

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): _____

Organization: _____

Filing as a: **DCM** **SEF** **DCO** **SDR** Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): _____ Filing Description:

SPECIFY FILING TYPE Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

Certification	§ 40.6(a)
Approval	§ 40.5(a)
Notification	§ 40.6(d)
Advance Notice of SIDCO Rule Change	§ 40.10(a)
SIDCO Emergency Rule Change	§ 40.10(h)

Rule Numbers: _____

New Product Please note only ONE product per Submission.

Certification	§ 40.2(a)
Certification Security Futures	§ 41.23(a)
Certification Swap Class	§ 40.2(d)
Approval	§ 40.3(a)
Approval Security Futures	§ 41.23(b)
Novel Derivative Product Notification	§ 40.12(a)
Swap Submission	§ 39.5

Official Product Name: _____

Product Terms and Conditions (product related Rules and Rule Amendments)

Certification	§ 40.6(a)
Certification Made Available to Trade Determination	§ 40.6(a)
Certification Security Futures	§ 41.24(a)
Delisting (No Open Interest)	§ 40.6(a)
Approval	§ 40.5(a)
Approval Made Available to Trade Determination	§ 40.5(a)
Approval Security Futures	§ 41.24(b)
Approval Amendments to enumerated agricultural products	§ 40.4(a), § 40.5(a)
“Non-Material Agricultural Rule Change”	§ 40.4(b)(5)
Notification	§ 40.6(d)

Official Name(s) of Product(s) Affected: _____

Rule Numbers: _____



February 27, 2023

Submitted via CFTC Portal

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: SpectrAxe LLC – Amendment of Rulebook (Rules 101, 211 and 407)

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c) of the Commodity Exchange Act (the “Act”) and Section 40.6(a) of the regulations of the Commodity Futures Trading Commission (the “Commission”), SpectrAxe LLC (“SpectrAxe”) hereby submits amendments to its Rulebook related to the above-captioned Rules (the “Amended Rules”). Specifically, the Rulebook has been amended as detailed in Attachment A.

The amendments will become effective on March 13, 2023, no fewer than ten business days from the date hereof.

In connection with this submission, SpectrAxe hereby notifies the Commission that:

1. SpectrAxe certifies that it has posted a notice of this pending certification with the Commission and a copy of this submission on SpectrAxe’s website, including redlines of the Amended Rules, which are attached hereto as Attachment B, and a copy of the Amended Rules, which are attached hereto as Attachment C;
2. SpectrAxe certifies that the Amended Rules comply with the Act and the Commission’s regulations thereunder; and
3. No substantive opposing views with respect to the Amended Rules were expressed to SpectrAxe by its governing board or committee members, members of SpectrAxe or market participants.

* * *

Should you have questions regarding this submission, please do not hesitate to contact Cheryl L. Isaac, K&L Gates, LLP at +1-202-778-9089 or Cheryl.Isaac@klgates.com, or the undersigned at +1-212-651-3186 or bflaster@spectraxe.com.

Very truly yours,

A handwritten signature in black ink, appearing to read "Bradley Flaster".

Bradley Flaster
Chief Compliance Officer
SpectrAxe

Attachment A

Explanation of Changes

Rule	Description of Change	Explanation of Change
101 (Defined Terms)	The following terms were updated: <ul style="list-style-type: none"> • Limits • PFI Facilitation Agreement 	Explanation of Updated Terms <ul style="list-style-type: none"> • The definition of “Limits” was updated to reflect operational changes. • The definition of “PFI Facilitation Agreement” was updated to reflect operational changes. <p>These changes do not directly implicate the swap execution facility core principles (Core Principles) established under the Commodity Exchange Act.</p>
211 (Chief Compliance Officer)	An unused defined term was removed.	The reference to “the Regulatory Service Provider” was changed to a general reference to “a regulatory service provider.” <p>This change does not directly implicate the Core Principles.</p>
407 (Price Adjustments, Cancellations and Review of Executed Orders by the Company)	Rule 407(d)(i)(A) clarifies that a PFI may request to cancel or modify a Trade that is executed in excess or in violation of a Limit on the aggregate exposure a PFI has to another PFI.	The inclusion of Limits on the aggregate exposure a PFI has to another PFI reflects operational changes. <p>This change does not directly implicate the Core Principles.</p>

Mr. Christopher J. Kirkpatrick
Commodity Futures Trading Commission
February 27, 2023

Attachment B

Redline Versions of the Amended Rules
(Rules 101, 211 and 407)

CHAPTER 1. DEFINITIONS; INTERPRETATION; AMENDMENTS

101. Defined Terms

Unless otherwise specified in these Rules or unless the context otherwise requires, the terms defined below in this Rule 101 shall for all purposes of these Rules have the meanings specified herein.

AAA

The term “AAA” means the American Arbitration Association.

Affiliate

An “Affiliate” of, or a Person “Affiliated” with, another Person means a Person who, directly or indirectly, Controls, is Controlled by, or is under common Control with, such other Person.

API

The term “API” means application programming interface.

Appeals Panel

The term “Appeals Panel” means a panel appointed by the CCO pursuant to Rule 716(g).

Applicable Law

The term “Applicable Law” means, with respect to any Person, any statute, law, regulation, rule or ordinance of any governmental authority, or self-regulatory organization applicable to such Person, including without limitation the CEA, the Exchange Act and CFTC Regulations.

Audit Trail

The term “Audit Trail” has the meaning given to that term in Rule 505(a).

Authorized User

The term “Authorized User” means any natural person who is an agent or employee of a PFI, a Participant or any other Person that has been authorized to access the SEF. In the case a computer or system is used to access the SEF via an API, the natural person designated to be responsible for such computer or system’s activity on the SEF shall be the Authorized User.

Beneficial Ownership or Beneficially Owned

The term “Beneficial Ownership,” or an interest “Beneficially Owned” by any Person, means, with respect to an account, a direct or indirect (through one or more subsidiaries or Affiliates) pecuniary interest in the account (through any Swap, arrangement, understanding, relationship or otherwise).

Board

The term “Board” means the Board of Directors of the Company constituted in accordance with the LLC Agreement, these Rules and Applicable Law.

Cancel Order

The term “Cancel Order” means an Order that cancels fully or partially an existing Order.

Cancel Replace Order

The term “Cancel Replace Order” means an Order to cancel fully or partially an existing Order and replace it with a new Order for a different quantity or price.

CFTC

The term “CFTC” means the Commodity Futures Trading Commission and includes any successor agency or authority.

CFTC Regulation

The term “CFTC Regulation” means any rule, regulation, order or directive and any published interpretation thereof adopted or promulgated from time to time by the CFTC.

Chief Compliance Officer

The term “Chief Compliance Officer” (or “CCO”) means the individual appointed by the Board from time to time to oversee compliance matters in accordance with Rule 211.

Chief Executive Officer

The term “Chief Executive Officer” (or “CEO”) means the individual appointed by the Board from time to time to serve as chief executive officer of the Company.

Chief Operating Officer

The term “Chief Operating Officer” (or “COO”) means the individual appointed by the Board from time to time to serve as chief operations officer of the Company.

Cleared Swap

The term “Cleared Swap” means a Swap that is required to be cleared by a DCO pursuant to Section 2(h)(1) of the CEA and CFTC Regulation 50.2 (Treatment of Swaps Subject to a Clearing Requirement) or is otherwise designated by or on behalf of the parties to be submitted to a DCO for clearing, including a New Swap/Old Terms or New Swap/Corrected Terms, including any such Swap that is rejected from clearing by the applicable DCO. As of the date of this Rulebook, the SEF does not offer Cleared Swaps.

Client Account

The term “Client Account” means a Person that has granted investment discretion to trade on its behalf.

Commodity Exchange Act

The term “Commodity Exchange Act” (or “CEA”) means the law set forth at 7 U.S.C. § 1, *et. seq.*

Company

The term “Company” will be SpectrAxe, LLC.

Company Official

The term “Company Official” means any Officer of, or individual employed directly by, the Company or any individual rendering similar services on behalf of the Company under a secondment agreement.

Compliance Department

The term “Compliance Department” means the CCO and the individuals under the supervision of the CCO who are responsible for enforcing these Rules and conducting investigations of alleged violations of these Rules. As the term is used herein, the Compliance Department includes: (i) the Company’s compliance staff dedicated to enforcing these Rules and performing services directly related to the Company’s compliance with Applicable Law and (ii) employees of other divisions of the Company or its Affiliates who have certain regulatory responsibilities with respect to the Company.

Control

The term “Control,” including the terms “Controlling,” “Controlled by” and “under common Control with,” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of securities or otherwise.

Derivatives Clearing Organization

The term “Derivatives Clearing Organization” (or “DCO”) has the meaning given to that term in Section 1a(15) of the CEA. For the avoidance of doubt, the Company does not submit Uncleared Swaps to a DCO and does not have any agreement or arrangement with a DCO for Uncleared Swaps.

Designated Contact

The term “Designated Contact” means a natural person who is designated, pursuant to Rule 416, with the authority to act on behalf of and represent the Participant or PFI as applicable. The Designated Contact may, but need not be, an Authorized User.

Director

The term “Director” means any member of the Board.

Disciplinary Offense

The term “Disciplinary Offense” shall have the meaning set forth in Rule 209(c).

Disciplinary Panel

The term “Disciplinary Panel” means the panel appointed pursuant to Rule 710 to conduct hearings in connection with disciplinary proceedings (other than summary impositions of fines pursuant to Rule 717), to make findings, render decisions, and impose sanctions pursuant to Chapter 7 of the Rules.

Electronic Access

The term “EA” or “Electronic Access” means electronic access to the SEF’s Order Book and execution functionality through direct electronic connection.

Eligible Contract Participant

The term “Eligible Contract Participant” has the meaning given to that term under Section 1a(18) of the CEA and CFTC Regulations thereunder.

Emergency

The term “Emergency” has the meaning given to that term in Rule 412(a).

Exchange Act or Securities Exchange Act of 1934

The term “Exchange Act” of “Securities Exchange Act of 1934” means the law set forth at 15 U.S.C. § 78a, *et. seq.*

Final Decision

The term “Final Decision” shall have the meaning set forth in Rule 209(c).

Introducing Agent

The term “Introducing Agent” means a futures commission merchant or introducing broker registered with the CFTC, or any Person that is exempt from such registration (or not required under Applicable Law to so register). As of the date of this Rulebook, Introducing Agents are not permitted on the SEF.

Investigation Report

The term “Investigation Report” has the meaning given to that term in Rule 703.

Legal Entity Identifier

The term “Legal Entity Identifier” means a unique code assigned to swap counterparties and entities in accordance with the standards set by the Global Legal Entity Identifier System.

Legal Team

The term “Legal Team” means the function of the SEF that is responsible for the legal and regulatory affairs of the SEF.

Limits

The term “Limits” means the limits on trading as determined by the relevant PFI, including but not limited to, product restrictions and trade volume limits. A PFI may set separate Limits for Trades via the Order Book and Trades via an RFQ. [A PFI may also set Limits on the aggregate exposure it has to another PFI, which shall take precedence over any Limits applicable to a Participant. A breach of any such Limits \(whether applicable to a Participant or a PFI\) may prevent a Participant from entering into a Trade.](#)

LLC Agreement

The term “LLC Agreement” means the Limited Liability Company Agreement of SpectrAxe, LLC, as amended, supplemented or otherwise modified from time to time.

Major Swap Participant

The term “Major Swap Participant” has the meaning given to that term in Section 1a(33) of the CEA.

Market Data

The term “Market Data” means any and all data and other information contained in, displayed on, generated by or derived from the SEF or transactions in Swaps entered into pursuant to these Rules, including Orders, RFQs, prices and volumes.

Market Data Vendors

The term “Market Data Vendors” means one or more vendors of financial market information which have entered into agreements with the Company to distribute Market Data.

Market Maker

The term “Market Maker” means a Participant authorized by the Company to participate in the Market Maker Program under Rule 314.

Master Agreement

The term “Master Agreement” means, as applicable, either (a) the 1992 or 2002 ISDA Master Agreement published by the International Swaps and Derivatives Association, Inc. as may be entered into between a PFI and its customer, including any Credit Support Annex thereto or; (b) a domestic master agreement (e.g., the FBF Master Agreement from the French Banking Federation or the German Master Agreement for Financial Derivatives Transactions).

Message Traffic

The term “Message Traffic” means electronic transmissions of Orders, Order modifications, Cancel Orders, Cancel Replace Orders, RFQs, trade reports and other messages entered into the SEF by or through an Authorized User or sent to an Authorized User by the Company. Depending on the context, Message Traffic may refer to one-way or two-way transmissions.

NFA

The term “NFA” means the National Futures Association.

Nominating Committee

The term “Nominating Committee” means the committee of the Board constituted pursuant to Rule 203.

Notice to Participants

The term “Notice to Participants” means a communication sent by or on behalf of the Company to all Participants, as described in Rule 310.

Officer

The term “Officer” means any officer of the Company.

Order

The term “Order” means an actionable firm bid or offer for a Swap (i) displayed in the Order Book, (ii) transmitted as a response to an RFQ, (iii) transmitted by acceptance of a response to an RFQ or (iv) any modification thereof. The term

“Order” does not include an RFQ request nor a response to an RFQ that is not a firm bid or offer.

Order Book

The term “Order Book” means the portion of the SEF in which Participants in the trading system or platform have the ability to enter Orders designated for the Order Book, observe or receive such Orders entered by other Participants, and execute such Orders.

Owner

The term “Owner” means any Person holding an ownership interest in the Company or defined as a “Member” in the LLC Agreement.

Participant

The term “Participant” refers to Swap Dealers, funds, and other such Persons with Trading Privileges. A Participant may be acting as a principal or on behalf of one or more Client Accounts, provided that the term “Participant” shall not include any such Client Accounts.

Participant Agreement

The term “Participant Agreement” means the agreement between a Participant and SpectrAxe that allows the Participant to access the SEF pursuant to the Rules. References to Participant Agreements shall include their addendums, unless provided otherwise. As used herein, and unless otherwise required by the context, the term “Participant Agreement” also includes PFI Participant Agreements.

Participant Agreement Addendum

The term “Participant Agreement Addendum” (or “the Addendum,” as context permits) means the addendum to the Participant Agreement that states, in part, various Limits applicable to the Participant.

Participant Committee

The term “Participant Committee” means the committee of the Board constituted pursuant to Rule 204.

Participating Financial Institution

The term “Participating Financial Institution” (or “PFI”) means a financial institution that has been approved by the Company to enter into the Trades that a Participant, with whom the PFI has PFI/Participant Trading Documentation that establishes the connection requirement pursuant to Rule 306(a), effectuates on the SEF.

Permitted Transaction

The term “Permitted Transaction” means any transaction not involving a Swap that is required by Section 2(h)(8) of the CEA to be executed on, or pursuant to the rules of, a swap execution facility or a designated contract market.

Person

The term “Person” means any natural person, association, partnership, limited liability company, joint venture, trust or corporation.

PFI/Participant Trading Documentation

The prime brokerage agreement or other such documentation that governs the trading relationship (e.g. Master Agreement) in effect between a Participant and a PFI and allows the Participant to satisfy the PFI connection requirement in Rule 306.

PFI Facilitation Agreement

The term “PFI Facilitation Agreement” means the agreement between the Company and each PFI regarding the settlement of Trades executed by the Participants, [including the establishment of Limits on the aggregate exposure a PFI may have to another PFI through the SEF Platform.](#)

PFI Participant Agreement

The term “PFI Participant Agreement” means the agreement between the Company and a Participant that is the same legal entity as a PFI (e.g., a trading desk of the PFI), which allows the Participant to access the SEF pursuant to the Rules. References to the PFI Participant Agreement shall include their addendums, unless provided otherwise.

Pre-Execution Communication

The term “Pre-Execution Communication” means a communication between two Persons for the purpose of establishing the terms of an Order prior to entering into a Trade, including any communication that involves pre-determination of the

size, side of market, or price of such an Order; provided that any communication between two Persons that involves an agreement to enter into a Trade between the parties that legally binds the parties to such Trade shall not be considered a Pre-Execution Communication.

Proprietary Account

The term “Proprietary Account” has the meaning set forth in CFTC Regulation 1.3 (Definitions).

Proprietary Information

The term “Proprietary Information” has the meaning given to that term in Rule 1104(d).

Public Director

The term “Public Director” means a director of the Company with the qualifications described in Rule 208.

Regulatory Oversight Committee

The term “Regulatory Oversight Committee” means the committee of the Board constituted in accordance with Rule 205.

Reporting Counterparty

The term “Reporting Counterparty” has the meaning set forth in CFTC Regulation 45.1 (Definitions).

Required Swap Continuation Data

The term “Required Swap Continuation Data” has the meaning given to that term in CFTC Regulation 45.1 (Definitions).

Required Swap Creation Data

The term “Required Swap Creation Data” has the meaning given to that term in CFTC Regulation 45.1 (Definitions).

RFQ

The term “RFQ” means a request for quote sent in accordance with these Rules.

Rule

The term “Rule” means any rule adopted or amended, from time to time, by the Company related to or in respect of the operation of, or business conducted on, the SEF.

Security

The term “Security” has the meaning given to that term under Section 3(a)(10) of the Exchange Act.

Swap Data Repository

The term “Swap Data Repository” (or “SDR”) means any swap data repository registered with the CFTC to which the Company may select to report, as required by and in accordance with the CEA and CFTC Regulations, the terms of the Trades executed pursuant to these Rules.

Swap Execution Facility

The term “Swap Execution Facility” (or “SEF” or “SEF Platform”) means the swap execution facility operated by the Company and registered as such with the CFTC.

SEF Data

The term “SEF Data” means any and all data and other information related to Swap activities on the SEF or pursuant to this Rulebook, including but not limited to Market Data.

Settlement Agreement

The term “Settlement Agreement,” shall have the meaning set forth in Rule 209(c).

Standing Committee

The term “Standing Committee” means each of the Nominating Committee, the Participant Committee and the Regulatory Oversight Committee.

Swap

The term “Swap” has the meaning given to that term in Section 1a(47) of the CEA and in the CFTC Regulations promulgated thereunder (without regard to any determination by the Secretary of the Treasury pursuant to Section 1b of the CEA).

Swap Dealer

The term “Swap Dealer” has the meaning given to that term in Section 1a(49) of the CEA.

Terms Incorporated by Reference

The term “Terms Incorporated by Reference” has the meaning given to that term in Rule 1101(b)(i).

Trade

The term “Trade” means a Swap transaction that is executed on the SEF Platform or subject to the Rules.

Trade Communication

The term “Trade Communication” means a written or electronic confirmation from the SEF regarding the status of a Trade (i.e., whether the Trade is confirmed, amended or cancelled) and with all necessary economic terms.

Trading Hours

The term “Trading Hours” means, with respect to any Swap, the hours during which the SEF is regularly open for the trading of such Swap.

Trading Privileges

The term “Trading Privileges” means the rights associated with allowing a Person to enter into Trades, such as allowing that Person’s Authorized Users to enter Orders or RFQs, respond to RFQs, enter into Trades and otherwise effect Swap transactions, whether directly or indirectly, on or pursuant to the Rules of the SEF, either on that Person’s own behalf or on behalf of Client Accounts.

Uncleared Swap

The term “Uncleared Swap” means a Swap other than a Cleared Swap. As of the date of this Rulebook, all swaps executed on the SEF will be an Uncleared Swap.

Underlying Instrument

The term “Underlying Instrument” means, with respect to a Swap, the good, right, security, index or other asset or measure which is the subject of that Swap.

Unique Transaction Identifier

The term “Unique Transaction Identifier” or “UTI” shall have the meaning set forth in CFTC Regulation 45.5 (Unique Transaction Identifiers).

User ID

The term “User ID” means a unique identification number assigned by the Company to an Authorized User.

102. Rules of Interpretation

For all purposes of these Rules, except as otherwise expressly provided herein or unless the context otherwise requires:

- (a) the terms defined in these Rules include the plural as well as the singular and *vice versa*;
- (b) words importing gender include all genders;
- (c) any reference to a Chapter, Rule or Appendix refers to a Chapter or Rule of, or Appendix to, these Rules;
- (d) any reference to these Rules refers to these Rules, including all Appendices hereto, and the words herein, hereof, thereto, hereto and hereunder and words of similar import refer to these Rules and their Appendices as a whole and not to any particular Chapter, Rule, Appendix or any other subdivision;
- (e) references to days, months and years refer to calendar days, months and years, respectively;
- (f) all references herein to “including” are deemed to be followed by the words “without limitation;” and
- (g) any term used but not defined herein that is defined in the CEA or CFTC Regulations (including without limitation in CFTC Regulation 1.59 (Activities of Self-Regulatory Organization Employees, Governing Board Members, Committee Members, and Consultants)) shall have the meaning assigned to it therein.

103. Effect of Titles

The titles of these Rules have been inserted for convenience of reference only and shall not affect the meaning of these Rules.

- (v) is currently subject to or has had imposed on him within the past three years a CFTC registration revocation or suspension in any capacity for any reason, or has been convicted within the past three years of any of the felonies listed in Section 8a(2)(D)(ii) through (iv) of the CEA; or
 - (vi) is currently subject to a denial, suspension or disqualification from serving on a disciplinary committee, arbitration panel or governing board of any self-regulatory organization as that term is defined in Section 3(a)(26) of the Exchange Act.
- (b) Upon the occurrence of an event listed in this Rule 209 with respect to a Director, Officer or member of a Standing Committee, Disciplinary Panel or Appeals Panel, such Person shall disclose the occurrence of such event to the CCO or his designee.
- (c) For purposes of this Rule 209, the terms “Disciplinary Offense,” “Final Decision,” and “Settlement Agreement” shall have the meanings set forth in CFTC Regulation 1.63 (Service on Self-Regulatory Organization Governing Boards or Committees by Persons with Disciplinary Histories).

210. Officers

The Board shall appoint a CEO, a COO, a CCO and such other officers of the Company as it may deem necessary or appropriate from time to time, in each case for such term and on such other conditions as it sees fit. Any Officer may also be a member, manager, director, officer, partner or employee of the Company or any of its Affiliates.

211. Chief Compliance Officer

- (a) The Board shall designate an individual to serve as the CCO of the Company. The CCO shall:
- (i) report directly to the Regulatory Oversight Committee;
 - (ii) oversee and review the Company’s compliance with the Core Principles set forth in Section 5h of the CEA and Part 37 of the CFTC Regulations;
 - (iii) resolve, in consultation with the Board, the Regulatory Oversight Committee or the CEO, any conflicts of interest that may arise, including:
 - (A) conflicts between business considerations and compliance requirements, including the requirement that the Company provide fair, open and impartial access in accordance with CFTC Regulation 37.202 (Access Requirements); and

- (B) conflicts between the Company's management and members of the Board;
- (iv) establish and administer written policies and procedures reasonably designed to prevent violations of the CEA and CFTC Regulations;
- (v) take reasonable steps to ensure compliance with the CEA and CFTC Regulations;
- (vi) establish procedures for the remediation of noncompliance issues identified by the CCO through Compliance Department reviews, look-backs, internal or external audit findings, self-reported errors or validated complaints;
- (vii) establish and follow appropriate procedures for the handling, management response, remediation, retesting, and closing of noncompliance issues;
- (viii) establish and administer a compliance manual designed to promote compliance with the applicable laws, rules, and regulations and a written code of ethics designed to prevent ethical violations and to promote honesty and ethical conduct;
- (ix) supervise the Company's self-regulatory program with respect to trade practice surveillance, market surveillance, real-time market monitoring, compliance with audit trail requirements, enforcement and disciplinary proceedings, audits, examinations, and other regulatory responsibilities with respect to Participants, Authorized Users, all Persons using any Participant's User IDs, and all other Persons subject to the jurisdiction of the SEF under Rule 301, and, in addition to the foregoing in this Rule 211(a)(ix), exercise supervisory authority over all staff acting at the direction of the CCO;
- (x) provide any information regarding the Company's self-regulatory program that is requested by the Board or the Regulatory Oversight Committee;
- (xi) supervise the effectiveness and sufficiency of any regulatory services provided to the Company by ~~the Regulatory Service Provider~~ [a regulatory service provider](#) in accordance with CFTC Regulation 37.204 (Regulatory Services Provided by a Third Party); and
- (xii) prepare the Company's annual compliance report, in accordance with CFTC Regulation 37.1501 (Chief Compliance Officer), and submit the completed report to the Board and CFTC.

- (b) No individual disqualified from registration pursuant to Section 8a(2) or 8a(3) of the CEA may serve as CCO.

212. Confidentiality

No Company Official, member of the Board, any committee established by the Board, or any Disciplinary Panel or Appeals Panel shall use or disclose any material, non-public information, as defined in CFTC Regulation 1.59(a) (Activities of Self-Regulatory Organization Employees, Governing Board Members, Committee Members, and Consultants), obtained in connection with the performance of his official duties for any purpose other than the performance of such official duties.

213. Conflicts of Interest

- (a) *Definitions.* For purposes of this Rule 213, the following definitions shall apply:

- (i) The term “member’s affiliated firm” shall mean a firm in which a member of the relevant deliberating body is an employee, an “associated person,” as defined in CFTC Regulation 1.3 (Definitions), or a “principal,” as defined in CFTC Regulation 3.1(a) (Definitions).
- (ii) The term “named party in interest” shall mean a Person that is identified by name as a subject of any matter of a Rule enforcement or any disciplinary matter or appeal being considered by the Board, a disciplinary committee or oversight panel.
- (iii) The term “significant action” shall mean any action taken by the Company, including without limitation a change of any Rule, to address an Emergency.

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

- (i) *Prohibition.* No Officer or member of the Board, Standing Committee, Disciplinary Panel or Appeals Panel shall knowingly participate in deliberations or voting in any matter, including the discipline and enforcement procedures listed in Chapter 7 of this Rulebook, when such individual:
 - (A) is a named party in interest;
 - (B) is an employer or employee or fellow employee of a named party in interest, or is a secondee from or placed at a named party in interest or an entity that employs a named party in interest;

in order to gain or extend a delay in public dissemination of accurate Swap transaction or pricing data or to otherwise evade the reporting requirements of Part 43 or Part 45 of CFTC Regulations.

If the Company modifies or cancels an Order under this Rule 405, it will do so in good faith and in a commercially reasonable manner and will provide prior written notice of such modification or cancellation to the affected Participants and PFIs. Nothing in this Rule shall in any way limit the authority of the Company to take action in response to an Emergency pursuant to Rule 412.

406. Information Regarding Orders

The Company will make information from the SEF available to Participants and other Persons at such times and in such manner (whether through the SEF, financial information services or otherwise) as it may be required by Applicable Law, including, but not limited to CFTC Regulation 37.900 (Timely Publication of Trading Information), provided that SEF Data and other information related to a Participant, Authorized User, Client Account or PFI, as applicable, shall not be disclosed by the Company unless permitted by these Rules or Applicable Law, including CFTC Regulation 37.7 (Prohibited Use of Data Collected for Regulatory Purposes). Each Participant or other Person receiving any such information through the SEF may redistribute such information only to such extent and in such manner as may be permitted by the Company in writing from time to time.

407. Price Adjustments, Cancellations and Review of Executed Orders by the Company

(a) *Adjustment and Cancellation Authority.*

The Company may adjust trade prices or cancel executed orders, solely in accordance with published policies of the Company, when such action is necessary to mitigate market disrupting events caused by: (i) improper conduct such as market manipulation or clearly erroneous trading behavior (e.g., fat finger entries) or (ii) malfunctions in the Company's systems. If the Company takes any action pursuant to this Rule 407(a), it will do so in a commercially reasonable manner, considering whether such price adjustment or cancellation will adversely impact market integrity, facilitate market manipulation or other illegitimate activity, or otherwise violate the Rules or Applicable Law, and it will give prompt notice and in any event will use good faith, commercially reasonable efforts to provide any affected Participants and PFIs with reasonable prior notice and, where required by Applicable Law (including CFTC Regulation 37.405 (Risk Controls for Trading)), to obtain consent to such adjustment or cancellation. Participants shall be responsible for obtaining any required consent to such adjustment or cancellation from their Client Account(s), if applicable.

(b) *Review of Trades Generally.*

Subject to Rule 407(c), the Company may initiate a review of a Trade based on its analysis of market conditions or in response to a request for review by a Participant. Such request for review must be made as soon as practicable but in no event after the end of the business day in which such Trade took place. The Company shall promptly determine whether the Trade will be subject to review and, upon deciding to review the Trade, the Company will promptly issue an alert to the affected Participants and PFIs indicating that the Trade is under review. In the case of a Trade determined by the Company to be illiquid, the Company may initiate a review on its own initiative if it determines that the trade price was significantly out of line with prices in the market at the time of such transaction (based on pricing data that is readily available to the Company). In the course of its review of any Trade, the Company may, but is not obligated to, inform any of the affected Participants and PFIs the identity and contact information of the other affected Participant and PFI.

(c) *Trading Errors or Omissions.*

The Company provides a Help Desk telephone number and email address to report any errors or omissions. Upon receipt of a report of an error or omission, the Company reviews the audit trail information and contacts all affected Participants and PFIs to confirm the error or omission. If the error or omission is confirmed, the Company follows the procedures on trade review noted in Rule 407(b). If the error or omission is not confirmed, the Company contacts the Person that provided the notice to notify the Person that there will be no correction to the data previously reported to the SDR.

(d) *PFI Cancellation or Modification.*

(i) A PFI shall have the right to request a cancellation or modification of any Trade:

(A) that is executed in excess or in violation of a Limit set by the PFI, including a Limit on the aggregate exposure it has to another PFI;
or

(B) that is executed by or with a Person that was not authorized by the PFI under the relevant PFI/Participant Trading Documentation.

(ii) A PFI must request the cancellation or modification by sending a notice to the Company that states the UTI of the Trade (if any) and the reason for cancellation or modification. If the Company determines that the cancellation or modification satisfies the conditions of this Rule, the Company will cancel or modify the Trade.

- (A) Alternatively, a PFI may request the cancellation or modification of a Trade by contacting the Help Desk.

408. Position Limits

- (a) To reduce the potential threat of market manipulation or congestion, the Company may adopt for each of the contracts of the SEF, as is necessary and appropriate, position limitations. The Company may grant exemptions from position limits, as it may determine to be necessary and appropriate, in accordance with CFTC Regulations (including notice provisions consistent with Applicable Law, such as CFTC Regulations 40.5(a)(6) (Voluntary Submission of Rules for Commission Review and Approval) and 40.6(a)(2) (Self-Certification of Rules) and CFTC Regulations 37.600 (Position Limits or Accountability) and 37.601 (Additional Sources for Compliance)). This Rule 408 shall apply in the event that the Company does adopt any such position limits, which limits will be included in these Rules, if adopted, and prior notice of any such adoption will be provided as a Notice to Participants consistent with Rule 310 and in accordance with Applicable Law (including notice provisions consistent with Applicable Law, including CFTC Regulations 40.5(a)(6) and 40.6(a)(2)). The Company will monitor all such position limits for whether they meet or exceed reportable levels. The Company shall continually assess whether additional position limits are necessary, appropriate, and should be adopted.
- (b) A Person seeking an exemption from position limits, including limits established pursuant to a previously-approved exemption, must file the required application with the Compliance Department and receive approval prior to exceeding such limits. Notwithstanding the foregoing, a Person who establishes an exemption-eligible position in excess of position limits and files the required application with the Company shall not be in violation of this Rule provided the filing occurs within one business day after assuming the position. In the event the positions in excess of the limits are not deemed to be exemption-eligible, such Person will be in violation of position limits for the period of time in which the excess positions remained open.

The application must be in the form and manner prescribed by the Compliance Department and, at a minimum, must: (i) provide a description of the exemption sought, including whether the exemption is for bona fide hedging positions as defined in CFTC Regulation 1.3 (Definitions), risk management positions or arbitrage/spread positions; (ii) provide a complete and accurate explanation of the underlying exposure related to the exemption request; (iii) agree to promptly provide, upon request by the Compliance Department, information or documentation regarding the Person's exemption application; (iv) agree to comply with all terms, conditions or limitations imposed by the Compliance Department with respect to the exemption; (v) agree that the Compliance Department may modify or revoke the exemption at any time; (vi) agree to

Attachment C

Copy of the Amended Rules (Rules 101, 211 and 407)

Rule 101. Defined Terms

Unless otherwise specified in these Rules or unless the context otherwise requires, the terms defined below in this Rule 101 shall for all purposes of these Rules have the meanings specified herein.

AAA

The term “AAA” means the American Arbitration Association.

Affiliate

An “Affiliate” of, or a Person “Affiliated” with, another Person means a Person who, directly or indirectly, Controls, is Controlled by, or is under common Control with, such other Person.

API

The term “API” means application programming interface.

Appeals Panel

The term “Appeals Panel” means a panel appointed by the CCO pursuant to Rule 716(g).

Applicable Law

The term “Applicable Law” means, with respect to any Person, any statute, law, regulation, rule or ordinance of any governmental authority, or self-regulatory organization applicable to such Person, including without limitation the CEA, the Exchange Act and CFTC Regulations.

Audit Trail

The term “Audit Trail” has the meaning given to that term in Rule 505(a).

Authorized User

The term “Authorized User” means any natural person who is an agent or employee of a PFI, a Participant or any other Person that has been authorized to access the SEF. In the case a computer or system is used to access the SEF via

an API, the natural person designated to be responsible for such computer or system's activity on the SEF shall be the Authorized User.

Beneficial Ownership or Beneficially Owned

The term "Beneficial Ownership," or an interest "Beneficially Owned" by any Person, means, with respect to an account, a direct or indirect (through one or more subsidiaries or Affiliates) pecuniary interest in the account (through any Swap, arrangement, understanding, relationship or otherwise).

Board

The term "Board" means the Board of Directors of the Company constituted in accordance with the LLC Agreement, these Rules and Applicable Law.

Cancel Order

The term "Cancel Order" means an Order that cancels fully or partially an existing Order.

Cancel Replace Order

The term "Cancel Replace Order" means an Order to cancel fully or partially an existing Order and replace it with a new Order for a different quantity or price.

CFTC

The term "CFTC" means the Commodity Futures Trading Commission and includes any successor agency or authority.

CFTC Regulation

The term "CFTC Regulation" means any rule, regulation, order or directive and any published interpretation thereof adopted or promulgated from time to time by the CFTC.

Chief Compliance Officer

The term "Chief Compliance Officer" (or "CCO") means the individual appointed by the Board from time to time to oversee compliance matters in accordance with Rule 211.

Chief Executive Officer

The term "Chief Executive Officer" (or "CEO") means the individual appointed by the Board from time to time to serve as chief executive officer of the Company.

Chief Operating Officer

The term “Chief Operating Officer” (or “COO”) means the individual appointed by the Board from time to time to serve as chief operations officer of the Company.

Cleared Swap

The term “Cleared Swap” means a Swap that is required to be cleared by a DCO pursuant to Section 2(h)(1) of the CEA and CFTC Regulation 50.2 (Treatment of Swaps Subject to a Clearing Requirement) or is otherwise designated by or on behalf of the parties to be submitted to a DCO for clearing, including a New Swap/Old Terms or New Swap/Corrected Terms, including any such Swap that is rejected from clearing by the applicable DCO. As of the date of this Rulebook, the SEF does not offer Cleared Swaps.

Client Account

The term “Client Account” means a Person that has granted investment discretion to trade on its behalf.

Commodity Exchange Act

The term “Commodity Exchange Act” (or “CEA”) means the law set forth at 7 U.S.C. § 1, *et. seq.*

Company

The term “Company” will be SpectrAxe, LLC.

Company Official

The term “Company Official” means any Officer of, or individual employed directly by, the Company or any individual rendering similar services on behalf of the Company under a secondment agreement.

Compliance Department

The term “Compliance Department” means the CCO and the individuals under the supervision of the CCO who are responsible for enforcing these Rules and conducting investigations of alleged violations of these Rules. As the term is used herein, the Compliance Department includes: (i) the Company’s compliance staff dedicated to enforcing these Rules and performing services directly related to the Company’s compliance with Applicable Law and (ii) employees of other divisions of the Company or its Affiliates who have certain regulatory responsibilities with respect to the Company.

Control

The term “Control,” including the terms “Controlling,” “Controlled by” and “under common Control with,” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of securities or otherwise.

Derivatives Clearing Organization

The term “Derivatives Clearing Organization” (or “DCO”) has the meaning given to that term in Section 1a(15) of the CEA. For the avoidance of doubt, the Company does not submit Uncleared Swaps to a DCO and does not have any agreement or arrangement with a DCO for Uncleared Swaps.

Designated Contact

The term “Designated Contact” means a natural person who is designated, pursuant to Rule 416, with the authority to act on behalf of and represent the Participant or PFI as applicable. The Designated Contact may, but need not be, an Authorized User.

Director

The term “Director” means any member of the Board.

Disciplinary Offense

The term “Disciplinary Offense” shall have the meaning set forth in Rule 209(c).

Disciplinary Panel

The term “Disciplinary Panel” means the panel appointed pursuant to Rule 710 to conduct hearings in connection with disciplinary proceedings (other than summary impositions of fines pursuant to Rule 717), to make findings, render decisions, and impose sanctions pursuant to Chapter 7 of the Rules.

Electronic Access

The term “EA” or “Electronic Access” means electronic access to the SEF’s Order Book and execution functionality through direct electronic connection.

Eligible Contract Participant

The term “Eligible Contract Participant” has the meaning given to that term under Section 1a(18) of the CEA and CFTC Regulations thereunder.

Emergency

The term “Emergency” has the meaning given to that term in Rule 412(a).

Exchange Act or Securities Exchange Act of 1934

The term “Exchange Act” of “Securities Exchange Act of 1934” means the law set forth at 15 U.S.C. § 78a, *et. seq.*

Final Decision

The term “Final Decision” shall have the meaning set forth in Rule 209(c).

Introducing Agent

The term “Introducing Agent” means a futures commission merchant or introducing broker registered with the CFTC, or any Person that is exempt from such registration (or not required under Applicable Law to so register). As of the date of this Rulebook, Introducing Agents are not permitted on the SEF.

Investigation Report

The term “Investigation Report” has the meaning given to that term in Rule 703.

Legal Entity Identifier

The term “Legal Entity Identifier” means a unique code assigned to swap counterparties and entities in accordance with the standards set by the Global Legal Entity Identifier System.

Legal Team

The term “Legal Team” means the function of the SEF that is responsible for the legal and regulatory affairs of the SEF.

Limits

The term “Limits” means the limits on trading as determined by the relevant PFI, including but not limited to, product restrictions and trade volume limits. A PFI may set separate Limits for Trades via the Order Book and Trades via an RFQ. A PFI may also set Limits on the aggregate exposure it has to another PFI, which shall take precedence over any Limits applicable to a Participant. A breach of any such Limits (whether applicable to a Participant or a PFI) may prevent a Participant from entering into a Trade.

LLC Agreement

The term “LLC Agreement” means the Limited Liability Company Agreement of SpectrAxe, LLC, as amended, supplemented or otherwise modified from time to time.

Major Swap Participant

The term “Major Swap Participant” has the meaning given to that term in Section 1a(33) of the CEA.

Market Data

The term “Market Data” means any and all data and other information contained in, displayed on, generated by or derived from the SEF or transactions in Swaps entered into pursuant to these Rules, including Orders, RFQs, prices and volumes.

Market Data Vendors

The term “Market Data Vendors” means one or more vendors of financial market information which have entered into agreements with the Company to distribute Market Data.

Market Maker

The term “Market Maker” means a Participant authorized by the Company to participate in the Market Maker Program under Rule 314.

Master Agreement

The term “Master Agreement” means, as applicable, either (a) the 1992 or 2002 ISDA Master Agreement published by the International Swaps and Derivatives Association, Inc. as may be entered into between a PFI and its customer, including any Credit Support Annex thereto or; (b) a domestic master agreement (e.g., the FBF Master Agreement from the French Banking Federation or the German Master Agreement for Financial Derivatives Transactions).

Message Traffic

The term “Message Traffic” means electronic transmissions of Orders, Order modifications, Cancel Orders, Cancel Replace Orders, RFQs, trade reports and other messages entered into the SEF by or through an Authorized User or sent to an Authorized User by the Company. Depending on the context, Message Traffic may refer to one-way or two-way transmissions.

NFA

The term “NFA” means the National Futures Association.

Nominating Committee

The term “Nominating Committee” means the committee of the Board constituted pursuant to Rule 203.

Notice to Participants

The term “Notice to Participants” means a communication sent by or on behalf of the Company to all Participants, as described in Rule 310.

Officer

The term “Officer” means any officer of the Company.

Order

The term “Order” means an actionable firm bid or offer for a Swap (i) displayed in the Order Book, (ii) transmitted as a response to an RFQ, (iii) transmitted by acceptance of a response to an RFQ or (iv) any modification thereof. The term “Order” does not include an RFQ request nor a response to an RFQ that is not a firm bid or offer.

Order Book

The term “Order Book” means the portion of the SEF in which Participants in the trading system or platform have the ability to enter Orders designated for the Order Book, observe or receive such Orders entered by other Participants, and execute such Orders.

Owner

The term “Owner” means any Person holding an ownership interest in the Company or defined as a “Member” in the LLC Agreement.

Participant

The term “Participant” refers to Swap Dealers, funds, and other such Persons with Trading Privileges. A Participant may be acting as a principal or on behalf of one or more Client Accounts, provided that the term “Participant” shall not include any such Client Accounts.

Participant Agreement

The term “Participant Agreement” means the agreement between a Participant and SpectrAxe that allows the Participant to access the SEF pursuant to the Rules. References to Participant Agreements shall include their addendums, unless provided otherwise. As used herein, and unless otherwise required by the context, the term “Participant Agreement” also includes PFI Participant Agreements.

Participant Agreement Addendum

The term “Participant Agreement Addendum” (or “the Addendum,” as context permits) means the addendum to the Participant Agreement that states, in part, various Limits applicable to the Participant.

Participant Committee

The term “Participant Committee” means the committee of the Board constituted pursuant to Rule 204.

Participating Financial Institution

The term “Participating Financial Institution” (or “PFI”) means a financial institution that has been approved by the Company to enter into the Trades that a Participant, with whom the PFI has PFI/Participant Trading Documentation that establishes the connection requirement pursuant to Rule 306(a), effectuates on the SEF.

Permitted Transaction

The term “Permitted Transaction” means any transaction not involving a Swap that is required by Section 2(h)(8) of the CEA to be executed on, or pursuant to the rules of, a swap execution facility or a designated contract market.

Person

The term “Person” means any natural person, association, partnership, limited liability company, joint venture, trust or corporation.

PFI/Participant Trading Documentation

The prime brokerage agreement or other such documentation that governs the trading relationship (e.g. Master Agreement) in effect between a Participant and a PFI and allows the Participant to satisfy the PFI connection requirement in Rule 306.

PFI Facilitation Agreement

The term “PFI Facilitation Agreement” means the agreement between the Company and each PFI regarding the settlement of Trades executed by the Participants, including the establishment of Limits on the aggregate exposure a PFI may have to another PFI through the SEF Platform.

PFI Participant Agreement

The term “PFI Participant Agreement” means the agreement between the Company and a Participant that is the same legal entity as a PFI (e.g., a trading desk of the PFI), which allows the Participant to access the SEF pursuant to the Rules. References to the PFI Participant Agreement shall include their addendums, unless provided otherwise.

Pre-Execution Communication

The term “Pre-Execution Communication” means a communication between two Persons for the purpose of establishing the terms of an Order prior to entering into a Trade, including any communication that involves pre-determination of the size, side of market, or price of such an Order; provided that any communication between two Persons that involves an agreement to enter into a Trade between the parties that legally binds the parties to such Trade shall not be considered a Pre-Execution Communication.

Proprietary Account

The term “Proprietary Account” has the meaning set forth in CFTC Regulation 1.3 (Definitions).

Proprietary Information

The term “Proprietary Information” has the meaning given to that term in Rule 1104(d).

Public Director

The term “Public Director” means a director of the Company with the qualifications described in Rule 208.

Regulatory Oversight Committee

The term “Regulatory Oversight Committee” means the committee of the Board constituted in accordance with Rule 205.

Reporting Counterparty

The term “Reporting Counterparty” has the meaning set forth in CFTC Regulation 45.1 (Definitions).

Required Swap Continuation Data

The term “Required Swap Continuation Data” has the meaning given to that term in CFTC Regulation 45.1 (Definitions).

Required Swap Creation Data

The term “Required Swap Creation Data” has the meaning given to that term in CFTC Regulation 45.1 (Definitions).

RFQ

The term “RFQ” means a request for quote sent in accordance with these Rules.

Rule

The term “Rule” means any rule adopted or amended, from time to time, by the Company related to or in respect of the operation of, or business conducted on, the SEF.

Security

The term “Security” has the meaning given to that term under Section 3(a)(10) of the Exchange Act.

Swap Data Repository

The term “Swap Data Repository” (or “SDR”) means any swap data repository registered with the CFTC to which the Company may select to report, as required by and in accordance with the CEA and CFTC Regulations, the terms of the Trades executed pursuant to these Rules.

Swap Execution Facility

The term “Swap Execution Facility” (or “SEF” or “SEF Platform”) means the swap execution facility operated by the Company and registered as such with the CFTC.

SEF Data

The term “SEF Data” means any and all data and other information related to Swap activities on the SEF or pursuant to this Rulebook, including but not limited to Market Data.

Settlement Agreement

The term “Settlement Agreement,” shall have the meaning set forth in Rule 209(c).

Standing Committee

The term “Standing Committee” means each of the Nominating Committee, the Participant Committee and the Regulatory Oversight Committee.

Swap

The term “Swap” has the meaning given to that term in Section 1a(47) of the CEA and in the CFTC Regulations promulgated thereunder (without regard to any determination by the Secretary of the Treasury pursuant to Section 1b of the CEA).

Swap Dealer

The term “Swap Dealer” has the meaning given to that term in Section 1a(49) of the CEA.

Terms Incorporated by Reference

The term “Terms Incorporated by Reference” has the meaning given to that term in Rule 1101(b)(i).

Trade

The term “Trade” means a Swap transaction that is executed on the SEF Platform or subject to the Rules.

Trade Communication

The term “Trade Communication” means a written or electronic confirmation from the SEF regarding the status of a Trade (i.e., whether the Trade is confirmed, amended or cancelled) and with all necessary economic terms.

Trading Hours

The term “Trading Hours” means, with respect to any Swap, the hours during which the SEF is regularly open for the trading of such Swap.

Trading Privileges

The term “Trading Privileges” means the rights associated with allowing a Person to enter into Trades, such as allowing that Person’s Authorized Users to enter Orders or RFQs, respond to RFQs, enter into Trades and otherwise effect Swap

transactions, whether directly or indirectly, on or pursuant to the Rules of the SEF, either on that Person's own behalf or on behalf of Client Accounts.

Uncleared Swap

The term "Uncleared Swap" means a Swap other than a Cleared Swap. As of the date of this Rulebook, all swaps executed on the SEF will be an Uncleared Swap.

Underlying Instrument

The term "Underlying Instrument" means, with respect to a Swap, the good, right, security, index or other asset or measure which is the subject of that Swap.

Unique Transaction Identifier

The term "Unique Transaction Identifier" or "UTI" shall have the meaning set forth in CFTC Regulation 45.5 (Unique Transaction Identifiers).

User ID

The term "User ID" means a unique identification number assigned by the Company to an Authorized User.

Rule 211. Chief Compliance Officer

- (a) The Board shall designate an individual to serve as the CCO of the Company. The CCO shall:
- (i) report directly to the Regulatory Oversight Committee;
 - (ii) oversee and review the Company's compliance with the Core Principles set forth in Section 5h of the CEA and Part 37 of the CFTC Regulations;
 - (iii) resolve, in consultation with the Board, the Regulatory Oversight Committee or the CEO, any conflicts of interest that may arise, including:
 - (A) conflicts between business considerations and compliance requirements, including the requirement that the Company provide fair, open and impartial access in accordance with CFTC Regulation 37.202 (Access Requirements); and
 - (B) conflicts between the Company's management and members of the Board;
 - (iv) establish and administer written policies and procedures reasonably designed to prevent violations of the CEA and CFTC Regulations;
 - (v) take reasonable steps to ensure compliance with the CEA and CFTC Regulations;
 - (vi) establish procedures for the remediation of noncompliance issues identified by the CCO through Compliance Department reviews, look-backs, internal or external audit findings, self-reported errors or validated complaints;
 - (vii) establish and follow appropriate procedures for the handling, management response, remediation, retesting, and closing of noncompliance issues;
 - (viii) establish and administer a compliance manual designed to promote compliance with the applicable laws, rules, and regulations and a written code of ethics designed to prevent ethical violations and to promote honesty and ethical conduct;
 - (ix) supervise the Company's self-regulatory program with respect to trade practice surveillance, market surveillance, real-time market monitoring, compliance with audit trail requirements, enforcement and disciplinary proceedings, audits, examinations, and other regulatory responsibilities with respect to Participants, Authorized Users, all Persons using any Participant's User IDs, and all other Persons subject to the jurisdiction of the SEF under Rule 301, and, in addition to

the foregoing in this Rule 211(a)(ix), exercise supervisory authority over all staff acting at the direction of the CCO;

- (x) provide any information regarding the Company's self-regulatory program that is requested by the Board or the Regulatory Oversight Committee;
 - (xi) supervise the effectiveness and sufficiency of any regulatory services provided to the Company by a regulatory service provider in accordance with CFTC Regulation 37.204 (Regulatory Services Provided by a Third Party); and
 - (xii) prepare the Company's annual compliance report, in accordance with CFTC Regulation 37.1501 (Chief Compliance Officer), and submit the completed report to the Board and CFTC.
- (b) No individual disqualified from registration pursuant to Section 8a(2) or 8a(3) of the CEA may serve as CCO.

Rule 407. Price Adjustments, Cancellations and Review of Executed Orders by the Company

(a) Adjustment and Cancellation Authority.

The Company may adjust trade prices or cancel executed orders, solely in accordance with published policies of the Company, when such action is necessary to mitigate market disrupting events caused by: (i) improper conduct such as market manipulation or clearly erroneous trading behavior (e.g., fat finger entries) or (ii) malfunctions in the Company's systems. If the Company takes any action pursuant to this Rule 407(a), it will do so in a commercially reasonable manner, considering whether such price adjustment or cancellation will adversely impact market integrity, facilitate market manipulation or other illegitimate activity, or otherwise violate the Rules or Applicable Law, and it will give prompt notice and in any event will use good faith, commercially reasonable efforts to provide any affected Participants and PFIs with reasonable prior notice and, where required by Applicable Law (including CFTC Regulation 37.405 (Risk Controls for Trading)), to obtain consent to such adjustment or cancellation. Participants shall be responsible for obtaining any required consent to such adjustment or cancellation from their Client Account(s), if applicable.

(b) Review of Trades Generally.

Subject to Rule 407(c), the Company may initiate a review of a Trade based on its analysis of market conditions or in response to a request for review by a Participant. Such request for review must be made as soon as practicable but in no event after the end of the business day in which such Trade took place. The Company shall promptly determine whether the Trade will be subject to review and, upon deciding to review the Trade, the Company will promptly issue an alert to the affected Participants and PFIs indicating that the Trade is under review. In the case of a Trade determined by the Company to be illiquid, the Company may initiate a review on its own initiative if it determines that the trade price was significantly out of line with prices in the market at the time of such transaction (based on pricing data that is readily available to the Company). In the course of its review of any Trade, the Company may, but is not obligated to, inform any of the affected Participants and PFIs the identity and contact information of the other affected Participant and PFI.

(c) Trading Errors or Omissions.

The Company provides a Help Desk telephone number and email address to report any errors or omissions. Upon receipt of a report of an error or omission, the Company reviews the audit trail information and contacts all affected Participants and PFIs to confirm the error or omission. If the error or omission is confirmed, the Company follows the procedures on trade review noted in Rule 407(b). If the error or omission is not confirmed,

the Company contacts the Person that provided the notice to notify the Person that there will be no correction to the data previously reported to the SDR.

(d) PFI Cancellation or Modification.

- (i) A PFI shall have the right to request a cancellation or modification of any Trade:
 - (A) that is executed in excess or in violation of a Limit set by the PFI, including a Limit on the aggregate exposure it has to another PFI; or
 - (B) that is executed by or with a Person that was not authorized by the PFI under the relevant PFI/Participant Trading Documentation.
- (ii) A PFI must request the cancellation or modification by sending a notice to the Company that states the UTI of the Trade (if any) and the reason for cancellation or modification. If the Company determines that the cancellation or modification satisfies the conditions of this Rule, the Company will cancel or modify the Trade.
 - (A) Alternatively, a PFI may request the cancellation or modification of a Trade by contacting the Help Desk.