a).
  - (iv) the term "named party in interest" shall mean a "named party in interest" as defined in Section 1.69 of the Commission Regulations.
  - (v) the term "significant action" shall mean any of the following types of actions or rule changes that are implemented without the Commission's prior approval:

- (A) Any actions or Rule of the RTX SEF changes which address an “Emergency”, as defined in Rule 208; and
  - (B) Any changes in margin levels that are (i) designed to respond to extraordinary market conditions, such as an actual or attempted squeeze or corner or congestion due to undue position concentration or (ii) otherwise likely to have a substantial effect on prices in any Swap.
- (b) Named Party in Interest Conflict.
  - (i) *Prohibition.* No Officer, Chief Compliance Officer or member of the Board or any standing committee shall participate in such body’s deliberations or voting in any matter involving a named party in interest where such person (A) is a named party in interest, (B) is an employer, employee or fellow employee of a named party in interest, (C) is associated with a named party in interest through a broker association, (D) has a family relationship with a named party in interest or (E) has any other significant, ongoing business relationship with a named party in interest, excluding relationships limited to executing Swaps opposite each other or to clearing Swaps through the same Clearing Participant.
  - (ii) *Recusal.* Where the Chief Compliance Officer has or believes that he or she may have one of the relationships listed in this Rule with a named party in interest, or where the Chief Compliance Officer has or believes that he or she may have any personal, professional or familial relationships with respect to any person or entity, who is likely to be materially affected by any significant action on which the Chief Compliance Officer would participate in deliberations or decision making, the Chief Compliance Officer shall recuse himself or herself from the matter giving rise to the conflict and the Board shall appoint an individual meeting all the requirements of a Chief Compliance Officer to serve as Chief Compliance Officer for the specific matter giving rise to the conflict.
  - (iii) *Disclosure.* Prior to consideration of any matter involving a named party in interest, each member of the deliberating body shall disclose to the Chief Executive Officer, or his or her designee, whether such member has or believes that he or she may have one of the relationships listed in paragraph (b)(i) of this Rule 209 with a named party in interest.
  - (iv) *Procedure and Determination.* The Chief Executive Officer, or his or her designee, shall determine whether any member of the relevant deliberating body is subject to a conflicts restriction under this paragraph (b). Such determination shall be based upon a review of the following information:
    - (A) information provided by such member pursuant to clause (iii) above and any additional information requested by the Chief Executive Officer or his or her designee; and

- (B) any other source of information that is held by and reasonably available to the self-regulatory organization.
- (c) Financial Interest in a Significant Action Conflict.
- (i) *Prohibition.* No Officer, Chief Compliance Officer or member of the Board or any standing committee shall participate in such body's deliberations and voting on any significant action if such person knows or reasonably should know that he or she has a direct or indirect substantial financial interest in the result of the vote based upon either RTX SEF or non-RTX SEF positions that could reasonably be expected to be affected by the significant action under consideration, as determined pursuant to this paragraph (c).
- (ii) *Procedure for Determination.* The RTX SEF shall follow the following procedure for determining whether any member of its governing board, disciplinary committees or oversight committees is subject to a conflicts restriction under this section in any significant action. Such a member shall seek the review of the Chief Compliance Officer, whose determination must include a review of:
- (A) Gross positions held at the RTX SEF in the member's personal accounts or "controlled accounts," as defined in Commission Rule 1.3(j);
- (B) Gross positions held at the RTX SEF in proprietary accounts, as defined in Commission Rule 1.17(b)(3), at the member's affiliated firm;
- (C) Gross positions held at the RTX SEF in accounts in which the member is a principal, as defined in Commission Rule 3.1(a);
- (D) Net positions held at the RTX SEF in "customer" accounts, as defined in Commission Rule 1.17(b)(2), at the member's affiliated firm; and,
- (E) Any other types of positions, whether maintained at the RTX SEF or elsewhere, held in the member's personal accounts or the proprietary accounts of the member's affiliated firm that the RTX SEF reasonably expects could be affected by the significant action.
- (iii) *Procedure and Determination.* The Chief Compliance Officer shall determine whether any member of the relevant deliberating body is subject to a conflicts restriction under this paragraph (c) based upon a review of the most recent large trader reports and clearing records available to the RTX SEF, information provided by such member with respect to positions pursuant to clause (ii) above and any other source of information that is held by and reasonably available to the RTX SEF, taking into consideration the exigency of the significant action being contemplated.
- (iv) *Deliberation Exemption.* Any Officer, member of the Board, a "disciplinary committee" or "oversight panel" (both as defined in

Commission Regulation 1.69) who would otherwise be required to abstain from deliberations and voting pursuant to this paragraph (c) (excluding the Chief Compliance Officer) may participate in deliberations, but not voting, if the deliberating body, after considering the factors specified below, determines that such participation would be consistent with the public interest, provided, however, that before reaching any such determination, the deliberating body shall fully consider the position information specified in clause (ii) above which is the basis for such member's substantial financial interest in the significant action that is being contemplated. In making its determination, the deliberating body shall consider:

- (A) whether such member's participation in deliberations is necessary to achieve a quorum; and
- (B) whether such member has unique or special expertise, knowledge or experience in the matter being considered.

(d) *Documentation.* The minutes of any meeting to which the conflicts determination procedures set forth in this Rule apply shall reflect the following information:

- (i) the names of all members of the relevant deliberating body who attended such meeting in person or who otherwise were present by electronic means;
- (ii) the name of any member of the relevant deliberating body who voluntarily recused himself or herself or was required to abstain from deliberations or voting on a matter and the reason for the recusal or abstention, if stated; and
- (iii) information on the position information that was reviewed for each member of the relevant deliberating body.

## **210. Prohibition on Admission as Participant**

No officer or employee of the RTX SEF shall be admitted as a Participant; provided however, nothing in this rule limits or precludes an Execution Specialist from carrying out his or her functions.

## **PART 3. PARTICIPANTS**

### **301. Status of Participants**

- (a) Participants shall have the privileges, rights and obligations set forth in, or established pursuant to, these Rules.
- (b) Subject to the requirements and procedures set forth in this Part 3, Trading Privileges shall be offered to all Applicants from time to time approved by the RTX SEF as eligible to be Participants, subject to any limitation, restriction or revocation from time to time imposed by the RTX SEF. Trading Privileges are non-transferable, non-assignable and may not be sold or leased.

### **302. Eligibility**

- (a) RTX SEF shall provide impartial access to any eligible contract participant and any limitations on access will be applied in an impartial and non-discriminatory manner.
- (b) Unless otherwise prohibited by these Rules, any Person is eligible to become a Participant, provided that such Person meets the following standards:
  - (i) the Applicant must qualify as an Eligible Contract Participant ("ECP") at all times and must promptly notify RTX SEF if it fails to qualify as an ECP;
  - (ii) if a natural person, the Applicant shall have attained the age of majority and shall be of good character;
  - (iii) if an Entity, the Applicant shall be duly organized, existing and in good standing under the laws of its jurisdiction of organization;
  - (iv) the Applicant shall have good commercial standing and business experience;
  - (v) the Applicant shall have adequate financial resources and credit as reasonably determined by the RTX SEF;
  - (vi) the Applicant shall, where relevant, be registered, licensed or otherwise permitted by the appropriate Governmental Agency to conduct business on the Trading System or subject to the rules of the RTX SEF;
  - (vii) the Applicant shall have such operational capabilities (including without limitation such hardware, software, communications systems and staffing) as the RTX SEF may from time to time determine is appropriate in view of such Person's anticipated type and level of activity on the Trading System or subject to the rules of the RTX SEF;
  - (viii) the Applicant shall only trade for their own account and not as an agent or broker on behalf of customers;
  - (ix) the Applicant shall meet any other criteria that the RTX SEF may from time to time prescribe.

### **303. Application Procedures**

- (a)** Every Person applying to become a Participant shall complete an application on a form prescribed by the RTX SEF and shall file it with the RTX SEF with any documents that the RTX SEF requires.
- (b)** An Applicant must name in its application for admission a natural person who will be authorized to represent it. An Applicant must name at least one natural person who, if approved by the RTX SEF, will be an Authorized Trader. An Applicant who is a natural person shall be considered by the RTX SEF to be both the representative and the Authorized Trader. The Participant may change an Authorized Trader at any time, but only after notifying RTX SEF in writing in advance.
- (c)** The Applicant must designate at least one senior officer who is responsible for supervising all activities of its employees relating to transactions effected on the Trading System or subject to the RTX SEF's Rules and advise the RTX SEF of the name, title, and address for the senior officer, phone number, fax number and e-mail address of each such officer;
- (d)** An Applicant shall:
  - (i)** agree to abide by the Rules of the RTX SEF and adhere to Applicable Law; and
  - (ii)** consent to the jurisdiction of the RTX SEF in all matters arising under the Rules.
- (e)** Every Applicant and all Persons associated with the Applicant may be investigated by the RTX SEF. The Applicant shall file with the RTX SEF any additional information and documents as the RTX SEF, or any individual, corporation, RTX SEF or association authorized by the RTX SEF to act on its behalf, may request.
- (f)** Upon completion of the application process, the RTX SEF shall consider and then approve or reject the application for admission, unless there is just cause for delay. Applicants who are natural persons as well as holders of a significant interest in and/or senior management of Applicant Entities may be required to appear in person before the RTX SEF. The RTX SEF may also require any Participant, significant shareholder or manager associated with a Participant who may possess information relevant to the Applicant's suitability for membership to provide additional information.
- (g)** The RTX SEF shall approve an application for admission if it finds that the Applicant meets all of the qualifications to become a Participant. The RTX SEF shall reject an application for admission if it does not make such a finding or if it finds that, if the application were approved, the Participant would be subject to suspension or expulsion under the provisions of these Rules or Applicable Law, including, without limitation, the Commodity Exchange Act.
- (h)** Written notice of the action of the RTX SEF, specifying in the case of rejection of an application the grounds therefore, shall be given promptly to the Applicant.

### 304. Denial of Admission

- (a) The RTX SEF may deny the application of any Person (or a Person associated with the Applicant) to become a Participant if the Person:
- (i) does not meet one or more of the standards of eligibility set forth in Rule 302 or does not follow the procedures to apply for admission set forth in these Rules or established by the RTX SEF;
  - (ii) has been convicted of any felony or misdemeanor involving, arising from, or related to, the purchase or sale of any Commodity, security, futures contract, option or other financial instrument, or involving or arising from fraud or moral turpitude, or is permanently or temporarily enjoined by order, judgment or decree of any court of competent jurisdiction or any Governmental Agency from engaging in or continuing any conduct or practice in connection with the purchase or sale of any Commodity, security, futures contract, option or other financial instrument, or is or has been subject to an order of the Commission denying the Person trading privileges on or subject to the rules of any registered entity;
  - (iii) has had any fine, cease and desist order, denial of trading privileges, censure or other discipline (whether through an adverse determination, voluntary settlement or otherwise) imposed on such Person by any Governmental Agency;
  - (iv) has ever been expelled from, suspended by or subject to any other disciplinary action (whether through an adverse determination, voluntary settlement or otherwise) imposed on such person by any SRO;
  - (v) is subject to any material unsatisfied judgments, the enforcement of which has not been stayed by a court of competent jurisdiction;
  - (vi) has made any false or misleading statement in or in connection with any application filed with the RTX SEF;
  - (vii) is subject to a statutory disqualification as defined in the Securities Exchange Act; or
  - (viii) if, under all of the circumstances, the RTX SEF in its discretion determines that admitting the Person as a Participant would not be in the best interests of the RTX SEF and the denial is otherwise consistent with the RTX SEF's obligations under the Act.
- (b) In the event that an application for membership is denied by the RTX SEF, the Applicant shall have an opportunity to be heard upon the specific grounds for the denial. An Applicant denied membership may challenge the denial by filing with a petition for review of the denial by the RTX SEF's Appeals Committee. The petition shall be filed within thirty calendar days of the date upon which the RTX SEF's decision was mailed to the Applicant. Hearings shall be conducted in a manner that will give the Person an opportunity to present fully and fairly to the RTX SEF the Person's reasons why the application should be granted.



### **305. Admission of a Participant**

- (a)** In the event that the RTX SEF grants the application for admission of any Person to become a Participant (or at any time prior thereto), the Person shall, within such time as the RTX SEF may specify, take the following actions:
  - (i)** unless the Applicant is itself a Clearing Participant, declare on a form prescribed by the RTX SEF that it has in effect an agreement with a Clearing Participant to clear the Applicant's transactions;
  - (ii)** file such other documents and take such other actions as the RTX SEF may prescribe; and
  - (iii)** establish and maintain a working connection with the Trading System in accordance with such procedures and protocols as the RTX SEF may have in effect from time to time.
- (b)** Upon completing such actions, such Person shall become a Participant, with all of the rights, privileges and obligations set forth in, or established pursuant to the Rules; and
  - (i)** the RTX SEF shall notify the Person of the effective date and time of becoming a Participant and of the Participant ID and, in the case of a Clearing Participant, the Clearing Participant ID;
  - (ii)** if the Person does not complete the actions specified in paragraph (a) within the time specified by the RTX SEF, then unless the RTX SEF extends the time, the Person shall be deemed to have withdrawn the application to become a Participant.

### **306. Authorized Traders**

- (a)** Authorized Traders.
  - (i)** Each Participant that is not a natural Person shall appoint one or more persons to act as an Authorized Trader, and any such Authorized Trader shall be entitled to exercise Trading Privileges on behalf of the Participant subject to the terms and conditions of these Rules.
  - (ii)** Participants may not appoint or designate a Broker, FCM or IB as an Authorized Trader who would be entitled to exercise Trading Privileges on behalf of the Participant.
  - (iii)** A Participant wishing to appoint an Authorized Trader shall notify the RTX SEF and each Authorized Trader will consent to abide by the Rules of the RTX SEF and Applicable Law prior to accessing the Trading System. Each Authorized Trader must satisfy such requirements as may be prescribed by the RTX SEF from time to time and shall be subject to the disciplinary authority of the RTX SEF, including possible restriction or revocation of Trading Privileges.
- (b)** All trading-related provisions of these Rules shall apply to each Participant and each Participant shall be responsible for the actions and omissions of each of its

Authorized Traders, other Supervised Persons. Each Participant will ensure on an ongoing basis that none of its Authorized Traders, other Supervised Persons is subject to statutory disqualification as defined by the Commodity Exchange Act (unless an appropriate exemption has been obtained with respect thereto).

- (c) Each Participant will ensure that each of its Authorized Traders, other Supervised Persons (as applicable) will be technically proficient in respect of the use of the Trading System. Each Participant shall have procedures for performing day-to-day monitoring of its Authorized Traders, other Supervised Persons to ensure that each will conduct its business in a fair and equitable manner and in accordance with the Rules of the RTX SEF.
- (d) For purposes of these Rules, any reference to the Trading Privileges of a Participant shall also be deemed to refer and apply to the exercise of Trading Privileges by any of such Participant's Authorized Trader whether designated or deemed designated.
- (e) For purposes of these Rules, any reference to a Participant submitting or receiving Orders, Bids, Offers or Message traffic into or from the Trading System or RTX SEF or engaging in transactions in Swaps matched through the Trading System or an Off- facility Transaction reported to the RTX SEF and executed subject to the Rules of the RTX SEF, shall be deemed to also refer and apply to any such actions engaged in by any of such Participant's Authorized Trader and the knowledge of, or matters known to, any Participant shall be deemed to also refer to and include the knowledge of, or matters known to, its Authorized Traders or other Supervised Persons.

### **307. Surveillance**

The RTX SEF has contracted with Eventus Systems, Inc. for the Validus software which will assist the Compliance Department in performance of market surveillance, trade practice, and audit trail surveillance. The failure by any Person subject to the RTX SEF's Rules to furnish any information requested by the Compliance Department related to its performance of these functions, as authorized by the RTX SEF and acting on behalf of the RTX SEF with respect to these functions, shall constitute a violation of these Rules. The RTX SEF retains ultimate responsibility for the trading activity on the platform and oversight of each Participant through their Authorized Traders or other Supervised Persons.

### **308. Recording of Conversations**

Participants acknowledge and consent to the RTX SEF's right and power to record conversations between employees, officers and agents of the RTX SEF and Participants and their employees, officers and agents, to the extent permitted by Applicable Law. Participants shall inform their employees and agents of the RTX SEF's right and power to record conversations and shall obtain their consent thereto. The RTX SEF shall retain any such recordings under the terms and conditions the RTX SEF may prescribe from time to time and pursuant to Commission rules.

### 309. Market Data

- (a) Subject to each Participant's rights in its Participant Data, and unless otherwise provided for in Rule 309(c), the RTX SEF owns all rights, title and interest in and to all intellectual property and other proprietary rights (including, without limitation, all copyright, patent, trademark or trade secret rights) in Market Data, and all derivative works based thereon. No Person including but not limited to Participants, employees, agents, vendors and other Persons affiliated with any of the foregoing may use (except that each Participant may use solely internally for the purposes of the Participant executing Swap transactions on the Trading System), or distribute, sell or retransmit Market Data to any third party without the consent of the RTX SEF, nor take any action contrary or detrimental to RTX SEF's interest in the Market Data. RTX SEF may at any time further restrict use of or access to or establish utilization fees in respect of Market Data.
- (b) For the avoidance of doubt and notwithstanding any provisions of Rule 309 or Rule 1208: (1) each Participant retains such proprietary interest in its Participant Data and no restrictions herein shall apply to Participant's use of such Participant Data or resulting executions by the Participant; and (2) no restrictions herein shall apply to RTX SEF's use or disclosure either for the purpose of fulfilling the RTX SEF's regulatory obligations or as may be required by Applicable Law of any Participant Data or any data or information that has been collected or received from any Participant or employees, agents, vendors or other Persons affiliated with any of the foregoing.
- (c) Unless a Participant provides written notice to the General Counsel of the RTX SEF, such writing may be electronic, the RTX SEF may not use for business or marketing purposes Proprietary Data or Personal Information that has been collected or received from such Participant or from any of its employees, agents, vendors and their Affiliates and other Persons affiliated with any of the foregoing for the purpose of fulfilling the RTX SEF's regulatory obligations. *Provided however*, the RTX SEF may share such Proprietary Data or Personal Information with one or more registered entities (as such term is defined in Commission Regulations) where necessary for regulatory purposes. Access to the RTX SEF will not be conditioned upon the consent to use such Proprietary Data or Personal Information for business or marketing purposes and no Person shall be denied access to the RTX SEF as a consequence of refusal to submitting such notice to the RTX SEF.
- (d) Unless otherwise provided for Rule 309(c), for the avoidance of doubt, nothing herein restricts use, distribution, sublicense, disclosure or sale, in any manner, media or jurisdiction and each Participant on behalf of itself and its Affiliates and other Persons affiliated with any of the foregoing hereby grants the RTX SEF a non-exclusive, perpetual, freely transferable, irrevocable, worldwide and royalty-free license to use, distribute, sublicense, disclose and sell, in any manner, media and jurisdiction (in each case, for the benefit of the RTX SEF and/or its Affiliates) Participant Data on an aggregated basis without directly or indirectly identifying any Participant.

### **310. Liquidity Provider Programs**

From time to time, RTX SEF, in order to provide liquidity and orderliness in a market, may adopt certain programs granting one or more Participants certain benefits in return for assuming and adequately performing obligations (“Liquidity Providers”). Such programs will be available to all Participants. Any such program may contain:

- (a) The qualifications to become a Liquidity Provider, including without limitation any minimum net capital requirements;
- (b) The procedure by which a Participant may seek and receive designation as a Liquidity Provider;
- (c) The obligations of a Liquidity Provider, including without limitation, maximum Bid/Offer spread and minimum quote size in certain Products; and/or
- (d) The benefits granted a Liquidity Provider, including without limitation, reduced transaction fees and or certain compensatory payments from the RTX SEF.

### **311. Termination of Participation**

- (a) The participation of any Person may be terminated at any time by the RTX SEF pursuant to Part 10 of the Rules; or the participation of a Participant may be terminated if the RTX SEF shall determine, after reasonable notice and an opportunity to be heard, that such Participant no longer meets any one or more of the eligibility standards set forth in Rule 302; *provided, however*, nothing in this section shall limit the RTX SEF’s right to summarily suspend any Person having Trading Privileges under Rule 1015(a).
- (b) A Participant may terminate voluntarily its status upon written notice to the RTX SEF, specifying the effective date of termination, which shall be (A) not less than 30 days following the date of giving of such notice or (B) such other date as may be approved by the RTX SEF. Notwithstanding the 30 day notification period, a Participant may voluntarily suspend its Participant status immediately upon notice to the RTX SEF and cessation of trading activities. The Participant shall incur no new liability during the period of its voluntary suspension.
- (c) Notwithstanding any termination of its membership, a Participant shall remain subject to the jurisdiction of the RTX SEF after the effective date of termination with respect to any investigation or proceeding against the Person pursuant to Part 10 of the Rules or any claim in arbitration filed against the Person pursuant to Part 11 of the Rules that is commenced by the RTX SEF within two years of the effective date of termination.
- (d) Any Participant whose participation has been terminated shall immediately notify the RTX SEF of any change in its address as most recently reported to the RTX SEF for a period of one year following the effective date of termination.

### **312. Independent Software Vendors**

- (a)** RTX SEF shall provide impartial access to any independent software vendor (“ISV”) and any limitations on access will be applied in an impartial and non-discriminatory manner.
- (b)** An ISV may apply to connect to RTX SEF, and shall be permitted to do so by RTX SEF, provided that the ISV meets the following criteria initially and on a continuing basis:
  - (i)** The ISV applies for connection privileges on a form prescribed by RTX SEF and provides such supporting documentation as required by RTX SEF;
  - (ii)** The ISV satisfies the definition of Eligible Contract Participant;
  - (iii)** The ISV is duly organized, existing, and in good standing under the laws of its jurisdiction of organization;
  - (iv)** The ISV has good commercial standing and business experience;
  - (v)** The ISV has adequate financial resources and credit as reasonably determined by RTX SEF;
  - (vi)** The ISV is, where relevant, registered, licensed, or otherwise permitted to do business as an ISV; and
  - (vii)** The ISV meets any other criteria that RTX SEF may from time to time prescribe;
- (c)** An ISV that is connected to RTX SEF must pay fees as provided under the conditions set forth in Rule 401. RTX SEF will charge comparable fee structures for ECPs and ISVs receiving comparable access to, or services from, RTX SEF.
- (d)** For the avoidance of doubt, any Person directly accessing RTX SEF via an ISV must have been granted Trading Privileges on RTX SEF under Rule 305 or 306.

## **PART 4. OBLIGATIONS OF PARTICIPANTS**

### **401. Payment of Fees and Assessments**

The RTX SEF, in its discretion and with reasonable written notice, may impose fees, charges and assessments upon Participants. Participants shall pay any fees, charges and assessments in a manner prescribed by the RTX SEF on a prompt basis. The RTX SEF may suspend any Participant or impose other penalties pursuant to Part 10 for failure to pay any such fee, charge, or assessment on a timely basis.

### **402. Compliance with the Rules**

Each Participant or Authorized Trader shall, by making application for a User ID or by placing any Order directly or indirectly, have agreed to:

- (i) be bound by the Rules of the RTX SEF;
- (ii) be subject to the jurisdiction of the RTX SEF;
- (iii) comply with all applicable Rules of RTX SEF; and
- (iv) comply with Applicable Law.

### **403. Required Records and Reporting**

Each Participant shall make and file reports relating to the RTX SEF in accordance with (and in the manner and form and at such times as may be prescribed by) Commission Regulations.

- (a) **Commission Reporting Requirement for Swaps.** The RTX SEF will report each Swaps transaction (including those Swaps as part of Package Transactions) to a swap data repository chosen by the RTX SEF as soon as technologically practicable after execution; both 17 CFR Part 43 and Part 45 data are reported to the SDR, as applicable. The Reporting Party for each Swap executed on or subject to the Rules shall be established pursuant to CFTC Regulation 45.8. If both counterparties to a Swap executed pursuant to the Rules are equal in the hierarchy (for example, both are Swap Dealers), the Reporting Party for such Swap shall be determined as follows:
  - (i) For interest rate Swaps, the fixed rate payer when a single fixed rate payer exists, otherwise the party with the first swap identifier when sorted in reverse ASCII sort order, using the Legal Entity Identifier, DTCC ID, and no identifier, ranked in that order, and for swaptions, the option buyer.
- (b) **Unique Transaction Identifiers (UTI).** Under 17 CFR § 45.5(g), a registered entity or reporting counterparty required under 17 CFR Part 45 to report required swap creation data or required swap continuation data may contract with a third-party service provider to facilitate reporting pursuant to 17 CFR § 45.9. In such circumstances, the registered entity or reporting counterparty must ensure

that such third-party service provider creates and transmits the unique transaction identifier as otherwise required for such category of swap by 17 CFR § 45.5(a)–(e). In addition, the form of this unique transaction identifier must satisfy the requirements in 17 CFR § 45.5(g). To facilitate its reporting pursuant to 17 CFR § 45.9, RTX SEF contracts with the third-party service provider MarkitWire and shall fulfill its obligations under 17 CFR § 45.5(g).

- (c) **Unique Product Identifier (UPI) and Product Classification System.** RTX SEF will use the designated UPI and product classification system that the Commission designated in all recordkeeping and all swap data reporting pursuant to 17 CFR Part 45 when the Commission designates a UPI and product classification system. Before the Commission designates a UPI and product classification system, RTX SEF shall use the internal product identifier or product description used by the SDR to which a swap is reported in all recordkeeping and all swap data reporting pursuant to 17 CFR Part 45.
- (d) **Reporting of Errors.** Any errors or omissions in Swap transaction and pricing data or swap data (except for the cancellation of trades and price adjustments made under the provisions of and subject to the procedures of Rule 514) that were publicly disseminated in real time or that had to be reported shall be corrected as follows.
- (i) If a party to the Swap becomes aware of an error or omission in the Swap transaction and pricing data or swap data reported with respect to such Swap, such party shall notify the other party of the error and/or correction as soon as technologically practicable.
  - (ii) If a Reporting Party to a Swap itself becomes aware of an error or omission in the Swap transaction or pricing data or swap data that the RTX SEF reported to a SDR, or such error is reported to it by the other party, the Reporting Party shall submit corrected data to the RTX SEF in writing as soon as technologically practicable; such writing may be electronic, in the form and manner specified by the RTX SEF.
  - (iii) The RTX SEF shall—as soon as technologically practicable—submit corrected data to the SDR to which the transaction and pricing data or swap data was first reported for those errors of which the RTX SEF becomes aware or that are reported to it.
  - (iv) No Participant shall submit or agree to submit a cancellation or correction to the RTX SEF for the purpose of re-reporting Swap transaction and pricing data or swap data in order to gain or extend a delay in public dissemination of accurate Swap transaction or pricing data or swap data, or to otherwise evade this reporting requirement.
  - (v) Notwithstanding anything to the contrary in this Rule, all correction of errors, with respect to either Swap transaction and pricing data or swap data, must satisfy the requirements of 17 CFR § 43.3(e) and 45.14. In addition, swap data accuracy must be verified in accordance with 17 CFR § 45.14.

- (e) **Commission Recordkeeping Requirements.** Each Participant shall keep all records relating to the RTX SEF that are required by the Commission and Applicable Law to be kept, in such form and manner and for such period, as required by Commission Rule and Applicable Law, including but not limited to records by a Participant of its trading, including records of its activity in the index or instrument used as a reference price, the underlying commodity, and related derivatives markets, and make such records available, upon request, to the RTX SEF or, if applicable, and the Commission.
- (f) **RTX SEF Reporting Requirements.** Each Participant shall make and file reports with the RTX SEF at the times, in the form, and containing such information relating to the RTX SEF as the RTX SEF may prescribe from time to time. And at all times, upon RTX SEF's request, each Participant shall furnish the RTX SEF with the information it needs to fully perform its operational, risk-management, governance, and regulatory functions and requirements under the Commodity Exchange Act and Commission Regulations. Upon the Commission's request, RTX SEF shall provide necessary information—in its possession—to perform any of the functions described in section 5h of the Act to the Commission.
- (g) **RTX SEF Recordkeeping Requirements.**
- (i) Each Participant shall make such records relating to orders received, transactions effected, and positions carried relating to the RTX SEF, and shall maintain such records in such form and manner and for such time, as required by Commission Rule and Applicable Law. Such records shall at all times be open to inspection by the RTX SEF upon reasonable prior notice and subject to Participant's reasonable security policies. Such reasonable security policies may include a requirement that inspections be conducted by authorized personnel acting within the scope of their authority, that inspection be carried out on premise, that the inspection be on systems provided by the Participant, and that the inspecting personnel keep a record of all documents inspected and provide such record to Participant.
  - (ii) **Audit Trail Records.** Each Participant shall make and retain all audit trail records. Such records shall include, but are not be limited to, User IDs, records of customer order information (whether filled, unfilled, or cancelled), account identifiers that relate the account to the account owner, time of Order entry, all Orders, indications of interest, or request customer-type-indicator codes.
- (h) **Responding to Information Requests.**
- (i) Each Participant shall timely furnish the information relating to the RTX SEF as may from time to time be requested by any representative of the RTX SEF acting within the scope of the jurisdiction of the RTX SEF and in the course of its, his or her duties, except to the extent prohibited by Applicable Law. Any representative of the RTX SEF when engaged in the examination of any subject within the RTX SEF's jurisdiction, has the power to summon and examine any Participant and any employee, officer, partner, or agent thereof in order to carry out the RTX SEF's



functions, except to the extent prohibited by Applicable Law. The representative of the RTX SEF may require such individual to submit a sworn statement of his or her information.

- (ii) From time-to-time, RTX SEF shall review each Participant's compliance with the applicable recordkeeping and audit trail requirements of the RTX SEF, including, but not limited to the requirements of this Rules 403, 407, 510, and 512. At a minimum, RTX SEF will perform annual audit trail reviews of all Participants. RTX SEF may, however, conduct other audit trail reviews during the year to confirm or verify audit trail data quality.
- (i) **Employee Supervision and Training.** Each Participant shall reasonably supervise all activities of its employees relating to transactions effected on the Trading System or subject to these Rules. Without limiting the generality of the foregoing:
- (i) each Participant shall continue to have at all times at least one senior officer who is responsible for such supervision and shall promptly advise the RTX SEF of any change in the name, title, address, phone number, fax number or e-mail address of each such officer;
  - (ii) each Participant shall be responsible for training its employees regarding the requirements of these Rules, the Commodity Exchange Act, and Commission Regulations;
  - (iii) each Participant shall furnish the RTX SEF with the name, location, birth date (or other acceptable identifier) and User ID of each Authorized Trader; and
  - (iv) each Participant is responsible for ensuring that each of its Authorized Traders receives training regarding these Rules and in the operation and propose use of the Trading System.
  - (v) The RTX SEF reserves the right to refuse or revoke access to the Trading System of any Authorized Trader when such action would serve the best interests of the RTX SEF, and to the extent practicable under the circumstances, will provide notice to the Participant prior to taking such action.
- (j) **Rules Violations by Employees.** Any violation of the Rules by any employee of a Participant shall constitute a violation of the Rules by such Participant.
- (k) **Responsibility for Swaps Entered Under Participant ID.** Each Participant shall be fully responsible for timely performance of all obligations under or in connection with any Swap or contract resulting from the entry of any order into the Trading System with such Participant's Participant ID and any Swap otherwise resulting and reported to the Trading System with such ID.
- (l) **Order Entry Under Participant ID.** Each Participant shall be responsible for assigning and reporting of any message input mnemonic indicator that may be required by the RTX SEF to be included with orders submitted to the Trading System for the entry of any order into the Trading System under such Participant's Participant ID.

- (m) **Maintenance of Eligibility for Trading.** Each Participant shall at all times continue to meet the standards of eligibility set forth in Rule 302 and not be subject to any of the grounds for denial of an application for admission as a Participant set forth in Rule 304.
- (n) **Maintenance of Financial Requirements.** Participants shall at all times maintain their financial resources at or in excess of the amount reasonably prescribed by the RTX SEF from time to time in respect of the Participant's capacity at the RTX SEF. Any Participant registered with the Commission or with the SEC must comply with the applicable financial requirements set forth by the Commission or SEC, respectively.

#### **404. Requirements for Persons Submitting Orders**

- (a) Each Order submitted to the Trading System—Electronic Order Book or Voice Order Book—shall be submitted under the applicable User ID and shall indicate the Clearing Organization to be used upon trading the order as provided under Part 8 of these Rules, along with clearing account numbers for the Futures Commission Merchant that has agreed to clear their trades, along with account numbers for allocation of accounts as permitted by the Trading System.
- (b) To qualify to receive one or more User IDs, the Person must be a Participant or Authorized Trader and such Person shall meet all RTX SEF mandated eligibility standards of Rule 302 and other requirements under the Rules. Each Participant shall be responsible for granting and/or authorizing the use of any User ID for Orders that are submitted using that Participant's User ID and shall be responsible for all Orders entered, or other actions taken, through the use of its User IDs.
- (c) Each Participant or Authorized Trader, as applicable, shall provide in writing to the RTX SEF, and keep current such information as the RTX SEF may require concerning (i) itself, and (ii) in the case of a Participant, each of its Authorized Traders.
- (d) Each Participant, as applicable, shall provide in writing to the RTX SEF upon request, such information as the RTX SEF may reasonably require concerning each of its Supervised Persons, including but not limited to the identity of each such Supervised Person.
- (e) Any request that the RTX SEF activate or deactivate a User ID shall be submitted in writing by a Designated Contact(s) of the relevant Person in the manner provided for by the RTX SEF; provided that the consent of the Designated Contact of a Participant shall be required for the activation of the User ID of any of such Participant's Authorized Traders. The Designated Contact of any Participant shall have the right to activate or deactivate the User ID of any of such Participant's Authorized Traders. The RTX SEF shall have no liability for any action or inaction due to its good faith reliance upon a written request or for any communication system failure.

- (f) The Participant or Customer will be responsible for each Order that it enters on the RTX SEF for itself or which is entered on its behalf. All Orders that have been entered on the RTX SEF are subject to acceptance by other Participants.

#### **405. Responsibility for Orders**

Except as otherwise provided by these Rules, each Participant shall be responsible for:

- (i) all Orders placed by it, and by any of its Supervised Persons (in the case of a Participant); and
- (ii) use of any of the User IDs assigned to it and any of its Authorized Traders (in the case of a Participant).

#### **406. System Security**

Each Participant shall:

- (i) be solely responsible for controlling and monitoring the use of all User IDs issued to it, and its Authorized Traders by the RTX SEF;
- (ii) ensure that each Person accessing the Trading System using such User IDs is assigned a unique password and that each password is used only by the Person to whom it is assigned; and
- (iii) shall notify the RTX SEF promptly upon becoming aware of any unauthorized disclosure or use of such User IDs or passwords or access to the RTX SEF or of any other reason for deactivating User IDs or passwords.

Each Participant shall be bound by any actions taken through the use of such User IDs or passwords (other than any such actions resulting from the fault or negligence of the RTX SEF), including the execution of transactions, whether or not such actions were authorized by such Participant or any of its Supervised Persons or executed by anyone other than an Authorized Trader of such Participant.

#### **407. User IDs and Confidentiality**

- (a) No Person may use a User ID to place any Order except as permitted by these Rules; nor may any Person knowingly permit or assist the unauthorized use of a User ID. Each Participant on behalf of itself and each of its Supervised Persons shall ensure that no User ID is used by any Person not authorized by these Rules.
- (b) Participants identify to the RTX SEF User IDs that are assigned to an Automated Trading Application.
- (c) Participants in each case as applicable, that are not individuals, must:
  - (i) restrict access through password protection to any system capable of submitting Orders to the RTX SEF to individual users authorized by the

relevant Participant (including its Authorized Traders or Supervised Persons);

- (ii) require creation, maintenance, and record keeping of accurate and complete records regarding each individual that is issued or authorized to use a unique User ID;
- (iii) require, in the case of a Participant to create, maintain, and record keep accurate and complete records regarding the individuals that are issued or authorized to use a unique User ID; and
- (iv) require that individuals protect and maintain the security of any User ID and prohibit the use of such User ID, except as permitted in this section, by any other Person, including subsidiaries, affiliates, divisions or business units of Participants. Participants may be issued, and may utilize, multiple User IDs solely for the purpose of identifying their subsidiaries, Affiliates, divisions or business units, which make separate trading decisions. Multiple individuals trading in the name of a single Participant under the same User ID are permitted to trade through the use of that User ID.

**(d) Confidentiality of Trading System.**

- (i) Without limiting anything set forth in in these Rules, and in addition thereto, any and all non-public information in any form obtained by a Participant arising out of or related to the provision or use of the Trading System—Electronic Order Book and Voice Order Book— including but not limited to trade secrets, processes, computer software and other proprietary data, research, information or documentation related thereto (“Confidential Information”), shall be deemed to be confidential and proprietary information of the RTX SEF. Participants are required to hold such Confidential Information in strict confidence and the disclosure of such Confidential Information to third parties (other than to its employees, its Affiliates and their employees, its agents or professional advisors) or the use of such Confidential Information for any purpose whatsoever other than as contemplated by the Rules shall be a violation of this Rule.
- (ii) Confidential Information shall not include information which is:
  - (A) in or becomes part of the public domain;
  - (B) known to or obtained by such party previously without an obligation of confidentiality;
  - (C) independently developed by such party outside of this agreement;
  - (D) required to be disclosed by Applicable Law, or pursuant to a subpoena or order of a court or regulatory, self-regulatory or legislative body of competent jurisdiction, or in connection with any regulatory or self-regulatory request for information, or that the RTX SEF otherwise deems advisable, in its discretion, to

disclose to a governmental, self-regulatory or legislative organization; or

- (E) information submitted by Participants that is displayed by the RTX SEF on the Trading System or otherwise distributed or sold by the RTX SEF regarding Bids, Offers, or executed transactions, provided that such displays and distributed or resold information shall not identify Participant by name, unless the RTX SEF is explicitly directed to do so by Participant and only then for the express purposes set forth in and under conditions in compliance with the Rules.

#### **408. Cooperation in Investigations**

Each Participant, Clearing Participant, Authorized Trader or Supervised Person shall cooperate with any investigation of the RTX SEF, its designee, the Commission, or the Department of Justice. RTX SEF shall have the authority to examine the books and records kept by RTX SEF's Participants and persons under investigation. Cooperation shall include permitting RTX SEF staff to examine the books and records kept by any Participant and persons under investigation.

#### **409. Notification**

Each Participant shall notify the RTX SEF in writing as soon as reasonably practical (but in no event later than 21 days) after becoming aware of any of the following events:

- (a) Any refusal of admission to, or involuntary withdrawal of any membership or clearing membership in any SRO;
- (b) Any expulsion, suspension, or fine in excess of \$100,000 (whether through an adverse determination, voluntary settlement, or otherwise) imposed by any SRO related to trading activities on the RTX SEF or to Products listed for trading on the RTX SEF;
- (c) Any denial or withdrawal of any application for any registration or license by or from any Governmental Agency and any revocation, suspension, or conditioning of any registration or license granted by any Governmental Agency which is related to trading activities on the RTX SEF or to products listed for trading on the RTX SEF to trading activities or to products listed for trading on the RTX SEF;
- (d) Any fine, in excess of \$100,000, significant cease and desist order, denial of trading privileges, censure, or other significant sanction or discipline (whether through an adverse determination, voluntary settlement, or otherwise) imposed by any Governmental Agency or SRO with respect to activity subject to the rules of any Swap Execution Facility;
- (e) Any indictment of the Participant or any of its senior officers for any conviction of the Participant or any of its senior officers of, any confession of guilt or plea of guilty or *nolo contendere* by the Participant or any of its senior officers to any felony or misdemeanor involving, arising from, or related to the purchase or

sale of any Commodity, security, futures contract, option or other financial instrument or involving or arising from fraud or moral turpitude;

- (f) Commencement of any judicial or administrative proceeding against the Participant by any Governmental Agency related to trading activities on the RTX SEF or to products listed for trading on the RTX SEF which could reasonably be expected to result in the disqualification of a Participant;
- (g) Commencement by or against the Participant of a case in bankruptcy or of any other action or proceeding to liquidate, reorganize or restructure the Participant pursuant to any applicable provision of law, federal or state, domestic or foreign;
- (h) Any damage to or failure or inadequacy of the systems, facilities or equipment of the Participant which might materially and adversely affect the ability of the Participant to effect transactions on the RTX SEF or subject to the Rules; to comply with the Rules; in the case of a Clearing Participant, to clear transactions effected on the RTX SEF or subject to the Rules; or to timely perform its regulatory or financial obligations under or in connection with transactions effected on the RTX SEF or subject to the Rules;
- (i) Any other material change in any information contained in the application for admission as a Participant, and
- (j) Any failure to maintain segregated funds as required by the Commission where the Participant is a Clearing Participant or a Futures Commission Merchant.

In addition, all Participants shall immediately notify the RTX SEF—in writing—of their being in imminent danger of losing their ECP status. Upon providing such notice, such Participants shall start to wind down trading activity on RTX SEF and shall immediately cease any trading on RTX SEF upon losing their ECP status.

## PART 5. TRADING

### 501. Required Transactions

- (a) **Execution.** Required Transactions, except for Block Trades which shall be traded in accordance with Rule 510, shall be matched via the Electronic Order Book in accordance with the provisions of Rule 602, or through the Voice Order Book in accordance with Rule 702. Each Required Transaction may be executed through any of the foregoing functionalities.
- (b) **Clearing.** All Swaps that are Required Transactions shall be settled in accordance with the rules of the Clearing Organization.
- (c) **Mandatory Trading.** A Participant that is a Swap Dealer or Major Swap Participant that enters into or facilitates a Swap transaction on the RTX SEF that is subject to mandatory clearing pursuant to Section 2(h) of the Commodity Exchange Act shall be responsible for compliance with the mandatory trading requirement under Section 2(h)(8) of the Commodity Exchange Act.
- (d) **Facilitation of Straight-Through Processing of Required Transactions.** Required Transactions are required to be cleared. The following requirements shall facilitate the straight-through-processing of such transactions to the applicable Clearing Organization:
  - (i) No Order for a Required Transaction may be submitted unless a Clearing Participant has been identified in advance for each party to the transaction;
  - (ii) Each Clearing Participant as required by Commission Regulation 1.73 shall establish risk-based limits in the proprietary account and in each customer account based on position size, order size, margin requirements, or similar factors, and
  - (iii) Each Order entered, whether it be via the Electronic Order Book in accordance with Rule 602 or the Voice Order Book in accordance with Rule 702, shall be screened against such risk-based limits using a system of risk controls that ensures compliance with Commission Regulation 1.73.

### 502. Permitted Transactions

- (a) **Execution.**
  - (i) Permitted Transactions may be matched via the Electronic Order Book in accordance with the provisions of Rule 602, or through the Voice Order Book in accordance with Rule 702. Each cleared Permitted Transaction may be executed through any of the foregoing functionalities.
  - (ii) Permitted Transactions that are not matched by the RTX SEF, having been entered into or confirmed and reported to the RTX SEF subject to the provisions of Rule 512, shall be recorded as a transaction executed

subject to the rules of the RTX SEF. Each cleared Permitted Transaction may be executed under the provisions of Rule 512.

- (b) **Clearing.** All Swaps that are Permitted Transactions shall be cleared and settled in accordance with the rules of the Clearing Organization.
- (c) **Facilitation of Straight-Through Processing of Permitted Transactions.** The following requirements shall facilitate the straight-through-processing of such transactions to the applicable Clearing Organization:
  - (i) No Order for a Permitted Transaction may be submitted unless a Clearing Participant has been identified in advance for each party to the transaction;
  - (ii) Each Clearing Participant as required by Commission Regulation 1.73 shall establish risk-based limits in the proprietary account and in each Customer account based on position size, order size, margin requirements, or similar factors, and
  - (iii) Each Order entered, whether it be via the Electronic Order Book in accordance with Rule 602 or the Voice Order Book in accordance with Rule 702, shall be screened against such risk-based limits using a system of risk controls that ensures compliance with Commission Regulation 1.73.

#### **503. Trading Day and Trading Hours**

- (a) From time-to-time, RTX SEF shall determine the Trading Days for each calendar year and Trading Hours.
- (b) RTX SEF shall publish notice of its Trading Hours, Trading Days, and holidays on its website. Unless expressly stated on the website, all time references shall be based upon local time in New York, New York.
- (c) Trading Hours may vary by product. The Support Desk will be staffed and operate at all times during the Trading Hours of any Swap transaction.
- (d) No Participant may make any Bid or Offer for, or engage in any transaction in, any Swap before or after such hour outside of Trading Hours for that Swap.

#### **505. Pre-Execution Discussions and Cross Trades**

- (a) No Participant shall enter a pre-discussed Required Transaction through the Electronic Order Book or through the Voice Order Book for illegal or improper purposes (including, without limitation, any conduct prohibited by Part 9 of these Rules) or for a Required Transaction knowingly assume on its own behalf or on behalf of a Customer account the opposite side of its own Order or its Customer's Order (a "Cross Trade"), except where the Person is entering into both sides of a Customer Order on a non-discretionary, pre-arranged basis, unless:



- (i) Prior written blanket or transaction specific consent has been obtained in respect of any relevant Customer account;
  - (ii) The Participant waits for at least 15 seconds after the initial Order is submitted to the Trading System or Execution Specialist before submitting the opposite side;
  - (iii) The trade was matched but unable to be executed on a system or venue and was sent to the RTX SEF for execution in accordance with Rule 603, as applicable;
  - (iv) The trade is Block Trade in accordance with Rule 510.
- (b) Notwithstanding the foregoing, a Participant shall not be in violation of this rule due to Cross Trades executed by two Participants trading for the same account, or for separate accounts of the same beneficial ownership, where neither Participant has knowledge of the other's Order and there is no coordination or prearrangement of the Cross Trade, provided that the relevant Participant shall be responsible, upon the request of the RTX SEF, to demonstrate to the reasonable satisfaction of the RTX SEF, that neither Participant had knowledge of the other's Order.
- (c) For the avoidance of doubt, no delay in entering both sides of a pre-discussed Permitted Transaction or of a Cross Trade of a Permitted Transaction through the Electronic Order Book or through the Voice Order Book is required. No Person shall enter a pre-discussed Permitted Transaction or Cross Trade in a Permitted Transaction for illegal or improper purposes (including, without limitation, any conduct prohibited by Part 9 of these Rules).

**506. Reserved**

**507. Prohibited Orders**

It shall be prohibited for any Participant:

- (a) To enter, report or confirm any Bids, Offers, or transactions to the RTX SEF when such Participant knows or should have known that it is insolvent, within the meaning of any applicable bankruptcy or insolvency laws, federal or state, domestic or foreign, without the prior written approval of the RTX SEF;
- (b) To enter, report or confirm Bids, Offers, or transactions to the RTX SEF other than in good faith for the purpose of executing transactions, or to make any Bid or Offer that is not for a true and bona fide price or that is for the purpose of establishing a market price which does not reflect the true state of the market.

**508. Enforceability**

- (a) In accordance with Commission Regulation 37.6, a transaction entered into on or pursuant to the rules of RTX SEF shall not be void, voidable, subject to rescission, otherwise invalidated, or rendered unenforceable as a result of:

- (i) A violation by RTX SEF of the provisions of section 5h of the Act or Part 37 of the Commission's Regulations;
- (ii) Any Commission proceeding to alter or supplement a rule, term, or condition under section 8a(7) of the Act or to declare an emergency under section 8a(9) of the Act; or
- (iii) Any other proceeding the effect of which is to:
  - (A) Alter or supplement a specific term or condition or trading rule or procedure; or
  - (B) Require RTX SEF to adopt a specific term or condition, trading rule or procedure, or to take or refrain from taking a specific action.

#### **509. Order Size Limitations**

In order to avoid error, the Electronic Trading System will prevent a Participant, and their respective Authorized Traders, from trading over a specified size, per side, per transaction, and per Swap. Such size controls are not cumulative and may be exceeded through the entry of multiple Orders. No size limitation exists for voice transactions or Block Trades under Rule 510.

#### **510. Block Trade Transactions**

- (b) The RTX SEF may designate any Swap as eligible for privately negotiated transactions, or "Block Trades," under this Rule and has determined the appropriate minimum block size for the Swaps in which Block Trades are permitted to be the same level as provided in 17 C.F.R. Appendix F to Part 43.
- (c) The price at which a Block Trade is executed shall not affect any Order in the Trading System.
- (d) Participants, Authorized Traders may elect to trade a Swap that has been designated by the RTX SEF as eligible for Block Trades as a Block Trade by entering the trade details into the trade entry window or by reporting such transaction to an Execution Specialist for trade entry. Block Trades shall comply with the following conditions:
  - (i) Each Block Trade transaction must be at least for the minimum transaction size as determined by the RTX SEF for that Swap. Orders may not be aggregated in order to achieve the minimum transaction size.
  - (ii) The mutually agreed price at which a Block Trade is executed must be fair and reasonable in light of:
    - (A) the size of such Block Trade; and
    - (B) the price and size of other trades in the same Swap at the relevant time and other related Swaps, any underlying cash market and/or related futures markets, at the relevant time.

- (iii) The price must be reasonable based upon market conditions, prices in other tenors or for related Swap contracts or based upon an established model for relating the relative prices between Swaps.
  - (iv) Each party to a Block Trade must qualify as an “eligible contract participant,” as that term is defined in Section 1a(18) of the Act.
  - (v) Each Block Trade transaction must involve swaps that are subject to the Required Transaction requirements. RTX SEF does not permit Block Trade transactions involving swaps that are considered to be Permitted Transactions.
- (e) Each Block Trade must be reported by the seller to the RTX SEF as soon as technologically practicable after execution but in no event later than 10 minutes following execution of such Block Trade. The RTX SEF will publicize information identifying the trade as a Block Trade and identifying the relevant Swap immediately after such information has been reported to the RTX SEF or at such time as is deemed appropriate by applicable regulations to that Swap. To comply with the requirements of 17 CFR § 43.6(h)(1)(ii)–(iii), RTX SEF:
  - (i) Shall notify the SDR of a block trade election when reporting the swap transaction and pricing data to the SDR in accordance with 17 CFR Part 43; and
  - (ii) 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 17 CFR § 43.5(d).
- (f) Each party to a Block Trade shall record the following details of the transaction:
  - (i) the Swap to which such Block Trade relates;
  - (ii) the nominal size of the Block Trade; and
  - (iii) the price and time of execution, and the beneficial owners of the transaction.
- (g) Upon request by the RTX SEF, such party shall produce satisfactory evidence, including the order ticket referred to in the preceding sentence that the Block Trade meets the requirements set forth in this Rule.
- (h) Notwithstanding anything to the contrary in this Rule 510, until December 30, 2022, or such later time as the relief in CFTC Letter No. 20-35 shall be extended, the RTX SEF may facilitate the execution of Block Trades within the scope of this Rule 510 that are intended to be cleared by enabling the applicable Clearing Participants to complete the pre-execution credit check required under Commission Rule 1.73 pursuant to the procedures of Rules 501(d) and Rule 502(c)(iii) at the time a Block Trade is identified to the RTX SEF. Execution of the Block Trade shall not occur until completion of the pre-execution credit check. Block Trades which are rejected on the basis of credit at the time that they are identified to the RTX SEF shall be void *ab initio*.

## **511. Public Disclosure of Data**

- (a) If a registered SDR accepts data for an asset class, the RTX SEF will report or cause to be reported to an SDR, such swap transaction and pricing data as required by Commission Regulations for all Swap transactions executed on or subject to the Rules of the RTX SEF; both 17 CFR Part 43 and 45 data are to be reported to the SDR, as applicable. The RTX SEF reports such information to the following SDRs:

Swap	SDR
Interest Rate Swaps	DTCC

In addition, reports to the SDR shall include the actual notional or principal amount for all swaps executed on or pursuant to the rules of RTX SEF and swap transaction and pricing data that includes an actual description of the underlying asset(s), in accordance with 17 CFR § 43.4(d)(2)(i) and 43.4(c)(2), respectively. And as required under 17 CFR § 43.4(d)(2)(ii), the actual notional or principal amount for any block trade executed on or pursuant to the rules of RTX SEF shall be reported to RTX SEF.

- (b) The RTX SEF shall disclose to all Participants on the RTX SEF data regarding price, size, and side of a Swap transaction executed via the Electronic Order Book and may disclose such information for a transaction executed on the Voice Order Book, upon transmittal of such information to the SDR.
- (c) Nothing in this Rule 511 shall prohibit the RTX SEF from disclosing:
- (i) to all Participants on the Facility Orders, including price and side information, prior to a trade being executed; or,
  - (ii) to the counterparties to an executed trade, price, size or any other material terms of their executed transaction prior to transmittal of the information to an SDR and its public disclosure by the RTX SEF.

## 512. Off-Facility Transactions

The RTX SEF may record a Permitted Transaction arranged as an Off-Facility Transaction by one or more Broker as being executed subject to the Rules of the RTX SEF, if the following conditions are met:

- (a) The Participants have provided blanket or transaction-specific consent to entering into a Permitted Transaction arranged by a Broker(s);
- (b) All of the terms of the Permitted Transactions are agreed by the Participants prior to the Participants or Authorized Traders reporting the Permitted Transaction to the RTX SEF; *provided, however*, the transaction shall not be considered to be executed until accepted by the RTX SEF;
- (c) The Participants or Authorized Traders report the terms of the Permitted Transaction in the form and manner specified by the RTX SEF as soon as practicable, but in no event more than 15 minutes, following agreement of the Participants to the terms of the transaction;
- (d) It complies with Part 8 of the Rules;

- (e) Each applicable Clearing Participant, in accordance with Commission Regulation 1.73, shall establish and apply risk-based limits in respect of such Participant and, as facilitated by the RTX SEF, shall screen such Off-Facility Transaction for compliance with the limits through an automated or non-automated system of risk controls reasonably designed to ensure compliance with the limits;
- (f) The transaction may not be entered into for illegal or improper purposes (including, without limitation, any conduct prohibited by Part 9 of these Rules);
- (g) The Participants and Broker must keep full, complete, and systematic records of the transaction as required by Commission Rule 1.35;
- (h) The Participants for whom the transaction has been arranged shall be responsible, upon the request of the RTX SEF to demonstrate to the reasonable satisfaction of the RTX SEF that the transaction complies with the conditions of the Act, Commission Rules, and the conditions of this Rule 512, including making available to the RTX SEF, upon request, access to the Broker's records relating to the transaction.

### 513. Package Transactions

A package transaction means a multi-leg transaction priced or quoted as one economic transaction, involving at least one Swap. For all package transactions, the RTX SEF's audit trail records shall identify the Swap transaction(s) as being priced under the procedures of this Rule. The Swap leg or legs of a package transaction may be executed by the RTX SEF subject to the following conditions.

- (a) *U.S. Dollar Swap Spread.*
  - (i) A U.S. Dollar Swap Spread is a transaction in a U.S. Dollar Swap traded as a spread price between a U.S. Treasury security and the Swap. U.S. Dollar Swaps are available for trading as a spread transaction via:
    - (A) the Electronic Order Book under Rule 602(a) of the Rules, and Assisted Order Entry (Rule 607);
    - (B) the Voice Order Book under Part 7, including but not limited to regular Voice Trading Facility (Rule 703(a)), Voice Work-up (Rule 703(a)(x) of the Rules;
    - (C) Pre-execution discussed and crossed trades under Rule 505, and
  - (ii) Orders in U.S. Dollar Swap Spreads are subject to the pre-trade credit check under Rule 501(d).
  - (iii) Upon a buyer and seller being matched by the RTX SEF in a U.S. Dollar Swap Spread transaction, the RTX SEF notifies each party of 1) the price or spread (yield differential) at which the transaction occurs, 2) the identity of the opposing party, 3) the Swap price or yield, and 4) the US Treasury security price and yield. The Swap price must be equal to, or close to the prevailing market Swap price at the time the Swap transaction occurs and the US Treasury security price must be close to the prevailing U.S. Treasury market security price at the time the Swap

transaction occurs. The parties to the Swap subsequently then enter into a separate cash market transaction bilaterally for the Treasury security at such prevailing cash market price.

- (iv) For the avoidance of doubt, the RTX SEF takes no part in facilitating cash market Treasury security transactions.
- (b) *MAT/MAT*. A MAT/MAT package consists of two (or more) Required Transaction legs of the same Swap but of different Tenors, traded based upon the spread value of the defined relationship of the legs. When entering a Bid (Offer) such Orders shall be subject to the pre-trade credit check under Rule 501(d). A MAT/MAT package can be traded via any of the functionalities or facilities provided in paragraph (a)(i)(A),(B) and (C) of this Rule. Upon being matched based upon the spread value, the RTX SEF executes the two legs of the transaction at a price calculated by the RTX SEF derived from the prevailing price for the shorter Tenor leg.
- (c) *MAT/Non-MAT (Cleared)*. A MAT/Non-MAT (Cleared) package consists of at least one Required Transaction and one (or more) cleared Permitted Transaction based upon the spread value of the defined relationship of the legs. When entering a Bid (Offer) such Orders shall be subject to the pre-trade credit check under Rule 501(d). A MAT/Non-MAT (Cleared) package can be traded via any of the functionalities or facilities provided in paragraph (a)(i)(A),(B) and (C) of this Rule. Upon being matched based upon the spread value, the RTX SEF executes the two legs of the transaction at a price calculated by the RTX SEF derived from the prevailing price for the Required Transaction leg.
- (d) *MAT/Non-Swap Instruments*. As permitted under Commission Rules 37.9(d) and 37.9(a)(2) and as pursuant to 37.9(c)(2), the Required Transaction leg or legs of a package transaction that consists of one or more Required Transaction and one or more non-Swap instrument, shall be subject to the procedures of Rule 512; *provided, however*, this provision shall not apply to U.S. Dollar Spreads which shall be subject to the procedures of paragraph (a).

  - (i) The Broker, when reporting the Swap leg of the package to the RTX SEF for execution shall also include the trade details of the non-Swap leg or legs of the package.
- (e) *MAT/Futures*. Until November 15, 2025, or such later time as the relief in CFTC Letter No. 22-15 (NAL 22-15) may be extended, the Required Transaction leg or legs of a package transaction that consists of one or more Required Transaction and one or more are contracts for the purchase or sale of a Commodity for future delivery, shall be subject to the procedures of Rule 512.
- (f) *MAT/Non-CFTC Swap*. As permitted under Commission Rules 37.9(d) and 37.9(a)(2) and as pursuant to 37.9(c)(2), the Required Transaction leg or legs of a package transaction that consists of one or more Required Transaction and one or more of the components is a swap over which the CFTC does not have exclusive jurisdiction, shall be subject to the procedures of Rule 512.
- (g) For all package transactions, the RTX SEF's audit trail records shall identify the Swap transaction(s) as being priced under the procedures of this Rule 513.

## 514. Trade Cancellations and Price Adjustments

- (a) **Trade Cancellation, Amendment, or Adjustment Authority.** The RTX SEF's trade cancellation policy authorizes the Board, through its designee the Chief Compliance Officer (or the Chief Compliance Officer's delegate) (the "Designee"), to amend trade prices, cancel (bust) trades, or to make such other adjustments when such action is necessary to mitigate market disrupting events; to mitigate instances where market integrity has been compromised caused by the improper or erroneous use of the RTX SEF; or to address manifest unfairness caused by a material error of the Execution Specialist in Order handling or other material error by the RTX SEF, such as the incorrect display of a Bid or Offer, erroneous execution, or erroneous reporting of a Swap transaction.
- (b) Notwithstanding any other provision of this Rule, the Designee may adjust trade prices, cancel any trade executed through the RTX SEF, execute a new or off-setting Swap on behalf of the parties to a disputed transaction on the RTX SEF or another SEF, or require the parties to execute a new or off-setting Swap transaction on the RTX SEF or another SEF, if the Designee determines that allowing the trade to stand as executed may have a material, adverse effect on the integrity of the market or is otherwise necessary or appropriate to address manifest unfairness caused by a material error of the Execution Specialist or other material error by the RTX SEF; provided, however, that any such determination by the Designee (if other than the Chief Compliance Officer) will be subject to review by the Chief Compliance Officer if the Designee determines such review to be necessary or appropriate. Subject to the immediately preceding sentence, the decision of the Designee shall be final.
- (c) Any trade price amendment, trade cancellation, or other trade adjustment shall be made subject to the standards of this Rule 514, such standards being clear, fair, and publicly available. Any determination made under this Rule 514 to adjust any trade price, cancel any trade, or make any other adjustment shall be made subject to the procedures of Rule 514(d), (e), (f) and (g) and announced to the market by a message from the Support Desk or such other method as the RTX SEF shall provide.
- (d) **Procedure—Review of Trades Made in Erroneous Use of RTX SEF or Resulting from Error of the RTX SEF.** The Designee's decision on whether to cancel or amend a trade claimed to be made through erroneous use of the RTX SEF or as a result of an error by the Execution Specialist or the RTX SEF shall be made under the following procedure:
- (i) **Review of Trades.** The Designee may review a trade based on its analysis of market conditions or a request for review by a user of the RTX SEF.
  - (ii) **Request for Review.** A request for review must be made within 20 minutes from the execution of the trade. The request may be verbal, with a writing (which may be electronic) to follow within one hour from the execution of the trade. The request must specify the trade details,

the time of its occurrence, the desired outcome (amend, cancel, or other action) and the reason for such a request, including whether due to erroneous trading or a material error by the Execution Specialist in Order handling or other material error by the RTX SEF such as the incorrect display of a Bid or Offer, erroneous execution, or erroneous reporting of a Swap transaction.

- (iii) The Designee shall promptly determine whether the trade will be subject to review, and upon deciding to review a trade, the Designee will promptly notify the counterparties and issue an alert to all Participants on the RTX SEF indicating that the trade is under review. The Designee, in his or her discretion, may also notify the Compliance Department of the requestor.

In the course of its review of any trade, the Designee may, but is not obligated to, inform any of the parties to the trade of the identity and contact information of any other party to the trade.

- (e) **Procedure—Review of Improper Trades.** The Designee’s decision on whether to cancel or amend a trade claimed to be improper shall be made under the following procedure:

- (i) **Review of Trades.** The Designee may review a trade based on its analysis of market conditions or a request for review by a user of the RTX SEF.
- (ii) **Request for Review.** For trades claimed to be improper, a request for review must be made within 20 minutes from the execution of the trade. The request may be verbal, with a writing (which may be electronic) to follow within one hour from the execution of the trade. The request must specify the trade details, the time of its occurrence, the desired outcome (amend or cancel) and detail the basis on which the trade should be considered improper and the reason supporting the cancellation or amendment of such a trade. The written request must be countersigned by the customer desk head or a business individual with supervisory authority for the requestor. The RTX SEF will make its determination based upon the request for review.
- (iii) Upon receiving a written request to cancel or amend an improper trade, the Designee, in the Designee’s discretion, may offer the counterparty an opportunity to respond to the reasons cited in the written request that the trade was improper and to provide an explanation why the trade should not be considered to be improper; *provided, however*, the counterparty shall not have a right to view the written request if the Designee shall in his or her discretion determine that the contents or identity of the requestor should not be disclosed.
- (iv) The Designee, upon reviewing the written request for cancellation or amendment of an improper trade and any statement of the counterparty to the requestor will determine whether the trade on its face violated Applicable Law or these Rules and whether the trade affected the integrity of the market, including but not limited to



whether the trade had a material adverse effect on market prices or orderly trading in the market.

**(f) Designee's Determination.**

- (i) The Designee shall communicate his or her determination to the parties whether to cancel the trade, amend or adjust the trade, to order such other actions as within the RTX SEF's authority or to let the trade stand, and shall communicate his determination to the market.
- (ii) Upon a determination by the Designee that a trade shall be cancelled or amended the RTX SEF shall implement the decision including as necessary or appropriate entering into new or off-setting Swap transactions on behalf of the parties or ordering the parties to do so.
- (iii) Issues of liability in cases where reasonable out-of-pocket losses have been incurred by Persons whose trades were cancelled or amended will be determined by the Designee based upon all relevant facts and circumstances, including the conduct of the respective parties. A party whose erroneous, or improper Order handling was the cause of the cancelled, amended or adjusted trade shall be liable for reasonable out-of-pocket losses of the counterparty to the transaction. Parties that know a transaction to be erroneous, improper, or executed in error have an obligation to mitigate the loss.
  - (A) A claim for a loss pursuant to this Rule must be submitted to the RTX SEF, on a RTX SEF claim form, within five Business Days of the cancelled, amended, or adjusted trade giving rise to the claim. The RTX SEF shall reject any claim that is not permitted by this Rule and such decision shall be final. All claims which are not rejected by the RTX SEF shall be forwarded to the party responsible for the Order(s) that resulted in the cancelled, amended or adjusted trade and that party shall, within ten Business Days of receipt of the claim, admit or deny responsibility in whole or in part.
  - (B) To the extent that liability is admitted, payment shall be made within ten Business Days. To the extent liability is denied, the claim shall be resolved by and pursuant to the arbitration rules of the NFA or such other self-regulatory organization as the parties may agree in accordance with the procedures of Part 11 of the Rules.
  - (C) In the event that the error causing the loss was made by, or is the responsibility of, the RTX SEF, the RTX SEF in its sole discretion may take such steps as it deems necessary and appropriate to recompense the party or parties for their out-of-pocket loss.

**(g) Trade Price Adjustment and Cancellation Process—Other Erroneous Trades.**

The Designee will first determine whether the trade price is within the "No Review Range." During fast market conditions, upon the release of significant

news, or in other circumstances in which the Designee determines it is appropriate, and upon consultation with the Chief Compliance Officer, may without prior notice, temporarily increase the published No Review Range, up to an amount that is double the published range.

- (i) *Information considered.* In applying the No Review Range, the Designee shall determine the market price for that Swap immediately before the trade under review (the “Market Price”). The Designee may consider any relevant information, including the existing market conditions, the volatility of the market, the prices of related instruments in other markets, the last trade price on the RTX SEF of the same or a related Swap, a better bid or offer price, a more recent price in a related Swap or related Swap Tenor, and any other factors that the Designee deems relevant.
- (ii) *Trade Price Inside the No Review Range.* If the Designee determines that the price of the trade was inside the No Review Range, the Designee will promptly issue an alert to all Participants, Authorized Traders on the Electronic Trading System indicating that the trade shall stand.
- (iii) *Trade Price Outside the No Review Range.* If the Designee determines that a trade price is outside the applicable No Review Range, the trade price shall be adjusted to a price agreed upon in a reasonable time by a Person not responsible for an Order that results in a trade price adjustment that is within the No Review Range or in the absence of such agreement to a price that equals the Market Price for that Swap at the time of the questioned trade, plus or minus the standard or adjusted No Review Range, provided, however, that in the event that such adjusted price would be outside the trading range of the day at the time of the questioned trade, then such adjustment shall be limited to the trading range as applicable. In the event there are multiple parties, prices and/or Swaps involved in the transactions at issue, the Designee has the authority, but not the obligation, to bust rather than price adjust such transactions. The Designee will promptly issue an alert to all Participants, Authorized Traders on the Electronic Trading System indicating that the prices of the trades outside the No Review Range have been adjusted to the No Review Range limit or have been cancelled.

(h) **No Review Range.** The No Review Range shall be as follows:

Swap Contract	No Review Range (where a % is used, it is expressed as a % from the mid-market range)
EUR interest rate Swap outright, spreads and butterfly strategies	A price 1.5 basis point in yield above or below the prevailing mid-market price

<b>Swap Contract</b>	<b>No Review Range</b> (where a % is used, it is expressed as a % from the mid-market range)
USD interest rate Swap outright, spreads and butterfly strategies	A price 1.5 basis point in yield above or below the prevailing mid-market price
GBP interest rate Swap outright	A price 2 basis points in yield above or below the prevailing mid-market price
GBP interest rate Swap basis swaps	A price 2 basis points in yield above or below the prevailing mid-market price
GBP interest rate Swap spreads and butterfly strategies	A price 1.5 basis point in yield above or below the prevailing mid-market price
JPY interest rate Swap outright	A price 2 basis points in yield above or below the prevailing mid-market price
GBP interest rate Swap spreads and butterfly strategies	A price 2 basis points in yield above or below the prevailing mid-market price
GBP interest rate Swap basis swaps	A price 2 basis points in yield above or below the prevailing mid-market price
<u>MXN 28D TIIE swap spreads and butterfly strategies</u>	<u>A price 5 basis points in yield above or below the prevailing mid-market price</u>
<u>MXN 28D TIIE swap outright</u>	<u>A price 5 basis points in yield above or below the prevailing mid-market price</u>
<u>TIIE de Fondo swap spreads and butterfly strategies</u>	<u>A price 5 basis points in yield above or below the prevailing mid-market price</u>
<u>TIIE de Fondo swap outright</u>	<u>A price 5 basis points in yield above or below the prevailing mid-market price</u>

(i) **Liability for Losses Resulting from a Price Adjustment or Cancelled Trade.**

- (i) *Price-Adjusted Trades.* A Person responsible for an Order that results in a trade price adjustment shall generally not be liable for losses, other than the price adjustment, incurred by Persons whose trade prices were adjusted.

- (ii) *Cancelled Trades.* Issues of liability in cases where reasonable out-of-pocket losses have been incurred by Persons whose trades were cancelled will be determined by the Support Desk based upon all relevant facts and circumstances, including the conduct of the respective parties.
- (j) **Claim Process.** A claim for a loss pursuant to this Rule must be submitted to the RTX SEF, on a RTX SEF claim form, within five Business Days of the price-adjusted trade giving rise to the claim. The RTX SEF shall reject any claim that is not permitted by this Rule and such decision shall be final. All claims which are not rejected by the RTX SEF shall be forwarded to the party responsible for the Order(s) that resulted in a price adjustment. Such party shall, within ten Business Days of receipt of the claim, admit or deny responsibility in whole or in part.
- To the extent that liability is admitted, payment shall be made within ten Business Days. To the extent liability is denied, the claim shall be resolved by and pursuant to the arbitration rules of the NFA or such other self-regulatory organization as the parties may agree in accordance with the procedures of Part 11 of the Rules.
- (k) **Trade Cancellation or Offset Procedures.** Upon a determination by the Designee that a trade shall be cancelled or that trade prices shall be adjusted, that decision will be implemented. The cancelled trade price and any price quotes that have been adjusted will be reflected as cancelled in the RTX SEF's official record of time and sales.
- (l) **Adjustment Trades.** Positions that result from a trade determined by the Designee to be outside the No Review Range that cannot be cancelled shall be adjusted at the direction of the RTX SEF, by entry of the RTX SEF into new or off-setting trades as appropriate on behalf of the parties to the cancelled or adjusted trade or ordering such parties to enter into new or off-setting trades as directed by the RTX SEF. The adjusting trades must use the original trade price and quantity. Any party may, but is not required to, include a cash adjustment to another party to the trade. Trades determined by the Designee to be inside the No Review Range may not be reversed in this manner.
- (m) **Arbitration of Disputes Regarding Adjustment Trade.** If a party does not agree to transfer a position pursuant to Rule 514(j), any other party to the trade may file an arbitration claim in accordance with the procedures of Part 11 of the Rules against the Person representing the other side of the trade. Written notice of such claim must be provided to the RTX SEF within five Business Days of receipt of the opposite party's timely denial of liability under Rule 514(j). Failure to file the claim within those five Business Days shall be deemed a waiver of all claims. The arbitration claim will be conducted in accordance with the procedures of Part 11 of the Rules.
- (n) **Voluntary Adjustment of Trade Price.** When a trade outside of the No Review Range is cancelled in accordance with this Rule, the parties to the trade may agree voluntarily to reestablish the trade but to adjust its price and make a cash adjustment provided that all of the following conditions are met:

- (i) the Designee approves the adjustment.
- (ii) the trade adjustment must be within the range of the high and low of the previous day's price range.
- (iii) the quantity of the position being reestablished is the same as the quantity of the trade that was cancelled.
- (iv) in the case of a trade below the Market Price, the adjusted price must be the lowest price that traded at or about the time of the trade without being cancelled. In the case of a trade above the Market Price, the adjusted price must be the highest price that traded at or about the time of the trade without being cancelled.
- (v) the parties to the adjusted trade must report it to the RTX SEF using a Transfer Trade not later than the close of business on the Business Day after the trade occurred.

#### 515. Error Trades

- (a) **Scope.** In accordance with Commission Rule 37.9(c), Rule 515 shall apply where an operational or clerical error or omission made by the RTX SEF, one of the counterparties, or an agent of the counterparty, causes a trade to be rejected from clearing, where one leg of a Package Transaction is rejected from clearing due to the sequencing of the submission of the legs ("Rejected Error Trade"), or is identified after the trade has been cleared ("Cleared Error Trade") (together "Error Trades"). Legs of a Package Transaction that have been accepted for clearing are not within the scope of this Rule.
- (b) **Rejected Error Trades.** Upon an affirmative finding by the RTX SEF that a trade has been rejected due to an error or an erroneous term other than for reasons of credit, the Rejected Error Trade shall be considered to be void *ab initio* and the RTX SEF may execute a new trade with the original terms but for the correction of the erroneous terms and submit the new trade to the applicable DCO as quickly as technologically practicable, but in no event in more than 1 hour from the notice of rejection from clearing. The new trade shall be subject to the procedures of Rule 501(d) or Rule 502(c), as applicable. Any new trade which is also rejected is considered to be *void ab initio* and may not be submitted again.
- (c) **Cleared Error Trades.** Upon an affirmative finding by the RTX SEF that a trade is being carried on the books of a DCO in error, in order to "reverse and resubmit" the trade in error, a trade to offset the Swaps carried in error on the books of the DCO shall be executed by the RTX SEF and a new transaction shall be executed by the RTX SEF with the original terms of the Cleared Error Trade but for the correction of the erroneous terms. Such correcting trades must be executed and submitted for clearing no later than three business days from the execution of the Cleared Error Trade, with the exception provided in (d)(i). The new trade shall be subject to the procedures of Rule 501(d) or Rule 502(c), as applicable.

**(d) Consent to Correction of Error Trades.** In the event that an error comes to the attention of the RTX SEF, the RTX SEF may correct obvious errors under the procedures of paragraph (b) or (c) of this Rule 515 without the consent or knowledge of the counterparties to the transaction. In the event that the RTX SEF is unable to determine how to correct an Error Trade on its face, the RTX SEF shall inform the counterparties to the trade and request their assistance in determining the nature and the substance of the error. The RTX SEF may not correct such non-obvious errors unless the parties shall agree.

**(i)** Alternatively, for cleared swaps, the RTX SEF may use an *ex post facto* review process in which the counterparties determine that an error has occurred and correct the error. The offsetting trade and the correct transaction must be executed and submitted for clearing as quickly as technologically practicable, but no later than 24 hours after the erroneous cleared swap was executed.

The Participant must notify the RTX SEF in writing, using the RTX SEF contact email addresses located in [www.rtxfintech.com](http://www.rtxfintech.com), no later than 24 hours after the error trade was executed. The RTX SEF shall conduct an *ex post facto* review of the error trade, offsetting trade, and correct trade on a T+1 basis. Such review will consider whether a transaction cancellation or price adjustment will adversely impact market integrity, facilitate market manipulation or other illegitimate activity, or otherwise violate the CEA, Commission regulations, or the RTX SEF's Rules.

The RTX SEF must make an affirmative finding that there was an error as part of its *ex post facto* review.

**(e) Reporting.** The RTX SEF shall report the following to an SDR as soon as technologically practicable after the original trade is rejected by the DCO:

- (i)** Cancellation of the original trade under part 43 of the Commission Rules;
- (ii)** A part 45 termination under the Commission Rules, indicating that the original trade is void *ab initio*; and
- (iii)** Swap transaction and pricing data and swap data pursuant to parts 43 and 45 of the Commission Rules for the newly executed trade(s).

## **516. Reserved**

## **517. Real-Time Market Monitoring**

Real-time monitoring of trading on RTX SEF for compliance purposes shall be conducted by the RTX SEF Compliance Department.

**(a)** RTX SEF shall monitor and evaluate data on:

- (i) an ongoing basis in order to detect and prevent manipulation, price distortion, and where necessary disruptions in the cash-settlement process, and
  - (ii) general market data in order to detect and prevent manipulative activity that would result in the failure of the market price to reflect the normal forces of supply and demand, unusual trading volumes, and impairments to market liquidity.
- (b) In addition, RTX SEF may protect market integrity through use of the following system safeguards to prevent the entry of orders in any of the following circumstances:
  - (i) pre-trade quantity limits on individual orders to screen for order quantities not within acceptable parameters;
  - (ii) pre-trade price collars to screen for orders outside of current market conditions;
  - (iii) execution throttles to screen for the execution of too many orders over a specified period of time;
  - (iv) message throttles to screen for the submission of too many messages in a specified period of time; and
  - (v) pre-trade check to screen for risk-based limits set by the clearing member.

**518. Post-Trade Anonymity**

- (a) Pursuant to the Commission Rule § 37.9(f), it is prohibited to disclose, directly or indirectly, including through a third-party service provider, the identity of a counterparty for swaps executed, pre-arranged or pre-negotiated anonymously on or pursuant to the rules of a SEF and intended to be cleared at the time of execution.
- (b) Prohibition on post-trade name give-up shall not apply to components of a package transaction that are uncleared swaps or non-swap instruments. Examples include, but are not limited by, swaps executed with a US Treasury hedge cleared bilaterally between the counterparties, swaps executed as part of a hedge to an interest rate option or credit option and swaps executed as part of a package with an uncleared swap.

## PART 6. TRADING ELECTRONICALLY

### 601. Scope

The RTX SEF shall determine the Swaps to be offered for trading through the Electronic Trading Systems under this section. But all Swaps, including Permitted Transactions, that RTX SEF makes available to trade on the SEF may be executed through the Electronic Trading Systems.

### 602. Trading via Electronic Trading Systems.

Transactions executed electronically may be matched on RTX SEF via any Electronic Trading System provided for under this Rule. An Electronic Trading System is a Trading Facility, as defined by section 1a(51) of the Act, that enables multiple participants to offer Bids or Offers to multiple other participants on the facility.

#### (a) *Electronic Order Book Trading Session.*

- (i) An Electronic Order Book (“EOB”) is an electronic Trading System in which all Orders are managed based upon price/time priority, which means A) an Order with a better price (highest Bid, cheapest Offer) has execution priority over an Order with an inferior price (not highest Bid, not cheapest Offer) and B) for two Orders with the same price and same direction, the Order that is entered into the EOB first will be matched first against an aggressing opposing Order.
- (ii) All Orders are matched by the action of one Participant hitting (lifting) a displayed Bid (Offer) or by the Electronic Order Book matching electronically two passive orders that occur at the same price.
- (iii) All Orders in the EOB Session are “firm” or executable.
- (iv) Any Order entered into the EOB Session must be in the form and contain the information the RTX SEF requires, including, but not limited to, Order type, size, direction, price (if applicable), and the applicable User ID. Any Order not complying with RTX SEF requirements shall not be accepted.
- (v) An Order may only be entered into the EOB Session by a Participant or by an Execution Specialist acting in his or her discretion pursuant to Rule 703(a)(xi) or at the direction of a Participant.
- (vi) For Required Transactions, only the best Bid and Offer Orders in the EOB Trading Session are displayed to all Participants.
- (vii) A Participant responding to a displayed Order may accept a firm Bid or Offer or counter the Bid or Offer of the initiating Participant or of any other responding Participant. For the avoidance of doubt, an executed transaction may take place between two responding Participants. Responding Participants shall be anonymous unless the responding Participant authorizes the Execution Specialist to disclose the

Deleted: all



Participant's identity. But notwithstanding any other provision in these Rules, for all swaps that are executed anonymously and intended to be cleared, RTX SEF shall not disclose the identity of any counterparty to the swap.

- (viii) Any Order entered into the EOB Session shall remain open in the Electronic Trading System until executed, cancelled, or until it expires.
- (ix) The Participant will be responsible for each Order that it enters on the RTX SEF for itself or which is entered on its behalf.
- (x) The Trading Session for an EOB remains open throughout the Business Day.
- (xi) All Orders open at the end of the Business Day are cancelled.

**(b) Liquidity Trading Facility ("LTF").**

- (i) The Liquidity Trading Facility ("LTF") is an order book, separate and distinct from the EOB, through which RTX SEF will periodically run an LTF Session upon predetermined prior notice to Participants as described immediately below.**
  - (A) Prior to the commencement of any LTF Session, RTX SEF will publish the Swaps that will be available to trade in the LTF Session, indicative prices (derived from market data available to RTX SEF) at which these Swaps may trade in the session, and procedures for participation in the session called the "Operational Procedures."**
  - (B) These Operational Procedures will also include the length of the sessions, the procedures governing the submission of orders, limits, and the methodology underlying the trade-matching algorithm. These orders will not be visible to other Participants.**
  - (C) The Operational Procedures will not take effect until certified or approved in accordance with Commission Regulations.**
- (ii) To trade in an LTF Session, Participants will enter orders to buy and sell the Swaps listed in the LTF Session subject to the Operational Procedures.**
- (iii) RTX SEF will then execute the orders submitted in the LTF Session using a predetermined, non-discretionary trade-matching algorithm subject to the Participants' instructions.**
- (iv) Once the LTF Session completes, RTX SEF will deliver trade confirmations to the swap buyers and sellers that conform to the parameters the Participants set.**

### 603. Order Types

(a) **Type of Orders and Order Attributes.** The following orders may be entered by a Participant into Electronic Trading Systems:

- (i) *Limit Orders.* A limit order is an order to buy or sell a stated amount of a Swap or strategy at a given price. Such an order shall remain in the EOB until executed or cancelled.
- (ii) *Market Orders.* A market order is an order to buy or sell a stated amount of a Swap or strategy at the best available price on the EOB session at the time the order is entered.
- (iii) *Time in Force ("TIF") Orders.* A TIF Order is a limit order that remains open for a period of time selected by the Participant or Execution Specialist (at the request of the Participant) when the Order is first entered. The Order is automatically cancelled at the end of that period unless the time is extended or the Order is executed.
- (iv) *All or None ("AON").* An AON order is a limit order or TIF Order where only the full amount specified on the Order can be executed. AON Orders are ignored in the order matching process by corresponding orders that have less than the required AON amount to make a trade.
- (v) *One Cancels the Other ("OCO").* An OCO Order provides the Participant the ability to enter certain Orders that are linked together whereby the execution of a trade on one linked Order results in the immediate cancellation of the remaining linked order(s) in the OCO group.
- (vi) *One Executes Other ("OEO").* An OEO order provides the Participant with the ability to enter certain Orders that are linked together whereby the execution of a trade on one linked Order results in the immediate execution of a trade on other linked Order in the OEO group.
- (vii) *Request for Trade™ ("RFT™").* An RFT™ Order is an electronic TIF Order entered via the RFT™ user interface that is managed in the EOB. For Required Transactions, all RFT™ Orders are displayed to all Participants in an EOB Session. All RFT™ Orders are firm.

### 604. Confirmations and Objections

The confirmation of all terms of the transaction shall take place at the same time as execution.

- (a) **Anonymous Trading.** In accordance with Rule 518, confirmations of transactions executed anonymously will not show counterparty names or identifiers, unless such a transaction is a Package Transaction under Commission Rule 37.9(d).
- (b) **Confirmation of Cleared Transactions.** Upon execution, the RTX SEF shall notify a Participant of the matching of Bids and Offers through the Electronic Trading System as follows.

- (i) Initial notification: Following trade matching, the RTX SEF will send an initial electronic message that confirms the instrument, the price, direction and amount to both sides of a trade.
  - (ii) Confirmation: Upon execution of the transaction, the RTX SEF will issue an electronic confirmation which shall legally supersede any previous agreement and shall include all material economic terms of the executed transaction and which the counterparties agree shall confirm execution of the transaction.
- (c) **Objections.** Objections to the material economic terms of transaction confirmations must be submitted to the RTX SEF, in writing, promptly upon receipt, but no later than the close of that Business Day.

#### **605. Trade Invalidation Upon Revocation of Clearing Authorization**

Once the RTX SEF has received notice from a Clearing Organization that a Clearing Participant's authorization has been terminated, any trade destined for that Clearing Organization subsequently matched by the Electronic Trading System for that Clearing Participant or for a Trading Participant guaranteed by that Clearing Participant shall be considered to be invalid and shall be cancelled by the RTX SEF. Further, a Participant shall notify immediately RTX SEF that its Clearing Participant's authorization has been terminated.

#### **607. Assisted Order Entry**

An Execution Specialist, acting on behalf of a Participant using an Approved Communication Method may, upon request of the Participant, assist a Participant in the entry or withdrawal of Orders into the Electronic Trading System.

- (a) Any Execution Specialist entering an Order into the Electronic Trading System shall have a unique User ID paired with the Participant's ID for whom the Execution Specialist is acting.
- (b) Upon receipt of a request for assistance in the entry or withdrawal of an immediately executable Order, the Execution Specialist must enter the executable Order immediately into the Electronic Trading System.
- (c) Any request by a Participant for assistance in the entry of an Order that is not immediately executable shall be entered into the Electronic Trading System as soon as practicable. The Execution Specialist must make a record of the time at which the request for assistance was first made and the time that the Order was entered into the Electronic Trading System.
- (d) Notwithstanding any other provision of these Rules, in the event that a Participant objects under Rule 604(c) to the contents of a the confirmation of a transaction that has taken place through the assistance of an Execution Specialist under the provisions of this Rule, the Board, through its designee the Chief Executive Officer or the Chief Executive Officer's Designee (the "Designee"), is authorized in his or her discretion to adjust trade prices or cancel

a trade when such action is necessary to correct a clear clerical error on the part of the Execution Specialist in carrying out the instructions of the Participant that is assisted by the Execution Specialist. Any trade price adjustment or trade cancellation shall be made subject to the standards of this rule. Any determination made under this rule to adjust any trade price or cancel any trade shall be announced to the market and such adjustment shall be reported by the RTX SEF to the SDR.

## **PART 7. TRADING BY VOICE**

### **701. Scope**

The RTX SEF shall determine the Swaps to be offered for trading where such Swaps are matched using any Voice Trading System provided for under this section. For the avoidance of doubt, all Swaps, including Permitted Transactions, that RTX SEF makes available to trade on the SEF may be executed through the Voice Trading Systems (including the Voice Order Book as defined in Rule 703).

### **702. Trading by Voice Trading Systems**

A Voice Trading System is a Trading Facility, as defined by section 1a(51) of the Act, that uses Voice Functionality that enables multiple participants to offer Bids or Offers that are open to multiple participants through the use of telephone, electronic messaging or other Approved Communication Methods. Voice Trading is facilitated by an Execution Specialist who makes known to Participants the existence of trading interest in a Swap, facilitates the communication of Bids or Offers among multiple Participants, and assists in orderly trading on the RTX SEF.

### **703. Voice Trading Systems**

#### **(a) Voice Order Book.**

- (i)** An Voice Order Book (“VOB”) is a Trading System in which all Orders are managed based upon price/time priority, which means A) an Order with a better price (highest Bid, cheapest Offer) has execution priority over an Order with an inferior price (not highest Bid, not cheapest Offer) and B) for two Orders with the same price and direction, the Order that is entered into the VOB first will be matched first against an aggressing opposing Order. All Orders are recorded in the Internal Digital Ledger. The Voice Order Book is separate from the Electronic Order Book.
- (ii)** The VOB is a Trading Session that remains open throughout the Business Day.
- (iii)** All Orders are communicated by the Participant to the Execution Specialist who is responsible for managing the Order in the VOB according to price/time priority rules under Rule 703 (a)(i).
- (iv)** Any Order communicated to the Execution Specialist shall include the information the RTX SEF requires, including, but not limited to, Order type, size, side, price (if applicable). Any Order not complying with RTX SEF requirements shall not be accepted by the Execution Specialist.
- (v)** An Order is considered firm or executable at the time first communicated to the Execution Specialist.

- (vi) An Order is matched by the action of a Participant communicating an executable Bid or Offer to the Execution Specialist to hit (lift) a resting Bid (Offer) being managed in the VOB.
- (vii) An initiating Participant shall be anonymous unless the Participant authorizes the Execution Specialist to disclose the initiating Participant's identity.
- (viii) In the absence of an initiating Participant, the Execution Specialist has discretion to initiate trading by communicating with Participants to ascertain trading interest.
- (ix) A responding Participant may accept a communicated Bid or Offer or counter such Bid or Offer of the initiating Participant or of any other responding Participant. For the avoidance of doubt, an executed transaction may take place between two responding Participants. Responding Participants shall be anonymous unless the responding Participant authorizes the Execution Specialist to disclose the Participant's identity.
- (x) **Voice Work-up.** In order to encourage the provision of liquidity to the VOB, following the execution of an initial transaction (which shall be indicated to the counterparties as having been executed by communication of the Execution Specialist) either of the parties to the executed transaction or any other market participant (following transmittal by the RTX SEF to an SDR of information relating to the initial, executed transaction) may request a work-up trading session. To open a work-up trading session, the Execution Specialist announces the work up session and price. Counterparties to the initial transaction may have a priority for additional amounts at the work-up price. Resting Bids or Offers at the work-up price or better must be included in the work-up session. During the work-up session, execution occurs at the time that a buyer and a seller agree on the quantity of their respective transaction (the price being the work-up price), such execution being indicated to the counterparties by communication of the Execution Specialist. Separate transactions entered into during the work-up process will not be confirmed or reported as a single aggregate transaction. The work-up shall end when, to the extent possible, all buying and selling interest at that price have been filled. Any unfilled Bid or Offer at that price at the conclusion of the work-up shall be treated as a resting Bid or Offer depending upon the instruction of the market participant.
- (xi) **Hybrid Trading of Required Transactions.** Upon a Participant's request, the Execution Specialist will enter any Voice Order communicated to the Execution Specialist into the EOB Trading Session under Rule 607 whenever there appears to be sufficient liquidity in the Electronic Order Book to fill the Order; when the request is made, the Execution Specialist will notify the Participant whether there appears to be sufficient liquidity in the Electronic Order Book to fill the Order (or a portion of it). And unless specified by the Participant, all such Orders shall be entered into the Electronic Order Book as a Time in Force

("TIF") Order where it shall remain a firm Order for a period of 20 seconds and then expire.

- (xii) **Post-Trade Anonymity.** Notwithstanding any other provision in this Rule, for all swaps that are executed anonymously and intended to be cleared, RTX SEF shall not disclose the identity of any counterparty to the swap.

#### 704. Order Types

- (a) **Type of Orders and Order Attributes.** The following orders may be entered by a Participant verbally via an Execution Specialist into the Voice Order Book:
  - (i) *Limit Orders.* A Limit Order is an Order to buy or sell a stated amount of a Swap or strategy at a given price. Such an order shall remain in the VOB session until executed or cancelled by Participant.
  - (ii) *Market Orders.* A Market Order is an Order to buy or sell a stated amount of a Swap or strategy at the best available price on the VOB session at the time the order is entered.
  - (iii) *Time in Force ("TIF") Orders.* A TIF Order is a limit order that remains open in the VOB session for a period of time selected by the Participant or Execution Specialist (at the request of the Participant) when the Order is first entered. The Order is automatically cancelled at the end of that period unless the time is extended, or the Order is executed.
  - (iv) *Good until Bettered Orders. ("GTB").* A GTB Order is an Order to buy or sell a stated amount of a Swap or strategy to be executed at the communicated price until bettered by another Order (whether from the original participant or another) whereupon it cancels or until the Order is cancelled by the Participant.
  - (v) *All or None ("AON").* An AON Order is a limit order or TIF Order where only the full amount specified on the Order can be executed. AON Orders are ignored in the order matching process by corresponding Orders that have less than the required AON amount to make a trade.
  - (vi) *Good until Bettered Orders All or None. ("GTB AON").* A GTB AON Order is an GTB Order where only the full amount specified on the Order can be executed. Like regular AON Orders, GTB AON Orders are ignored in the Order matching process by corresponding Orders that have less than the required AON amount to make a trade.
  - (vii) *One Cancels the Other ("OCO").* An OCO Order provides the Participant the ability to enter certain Orders that are linked together whereby the execution of a trade on one linked Order results in the immediate cancellation of the remaining linked Order(s) in the OCO group.
  - (viii) All Orders cease to be active at the close of the Business Day.
- (b) **Voice Orders for Required Transactions.** Notwithstanding anything to the contrary in these Rules, each Voice Order for a Required Transaction

communicated by a Participant to an Execution Specialist shall be considered to be firm from the time the Order is first communicated to the Execution Specialist for a period of 20 seconds (or such period as communicated to the Execution Specialist).

*Provided, however*, the Order shall no longer be considered to be firm during the remainder of that period, after:

- (i) The Participant's Order is filled;
- (ii) The Participant communicates to the Execution Specialist that the Order is cancelled and such communication is received by the Execution Specialist prior to the Order having been filled, *provided, however*, if the Order has been filled in part, only that part of the Order remaining unfilled shall be cancelled;
- (iii) The Participant is filled in the same Swap for the same size but at a different price as the original Order;
- (iv) A new Order at a better price in the same Swap is entered onto the RTX SEF by the same or a different Participant; or
- (v) A Material Market Event occurs. A "Material Market Event" means one determined in the sole discretion of the RTX SEF and shall include, but not be limited to:
  - (A) Economic news releases by the U.S. Department of Labor Bureau of Labor Statistics;
  - (B) Other recurring material economic news releases;
  - (C) Announcements of the Board of Governors of the U.S. Federal Reserve System;
  - (D) A natural or man-made disaster or a *force majeure*.

#### **705. Confirmation of Voice Transactions and Objections**

The confirmation of all terms of the transaction shall take place at the same time as execution.

- (a) **Anonymous Trading.** In accordance with Rule 518, confirmations of transactions executed anonymously will not show counterparty names or identifiers, unless such a transaction is a Package Transaction.
- (b) **Confirmation of Cleared Transactions.** Upon execution, the RTX SEF shall notify a Participant of the matching of Bids and Offers through the Electronic Trading System as follows.
  - (i) *Initial notification:* With respect to Cleared Transactions matched in a Voice Trading Session under Rule 703 but prior to confirmation of the execution of the transaction, the matched transaction will be subject to the agreement of the parties as to trade structure parameters (the instrument, the price, direction and amount) and to a manual credit check.



- (ii) *Confirmation:* Upon completion of the transaction, the Execution Specialist will key in trade details, which shall include all material economic terms, and that the counterparties agree to these terms at which time RTX SEF will issue a written trade confirmation of the executed trade to the parties, which writing may be electronic, and which shall legally supersede any previous agreement, and shall serve as a confirmation of the transaction.
- (c) **Objections.** Objections to the contents of transaction confirmations must be submitted to the RTX SEF, in writing, promptly upon receipt, but no later than the close of that Business Day.

Notwithstanding any other provision of these Rules, in the event that a Participant objects under this section to the contents of the confirmation of a transaction that has taken place through the Voice Order Book under Part 7 of these Rules, the Board, through its designee the Chief Executive Officer (or the Chief Executive Officer's delegate) (the "Designee"), is authorized in his or her discretion to adjust trade prices or cancel a trade when such action is necessary to correct a clear clerical error on the part of the Execution Specialist in facilitating trading via the Voice Order Book. Any trade price adjustment or trade cancellation shall be made subject to the standards of this rule. Any determination made under this rule to adjust any trade price or cancel any trade shall be announced to the market by a message from the Support Desk or such other method as the RTX SEF shall provide and such adjustment shall be reported by the RTX SEF to the SDR.

#### **706. Record Keeping and Reporting**

All Voice-assisted trading shall be recorded in an unalterable format and retained as required under Commission Rule 1.31. All Bids and Offers managed through the Voice Order Book will be retained in an unalterable format as required under Commission Rule 1.31. The Execution Specialist shall key in the trade details of the transaction immediately upon execution. RTX SEF shall report such transactions as having been executed on or subject to the Rules of RTX SEF, identifying such transactions as voice-assisted transactions and reporting swap transaction and pricing data to a Swap Data Repository as soon as technologically practicable after execution, as required under 17 CFR Part 43, and swap data to a Swap Data Repository as required by 17 CFR § 45.3(a) in the form and manner specified in the technical specification referenced in 17 CFR § 45.13(a).

## PART 8. CLEARING AND FINANCIAL INTEGRITY OF CONTRACTS

### 801. Scope

Rules 802, 803, 805, 806 and 807 shall apply to both Required and Permitted Transactions. Rule 804 shall apply only to Permitted Transactions.

### 802. Relation to Clearing Organization

- (a) **Rules of Clearing Organization.** The Bylaws and Rules of the Clearing Organization shall be applicable to the clearing of Swaps which are Required Transactions traded on or subject to the rules of the RTX SEF.
- (b) **Cleared Swaps.** Every Swap executed on or subject to the rules of the RTX SEF that is a Required Transaction will be forwarded by the RTX SEF to the Clearing Organization selected by the Participant directly to the Clearing Organization or via a STP Facility.
- (c) **Choice of Clearing Organization.** If more than one Clearing Organization is available for clearing the Swap, each Participant may designate its choice of Clearing Organization for selected transactions by designating a specific Clearing Organization for each Order. But the Participant's choices will only include those Clearing Organizations with whom RTX SEF has executed a clearing services agreement; to clear any RTX SEF product through a particular Clearing Organization, RTX SEF must first have a clearing services agreement with that Clearing Organization. In addition, for a trade to be executed between two Participants, both would have to designate the same Clearing Organization.
  - (i) Participants may designate the Clearing Organization by hitting a Bid or lifting an Offer for the displayed price of a product cleared by a specific Clearing Organization. Participants may enable a general filter on RTX SEF systems to view only prices for a selected Clearing Organization(s).
  - (ii) Trades executed as transactions to be cleared at a specified Clearing Organization will be subject to the collateral requirements of that Clearing Organization, including the timing of collateral funding requirements of that Clearing Organization.
  - (iii) Subject to the clearing authorization requirement of Rule 803, Participants may choose a Clearing Organization to which the Swap will be forwarded by the RTX SEF. Such Clearing Organization shall be authorized or licensed by the Commission, or otherwise meet Commission requirements, to clear such Swaps. Such Clearing Organizations are limited to the following:

Swap	Clearing Organization
Interest Rate Swaps	LCH Ltd. and CME, Inc.

- (d) **Margin.** A Participant must comply with all margin requirements of the relevant Clearing Organization and its Clearing Participant, if applicable, and any applicable margin requirement set forth by Commission Regulation or Applicable Law.

### 803. Clearing Authorization Required

#### (a) Clearing Participant Authorization.

- (i) Every ITBCS trade executed on the Trading System or subject to the rules of the RTX SEF shall be cleared through a Clearing Participant authorized by the designated Clearing Organization for the given product.
- (ii) Each Clearing Participant by entering into a relationship to intermediate clearing on behalf of a Trading Participant as provided in subsection (b) of this Rule 803, shall be subject to, and shall be considered to have consented to, the jurisdiction of the RTX SEF, in respect of such transactions, including the jurisdiction of the RTX SEF to impose sanctions for violations under Rule 1016.

- (b) **Trading Participant Authorization.** Each Trading Participant must establish and maintain a relationship with a Clearing Participant that will intermediate the clearing of the Trading Participant's Swap transactions.

Each Trading Participant must:

- (i) identify to the RTX SEF its Clearing Participant;
  - (ii) ensure they do not request quotes, Bid or Offer or generally trade Swaps for a designated Clearing Organization without appropriate authorization; and
  - (iii) notify the RTX SEF of any change in relationship with a Clearing Participant. Such notification must be made prior to executing any trade on the Trading System or any cleared trade subject to the rules of the RTX SEF.
- (c) **Evidence of Agreement with Clearing Participant.** Evidence of an agreement between the Clearing Participant and its Trading Participant must be provided to the RTX SEF in the form and manner requested by the RTX SEF and must be specific with respect to the products covered thereunder.
  - (d) **Termination of Clearing Authorization.** A Clearing Participant may terminate at any time its authorization of a Trading Participant by informing the RTX SEF and as applicable the Trading Participant. Notice shall be given in as promptly a form as possible and shall be provided in writing no more than twenty-four hours after being given by any other means.
    - (i) In the event the Clearing Participant notifies the RTX SEF that it will no longer clear a Trading Participant's Swaps, until the Trading Participant establishes a relationship with another Clearing Participant acceptable to the RTX SEF, the RTX SEF will take immediate steps to:

- (A) withdraw all of the Trading Participant's resting orders from the Trading System,
- (B) terminate the Trading Participant's access to the Trading System; and
- (C) terminate the Trading Participant's access to execute trades subject to the rules of the RTX SEF.

#### **804. Financial Integrity for Permitted Transactions**

- (a) **Clearing of Swaps.** Permitted Transactions executed on or subject to the rules of the RTX SEF are not required to be cleared under applicable law. Permitted Transactions may be cleared if both counterparties agree, prior to or subsequent to execution, to submit the trade to an agreed upon Clearing Organization. RTX SEF requires, however, that all swap transactions executed on or subject to the rules of the RTX SEF must be cleared, including Permitted Transactions. Based on this, all swap transactions executed on RTX SEF will be cleared. If the counterparties elect to clear a transaction prior to execution or at the time of execution, it will be forwarded by the RTX SEF to the agreed upon Clearing Organization directly or via a STP Facility. A Participant electing to clear a transaction must comply with all margin requirements of the relevant Clearing Organization and its Clearing Participant, if applicable, and any applicable margin requirement set forth by Commission Regulation or Applicable Law.

#### **805. Trades Not Accepted for Clearing**

- (a) **Clearing Certainty.** The RTX SEF shall promote certainty of clearing by identifying to the Participant that an Order for a cleared contract, if executed, would be within the clearing credit or trading limits which are applied by the Clearing Participant to the Person on whose behalf the Order has been entered.
- (b) **Trades Rejected for Clearing.** In the event that a Swap is rejected by the Clearing Organization to which it has been submitted, the RTX SEF will so inform the Participants that are the counterparties to the trade. A trade for which the RTX SEF has received a rejection notice from the Clearing Organization is void ab initio; *provided however*, nothing in this Rule shall supersede the procedures of Rule 515 which shall apply to Error Trades.
- (c) **Breakage Agreements Prohibited.** Participants are prohibited from requiring breakage agreements with other Participants as a condition of trading with them.

#### **806. Disputes Related to Clearing**

Disputes arising from or in connection with the clearance, delivery or settlement of Transaction shall be resolved pursuant to the Bylaws, Rule and procedures of the Clearing Organization.

## **807. Establishment of Daily and Final Settlement Prices**

17 CFR § 16.01(b)(4)(i) requires RTX SEF to publicly disclose swap instrument settlement prices and nominal price methodologies for each listed instrument.

- (a)** The RTX SEF shall calculate a daily settlement price for each Swap listed for trading on the RTX SEF and priced that day via firm orders or transactions. Such daily settlement prices shall be calculated in the same manner, shall be published to [www.rtxfintech.com](http://www.rtxfintech.com) before 7 PM each Business Day and shall be subject to subsequent review and revision by each of the Facility's Clearing Organizations in accordance with each respective Clearing Organization's rules and procedures. For information on other information that RTX SEF will publish to its website, see Rule 1207.
- (b)** Calculation. The RTX SEF will calculate daily settlement prices for Swaps receiving Bids or Offers through the Business Day only. Swaps listed for specific Clearing Organization clearing that do not receive any executable Bids and Offers in the order book on any particular day will not have daily settlement prices calculated. The settlement price will be established using an algorithm which calculates the settlement price using the following hierarchy of price inputs:

  - (i)** the mid-price of the best executable bid/offer spread present at the close rounded to the nearest price increment; then
  - (ii)** the most recent of the following:

    - (A)** actual Bid;
    - (B)** actual Offer; and
    - (C)** last trade.

## **PART 9. BUSINESS CONDUCT**

### **901. Violation of Law**

It shall be prohibited for any Participant to violate or fail to conform to applicable provisions of the Act, Commission Regulations or any other law applicable to trading on the RTX SEF.

### **902. Rule Violation**

It shall be prohibited for any Participant to violate or fail to conform to the Rules and procedures of the RTX SEF or with any decision or order of a committee of the RTX SEF or any order of any officer, employee or agent of the RTX SEF when acting within his, her or its jurisdiction.

### **903. No Transfers**

No Participant shall transfer or assign such Participant's trading privileges. Any purported transfer or assignment shall not be binding on the RTX SEF. Persons who acquire or succeed to the business of any Participant may obtain trading privileges only by application to the RTX SEF pursuant to Part 3 of these Rules, except upon the prior written consent of the RTX SEF if the Person is succeeding to the business of a Participant solely as a result of the change in the corporate form of the Participant.

### **904. False Information**

It shall be prohibited for any Participant to disseminate any false, misleading or knowingly inaccurate information, including reports concerning any Swap or market information or conditions that affect or tend to affect the price of any Swap executed on the RTX SEF.

### **905. Manipulation Prohibited**

No Participant shall manipulate, or attempt to manipulate, the price of, or to corner, any Swap executed on the RTX SEF, or in connection therewith the Underlying Commodity.

### **906. Prohibition on Misstatements**

No Participant shall furnish false or misleading information or fail to furnish information in respect of such Participant's activities on or subject to the Rules of the RTX SEF, when requested by the RTX SEF or any committee, officer, employee, or agent of the RTX SEF, acting in the course of his, her or its duties.

**907. Employees of the RTX SEF**

It shall be prohibited for any Participant to knowingly carry an account, enter an order or effect any transaction for any employee of the RTX SEF, the Clearing Organization or any other Participant without the prior written consent of the employer and which is communicated in writing to RTX SEF for review and decision (which may be in the form of a blanket consent to all orders and transactions entered or executed after such consent is given).

**908. Abusive Trading Practices Prohibited**

No Participant shall engage in front-running, wash trading, pre-arranged trading, fraudulent trading, money passes, accommodation trading, any other manipulative activity prohibited by the Act or Commission regulation or disruptive trading practice (which includes any trading practice described in Section 4c(a)(5) of the Act or in applicable interpretive guidance issued by the Commission and in force at the time of the violation), or enter into non-competitive transactions on or subject to the Rules of the RTX SEF except as otherwise authorized by these Rules, or execute any such Order on behalf of another with such knowledge of its nature.

**909. Detrimental Conduct**

No Participant or employee of RTX SEF shall engage in conduct or practices inconsistent with just and equitable principles of trade or conduct or practices detrimental to the best interests of the RTX SEF.

**910. Fraud Prohibited**

No Participant shall use or employ, or attempt to use or employ, any manipulative device, scheme, or artifice to defraud, or engage, or attempt to engage, in any act, practice, or course of business, which operates or would operate as a fraud or deceit upon any other Participant.

## **PART 10. DISCIPLINARY PROCEEDINGS**

### **1001. Scope**

The procedures of this Part 10 shall apply to any Person that is subject to, and that is bound by, the Rules of the RTX SEF.

### **1002. Investigations**

(a) **Investigation.** The Compliance Department and its designees are responsible for investigating possible violations of the Rules upon request from Commission staff or the discovery or receipt of information which, in their judgment, indicates a possible basis for finding that a violation has occurred or will occur. Investigations shall be conducted by the Compliance Department in accordance with these Rules. The RTX SEF may contract for the performance of specified functions assigned by these Rules to the Compliance Department to (1) a registered futures association; or (2) a registered entity. The RTX SEF retains ultimate responsibility of the investigations.

(b) **Investigation Report.** After conducting an investigation, the Compliance Department shall prepare a written report including the reason the investigation was initiated, a summary of the complaint, if any, the relevant facts, the Compliance Department's conclusions, analysis and recommendation as to whether disciplinary action should be pursued. This written report shall be produced within twelve months following the initiation of the investigation, absent mitigating circumstances. If the Compliance Department has determined that a reasonable basis exists for finding a violation, it shall make a recommendation as to whether the Disciplinary Committee should proceed with the matter. The Compliance Department may also issue a warning letter to the Person being investigated or forward to the Review Panel of the Disciplinary Committee a recommendation that it issue a warning letter. A warning letter issued to the Person under investigation under this paragraph is not a penalty or an indication that a finding of a violation has been made. But as required under 17 CFR § 37.206(f), RTX SEF may issue no more than one warning letter per rolling twelve-month period to the same Participant for the same violation.

The investigation report shall become part of the investigation file, which shall be maintained by the Compliance Department for a period of not less than five years after the completion of such report. The Compliance Department shall promptly provide the Disciplinary Committee with a copy of each investigation report.

### **1003. Review of Investigation Report**

The Review Panel shall promptly review each investigation report prepared by the Compliance Department. In the event the Review Panel decides that additional investigation or evidence is needed, it shall promptly direct the Compliance Department to conduct further investigation. Within a reasonable period of time not to exceed sixty



days after the receipt of a completed investigation report, the Review Panel shall take one of the following actions:

- (a) If the Review Panel determines that no reasonable basis exists for finding a violation or that prosecution is otherwise unwarranted, it may direct that no further action be taken. Such determination must be in writing and contain a brief statement setting forth the reasons therefore.
- (b) If the Review Panel determines that a reasonable basis exists for finding a violation which should be adjudicated, it shall direct that any Person alleged to have committed the violation be served by Compliance Department with a notice of charges, thus commencing disciplinary proceedings pursuant to these Rules.
- (c) The Review Panel may also determine to issue a warning letter to the Person being investigated. A warning letter issued to Person under investigation under this paragraph is not a penalty or an indication that a finding of a violation has been made.

#### **1004. Respondent**

A Person alleged in a Notice of Charges to have committed a violation shall be referred to as the Respondent.

#### **1005. Notice of Charges**

A written Notice of Charges shall be served by Compliance Department on any Respondent as directed by the Review Panel. A Notice of Charges means a notice of a disciplinary proceeding by RTX SEF Compliance Department that shall include the following:

- (a) State the acts, practices or conduct in which the Respondent is alleged to have engaged;
- (b) State the provision of the Rules alleged to have been, or are about to be, violated;
- (c) State the predetermined penalty, if any;
- (d) State that the Respondent is entitled to a hearing on the charges upon written request served upon the Compliance Department within 30 days of service of the Notice of Charges and filed with the Hearing Panel of the Disciplinary Committee and that failure so to request a hearing within 30 days, except for good cause shown, shall be deemed a waiver of the right to a hearing; and
- (e) State that the Respondent is entitled to serve an answer upon the Compliance Department within 30 days of service of the Notice of Charges and to file such answer with the Hearing Panel and that failure in an answer to deny expressly any allegation or any charge in the Notice of Charges shall be deemed to be an admission of such allegation or charge.

#### **1006. Service**

Service of a Notice of Charges or any other document in a disciplinary proceeding on a Respondent shall be made by personal delivery to the Respondent or the Respondent's agent appointed under Rule 303(b) or by first class mail addressed to the Respondent at the last address filed by the Respondent with, or otherwise known to, the RTX SEF. However, if the Respondent is represented by counsel in the disciplinary proceeding, service shall be by personal delivery to counsel or by first class mail addressed to counsel at the last address filed by counsel with the RTX SEF. Service of any document on the Compliance Department shall be made by personal delivery to the Compliance Department or by first class mail addressed to the Compliance Department, in either case at the address specified in the notice of charges. Filing with the Disciplinary Committee may be made by personal delivery to the Disciplinary Committee or by first class mail addressed to the Disciplinary Committee at the address specified in the notice of charges. Service by mail shall be complete when deposited in an official depository of the United States Postal Service. If service is made by mail, any time period in these Rules calculated with respect to the date of service shall be extended by a period of five days. Service may be effected through electronic mail or facsimile upon the agreement of all parties.

#### **1007. Answer from Respondent**

- (a)** A Respondent receiving a Notice of Charges may serve a written answer to the Notice of Charges upon the Compliance Department and file the answer with the Hearing Panel, provided that:
  - (i)** the answer must be in writing and include a statement that the Respondent admits, denies or is without knowledge or information sufficient to form a belief as to the truth of each allegation.
  - (ii)** failure to serve an answer within 30 days following the service of the Notice of Charges shall be deemed an admission of all allegations contained in the notice of charges.
  - (iii)** failure in an answer to expressly deny any charge or allegation shall be deemed to be an admission of the charge or allegation; provided, however, that a statement of a lack of sufficient knowledge or information to form a belief as to the truth of an allegation shall have the effect of a denial of the allegation.
- (b)** If the Respondent admits or fails to deny any of the charges in a notice of charges, the Hearing Panel may find that the violation of the Rules alleged in the charge has been committed and may impose a penalty no greater than the predetermined penalty, if any, stated in the Notice of Charges for such violation or violations. If no predetermined penalty was so stated, the Hearing Panel shall impose a penalty for each violation found to have been committed.
- (c)** If the Hearing Panel imposes a penalty pursuant to paragraph (b) of this Rule, the Respondent and the Compliance Department shall be promptly served with a written notice of any penalty to be imposed and shall advise the Respondent that he or she may request a hearing on the penalty, provided that a written request for a hearing must be served upon the Compliance Department within

30 days following service of the notice and filed with the Hearing Panel. However, no hearing shall be permitted on a penalty that is less than or equal to the predetermined penalty, except for good cause shown. If the Respondent fails to request a hearing within 30 days following service of the notice, the Respondent shall be deemed to have accepted the penalty, and the decision of the Hearing Panel shall be the final action of the RTX SEF.

#### **1008. Right to Representation**

A Respondent shall be entitled to be represented by legal counsel or any other representative of the Respondent's choosing in any proceedings under this part of the Rule; provided, however, that this Rule does not constitute the basis for any claim that the RTX SEF must furnish an attorney to a Respondent.

#### **1009. Hearings**

- (a) If the Respondent has, in a timely manner, requested a hearing on a charge which is denied in the Respondent's answer or on a penalty imposed by the Hearing Panel pursuant to Rule 206 and this Part 10 (other than a predetermined penalty stated in the notice of charges), the Respondent shall have an opportunity for a hearing on the matter. Such hearing shall be promptly convened after fair notice to the Respondent.
- (b) Any hearing shall be conducted before a Hearing Panel of three members of the Disciplinary Committee.
- (c) The Respondent shall be entitled in advance of the hearing to examine all books, documents, or other tangible evidence in the possession or under the control of the RTX SEF which are to be relied upon by the Compliance Department in presenting the charges contained in the Notice of Charges or which are relevant to those charges or the penalties.
- (d) The formal rules of evidence need not apply; nevertheless, the procedures for the hearing may not be so informal as to deny a fair hearing.
- (e) The Compliance Department shall be a party to the hearing and shall present its case on those charges and penalties which are the subject of the hearing.
- (f) The Respondent shall be entitled to appear personally at the hearing.
- (g) The Respondent shall be entitled to cross-examine any persons appearing as witnesses at the hearing.
- (h) The Respondent shall be entitled to call witnesses and to present such evidence as may be relevant to the charges or the penalties and the Compliance Department shall be entitled to cross-examine any witness called by the Participant.
- (i) The RTX SEF shall require Persons within its jurisdiction called as witnesses to appear at the hearing and to produce evidence. It shall make reasonable efforts to secure the presence of all other Persons called as witnesses whose testimony would be relevant.

- (j) A substantially verbatim record of the hearing shall be made and shall become a part of the record of the proceeding. The record must be one that is capable of being accurately transcribed; however, it need not be transcribed unless the transcript is requested by Commission staff or the Respondent. The record shall be transcribed pursuant to Commission Rule 9.21(a) if the decision is appealed to or reviewed by the Commission. In all other instances, a summary record of the hearing is permitted.
- (k) The cost of transcribing the record of the hearing shall be borne by the Respondent if the Respondent requests the transcript or appeals the decision to the Commission. In all other instances, the cost of transcribing the record shall be borne by the RTX SEF.
- (l) A penalty pursuant to Part 10 may be summarily imposed by the hearing panel of the Disciplinary Committee upon any person within its jurisdiction whose actions impede the progress of a hearing.

**1010. Decision**

- (a) Promptly following the hearing, the Hearing Panel of the Disciplinary Committee shall render a written decision based upon the weight of the evidence contained in the record of the proceeding and shall serve a copy of its decision within 30 days upon the Compliance Department and the Respondent. The decision, shall be the final action of the RTX SEF and shall not be subject to appeal within the RTX SEF. The decision shall become effective at the time set forth therein the decision, which shall be not less than fifteen days after the written decision has been delivered to the Person disciplined or denied access. Where delivery is by U.S. mail, an additional three day period shall be provided prior to the decision becoming effective. *Provided, however,* that a decision may become effective in fewer than fifteen days if, as determined by the RTX SEF and stated in the decision, such an action is necessary to protect the best interests of the RTX SEF, the violation relates to timely submission of accurate records required for clearing, or the disciplined Person consents to the penalty and the timing of its effectiveness. The decision shall include:
  - (i) the Notice of Charges or a summary of the charges;
  - (ii) the answer, if any, or a summary of the answer;
  - (iii) a brief summary of the evidence produced at the hearing or, where appropriate, incorporation by reference of the investigation report;
  - (iv) a statement of findings and conclusions with respect to each charge, a complete explanation of the evidentiary and other basis for such findings and conclusions with respect to each charge and basis for imposing sanctions, and an indication of each specific Rule which the Respondent is found to have violated; and
  - (v) a declaration of any penalty imposed and the effective date of such penalty.

- (b) When a decision under Rules 1010, 1015, or 1016 has become final, the RTX SEF shall—in the event that the Respondent is a member of the National Futures Association—within thirty days, provide a copy of such decision by electronically providing such information to the National Futures Association for entry into its Background Affiliation Status Information Center system.

**1011. Penalties**

- (a) The Hearing Panel of the Disciplinary Committee may impose any one or more of the following penalties for violation of the Rules against any Person that is subject to the jurisdiction of the RTX SEF, including but not limited to, any Participant or Clearing Participant:
  - (i) a censure or reprimand;
  - (ii) suspension of trading privileges;
  - (iii) termination as a Participant or its acceptability as a Clearing Participant;
  - (iv) a fine of up to \$100,000 per violation; or
  - (v) such other penalty as the hearing panel in its discretion shall deem appropriate.
- (b) In the case of any penalty imposed on a Respondent denying access in whole or in part to the RTX SEF's market, the Hearing Panel shall issue an order to all Participants prohibiting them from granting such access, directly or indirectly, and any knowing violation of such an order shall constitute a violation of the Rules.
- (c) Any penalty imposed under Rule 1011, 1012, 1013, 1014, 1015 or 1016 shall be commensurate with the violation committed, shall take into account the respondent's disciplinary history and where applicable, shall include full customer restitution, except where the amount of restitution or to whom it should be provided cannot be reasonably determined.
- (d) Each Participant will be responsible for paying any fine or other amount imposed on but not paid by any of its Supervised Persons.

**1012. Reserved**

### **1013. Settlement**

- (a) At any time after the issuance of a Notice of Charges and prior to the issuance of a decision pursuant to Rule 1010, a Respondent may serve upon the Compliance Department and file with the Disciplinary Committee a written proposal to settle the matter in question. The Disciplinary Committee may accept or reject the settlement proposal, but may not alter its terms unless the Respondent agrees. The Disciplinary Committee, in its discretion, may permit the Respondent to accept a penalty without either admitting or denying the violations upon which the penalty is based.
- (b) If the Disciplinary Committee accepts a settlement proposal, it shall issue a written decision specifying the violations it has reason to believe were committed and any penalty to be imposed. If the settlement proposal specifies that the Respondent is agreeing to accept a penalty without either admitting or denying any violations, the decision shall so state.
- (c) If the Disciplinary Committee does not accept a settlement proposal or if the Respondent withdraws the proposal after its submission but before its final acceptance by the Disciplinary Committee, the proceedings shall continue against the Respondent, but the Respondent shall not be deemed to have made any admissions by reason of the settlement proposal and shall not be otherwise prejudiced by having submitted the settlement proposal.

### **1014. Minor Penalties**

- (a) The Compliance Department may summarily impose a fine against any Participant:

  - (i) for failing to make timely payments of dues, fees, fines, assessments or other charges;
  - (ii) for failing to make timely and accurate submissions to the RTX SEF of notices, reports, or other information required under any provision of the Rules; or
  - (iii) for failing to keep any records required under any provision of the Rules.
- (b) The amounts of the fines for any category of violations which may be imposed pursuant to this Rule shall be set by the RTX SEF from time to time, provided that the minimum fine shall not be less than \$1,000 and the maximum fine for any one violation shall not exceed \$10,000. Nothing contained in this Rule shall preclude any other action against a Participant pursuant to the Rules. The imposition of a fine against a Participant pursuant to this Rule shall be the final action of the RTX SEF if the Participant does not request review as provided in paragraph (c) of this Rule.
- (c) The Compliance Department shall serve a Participant with written notice of a fine imposed pursuant to paragraph (a) of this Rule. Such notice shall specify the date of the occurrence for which the fine is being imposed, the provision or provisions of the Rules giving rise to the fine and the amount of the fine. Within 10 days of the service of such notice, the Participant shall either pay the fine or

serve the RTX SEF with a written request specifying the basis for review of the fine by a hearing panel of the Disciplinary Committee.

#### **1015. Participant Responsibility Actions**

- (a) The RTX SEF may summarily suspend any Participant exercising Trading Privileges or take other summary action if the RTX SEF reasonably believes that such immediate action is necessary to protect the best interests of the marketplace.
- (b) Any action taken against any Participant exercising Trading Privileges pursuant to this Rule shall be taken after notice and an opportunity to be heard, unless the RTX SEF determines that giving such notice or opportunity to be heard before taking such action is not practicable under the circumstances. The notice shall state the action, the reasons for the action, and the effective time and date and the duration of the action. In any case in which action is taken without prior notice and opportunity to be heard, the RTX SEF shall give the Participant notice and an opportunity to be heard promptly thereafter.
- (c) Any hearing held pursuant to this Rule shall be held before a Hearing Panel of the Disciplinary Committee and shall be conducted in compliance with Part 10.
- (d) Promptly following the hearing held pursuant to this Rule, the Hearing Panel of the Disciplinary Committee shall render a written decision based upon the weight of the evidence contained in the record of the proceeding and shall serve a copy of such decision on the Participant and the Compliance Department. The decision shall be the final action of the RTX SEF and shall not be subject to appeal within the RTX SEF. The decision shall include:
  - (i) a description of any summary action taken or proposed to be taken;
  - (ii) the reasons for the summary action;
  - (iii) a brief summary of the evidence produced at the hearing;
  - (iv) findings and conclusions;
  - (v) a determination that the summary action should be affirmed, modified, reversed, or imposed; and
  - (vi) a declaration of any summary action to be taken pursuant to the determination specified in subparagraph (v) and the effective date and duration of the action.

#### **1016. Action Against Non-Participants**

- (a) If the Compliance Department has reason to believe that any non-Participant is conducting his trading activities in violation of the Commodity Exchange Act, Commission Rules or these Rules, it may require the non-Participant and any Participant that handles or clears the non-Participant's trades to appear, produce documents and testify at a Compliance Department interview or investigation, or at a hearing before the Disciplinary Committee.

- (b) If, after hearing, the Disciplinary Committee determines that the actions of the non- Participant violate the Commodity Exchange Act, the Commission Rules or these Rules, the Disciplinary Committee may: 1) issue a censure or reprimand; 2) order any Clearing Participant to liquidate all or any portion of such non-Participant's position; 3) order that no Participant accept new positions on behalf of any such non-Participant; 4) deny or terminate access of such non-Participant to the Trading System and the RTX SEF; 5) impose any Penalty authorized under Rule 1011, or 6) order such other action as is necessary to prevent a threat to the integrity of the market or to RTX SEF or further violations of the Commodity Exchange Act or these Rules.
- (c) In the case of a penalty imposed on a Respondent that is not a Participant denying access to the RTX SEF, the Hearing Panel shall issue an order to all Participants prohibiting them from granting such access, directly or indirectly, and any knowing violation of such an order shall constitute a violation of the Rules.

**1017. Conflicts of Interest or Bias**

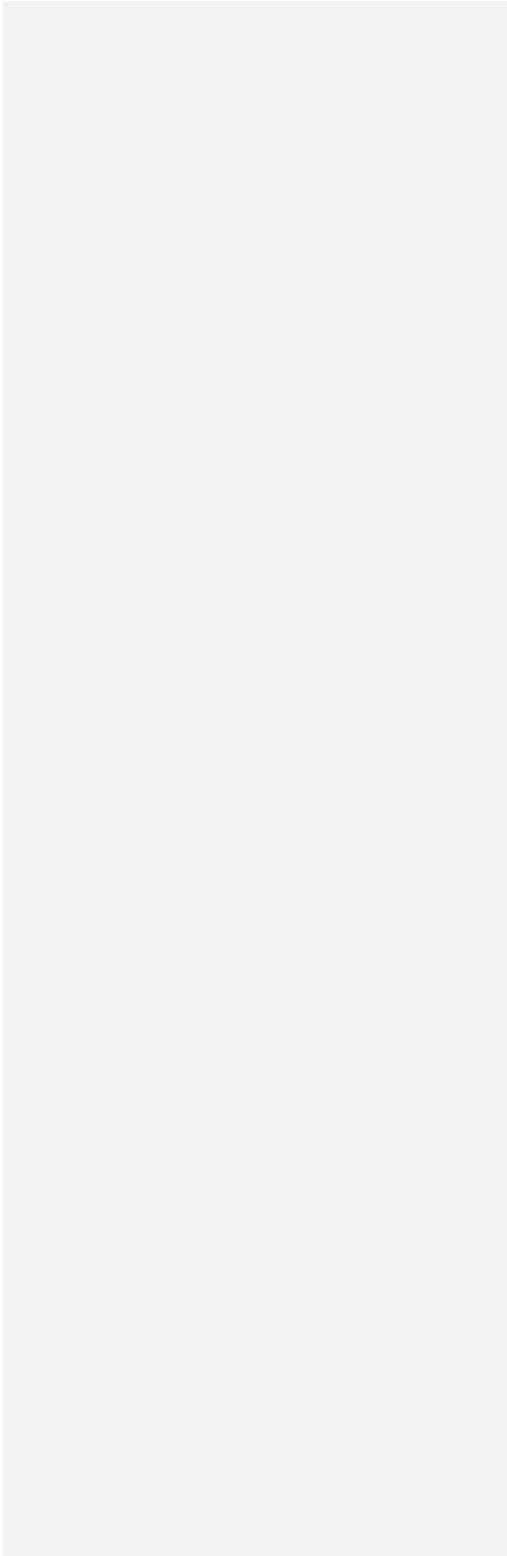
- (a) No member of any committee of the RTX SEF shall knowingly participate in the committee's deliberations and voting on any matter involving a named party-in-interest where the member is precluded from doing so pursuant to Part 2.
- (b) Prior to the consideration of any matter involving a named party-in-interest, each member of a committee of the RTX SEF must disclose to the Chief Compliance Officer of the RTX SEF (or to his or her designee) whether he or she has any one of the relationships listed in Rules 207 and 209 with the named party-in-interest.
- (c) Any Respondent which is a named party-in-interest in any proceeding under this Part of the Rules may serve a written request on the Chief Compliance Officer of the RTX SEF for disqualification of any member of any committee of the RTX SEF on the grounds that such member has one of the relationships listed in Rules 207 or 209 or that any other cause exists which might cause the member to have a bias against such Respondent.
- (d) The Chief Compliance Officer (or his or her designee) shall determine whether or not any member of a committee of the RTX SEF will be disqualified from deliberating, voting or otherwise participating in any matter based upon:
  - (i) information provided by such Participant pursuant to paragraph (b) of this Rule;
  - (ii) information provided by a Respondent which is a named party-in-interest pursuant to paragraph (c) of this Rule; and
  - (iii) any other source of information that is reasonably available to the RTX SEF.
- (e) The Chief Compliance Officer (or his or her designee) shall promptly serve written notice of his or her determination on the member of the committee and



on the Respondent which is the named party-in-interest, and such determination shall be final and not subject to appeal within the RTX SEF.

No employee of the Compliance Department or any other employee of the RTX SEF may serve in any investigatory, prosecutorial or decision-making capacity relating to any matter involving a named party-in-interest if he or she would be precluded from participating in deliberations and voting on such matters pursuant to Part 2 if he or she were a member of a committee of the RTX SEF. The provisions of paragraphs (b) through (e) of this Rule shall be applicable to such employee of the RTX SEF as though such person were a member of a committee of the RTX SEF.

**PART 11. RESERVED**



## **PART 12. MISCELLANEOUS**

### **1201. Prohibition of Compensation to RTX SEF Employees**

No Participant, Affiliate of a Participant or employee thereof shall give any compensation or gratuity to any RTX SEF employee, and no RTX SEF employee shall accept any compensation or gratuity from any Participant, Affiliate of a Participant or employee thereof; provided that the foregoing shall not preclude giving or accepting items of nominal value.

### **1202. Rule Adoption, Amendment, and Repeal**

- (a)** Rules may be adopted, amended or repealed by the RTX SEF as provided in these Rules. However, no Rule and no amendment or repeal of a Rule shall apply to any Swap or Swap entered into prior to the adoption thereof if such Rule, amendment or repeal would affect the amount of money to be paid, or would affect the specifications of the Swap or Underlying Commodity to be delivered, under such Swap, unless emergency action has been taken pursuant to Rule 208.
- (b)** Unless a Rule is adopted, amended or repealed as an emergency action pursuant to Rule 208, or it is otherwise impracticable under the circumstances, the RTX SEF shall:
  - (i)** post on its website the submission to the Commission certifying or requesting approval of such Rule, Rule amendment or Rule repeal for a period of not less than five business days prior to filing the submission with the Commission;
  - (ii)** notify Participants of the posting of the submission when it is first posted; and
  - (iii)** accept comments on the submission from Participants and the public from the time of posting until the conclusion of the Commission's review period.

### **1203. Confidentiality of Information**

- (a)** Except as provided in Rule 309, all information received by the RTX SEF concerning positions, margin or premium payments, or deliveries, financial statements filed with the RTX SEF, or other non-public information submitted to the RTX SEF for regulatory purposes by any Participant ("Participant Information"), shall be held in confidence by the RTX SEF and shall not be made known to any other Person except as follows:
  - (i)** With the written consent of the Participant providing such information;
  - (ii)** To the Commission or the United States Department of Justice pursuant to the requirements of the Commodity Exchange Act or any Regulation of the Commission or of any other Governmental Agency with

jurisdiction over the RTX SEF, which would allow the RTX SEF to carry out such information-sharing agreements and international information-sharing agreements as the CFTC may require;

- (iii) Pursuant to a subpoena issued by or on behalf of any Person or, in the RTX SEF's discretion, pursuant to a written request from the Congress of the United States, any committee or subcommittee thereof, the General Accounting Office, or any department or agency of the United States, the State of New York or the City of New York;
- (iv) Pursuant to an order issued by a court having jurisdiction over the RTX SEF;
- (v) To any SRO or authority acting under contract to the RTX SEF for performance of SRO functions, for audit, compliance, surveillance, or disciplinary purposes;
- (vi) To any Person in the business of providing data processing or similar services for the purpose of performing computations or analysis, or of preparing reports or records, for the RTX SEF, subject to reasonable confidential safeguards;
- (vii) To counsel for the RTX SEF; or
- (viii) To any other Person to the extent and pursuant to such terms and conditions as the RTX SEF, from time to time, may deem appropriate, employing reasonable confidential safeguards.

In addition, the RTX SEF shall share information with other regulatory organizations, data repositories, and third-party data reporting services as required by the Commission or as otherwise necessary and appropriate to fulfill its self-regulatory and reporting responsibilities.

- (b) Participant Information shall not include information which is:
  - (i) in or becomes part of the public domain;
  - (ii) known to or obtained by such party previously without an obligation of confidentiality;
  - (iii) independently developed by such party outside of this Agreement;
  - (iv) required to be disclosed by Applicable Law, or pursuant to a subpoena or order of a court or regulatory, self-regulatory or legislative body of competent jurisdiction, or in connection with any regulatory or self-regulatory request for information, or that the RTX SEF otherwise deems advisable, in its discretion, to disclose to a governmental, self-regulatory or legislative organization.; or
  - (v) information submitted by Participants that is displayed by the RTX SEF on the Trading System or otherwise distributed or sold by the RTX SEF regarding Bids, Offers, or executed transactions, provided that such displays and distributed or sold information shall not identify Participant by name, unless the RTX SEF is explicitly directed to do so by Participant

and only then for the express purposes set forth in and under conditions in compliance with the Rules.

- (c) If information concerning one or more named Participants is requested pursuant to paragraphs (b), (c) or (d) above, the RTX SEF shall notify each such Participant prior to furnishing such information, unless in the judgment of the RTX SEF it would be contrary to the best interests of the RTX SEF to do so.

#### **1205. Limitation of Liability**

- (a) Business on the Trading System may from time to time be suspended or restricted or the RTX SEF may from time to time be closed for a temporary period or for such longer period as may be determined in accordance with the Rules including, without limitation, as a result of a decision taken under Rule 208 on the occurrence of one or more events which require such action to be taken in the interests of maintaining a fair and orderly market. Any such action may result in the inability of one or more Participants to enter into Swaps. Furthermore, a Participant may from time to time be prevented or hindered from entering into Swaps, or trading Swaps, or errors in orders for Swaps and/or Swaps may arise, or submission of trades to the Clearing Organization or to a confirmation/affirmation platform may be delayed, as a result of a failure or malfunction of communications, equipment, market facilities, the Trading System, or software supplied to a Participant by the RTX SEF or any other Person.
- (b) EXCEPT IN INSTANCES WHERE THERE HAS BEEN A FINDING OF FRAUD OR WILLFUL OR WANTON MISCONDUCT, IN WHICH CASE THE PARTY FOUND TO HAVE ENGAGED IN SUCH CONDUCT CANNOT AVAIL ITSELF OF THE PROTECTIONS OF THIS RULE, THE RTX SEF (INCLUDING ITS AFFILIATES), THE CLEARING ORGANIZATION, CLEARING PARTICIPANTS, PARTICIPANTS AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, LICENSORS AND SERVICE PROVIDERS AND VENDORS (EACH, A "DISCLAIMING PARTY" AND COLLECTIVELY, "DISCLAIMING PARTIES") SHALL NOT BE LIABLE TO ANY PERSON FOR ANY LOSS, DAMAGE OR COST (INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES AND COURT COSTS), WHETHER DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, LOST PROFITS OR OTHERWISE OF ANY KIND, REGARDLESS OF WHETHER ANY OF THEM HAS BEEN ADVISED OR IS OTHERWISE AWARE OF THE POSSIBILITY OF SUCH DAMAGES, ARISING OUT OF THE USE OR PERFORMANCE OF THE TRADING SYSTEM, ANY COMPONENT(S) THEREOF, OR ANY FAULT, FAILURE, MALFUNCTION OR OTHER ALLEGED DEFECT IN THE TRADING SYSTEM, INCLUDING ANY INABILITY TO ENTER OR CANCEL ORDERS IN THE TRADING SYSTEM, OR ANY FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY OR TERMINATION, OR ANY OTHER CAUSE IN CONNECTION WITH THE FURNISHING, PERFORMANCE, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF THE TRADING SYSTEM, INCLUDING BUT NOT LIMITED TO (1) ANY OF THE CIRCUMSTANCES OR OCCURRENCES REFERRED TO IN PARAGRAPH (a) OF THIS RULE OR (2) ANY FAILURE OR DELAY IN TRANSMISSION OF ORDERS OR TRADES OR LOSS OF ORDERS OR TRADES RESULTING FROM (A) MALFUNCTION OF THE TRADING SYSTEM, (B) DISRUPTION

OF COMMON CARRIER LINES, (C) LOSS OF POWER, (D) ACTS OR FAILURES TO ACT OF ANY THIRD PARTY, (E) NATURAL DISASTERS OR (F) ANY AND ALL OTHER CAUSES. THE FOREGOING SHALL APPLY REGARDLESS OF WHETHER A CLAIM ARISES IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE. THE FOREGOING LIMITATIONS ARE CUMULATIVE AND SHALL NOT LIMIT OR RESTRICT THE APPLICABILITY OF ANY OTHER LIMITATION OR RULE, TRADING PROCEDURE OR NOTICE OF THE RTX SEF OR RULE OF THE CLEARING ORGANIZATION.

- (c) THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS PROVIDED BY ANY DISCLAIMING PARTY RELATING TO THE TRADING SYSTEM OR ANY FACILITY SERVICE OR FACILITIES USED TO SUPPORT THE TRADING SYSTEM, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY AND WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR USE.
- (d) IF ANY OF THE FOREGOING LIMITS ON THE LIABILITY OF A DISCLAIMING PARTY SHOULD BE DEEMED TO BE INVALID, INEFFECTIVE, OR UNENFORCEABLE OR IN THE EVENT THE RTX SEF ELECTS TO ASSUME RESPONSIBILITY FOR DIRECT, OUT OF POCKET LOSSES DIRECTLY CAUSED BY THE GROSS NEGLIGENCE OF A DISCLAIMING PARTY AND ANY PARTICIPANT OR THIRD PARTY SUSTAINS A LOSS, DAMAGE OR COST RESULTING FROM USE OF THE TRADING SYSTEM, THE ENTIRE LIABILITY OF ALL DISCLAIMING PARTIES SHALL NOT EXCEED \$50,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES ON A SINGLE CALENDAR DAY; \$200,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES IN A SINGLE CALENDAR MONTH; AND \$500,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES IN A SINGLE CALENDAR YEAR. IF THE NUMBER OF ALLOWED CLAIMS ARISING OUT OF ANY FAILURE OR MALFUNCTIONS ON A SINGLE DAY OR SINGLE MONTH CANNOT BE FULLY SATISFIED BECAUSE OF THE ABOVE DOLLAR LIMITATIONS, ALL SUCH CLAIMS SHALL BE LIMITED TO A PRO RATA SHARE OF THE MAXIMUM AMOUNT FOR THE RESPECTIVE PERIOD.
- (e) NOTWITHSTANDING ANY OF THE FOREGOING, THIS RULE SHALL IN NO WAY LIMIT THE APPLICABILITY OF ANY PROVISION OF THE ACT OR COMMISSION REGULATIONS.

#### **1206. Dispute Resolution**

- (a) **Choice of Law.** The law of the State of New York shall govern any dispute arising between the RTX SEF and a Participant without giving effect to the provisions, policies or principles of any state law relating to choice or conflict of laws.
- (b) **Arbitration Required.** Any dispute arising between the RTX SEF and a Participant must be brought to arbitration within one (1) year from the occurrence of the event giving rise to the dispute. Any such dispute shall be settled by arbitration administered in New York, NY by the American Arbitration Association (the "AAA") under its Commercial Arbitration Rules. The dispute will be submitted to one arbitrator that has experience with and knowledge of commodities, derivatives and Swaps as listed on the National Roster of Arbitrators, and who is appointed by the AAA. Judgment on the award rendered by the arbitrator will be binding on the parties and may be entered in

any state or federal court sitting in New York, New York, and the parties shall be deemed to have consented to the personal jurisdiction of any such court. Each party to the arbitration shall bear its own costs and expenses, as well as an equal share of the administrative and arbitrator fees. However, the arbitrator may reimburse the prevailing party for its costs and expenses in any award. If for any reason this Arbitration provision is unenforceable, the parties hereby consent to the venue and jurisdiction of the federal and state courts located in New York, New York, and waive any objection thereto. Each Party hereby waives its right to trial by jury in any such action.

#### **1207. Publication of Information**

The RTX SEF as provided by Commission Rule 16.01 shall record for each business day and publish on its website, [www.rtxfintech.com](http://www.rtxfintech.com), in pdf format, market data on swaps. For daily settlement prices, RTX SEF will publish such prices to its website before 7 p.m. each Business Day as provided under Rule 807.

#### **1208. Trading System**

Each Participant and other Persons affiliated with the foregoing hereby acknowledges and agrees that the RTX SEF owns and shall retain all right, title and interest in and to the Trading System and related, associated and/or supporting systems administered by or on behalf of the RTX SEF (including, without limitation, the ones for order entry, confirmation and reporting of the Swap transactions, whether entered through the Electronic Order Book, Voice Order Book, all components of all of the foregoing, including, without limitation, all related applications, all application programming interfaces, user interface designs, software and source code and any and all intellectual property rights therein, including, without limitation, all registered or unregistered, as applicable copyright, trade mark, service mark, trade secret, trade name, data or database rights, design rights, moral rights, inventions, whether or not capable or protection by patent or registration, rights in commercial information or technical information, including, without limitation, know-how, research and development data and manufacturing methods, patent, and other intellectual property and ownership rights, including, without limitation, applications for the grant of any of the same, in or to any and all of the foregoing and all other related proprietary rights of the RTX SEF and/or any of its Affiliates (together, with any and all enhancements, corrections, bug fixes, updates and other modifications to any of the foregoing and any and all data or information of any kind transmitted by means of any of the foregoing, "Proprietary Information"). Each Participant, on behalf of itself and each of its Affiliates, and other Persons affiliated with the foregoing, further acknowledges and agrees that the Proprietary Information is the exclusive, valuable and confidential property of the RTX SEF. Each Participant acknowledges and agrees that it shall not and shall not permit its Affiliates, and other Persons affiliated with any of the foregoing to, reverse engineer, copy, bug fix, correct, update, transfer, reproduce, republish, broadcast, create derivative works based on or otherwise modify, in any manner, all or any part of the Trading System or the Proprietary Information. Each Participant further agrees to and shall cause each of its Affiliates, and other Persons affiliated with any of the foregoing

to, keep the Proprietary Information confidential and not to use (except that each Participant may use solely internally for the purposes of the Participant executing Swap transactions on the Trading System), and not to transfer, rent, lease, loan, sell or distribute, directly or indirectly, all or any portion of the Trading System or any Proprietary Information.

#### **1209. Enforceability**

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

- (a) A violation by the swap execution facility of the provisions of section 5h of the Act or the Commission's rules;
- (b) Any Commission proceeding to alter or supplement a rule, term, or condition under section 8a(7) of the Act or to declare an emergency under section 8a(9) of the Act; or
- (c) Any other proceeding the effect of which is to:
  - (i) Alter or supplement a specific term or condition or trading rule or procedure; or
  - (ii) Require the RTX SEF to adopt a specific term or condition, trading rule or procedure, or to take or refrain from taking a specific action.

#### **1210. Audit Trail**

The RTX SEF shall make available all audit trail data and reconstructions to the Commission in a form, manner and time that is acceptable to the Commission.

#### **1211. Conflicts with Governing Documents**

In the event of any conflict between any provision of these Rules and any provision of the governing documents of the RTX SEF, the provision of the governing documents shall govern, except where the governing documents provide otherwise.

#### **1212. Time References.**

Except as may be otherwise expressly provided in these Rules, all references to times in these Rules shall be to the local time prevailing in New York, New York.



## **PART 13. PRODUCTS**

### **1301. Swap Contracts Made Available to Trade**

Every Swap or an economically equivalent Swap that is required to be cleared under Commission Rule 37.10 and which has been made available for trading on a swap execution facility and which is listed for trading on the RTX SEF is Made Available to Trade on the RTX SEF—*provided, however*, that the following Swaps listed or offered for trading on or subject to the Rules of the RTX SEF shall not be considered to be Made Available to Trade on the RTX SEF:

- (a) Block trades as provided under Rule 510.

### **1302. Position Limits or Position Accountability**

To reduce the potential threat of market manipulation or congestion, the RTX SEF shall adopt for each of the contracts of the RTX SEF, as is deemed necessary and appropriate by the RTX SEF, position limitations or position accountability levels for speculators. The RTX SEF shall on an on-going basis monitor positions established on or through the RTX SEF for unusual activity, including but not limited to, unusual volumes, patterns or concentrations of transactions.

For any contract that is subject to a position limitation established by the Commission pursuant to section 4a(a) of the Act, the RTX SEF shall: (1) set its position limitation at a level no higher than the Commission limitation; and (2) monitor positions established on or through the RTX SEF for compliance with the limit set by the Commission and the limit, if any, set by the RTX SEF.

### **1303. Risk Controls for Trading**

- (a) To reduce the potential for market disruption, the RTX SEF may, in its discretion, take any action that it deems necessary and appropriate, including but not limited to restricting or halting trading when doing so is in the best interest of the swap market.
- (b) The RTX SEF may impose a similar risk control action taken by another market trading a Swap that is fungible with, or a substitute for, a Swap traded on the RTX SEF.
- (c) **Required Determinations.** Before taking any action in accordance with this Rule, the RTX SEF shall first determine that the action is necessary, appropriate, and not an undue interference on the swap market's price discovery function. Further, the RTX SEF shall document its process for further evaluation and notify its Participants ahead of any action taken.

**1304. Swaps Listed for Trading**

The terms and conditions of the Swaps Listed for trading on the RTX SEF shall be as provided in Attachment A to these Rules. The RTX SEF shall list for trading only Swaps that are not readily susceptible to manipulation, having certified such swaps listed for trading (or in the discretion of the RTX SEF, having submitted such Swaps for voluntary approval under 17 C.F.R. 40.3) and having submitted any required supporting information set forth in 17 C.F.R. Part 38, Appendix C.