

iSwap SEF Application

Exhibit R – Trading Standards

Market Appendix 3 to the Venue Rulebook – Trading Standards

Market Appendix 3 - Trading Standards

1) Fraudulent Statements and Acts

- a) No Participant shall make or attempt to make any untrue or misleading statement of a material fact or to omit to state a material fact necessary in order to make the statements made not untrue or misleading, in connection with or related to any transaction on or other activity related to iSwap.
- b) No Participant or other Person shall engage or attempt to engage, directly or indirectly, in any fraudulent act, practice, or course of business which operates or would operate as a fraud or deceit upon any person or any manipulative device, scheme, or artifice to defraud, deceive, trick or mislead another person (including iSwap) in connection with or related to any transaction on or other activity related to the SEF, including trading ahead of customer orders, improperly trading against customer orders, improper cross trading, accommodation trading, or front running.

2) Abusive Trading Practices

- a) No Participant shall create fictitious or wash transactions or execute any Bid/Offer for a fictitious or wash transaction with knowledge of its nature.
- b) No Participant shall engage in trading for the purpose of passing money or transferring equity from one account to another.
- c) No Participant shall engage in front running, accommodation trading or improper cross trading.

3) Good Faith Bids/Offers

- a) A Participant shall not knowingly enter, or cause to be entered, a Bid/Offer or RFQ other than in good faith for the purpose of executing bona fide transactions.
- b) A Participant shall not knowingly enter, or cause to be entered, a Bid/Offer or RFQ unless such Participant has sufficient funds to provide the required collateral for the related Trade should the Trade be executed.

4) Pre-Execution Discussions and Pre-Arranged Transactions

- a) No Participant shall prearrange or pre-negotiate or non-competitively execute any transaction except as follows:
 - i. Block Trades are not subject to this prohibition

- ii. To comply with a request of the Commission, the US Department of Justice, any SRO or an applicable prudential regulator including but not limited to the AFM, FCA or as otherwise required by law.

5) Manipulation and Price Distortion

- a) Any manipulation or attempted manipulation of the price of any Trade is prohibited.
- b) Bids/Offer or or Permitted Transactions negotiated and agreed to outside the Venue's Order Book, at prices mutually agreed, with regard to Trades that have been designated by iSwap for such purpose (each such transaction a "**Pre-Arranged Cross**") entered into a Trading Platform for the purpose of upsetting the equilibrium of the market in any Trade or creating a condition in which prices do not or will not reflect fair market values are prohibited and it shall also be prohibited for any Participant to make or assist in entering any such Bid/Offer or Pre-Arranged Cross with knowledge of the purpose thereof or, with such knowledge, to assist in carrying out any plan or scheme for the entering of any such Bid/Offer or Pre-Arranged Cross.
- c) Any other manipulative and disruptive behaviour not otherwise prohibited by the Rules is prohibited to the extent prohibited by the Act or Commission Regulations, including but not limited to Commodity Exchange Act Sections 6(c)(Prohibiting manipulation and attempted manipulation), 9(a)(2)(Defining as a felony certain manipulative conduct), 4c(a)(5)(A) (Prohibiting trading that violates bids or offers) and (C)(Prohibiting spoofing) and Commission Regulations 180.1(a)(Prohibiting the use or attempted use of manipulative and deceptive devices) and 180.2(Prohibiting price manipulation).

6) Disruptive Trading Practices

- a) No Participant shall enter or cause to be entered any Bid/Offer or Pre-Arranged Cross or other message with the intent to adversely impact, or with reckless disregard for the adverse impact on, the orderly conduct of trading or the fair execution of transactions.
- b) No Participant shall enter or cause to be entered any Bid/Offer or Pre-Arranged Cross or other message with the intent to:
 - 1 Misperceive other Participants
 - 2 Overload, delay or disrupt the iSwap Venue systems.
 - 3 Disrupt the orderly conduct of trading or the fair execution of transactions.
- c) No Participant shall engage in any trading, practice or conduct on the iSwap Venue or subject to the Rules that (i) demonstrates intentional or reckless disregard for the orderly execution of transactions during the closing period; (ii) is, is of the character of, or is commonly known to the trade as, "spoofing" (entering a Bid/Offer with the intent to cancel the Bid/Offer before execution); or (iii) is any other manipulative or disruptive trading practice prohibited by the Act or Commission Regulations.

7) General Offences

- a) It will be an offence for a Participant to:
- i. violate any Rule regulating the conduct or business of a Participant or any agreement made with iSwap;
 - ii. engage in any act detrimental to iSwap's operations or self-regulatory function or iSwap's ability to enforce its Rules or is detrimental to its interest or welfare;
 - iii. fail to observe the proper standards of conduct expected of market participants;
 - iv. engage in any conduct which tends to impair the dignity or good name of the iSwap Venue;
 - v. engage in conduct inconsistent with just and equitable principles of trade;
 - vi. engage in dishonourable or uncommercial conduct;
 - vii. aid or abet the commission of any Violation by another person;
 - viii. fail to supervise its employees or agents in the conduct of the Participant's business related to the iSwap Venue, including, but not limited to establishing, maintaining and administering supervisory procedures that are reasonably designed to ensure compliance with the Rules;
 - ix. engage in conduct in violation of Applicable Law or the rules of any Derivatives Clearing Organization which clears a Cleared Trade in connection with or related to any transaction on or other activity; and.
 - x. to, directly or indirectly, make or attempt to make any misstatement of a material fact to iSwap (including the Board, any committee, any disciplinary panel or appeals panel or any iSwap official) or omit to state a material fact necessary in order to make the statement made, in the light of the circumstances under which they were made, not untrue or misleading.

8) Position Limits and Position Accountability

- a) To reduce the potential threat of market manipulation or congestion, the iSwap Venue shall adopt for each Trade, as is necessary and appropriate, Position Limits or position accountability levels for speculators.
- b) iSwap hereby adopts the Commission's Position Limits for any Trade for which the Commission has adopted a Position Limit. In no event will iSwap set its Position Limits at a level higher than the Commission's Position Limits.

- c) All Participants must comply with all iSwap and Commission requirements regarding Position Limits or position accountability levels.
- d) Each Participant required to file any report, statement, form or other information with the Commission pursuant to Commission Regulations concerning a Position Limit on any Trade or commodity underlying a Trade must simultaneously file a copy of such report, statement, form or other information with iSwap.
- e) Any Participant who exceeds an iSwap or Commission Position Limit by entering into a transaction on the iSwap Venue shall be deemed in Violation. In addition, any Participant entering bids or offers, if accepted, which would cause that Participant to exceed the applicable iSwap or Commission Position Limit, shall be in Violation.
- f) Without limiting any provision of these Rules, iSwap shall have the authority to obtain from any Participant, on request, information with respect to all positions of such Participant in Trade which are equivalent, for purposes of iSwap or Commission Position Limits, to those transacted in by the Participant on the iSwap Venue.

9) Recordkeeping

- a) The iSwap Venue only permits the following customer type indicator (“CTI”) code for Order, RFQ or response to an RFQ:
 - a. CTI 1 - Transactions initiated and executed by a Participant for its own account, for an account it controls or for an account in which it has an ownership or financial interest.
- b) CTI 1 will be the default CTI code for all Orders, RFQs or responses to RFQs but each Participant may assign a different CTI to its Orders, RFQs or responses to RFQs.