



November 15, 2024

Submitted via Portal

U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: CFTC Regulation 40.6(a) Certification: Amendment to the Bloomberg SEF LLC Rulebook
BSEF Submission No. 2024-R-15

Ladies and Gentlemen:

Bloomberg SEF LLC (“**BSEF**”) is certifying to the U.S. Commodity Futures Trading Commission (“**CFTC**” or “**Commission**”) the amendment of its Rulebook, as detailed in the table below (collectively the “**Rulebook Amendment**”).

The Rulebook Amendment is effective on December 16, 2024.

Rulebook Chapter	Amendment Explanation
Chapter 1. Definitions	Non-substantive revisions to the following terms: <ul style="list-style-type: none">• Account• Account Manager• Affected Person• Affiliate• Alleged Error Trade• Appeals Panel• Authorized Representative• Authorized Trader• Block Trade• Board• Bunched Orders• CEA• CFTC• CFTC Regulations• Chief Technology Officer• Claim• Cleared Swap• Clearing Exception

- Clearing Exception Form
- Clearing Exempt Transaction
- Clearing House
- Clearing House Rules
- Clearing Member
- Compliance Department
- Control
- Covered Package Transaction
- Customer
- DCM
- Derivatives Clearing Organization
- Disciplinary Panel
- Disclosed Order Book
- DMA Customer Documentation
- Emergency
- Fill-or-Kill
- Good-til-Date/Time
- Immediate-Or-Cancel
- Interested Person
- Introducing Broker
- Local Law
- MAT Recipient Participant
- No-Bust Range
- Obligation
- Officer
- Operating Agreement
- Order
- Order Book
- Package Transaction
- Participant
- Participant Documentation
- Participant ID
- Pre-Execution Communication
- Prime Broker
- Proprietary Account
- Qualified Account Manager
- Regulatory Services Agreement
- Regulatory Services Provider
- Requesting Participant
- Required Transaction
- Resting Quote
- RFQS

	<ul style="list-style-type: none">• Rules• SEC• SEF Action and SEF Actions• SEF Activity• SEF Data• SEF Official• SEF Platform• SEF Proceeding• Self-Regulatory Organization• Sponsoring Broker• Swap Dealer• Trade• Trade Communication• Trader ID• Trading Access• Trading Hours• Trading Privileges• Unique Transaction Identifier or UTI• U.S. Person
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	<p>Addition of the following terms:</p> <ul style="list-style-type: none">• AAA• CCO• CFTC Business Day• CFTC Staff No-Action Letter• Closing Price• CME• Commodity Interest• Covered Interest• Daily Market Report• Disciplinary Committee• Disclaiming Party• Draft Notice of Charges• DTCC• Eurex• Exchange Act• Final Disciplinary Action• Financial Interest in a Significant Action• ICE• JSCC• LCH• Linked Exchange• Linked Swap• Material Non-Public Information• Opening Price• Related Commodity Interest• Required Cross Transaction• SBSEF• SEC Regulations• SEF Employee• Settlement Agreement• Significant Action• Swap Contract Specification• Trading Day• Trading Profile
	<p>Removal of the following terms:</p> <ul style="list-style-type: none">• Act• By-Laws• Business Day• Chief Compliance Officer• Commission

	<ul style="list-style-type: none"> • Daily Settlement Price • DMA Order • End of Trading • SRO • Swap Specification • Trading Account
Chapter 2. BSEF Governance	<ul style="list-style-type: none"> • Non-substantive updates; and • Amended to incorporate applicable SEC Regulations and acceptable practices from Appendix B to Part 37 of the CFTC Regulations.
Chapter 3. Participants	<ul style="list-style-type: none"> • Non-substantive updates; • Amended Eligibility Criteria in Rule 301 to prohibit (i) a branch office from onboarding as a Participant, and (ii) onboarding any Participant that is on a restricted list; and • Amended Rule 303 to provide that BSEF may terminate a Participant’s access to its SEF if such Participant has not executed trades for a period of two years or longer.
Chapter 4. Obligations of Participants, Account Managers, DMA Customers, Authorized Traders and Supervised Persons	<ul style="list-style-type: none"> • Non-substantive updates; • Amended Rule 401 to prohibit use of the SEF Platform for purposes of testing or workflow validation; • Amended Rule 402 to require Participants to immediately notify BSEF’s Compliance Department of any changes to information relating to their status as a U.S. Person or a non-U.S. Person or relating to guarantees by any Person of any Swaps such Participant executes on BSEF’s SEF; and • Removed Rule 408(a), as it is an existing obligation that solely applies to BSEF’s Participants under CFTC Regulations and removed Rule 408(b) as it was superfluous and currently addressed by other Rules.
Chapter 5. Trading Practices, Reporting, Clearing and Business Conduct	<ul style="list-style-type: none"> • Non-substantive updates; • Amended Rule 505 to clarify the scope of application; • Amended Rule 508.B to provide examples of prohibited disruptive trading practices; • Amended Rule 521 to incorporate the time delay requirements of CFTC Regulation 37.9(b); and

	<ul style="list-style-type: none"> Amended Rule 523 to clarify the type of information that will be included on Trade Confirmations.
Chapter 6. Disciplinary Rules	<ul style="list-style-type: none"> Non-substantive updates; Added Rule 606 to incorporate the concept of Emergency Disciplinary Actions, as set forth in Appendix B to Part 37 of the CFTC Regulations; and Added Rule 623 to require a Participant to provide Written notice of any Final Disciplinary Action to its Customer when BSEF has found that a Participant has committed a Rule violation that involved a transaction for a Customer that resulted in financial harm to that Customer, as required by CFTC Regulation 1.67(b).
Chapter 7. Arbitration	<ul style="list-style-type: none"> Non-substantive updates.
Chapter 8. Miscellaneous	<ul style="list-style-type: none"> Non-substantive updates; Amended Rule 808 to conform to the definition of “terms and conditions” in CFTC Regulation 40.1; and Amended Rule 809 to clarify the contents of the SEF’s Daily Market Report.
Chapter 9. Limitation of Liability, No Warranties and Indemnification	<ul style="list-style-type: none"> Non-substantive updates.
Chapter 12. Credit Contracts Terms and Conditions	<ul style="list-style-type: none"> Non-substantive updates.
Chapter 13. Rates Contracts Terms and Conditions	<ul style="list-style-type: none"> Non-substantive updates.
Chapter 14. Foreign Exchange Contracts Terms and Conditions	<ul style="list-style-type: none"> Non-substantive updates.

Exhibit A provides the amendment to the applicable Rulebook chapters in redline format.

BSEF reviewed the swap execution facility core principles (“**Core Principles**”) set forth in the Commodity Exchange Act (“**Act**”) and identified that the Rulebook Amendment may have bearing on the following Core Principles:

- Core Principle 2 (Compliance with Rules):** BSEF believes that the Rulebook Amendment supports and enhances BSEF’s ability to enforce rules that govern the operation of

BSEF's SEF by incorporating acceptable practices from Appendix B to Part 37 of the CFTC Regulations and clarifying the scope of certain rules in Chapter 5 of the Rulebook.

- **Core Principle 4 (Monitoring of Trading and Trade Processing):** BSEF believes that the Rulebook Amendment supports and enhances BSEF's ability to detect and deter abuses of the rules in its Rulebook, as well as BSEF's ability to maintain a trade practice and market surveillance program, including disciplinary procedures to address violations of its rules by requiring Participants to provide additional disclosures and clarifying certain Participant's obligations.
- **Core Principle 5 (Ability to Obtain Information):** BSEF believes that the Rulebook Amendment supports and enhances BSEF's ability to obtain, and in some cases share, Participant information, as the CFTC may require, by requiring Participants to provide additional disclosures.
- **Core Principle 8 (Emergency Authority):** BSEF believes that the Rulebook Amendment supports and enhances BSEF's ability to exercise emergency authority by adopting Rule 606.
- **Core Principle 9 (Timely Publication of Trading Information):** BSEF believes that the Rulebook Amendment supports BSEF's ability to comply with the requirements of Part 16 of CFTC Regulations by providing the information about the method of determination of published prices.
- **Core Principle 12 (Conflicts of Interest):** BSEF believes that the Rulebook Amendment satisfies BSEF's responsibilities to establish procedures to minimize conflicts of interest and supports BSEF's ability to enforce such procedures by incorporating certain acceptable practices from Appendix B to Part 37 of the CFTC regulations.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), BSEF hereby certifies that the Rulebook Amendment complies with the Act, including CFTC Regulations under the Act. There were no substantive opposing views to the Rulebook Amendment.

BSEF certifies that this Rulebook Amendment has been concurrently posted on BSEF's website at <https://www.bloomberg.com/professional/product/sef-compliance/>.

Please contact the undersigned at (212) 617-7331 with any questions regarding this Rulebook Amendment.

Very truly yours,

A handwritten signature in black ink, appearing to read 'D. Glatter', written over a horizontal line.

Daniel Glatter
Chief Compliance Officer

Bloomberg SEF LLC
731 Lexington Avenue
New York, NY 10022

Enclosure

Exhibit A

BLOOMBERG SEF LLC RULEBOOK

~~**NOVEMBER 4**~~

SWAP EXECUTION FACILITY

DECEMBER 16, 2024

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Annex A ISDA Dodd Frank Act-Swap Transaction Reporting Party Requirements

CHAPTER 1.

DEFINITIONS

When used in the ~~BSEF~~ Rules the following terms shall have the respective meanings as follows:

[“AAA” has the meaning set forth in Rule 810\(c\).](#)

“**Account**” means a Person (including a Prime Broker) that (i) granted in Writing (standalone or as part of a broader instrument) to an Account Manager investment or trading authority to send RFQs, place Orders and execute Trades ~~on~~ pursuant to the ~~SEF~~ Rules on behalf and in the name of such Person; and (ii) is a Counterparty to a Trade. The definition of “Account” shall not include any investor, shareholder or any other Person with beneficial ownership in the Account.

“**Account Manager**” means a Person that acts as an agent and attorney-in-fact to buy or sell Swaps ~~via~~ pursuant to the ~~SEF operated by BSEF~~ Rules in the name and on behalf of another Person. An Account Manager may also be a Participant.

~~“Act” or “CEA” means the Commodity Exchange Act, as amended from time to time.~~

“**Affected Person**” means ~~a SEF~~ an applicant for Participant status whose admission application is declined or ~~is~~ is conditioned, or a Person whose status as a Participant is terminated as set forth in Rule 303(~~ef~~).

“**Affiliate**” means, with respect to any Person, any Person ~~whethat~~ that, directly or indirectly, Controls, is Controlled by, or is under common Control with, such other Person.

“**Alleged Error Trade**” has the meaning set forth in Rule 516.A(~~ab~~)(i).

“**Allocation**” has the meaning set forth in CFTC Regulation 45.1.

“**Appeals Panel**” means a ~~panel~~ Disciplinary Committee appointed by the ~~Chief Compliance Officer~~ CCO pursuant to Rule 620 to conduct hearings in connection with appeals of any decisions of the Disciplinary Panel pursuant to Chapter 6 of the Rules.

“**Applicable Law**” means, with respect to any Person, any statute, law, regulation, rule or ordinance of any governmental or Self-Regulatory Organization applicable to such Person, including the CEA, the Exchange Act and CFTC or SEC Regulations.

“**Appropriate Minimum Block Size**” means the minimum notional or principal amount for a category of Swap that qualifies as a Block Trade pursuant to CFTC Regulation 43.6.

“**Authorized Representative**” means any Person who is authorized by a Participant to represent the Participant in SEF-related matters pursuant to Rule 307.

“**Authorized Trader**” means any natural ~~person~~ Person associated with a Participant and, if applicable, a DMA Customer who (i) has Trading Access to the SEF operated by BSEF using a Participant ID and (ii) is assigned a valid Trader ID.

“**Block Trade**” means a single Swap transaction publicly reportable under Part 43 of the CFTC Regulations that:

- (a) Involves a Swap that is listed on the SEF operated by BSEF;
- (b) Occurs away from the SEF Platform or is executed using functionality on the SEF Platform that is not the Order Book;
- (c) Has a notional or principal amount at or above the Appropriate Minimum Block Size applicable to such Swap; and
- (d) Is reported as set forth in Rule 532.

“**Board**” means the ~~Board~~board of ~~Directors~~directors of BSEF constituted from time to time in accordance with the Operating Agreement.

“**BSEF**” means Bloomberg SEF LLC, a Delaware limited liability company.

“**Bunched Orders**” means a single Order placed by an Account Manager for two or more of its Accounts ~~on the SEF operated by BSEF~~ pursuant to the Rules as described in Rule 528.

~~“**Business Day**” means a day on which the SEF operated by BSEF is open for trading.~~

~~“**By-Laws**~~

~~“**CCO**” means, with respect to any Person that is not an~~ the individual, appointed by the Board as BSEF’s Chief Compliance Officer in accordance with the ~~By-Laws or~~ Operating Agreement ~~of such Person, with the duties and, if no other Person is specified, means the By-Laws or~~ Operating Agreement of BSEF responsibilities as may be prescribed by the Board from time to time as set forth in Rule 208.

“**CEA**” means the U.S. Commodity Exchange Act, as amended from time to time.

“**CFTC**” ~~or “**Commission**”~~ means the U.S. Commodity Futures Trading Commission or any successor regulatory body.

“**CFTC Business Day**” has the meaning set forth in CFTC Regulation 40.1.

“**CFTC Regulations**” means the rules and regulations promulgated by the CFTC, as amended, which apply to the operation of a SEF.

“**CFTC Staff No-Action Letter**” means a written statement by the staff of a Division of the CFTC or its Office of the General Counsel that such staff will not recommend that the CFTC commence enforcement action for failure to comply with a specific provision of the CEA or CFTC Regulations.

“**Chief Compliance Technology Officer**” means the individual ~~appointed by the Board as BSEF’s chief compliance officer in accordance with the Operating Agreement,~~ with the duties and responsibilities ~~as may be prescribed by the Board from time to time as set forth in Rule 208.~~

~~“Chief Technology Officer” means the individual with the duties and responsibilities related to supervision of technology of the SEF operated by BSEF.~~

“**Claim**” has the meaning set forth in Rule ~~902~~901.

“**Cleared Swap**” means a Swap that is subject to the mandatory clearing requirement of Section 2(h)(1)(A) of the CEA (or any Swap that is intended by a Participant to be submitted to a ~~DCO~~Clearing House for clearing contemporaneously with execution).

“**Clearing Account Identifier**” means a unique identifier assigned to a Participant or Account by a Clearing House.

“**Clearing Exception**” means an exception from the clearing requirement set forth in Section 2(h)(1) of the ~~Act~~CEA because one counterparty to the transaction is entitled to the exception from the clearing requirement set forth in Section 2(h)(7) of the ~~Act~~CEA, CFTC Regulations or CFTC Staff No-Action Letters.

“**Clearing Exception Form**” ~~has the meaning set forth in Rule 411~~means documentation submitted by a Participant demonstrating its eligibility (or the eligibility of its relevant Client or Customer, if applicable) for a Clearing Exception.

“**Clearing Exempt Transaction**” means a Trade exempt from the clearing requirement ~~of~~set forth in Section 2(h)(1) of the ~~Act~~CEA because one Counterparty to the Trade is entitled to and has elected to use a Clearing Exception.

“**Clearing House**” means ~~such a~~ Derivatives Clearing Organization(s) registered with the ~~Commission~~CFTC or ~~a~~ Derivatives Clearing Organization(s) that the ~~Commission~~CFTC has determined to exempt from registration requirements that ~~provide~~provides clearing services with respect to any or all of Swaps traded pursuant to the Rules. The Clearing Houses that clear Trades on the SEF operated by BSEF are CME, Eurex, ICE, JSCC and LCH.

“**Clearing House Rules**” means the ~~Certificate of Incorporation~~certificate of incorporation, the ~~By-Laws~~laws or the operating agreement and any rule, interpretation, stated policy, or instrument corresponding to any of the foregoing, in each case as adopted or amended from time to time by ~~the~~a Clearing House relating to any or all of the Swaps.

“**Clearing Member**” means a member of a Clearing House that is authorized to clear ~~trades~~Trades in any or all Swaps for a Participant or its Accounts or Customers. Each Clearing Member must sign documentation required by BSEF.

“**Client**” means an Account.

“**CLOB**” means an Order Book that will match Orders pursuant to pre-determined, non-discretionary methods. All bids and offers entered into the CLOB must be firm. The CLOB supports the following Order types:

- (a) Market Order (Fill~~__~~Or~~__~~Kill; Immediate~~__~~or~~__~~Cancel)
- (b) Limit Order (Fill~~__~~Or~~__~~Kill; Immediate~~__~~Or~~__~~Cancel; Good~~__~~Til~~__~~Date/Time).

“Closing Price” means the last price of a Trading Day posted on the Daily Market Report for a specific Swap.

“CME” means Chicago Mercantile Exchange, Inc.

“Commodity Interest” means any commodity futures, commodity option or contract traded on or subject to the rules of a contract market, a SEF or a Linked Exchange, or cleared by a Derivatives Clearing Organization, or cash commodities traded on or subject to the rules of a board of trade which has been designated as a contract market.

“Compliance Department” means all SEF Officials and/or agents of BSEF (including ~~the~~ Regulatory Services Provider personnel) that assist BSEF with the implementation, surveillance and enforcement of the ~~BSEF~~-Rules and other Obligations.

“Confirmation” has the meaning set forth in Rule 523(a).

“Control” 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, by ~~Swap~~contract, or otherwise. The terms “controlling” or “controlled” shall have meanings correlative to the foregoing.

“Correcting Trade” means a Trade executed and submitted for clearing to a Clearing House, with the same terms and conditions as an Error Trade other than any corrections to any operational or clerical error and the time of execution.

“Counterparty” means a Participant or a Participant’s Account or Customer whose Legal Entity Identifier is reported by BSEF to an SDR as a counterparty to a Trade.

“Covered Interest” means:

- (a) a Commodity Interest traded on the SEF operated by BSEF;
- (b) a Related Commodity Interest;
- (c) a Commodity Interest traded on a contract market or SEF or cleared by a Derivatives Clearing Organization other than the SEF operated by BSEF if the SEF Employee has access to Material Non-Public Information concerning such Commodity Interest; or
- (d) any Commodity Interest traded on or cleared by a Linked Exchange if the SEF Employee has access to Material Non-Public Information concerning such Commodity Interest.

“Covered Package Transaction” means a Package Transaction that has at least one or more of the following components:

- (a) The issuance of a bond in the primary market;
- (b) A commodity for future delivery (until November 15, 2025);
- (c) A swap (as defined in Section 1a(47) of the CEA) that is not subject to the clearing requirement;
- (d) A non-swap (as defined in Section 1a(47) of the CEA) instrument other than an instrument listed in ~~subsections-paragraphs~~ (a) or (b) above or U.S. Treasury securities or agency mortgage-based securities; or
- (e) A swap over which the ~~Commission~~CFTC does not have exclusive jurisdiction such as a mixed swap (as defined in Section 1a(47)(D) of the CEA).

“CTI” has the meaning set forth in Rule 524.B.

~~“Customer” means any Person who uses an FCM or Introducing Broker as agent in connection with trading in any Swap on the SEF operated by BSEF. The term “Customer” shall include a DMA Customer~~has the meaning set forth in CFTC Regulation 1.3.

“Customer Account” means an account carried by a Participant on behalf of a Customer.

~~“Daily Settlement Price” means the settlement price for a Swap calculated each Business Day by or on behalf of BSEF. The Daily Settlement Price can be expressed in currency, spread, yield or any other appropriate measure commonly used in swap markets~~Market Report” means a report published daily by BSEF as required by Part 16 of the CFTC Regulations and CFTC Regulations 37.900 and 37.901.

“DCM” means a contract market or designated contract market, as defined in CFTC Regulation 1.3~~(h)~~.

~~“Derivatives Clearing Organization” or “DCO”~~ has the meaning ~~attributed to such term by~~set forth in Section 1a(~~9~~15) of the CEA.

“Direct Market Access” or “DMA” means an arrangement among a Sponsoring Broker, its Customer and BSEF that allows one or more representatives of that Customer to have Trading Access using the Participant ID of the Sponsoring Broker.

“Director” means a member of the Board.

“Disciplinary Committee” means any Person or committee of Persons, or any subcommittee thereof, that complies with the requirements applicable to a disciplinary committee, hearing

panel and major disciplinary committee under CFTC Regulation 1.64(a), that is authorized by BSEF to issue disciplinary charges, conduct disciplinary proceedings, settle disciplinary charges, impose disciplinary sanctions, or to hear appeals thereof in cases involving any violation of the Rules, except those cases where the Person or committee is authorized summarily to impose minor penalties for violating rules regarding decorum, attire, the timely submission of accurate records for clearing or verifying each Trading Day's transactions executed pursuant to the Rules, or other similar activities.

“Disciplinary Panel” means ~~the panel~~ Disciplinary Committee appointed by the CCO pursuant to Rule 613(b) to conduct hearings in connection with disciplinary proceedings (other than summary impositions of fines pursuant to Rule 601(b)), to make findings, render decisions, and impose sanctions pursuant to Chapter 6 of the Rules. ~~The Disciplinary Panel must meet the composition requirements set forth in Part 40 of the CFTC Regulations and the composition requirements~~

“Disclaiming Party” has the meaning set forth in Rule ~~613~~901(ba).

“Disclosed Order Book” means ~~a screen on the SEF Platform where Participants have the ability to enter multiple indicative, disclosed bids and offers in foreign exchange Swaps, observe or receive bids and offers entered by other market participants, and transact on such bids and offers~~ an Order Book that permits a Participant to transact on a bid or offer posted by another Participant by sending an Order to the Participant that posted such bid or offer. All bids and offers in the Disclosed Order Book are indicative. For Non-Cleared Swaps a Participant can transact on a bid or offer only if it has entered into a Non-Cleared Swap Agreement with a Participant posting a bid or offer.

“Dispute” has the meaning set forth in Rule 701.

“DMA Customer” means a Customer of a Sponsoring Broker where representatives of the Customer that are natural persons are designated by the Sponsoring Broker to have Trading Access to the SEF Platform using the Participant ID of the Sponsoring Broker and where such Customer signs the DMA Customer Documentation.

“DMA Customer Documentation” means the agreements (together with any applicable schedules, exhibits or appendices thereto required by BSEF) in form and substance acceptable to BSEF, that are required to be executed and delivered to BSEF before a DMA Customer may access the SEF Platform. Except as otherwise provided in these Rules, in the event of any conflict between ~~these~~the Rules and the DMA Customer Documentation, ~~these~~the Rules shall govern.

~~“DMA Order” means an Order or RFQ placed by a DMA Customer using the Participant ID of the Sponsoring Broker~~ **“Draft Notice of Charges”** has the meaning set forth in Rule 605(c).

“DTCC” means DTCC Data Repository (U.S.) LLC.

“ECP” means an eligible contract participant, as defined in Section 1a(18) of the CEA.

“Eligibility Criteria” means the criteria set forth in Rule 301(a).

“Emergency” means any occurrence or circumstance that, in the opinion of the Board, ~~or a Person or Persons duly authorized to issue such an opinion on behalf of the Board~~ any committee of the Board or the President, Vice President or the Chief Technology Officer under circumstances and pursuant to procedures that are specified by the Rules, requires immediate action and threatens or may threaten such things as the fair and orderly trading in, or the liquidation of or delivery pursuant to, any ~~agreements, contracts, swaps or transactions or the timely collection and payment of funds in connection with clearing and settlement by a derivatives clearing organization~~ Swaps including: (a) any manipulative or attempted manipulative activity; (b) any actual, attempted or threatened corner, squeeze, congestion or undue concentration of positions; (c) any circumstances which may materially affect the performance of ~~agreements, contracts, swaps~~ Swaps or transactions, including failure of the payment system or the bankruptcy or insolvency of any ~~participant~~ Participant; (d) any action taken by any governmental body, or any other ~~registered entity, board of trade~~ SEF, market or facility which may have a direct impact on trading or clearing and settlement; ~~(e) at the request of the CFTC; and~~ (f) any other circumstance which may have a severe, adverse effect upon the functioning of the SEF operated by BSEF.

“Emergency Rules” has the meaning set forth in Rule 212(a).

~~“End of Trading” means such time as BSEF may from time to time prescribe. The End of Trading is the time as of which such actions as are specified in the BSEF Rules or the relevant Swap Specifications as taking place at the end of a Business Day, such as determination Daily Settlement Prices, will occur.~~

“Error Trade” means a Trade in a Cleared Swap executed on or subject to the rules of a SEF that contains an operational or clerical error, including incorrect leg sequencing.

“Eurex” means Eurex Clearing Aktiengesellschaft or Eurex Clearing AG.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time.

“Fill-Or-Kill” means that ~~the~~ an Order must be immediately fully filled ~~completely~~ or canceled.

“Final Disciplinary Action” means any decision by or settlement with BSEF in a disciplinary matter, which cannot be further appealed with BSEF, is not subject to the stay of the CFTC or a court of competent jurisdiction and has not been reversed by the CFTC or any court of competent jurisdiction.

“Financial Entity” has the meaning set forth in CEA Section 2(h)(7)(C).

“Financial Interest in a Significant Action” means having a direct and substantial financial interest in the result of deliberations or a vote based upon either SEF or non-SEF positions. A direct and substantial financial interest includes positions held in Swaps in the accounts of, Controlled by, or affiliated with an Interested Person or any other types of direct and substantial

financial positions of an Interested Person that could reasonably be expected to be affected by deliberations or a vote.

“**Futures Commission Merchant**” or “**FCM**” has the meaning set forth in Section 1a(28) of the CEA or a foreign person performing a similar role or function with respect to a Person that is not a U.S. Person and subject as such to foreign regulation.

“**Good-til-Date/Time**” means that ~~the~~an Order has an expiration time and date.

“**Governmental Body**” means (a) any U.S. or non-U.S. federal, national, state or local court or (b) any U.S. or non-U.S. federal, national, state or local entity that is (i) a governmental authority, (ii) a regulatory body or (iii) a self-regulatory body.

“**ICE**” means ICE Clear Credit LLC or ICE Clear Europe Limited.

“**Immediate-Or-Cancel**” means that ~~the~~an Order may be filled partially, but ~~the~~an Order must be actioned immediately, or else canceled. Any remaining portion will be canceled.

“**Interested Person**” has the meaning ~~attributed to such term~~set forth in Rule 210(a).

“**Introducing Broker**” has the meaning set forth in CFTC Regulation 1.3(~~mm~~) or a foreign person performing a similar role or function with respect to a Person that is not a U.S. Person and subject as such to foreign regulation.

“**ISDA**” means the International Swaps and Derivatives Association, Inc.

“**ISV**” means an independent software vendor.

“**JSCC**” means Japan Securities Clearing Corporation.

“**LCH**” means Banque Centrale de Compensation or LCH.Clearnet Ltd.

“**Legal Entity Identifier**” or “**LEI**” has the meaning set forth in Part 45 of the CFTC Regulations.

“**Linked Exchange**” means:

(a) Any board of trade, exchange or market outside the United States, its territories or possessions, which has an agreement with BSEF that permits positions in a Commodity Interest which have been established on one of the two markets to be liquidated on the other market;

(b) Any board of trade, exchange or market outside the United States, its territories or possessions, the products of which are listed on the SEF operated by BSEF;

(c) Any securities exchange, the products of which are held as margin in a commodity account or cleared by a securities clearing organization pursuant to a cross-margining arrangement with a futures clearing organization; or

(d) Any clearing organization which clears the products of any of the foregoing markets.

“**Local Law Linked Swap**” has the meaning ~~attributed to such term~~ set forth in Rule 810(a)~~535(e)~~.

“**Local Law**” has the meaning set forth in Rule 810(a).

“**Major Swap Participant**” has the meaning set forth in Section 1a(33) of the CEA.

“**MAT Recipient Participant**” means, with respect to any Requesting Participant sending any RFQ via the Request for Quote functionality of the SEF Platform, a Participant other than the Requesting Participant that (x) is not an Affiliate of or Controlled by the Requesting Participant and (y) is not an Affiliate of or Controlled by any other MAT Recipient Participant receiving the same RFQ of the Requesting Participant.

~~“MAT Recipient Participant” shall have the meaning set forth in Rule 522-A(b)~~

“**Material Non-Public Information**” means “**material information**,” as defined in CFTC Regulation 1.59(a) that is also “**non-public information**,” as such terms are defined in CFTC Regulation 1.59(a).

“NFA” means the National Futures Association.

“**No-Bust Range**” ~~shall have the meaning set forth in Rule 535(e)~~ means the price of a Swap that is no more than 30% higher or lower than the Closing Price for such Swap for the previous Trading Day.

“**Non-Cleared Swap**” means a Swap that is not a Cleared Swap.

“**Non-Cleared Swap Agreement**” means an underlying previously-negotiated freestanding agreement that governs the performance and settlement of a Non-Cleared Swap and applicable credit support and default provisions, including, without limitation, ISDA master agreements, other master agreements, terms supplements and master confirmation agreements incorporating industry definitions.

“**Notice of Charges**” means a notice sent by the Compliance Department pursuant to Rule 607.

“**Notice to Participants**” means a communication sent by or on behalf of BSEF to all Participants as described in Rule 309. Please see all Notices to Participants, which are posted on BSEF’s website.

“**Obligation**” means each ~~BSEF~~ Rule, order or procedure issued by BSEF, including any Notice to Participants, and other requirement implemented by BSEF under the ~~BSEF~~-Rules.

“**Officer**” has the meaning ~~attributed to such term~~set forth in Rule 208.

“**Offsetting Trade**” means a Trade executed and submitted for clearing to a Clearing House, with terms and conditions that economically reverse an Error Trade that was accepted for clearing.

“**Opening Price**” means the first price of a Trading Day posted on the Daily Market Report for a specific Swap.

“**Operating Agreement**” means the ~~operating agreement~~currently effective Operating Agreement of BSEF.

“**Order**” means (i) a firm response to a Request ~~For~~for Quote, (ii) a response to a Resting Quote, (iii) the display of a quote on an Order Book or (iv) a firm offer to enter into a Swap.

In addition to an Order to execute at a specific price and CLOB Order types, the SEF Platform supports the following types of special Orders:

(a) “**Best Price Order**” means an Order that can be sent using RFQT for rate Swaps ~~and~~ that contains a condition to prevent the execution by the SEF Platform of such an Order where a Responding Participant has updated its quotation to a better price (as defined by the Requesting Participant) for the Requesting Participant.

(b) “**Reserve Price Order**” means an Order that can be sent using RFQT for rate Swaps ~~and~~ that will ~~be~~ automatically be sent to the Recipient Participant that responds with a price that is at or better than the price designated in advance by the Requesting Participant. Please see Notice to Participants 2016-3, which is posted on BSEF’s website.

“**Order Book**” means ~~the~~a trading ~~system or platform operated by BSEF in which all market participants in the trading system or platform have the ability~~protocol on the SEF Platform that allows all Participants to enter multiple bids and offers, observe or receive bids and offers entered by other ~~market participants~~Participants, and transact on such bids and offers. ~~A Participant must indicate if a bid or offer posted on an~~ in accordance with the Rules for a specific Order Book ~~is firm or indicative.~~

“**Package Transaction**” means a transaction involving two or more ~~instruments~~component transactions executed between two or more Counterparties where:

(a) ~~that is executed between two or more Counterparties;~~ At least one component is a Required Transaction;

(b) Execution of each component transaction is contingent upon the execution of all other component transactions; and

(c) ~~(b) that is~~The component transactions are priced or quoted together as one economic transaction with simultaneous or near -simultaneous execution of all ~~components;~~

~~(e) — that has at least one component that is a Required Transaction; and~~

~~(d) — where the execution of each component is contingent upon the execution of all other~~ components.

“**Participant**” means any Person that has been granted, and continues to have, Trading Privileges under the ~~BSEF~~ Rules and has signed the Participant Documentation or DMA Customer Documentation. Subject to Applicable Law, a Participant may trade for its own ~~proprietary account~~ Proprietary Account or for or on behalf of a Customer or Account. An ISV cannot be a Participant.

“**Participant Documentation**” means the agreements and any other documents (together with any applicable schedules, exhibits or appendices thereto required by BSEF) in form and substance acceptable to BSEF, that are required to be executed and delivered to BSEF before a Person may access the SEF operated by BSEF as a Participant. Participant Documentation shall not include DMA Customer Documentation.

“**Participant ID**” means each unique ~~identifier~~ identification code assigned to a Participant ~~other than a DMA Customer~~ by BSEF for access to the SEF operated by BSEF.

“**Permitted Transaction**” means any transaction involving (i) a Swap that is not a Required Transaction or (ii) a Required Transaction that is a component of a Covered Package Transaction.

“**Person**” means a natural person or an entity.

“**Pre-Execution Communication**” means a communication between two ~~Persons for the purpose of discerning~~ Participants to discern interest in the execution of a Swap prior to execution of the Swap on the SEF operated by BSEF, including any communication that involves discussion of the size, side of market, or price of an Order or a potentially forthcoming Order; provided that any communication between two ~~Persons~~ Participants that involves an agreement between the parties to a Swap that legally binds the parties to such Swap shall not be considered a Pre-Execution Communication.

“**President**” means the individual appointed by the Board as BSEF’s chief executive officer in accordance with the Operating Agreement, with the duties and responsibilities as may be prescribed by the Board from time to time as set forth in Rule 208.

“**Prime Broker**” means a Person that acts as a credit counterparty for ~~transactions~~ Non-Cleared Swaps executed ~~on~~ pursuant to the ~~SEF~~ Rules in the name and on behalf of such Person by its

client or an agent of its client that is a ~~BSEF~~ Participant and that has authorized a Participant to send RFQs, place Orders or enter into Trades in the name and on behalf of such Person.

“**Prime Broker Trade**” means a Trade in a Non-Cleared Swap where one Counterparty is a Prime Broker and the other is a Participant with which the Prime Broker has a Non-Cleared Swap Agreement. Only a Permitted Transaction can be a Prime Broker Trade.

“**Proprietary Account**” has the meaning set forth in CFTC Regulation 1.3~~(y)~~.

“**Public Director**” means a Person that meets the qualifications described in Rule 207(e).

“**Qualified Account Manager**” means any Person that is either: ~~(A)~~

(a) a commodity trading advisor registered pursuant to Section 4n of the ~~Act~~CEA, or exempt from registration under the ~~Act~~CEA, or a principal thereof, who has discretionary trading authority or directs client accounts; ~~(B)~~

(b) an investment adviser who has discretionary trading authority or directs client accounts and satisfies the criteria of CFTC ~~Regulations~~ §Regulation 4.7(a)~~(26)~~~~(v)~~(G); or ~~(C)~~

(c) a foreign ~~person~~Person who performs a similar role or function as ~~the persons~~those Persons described in sub-paragraphs ~~(Aa)~~ or ~~(Bb)~~ above and is subject as such to foreign regulation.

“**Recipient Participant**” means a Participant that has received an RFQ from a Requesting Participant.

“**Regulatory Oversight Committee**” means the committee of the Board constituted in accordance with Rule 204.

“**Regulatory Services Agreement**” means ~~the~~an agreement between BSEF and the Regulatory Services Provider whereby the Regulatory Services Provider provides market surveillance and trade practice surveillance functions as well as other compliance-related services to the SEF operated by BSEF.

“**Regulatory Services Provider**” means the ~~National Futures Association (“NFA”)~~, the organization which provides regulatory services to the SEF operated by BSEF pursuant to a Regulatory Services Agreement, and as described in CFTC Regulation 37.204.

“**Related Commodity Interest**” means any Commodity Interest which is traded on or subject to the rules of a contract market, SEF, Linked Exchange, or other board of trade, exchange, or market, or cleared by a Derivatives Clearing Organization, other than the SEF operated by BSEF, where:

(a) BSEF has recognized or established intermarket spread margins or other special margin treatment between that Related Commodity Interest and a Commodity Interest which is traded on the SEF operated by BSEF or subject to the Rules of the SEF operated by BSEF; or

(b) Such other Self-Regulatory Organization has recognized or established intermarket spread margins or other special margin treatment with another Commodity Interest as to which the SEF Employee has access to Material Non-Public Information.

“**Reporting Counterparty**” has the meaning set forth in Part 45 of the CFTC Regulations.

“**Request for Quote**” or “**RFQ**” means an electronic message disseminated on the SEF Platform for the purposes of soliciting bids or offers for a specific Swap.

“**Request for Quote Functionality**” means RFQT or RFQS. All RFQs and responses to RFQs will disclose the name of the Person with which the Authorized Trader who placed an Order or sent an RFQ is associated with in BSEF’s records.

“**Requesting Participant**” means a Participant that initiates an RFQ.

“**Required Cross Transaction**” means a Required Transaction (other than a Block Trade or a Covered Package Transaction) in which a Participant that is a broker or a dealer seeks to either (i) execute against its Customer’s Order acting as a principal or (ii) execute two of its Customers’ Orders against each other, in each case following some form of pre-arranging or pre-negotiating.

“**Required Transaction**” means any transaction involving a Swap that is subject to the trade execution requirement of Section 2(h)(8) of the CEA.

“**Resting Quote**” means any firm or bid or offer displayed on the CLOB.

“**RFQS**” means a ~~SEF Platform~~ functionality of the SEF Platform that allows a Requesting Participant to request a continuous stream of indicative quotes in a Swap from other Participants. At any time during the continuous stream, a Requesting Participant may send an Order to buy and/or sell a Swap to a Participant that provided an indicative quote. A Requesting Participant must provide to BSEF a standing instruction regarding RFQS recipients that will be applied by BSEF to all RFQS for such Requesting Participant. The SEF Platform will automatically display to a Requesting Participant a continuous stream of indicative quotes from all Participants indicated in the standing instruction upon Requesting Participant’s access to the SEF Platform. The Requesting Participant may send an Order to a ~~recipient~~ Recipient Participant requesting ~~an~~ execution at the price indicated in the indicative response.

“**RFQT**” means a functionality of the SEF Platform that allows a Requesting Participant to send an RFQ to buy and/or sell a Swap to any Participant(s), to which all such Participants may respond with a firm or indicative quote. The Requesting Participant may accept a firm response to an RFQ from a Recipient Participant or send an Order to a Recipient Participant requesting execution.

(a) For RFQT for credit Swaps, if the SEF Platform receives from the same Recipient Participant that provided the initial price accepted by a Requesting Participant an updated response to an RFQ after the Requesting Participant’s acceptance and before the execution of a Trade by BSEF (a “**Revised Price**”); and

(i) ~~if~~ the firm Revised Price is better for the Requesting Participant than the firm initial price the Requesting Participant accepted, then the Trade will be executed by the SEF Platform at such Revised Price;

(ii) ~~if~~ the firm Revised Price is worse for the Requesting Participant than the firm initial price the Requesting Participant accepted, then the acceptance of the initial price by the Requesting Participant will be rejected by the SEF Platform.

(b) For RFQT for foreign exchange Swaps in the event that any Recipient Participant provides an updated price at the same time as a Requesting Participant intends to accept a firm response to the RFQ, then the Requesting Participant's Trade will be executed at such updated price, rather than at the price which the Requesting Participant intended to accept initially. If the updated price is an indicative response, Requesting Participant's Order will be sent for execution by the SEF Platform at the updated price.

~~“Requesting Participant” means a Participant initiating an RFQ.~~

~~“Required Transaction” means any transaction involving a Swap that is subject to the trade execution requirement of Section 2(h)(8) of the Act.~~

~~“Recipient Participant” means a Participant that has received an RFQ from a Requesting Participant.~~

~~“Resting Quote” means any firm or indicative bid or offer displayed on an Order Book.~~

~~“Rules” means, with respect to any Person, the rules of such Person and the interpretations, resolutions, orders, directives and procedures of the Person thereunder as in effect from time to time, and if no other Person is specified, means the Rules of the SEF operated by BSEF and the interpretations, resolutions, orders and directives and procedures of the SEF operated by BSEF thereunder as in effect from time to time.~~

“SBSEF” means a security-based swap execution facility, as defined in Section 3a(77) of the Exchange Act.

“SDR” means a swap data repository, as defined in Section 1a(48) of the CEA.

“SEC” means the U.S. Securities and Exchange Commission or any successor regulatory body.

“SEC Regulations” means the rules and regulations promulgated by the SEC, as amended, which apply to the operation of an SBSEF.

“SEF” means a swap execution facility, as defined in Section 1a(50) of the CEA.

“SEF Action” and “SEF Actions” have the meanings ~~attributed to such terms in Rule 210(a).~~

~~“SEF Data” has meaning~~ set forth in Rule ~~803~~210(a).

“SEF Activity” means ~~business activity~~ for which a Participant is subject to the ~~BSEF~~ Rules, which is purportedly conducted subject to the ~~BSEF~~ Rules, or which should have been conducted subject to the ~~BSEF~~ Rules including Permitted Transactions and Block Trades.

“SEF Data” has the meaning set forth in Rule 803(a).

“SEF Employee” means any Person hired or otherwise employed on a salaried or contract basis by BSEF to support the SEF operated by BSEF, but does not include:

- (a) Any Board member compensated by BSEF solely for Board activities; or
- (b) Any committee member compensated by BSEF solely for committee activities; or
- (c) Any consultant hired by BSEF to support the SEF operated by BSEF.

“SEF Official” means any Director or Officer ~~of, or individual employed directly by, BSEF~~ SEF Employee, the Regulatory Services Provider personnel or any individual rendering similar services to BSEF under ~~an administrative services~~ or similar agreement.

“SEF Platform” means the electronic trading system of the SEF established and operated by BSEF, or any successor thereto, that is made available by BSEF to Participants for trading ~~in~~ Swaps.

“SEF Proceeding” has the meaning ~~attributed to such term~~ set forth in Rule 210(a).

“Self-Regulatory Organization” ~~or “SRO”~~ shall, unless otherwise provided, have the meaning ~~attributed to such term~~ set forth in CFTC Regulation 1.3 ~~or Section 3(ee)~~ (26) of the Exchange Act and, in addition, shall include a Derivatives Clearing Organization, and a clearing agency registered ~~futures association. BSEF is a self-regulatory organization under Section 3(a)(23)(A)~~ of the Exchange Act or a clearing agency that has obtained an exemption from SEC clearing agency registration requirements that provides clearing services with respect to any or all of the SB Swaps traded pursuant to the rules of the SBSEF. BSEF is a Self-Regulatory Organization.

“Settlement Agreement” means any agreement consenting to the imposition of sanctions by a Self-Regulatory Organization, a court of competent jurisdiction, the SEC or the CFTC.

“Significant Action” includes any of the following types of actions or rule changes by BSEF that can be implemented without the CFTC's prior approval:

- (a) Any actions or rule changes which address an Emergency; and
- (b) Any changes in margin levels that are designed to respond to extraordinary market conditions such as an actual or attempted corner, squeeze, congestion, or undue concentration of positions, or that otherwise are likely to have a substantial effect on prices in any Swap traded pursuant to the Rules or cleared by a Clearing House; but does not include any rule not submitted for prior CFTC approval because such rule is unrelated to the terms and conditions of any Swap traded pursuant to the Rules.

“**Sponsoring Broker**” means a Participant other than a DMA Customer that allows its designated Customers to access the SEF Platform using the Participant ID of the Participant and (i) with respect to Cleared Swaps, is a Clearing Member; and (ii) with respect to Non-Cleared Swaps, is (x) an FCM or Introducing Broker; or (y) non-U.S. Person acting in a similar capacity that is not required to register as an FCM or Introducing Broker under the ~~Act~~CEA and that is appropriately licensed in a jurisdiction where its DMA Customer is located.

“**Supervised Persons**” means any directors, officers, employees or agents of any Participant.

“**Swap**” means any agreement, contract or transaction that is a swap, as defined in Section 1a(47) of the CEA and as further defined by the CFTC, which is listed on the SEF operated by BSEF in accordance with CFTC Regulation 37.4.

~~“**Swap Dealer**” has the meaning set forth in Section 1a(49) of the CEA.~~

“**Swap Contract Specification**” means, with respect to any Swap, the Rules or other trading protocols containing specifications for such Swap, as adopted, amended, supplemented or otherwise modified from time to time by BSEF.

~~“**Swap Dealer**” has the meaning set forth in Section 1a(49) of the CEA.~~

“**Terms Incorporated by Reference**” has the meaning set forth in Rule 523(c).

“**Trade**” means any purchase or sale of any Swap executed ~~on~~pursuant to the ~~SEF Platform or subject to BSEF~~ Rules.

“**Trade Communication**” has the meaning set forth in Rule 523(c).

“**Trader ID**” means a unique identifier assigned or issued to each Authorized Trader which enables BSEF to identify the individual entering RFQs or Orders into the SEF ~~operated by BSEF~~Platform either manually or via automated method.

“**Trading Access**” means the right granted to a Person to send RFQs or place Orders and/or enter into transactions for certain or all Swaps to the SEF Platform or execute Swaps subject to the ~~BSEF~~ Rules.

~~“**Trading Account**” means, with respect to each Participant, Account or Customer, each account through which the Participant will trade Swaps and through which BSEF will monitor, as applicable, the open Swap positions and closed Swap positions of such Participants, Accounts or Customers and each account through which the Participant will present a Swap for clearing to a Clearing House.~~ Day” means a day on which the SEF operated by BSEF is open for trading.

“**Trading Hours**” means, for any Business Trading Day, the hours as may be published by BSEF in a Notice to Participants from time to time.

“**Trading Privileges**” means Trading Access or the right granted to a Person to use the SEF ~~operated by BSEF Platform~~ for execution of Swaps. No Person may exercise Trading Privileges on behalf of a Participant during any suspension of such Participant’s Trading Privileges.

“**Trading Profile**” means, with respect to each Participant, Account or Customer, each account through which the Participant will trade Swaps and through which BSEF will monitor, as applicable, Participants’ trading activity in Swaps, and each account through which the Participant will present a Swap for clearing to a Clearing House.

“**Unique Transaction Identifier**” or “**UTI**” means a unique ~~identifier~~identification code assigned by BSEF to a Trade in accordance with CFTC Regulation 45.5.

“**U.S. Person**” ~~shall have~~has the meaning set forth in CFTC Regulation 23.23.

“**Vice President**” means the individual appointed by the Board in accordance with the Operating Agreement, with the duties and responsibilities as may be prescribed by the Board from time to time as set forth in Rule 208.

“**Written**” or “**Writing**” means printing, lithography, photography, and other modes of representing or reproducing words or data in a visible form, including electronic transmissions.

* * * * *

The following rules of construction shall apply to the ~~BSEF~~ Rules:

(a) the headings in the ~~BSEF~~ Rules are for convenience only and do not affect the construction of the ~~BSEF~~ Rules;

(b) all references to time in the ~~BSEF~~ Rules are to local time in New York, New York, except where expressly provided otherwise;

(c) in the ~~BSEF~~ Rules, words denoting a singular number include the plural number where the context permits and vice versa;

(d) where the context permits or requires, any pronoun shall include the corresponding masculine, feminine and neuter forms;

(e) forms of the word “include” mean that the inclusion is not limited to the items listed;

(f) “or” is disjunctive but not exclusive;

(g) for purposes of constructing these Rules other than Rules 306 and 317, references to the term “Participant” refer to both the terms “Participant” and “DMA Customer”; and

(h) references in the ~~BSEF~~ Rules to statutory provisions include those provisions as amended, and any rules or regulations promulgated thereunder.

CHAPTER 2. ~~SEF~~BSEF GOVERNANCE

RULE 201. Board

(a) The Board shall manage the business and affairs of BSEF in accordance with the Operating Agreement. At all times the Board must be composed of at least 20%, but no less than two, Public Directors, and 20% of Persons who meet the requirements of SEC Regulation 242.834(e). The Board has the power and authority to call for review, and to affirm, modify, suspend or overrule, any and all decisions and actions of standing committees or special committees of the Board or any panel of the Officers.

(b) The Board may act (including to appoint Public Directors, to the extent provided in the Operating Agreement) only by the decision of ~~an absolute~~a majority in number of the members of the Board, either by vote at a meeting or by Written consent without a meeting.

(c) Each Director (including Public Directors) shall be appointed in accordance with the Operating Agreement and the procedures included therein and shall serve until ~~his or her~~their successor is duly appointed, or until ~~his or her~~their earlier resignation or removal, with or without cause.

(d) The members of the Board, including each Public ~~Directors~~Director, shall be of sufficiently good repute ~~and, where applicable~~, have sufficient expertise in financial services and have the ability to exercise sound judgment regarding BSEF's affairs.

(e) The percentage of Public Directors required to serve on the Board or any committee thereof pursuant to this Chapter 2 shall ~~be deemed to~~ be modified to comply with ~~the CEA and CFTC Regulations~~Applicable Law, in each case, as in effect from time to time.

~~(f) — Without limitation of any other provisions of this Rule 201, the provisions of Article III of the Operating Agreement shall be deemed to be part of the BSEF Rules, and shall be deemed to be incorporated herein, to the same extent and with the same force and effect as if set forth herein in their entirety.~~

RULE 202. [Reserved]

RULE 203. [Reserved]

RULE 204. Regulatory Oversight Committee

(a) The Regulatory Oversight Committee is a standing committee of the Board and shall consist only of Public Directors, ~~appointed~~established by the Board. Each member of the Regulatory Oversight Committee shall serve until the due appointment of ~~his or her~~their successor, or until ~~his or her~~their earlier resignation or removal, with or without cause, as a member of the Regulatory Oversight Committee or as a Director. A member of the Regulatory

Oversight Committee may serve for multiple terms. The Regulatory Oversight Committee shall report to the Board.

(b) The Regulatory Oversight Committee shall oversee BSEF's regulatory and compliance program on behalf of the Board. It shall make such recommendations to the Board as will, in its judgment, best promote the interests of ~~the SEF operated by~~ BSEF, in accordance with SEC Regulations and CFTC Regulations. The Regulatory Oversight Committee shall also have such other powers and perform such other duties as set forth in the ~~BSEF~~ Rules, the Operating Agreement and as the Board may delegate to it from time to time.

(c) Without limiting the generality of the foregoing, the Regulatory Oversight Committee shall have authority to:

(i) Monitor ~~the~~ BSEF's regulatory and compliance program ~~of the SEF operated by BSEF~~ for sufficiency and effectiveness;

(ii) Oversee all facets of ~~the~~ BSEF's regulatory and compliance program, including trade practice and market surveillance, audits, examinations conducted by the Regulatory Services Provider and other regulatory responsibilities with respect to Participants, Customers, Accounts and Clearing Members (including ensuring compliance with any financial integrity, financial reporting, sales practice, recordkeeping and other requirements), and ~~overseeing~~ the conduct of investigations by the Regulatory Services Provider;

(iii) Review the size and allocation of the regulatory budget and resources and the number, hiring and termination, and compensation of compliance personnel;

(iv) Assist BSEF in minimizing actual and potential conflicts of interest;

(v) Recommend changes that would ensure fair, vigorous, and effective compliance; and

(vi) Review compliance proposals and advise the Board as to whether and how such changes may impact compliance.

(d) ~~The Regulatory Oversight Committee shall oversee the regulatory program of the SEF operated by BSEF on behalf of the Board.~~ The Board shall delegate sufficient authority, dedicate sufficient resources, and allow sufficient time for the Regulatory Oversight Committee to fulfill its mandate.

(e) In performing its oversight of BSEF's regulatory and compliance program, the Regulatory Oversight Committee shall consult with the CCO. Nothing in this Rule 204, however, shall abrogate or modify the duties of the CCO as set forth in CFTC Regulation 37.1501 and Rule 209.

RULE 205. Additional Committees and Panels

(a) The Board may create such additional standing committees of the Board as it may from time to time deem necessary or advisable.

(b) In addition to the standing committees, the Board may from time to time constitute and appoint, by Rule or resolution, special committees of the Board and designate their composition, responsibilities and powers.

(c) BSEF may create additional committees of BSEF, or panels, for such purposes as may from time to time be necessary or advisable. Members of each such committee or panels may be members of the Board, Supervised Persons of Participants or such other individuals as may be qualified to serve on such committee or panel.

RULE 206. Power of the Board to Review Decisions

The Board has the power and authority to call for review, and to affirm, modify, suspend or overrule, any and all decisions and actions of standing committees or special committees of the Board.

RULE 207. Eligibility

(a) A Director must meet the qualifications set forth from time to time in the Operating Agreement and in applicable CFTC Regulations and SEC Regulations.

(b) An individual may not serve as a Director or serve on ~~any~~ committee established by the Board, a Disciplinary Panel or an Appeals Panel if the individual:

(i) Within the prior three (3) years has been found, by a final decision in any action or proceeding brought ~~in a court of competent jurisdiction, the CFTC or any Self-Regulatory Organization,~~ a court of competent jurisdiction, the CFTC or any Self-Regulatory Organization, to have committed a disciplinary offense;

(ii) Within the prior three (3) years has entered into 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;

(iii) Has been suspended or expelled from membership in a Self-Regulatory Organization, is serving any sentence of probation, or owes any portion of a fine or penalty related to either:

(A) A finding of a disciplinary offense by a final decision in any action or proceeding brought by a court of competent jurisdiction, the CFTC, or any Self-Regulatory Organization; or

(B) 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;

(iv) Is currently subject to an agreement with the CFTC or a Self-Regulatory Organization not to apply for registration with the CFTC or for membership in any Self-Regulatory Organization;

(v) Is currently, or within the prior three (3) years has been, subject to a revocation or suspension of registration by the CFTC; or

(vi) Has been convicted of a felony listed in Section 8a(2)(D)(ii) through (iv) of the CEA.

(vii) Was found within the prior three (3) years by a final decision of an SBSEF, a Self-Regulatory Organization, an administrative law judge, a court of competent jurisdiction, or the SEC to have committed a disciplinary offense (as defined in CFTCSEC Regulation § 1.63242.819(i)(6)(ii));

(viii) ~~(ii) Within the prior three (3) years has entered into a settlement agreement~~ Entered into a Settlement Agreement with an SBSEF, a court of competent jurisdiction, or the SEC within the prior three (3) years in which any of the findings or, in the absence of such findings, any of the acts charged, included a disciplinary offense;

(ix) ~~(iii) Has been~~ Currently is suspended from trading on any SBSEF, is suspended or expelled from membership in a Self-Regulatory Organization, is serving any sentence or probation, or owes any portion of a fine or penalty ~~related~~ imposed pursuant to either;

(A) A finding ~~of a disciplinary offense~~ by a final decision ~~in any action or proceeding brought in~~ of an SBSEF, a Self-Regulatory Organization, an administrative law judge, a court of competent jurisdiction, or the CFTC, or any Self-Regulatory Organization SEC that such person committed a disciplinary offense; or

(B) A ~~settlement agreement~~ Settlement Agreement with an SBSEF, a court of competent jurisdiction, or the SEC in which any of the findings or, in the absence of such findings, any of the acts charged included a disciplinary offense.

(x) ~~(iv) Is currently~~ Currently is subject to an agreement with the ~~CFTCSEC,~~ an SBSEF, or a Self-Regulatory Organization not to apply for registration with the CFTCSEC or for membership in ~~the any~~ Self-Regulatory Organization;

(xi) ~~(v) Is currently, or~~ Currently is subject or has had imposed on them within the ~~past prior~~ three (3) years ~~has been, subject to a~~ SEC registration revocation or suspension ~~of registration by the CFTC~~ in any capacity for any reason, or has been convicted within the prior three (3) years of any felony;

~~(vi) Has been convicted of a felony listed in Section 8a(2)(D)(ii) through (iv) of the CEA; or~~

(xii) ~~(vii) Is currently~~ Currently is subject to a denial, suspension or disqualification from serving on a disciplinary committee, arbitration or appeals panel, or

governing board of any ~~self-regulatory organization, as that term is defined in CFTC Regulations § 1.63(a).~~ SBSEF or Self-Regulatory Organization; Within the prior three (3) years has been found, by a final decision of an SBSEF, a Self-Regulatory Organization, an administrative law judge, a court of competent jurisdiction or the CFTC to have committed a disciplinary offense;

(c) Any Director, member of a committee established by the Board or any member of a Disciplinary Panel, an Appeals Panel, any individual nominated to serve in any such role, or any individual authorized by the Regulatory Oversight Committee to take summary action shall immediately notify the President if such individual meets one or more of the disqualification criteria in Rule 207(b).

(d) For purposes of this Rule, the terms “disciplinary offense,” and “final decision,” ~~and “settlement agreement”~~ have the meanings set forth in CFTC Regulation-§ 1.63(a) and SEC Regulation 242.819(i)(6).

(e) To qualify as a Public Director, a Director must be found, by the Board on the record, to have no material relationship with BSEF or any of its Affiliates. A “material relationship” is one that reasonably could affect the independent judgment or decision making of such individual as a ~~Public~~ Director. In addition, an individual shall not be considered a “Public Director” if any of the following circumstances exist:

(i) Such Director is an Officer or ~~an employee of BSEF~~ a SEF Employee, or an officer or an employee of an Affiliate of BSEF;

(ii) Such Director is a Participant, or a director, an officer or an employee of a Participant; or

(iii) Such Director, or an entity with which the Director is a partner, an officer, or a director, receives more than \$100,000 in combined annual payments for legal, accounting, or consulting services from BSEF or any Affiliate of BSEF. Compensation for services as a director of BSEF or as a director of an Affiliate of BSEF does not count toward the \$100,000 payment limit, nor does deferred compensation for services rendered prior to becoming a Director of BSEF, so long as such compensation is in no way contingent, conditioned or revocable.

(f) Any of the relationships set forth in sub-paragraphs (e)(i) through (iii) of this Rule apply to the “immediate family” of such Director, i.e., spouse, parents, children and siblings.

(g) A Public Director may also serve as a director of an Affiliate of BSEF if ~~he or she~~ they otherwise ~~meets~~ meet the requirements in paragraphs (e) and (f) of this Rule.

RULE 208. Officers

The Board shall appoint a President, a ~~Chief Compliance Officer~~ CCO, one or more vice presidents, a secretary, a treasurer, and such other officers of BSEF (all of the foregoing, collectively, the “**Officers**”) as it may deem necessary or appropriate from time to time, in accordance with the Operating Agreement. The Officers shall have such powers and duties in

the management of BSEF as the Board may prescribe from time to time in accordance with the Operating Agreement. Each Director and Officer is entitled to indemnification pursuant to the Operating Agreement with respect to matters relating to BSEF.

RULE 209. ~~Chief Compliance Officer~~CCO

(a) The Board shall appoint and approve the ~~Chief Compliance Officer~~CCO. The Board shall approve the compensation of the ~~Chief Compliance Officer~~CCO. Removal of the ~~Chief Compliance Officer~~CCO shall require the approval of a majority of the Board. BSEF shall notify the CFTC of the removal of the ~~Chief Compliance Officer~~CCO and the appointment of any new ~~Chief Compliance Officer~~CCO, whether interim or permanent, within two ~~business days, as defined in~~(2) CFTC ~~Regulation 40.1, Business Days~~ of such ~~removal or~~ appointment.

(b) The individual designated to serve as ~~Chief Compliance Officer~~CCO shall have the background and skills appropriate for fulfilling the responsibilities of the position. No individual ~~that would be~~ disqualified from ~~registration serving on the Board or a committee~~ pursuant to ~~Sections 8a(2) or 8a(3) of the CEA~~the criteria set forth in Rule 207(b) may serve as a ~~Chief Compliance Officer. The Chief Compliance Officer~~CCO. In determining whether the background and skills of a potential CCO are appropriate for fulfilling the responsibilities of the role of the CCO, BSEF has the discretion to base its determination on the totality of the qualifications of the potential CCO, including, but not limited to, compliance experience, related career experience, training, potential conflicts of interest, and any other relevant factors to the position. The CCO may not be a member of BSEF's legal department and may not serve as its general counsel.

(c) The ~~Chief Compliance Officer~~CCO shall report directly to the Board. The ~~Chief Compliance Officer~~CCO shall meet with the Board at least annually. The ~~Chief Compliance Officer~~CCO shall also meet with the Regulatory Oversight Committee at least quarterly. Each such meeting may occur in person or ~~by means of conference telephone~~telephonically. The ~~Chief Compliance Officer~~CCO shall provide any information regarding the regulatory and compliance program of ~~the SEF operated by~~BSEF that is requested by the Board, President, Vice President or any other Officer or the Regulatory Oversight Committee.

(d) ~~(d)~~The position of ~~Chief Compliance Officer~~CCO shall carry with it the authority and resources to develop, in consultation with the Board or an Officer, the policies and procedures of BSEF and enforce policies and procedures necessary to fulfill the duties set forth for chief compliance officers in the ~~Act~~CEA and the CFTC Regulations. The ~~Chief Compliance Officer~~CCO shall have supervisory authority over all staff acting in furtherance of the ~~Chief Compliance Officer~~CCO's obligations.

(e) ~~(e)~~The ~~Chief Compliance Officer~~CCO's duties shall include, but are not limited to, the following:

(i) Overseeing and reviewing ~~the~~ compliance of the SEF operated by BSEF with Section 5h of the ~~Act~~CEA and ~~any~~ CFTC Regulations;

(ii) In Taking reasonable steps, in consultation with the Board or ~~the senior an~~ Officer of BSEF, resolving to resolve any material conflicts of interest that may arise,

including, but not limited to: (1) conflicts between business considerations and compliance requirements; (2) conflicts between business considerations and the requirement that ~~the SEF operated by~~ BSEF provide fair, open, and impartial access as set forth in CFTC Regulation 37.202; and (3) conflicts between BSEF's management and members of the Board;

(iii) Establishing and administering Written policies and procedures reasonably designed to prevent ~~violation~~violations of the ActCEA and ~~any Rules adopted by the Commission~~CFTC Regulations;

(iv) Taking reasonable steps to ensure compliance with the ActCEA and CFTC Regulations ~~relating to agreements, contracts, or transactions, and with CFTC Regulations under Section 5h of the CEA~~;

(v) Establishing procedures ~~for the remediation of~~reasonably designed to handle, respond, remediate, retest, and resolve noncompliance issues identified by the ~~Chief Compliance Officer~~CCO through ~~any means, including any~~ compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint;

~~(vi) — Establishing and following appropriate procedures for the handling, management response, remediation, retesting, and closing of noncompliance issues;~~

(vi) ~~(vii)~~ Establishing and administering a compliance manual designed to promote compliance with the ~~applicable laws, Rules, and regulations~~CEA and CFTC Regulations and ~~administering~~ a Written code of ethics for the SEF operated by BSEF designed to prevent ethical violations and to promote honesty and ethical conduct by SEF Employees;

(vii) ~~(viii)~~ Supervising the ~~SEF's~~regulatory and compliance program of the SEF with respect to trade practice surveillance; market surveillance; real-time market monitoring; compliance with audit trail requirements; enforcement, and disciplinary ~~and appeals~~ proceedings; audits, examinations ~~conducted by the Regulatory Services Provider~~, and other regulatory responsibilities ~~with respect to Participants, Accounts, Customers and Clearing Members~~ (including ~~ensuring~~taking reasonable steps to ensure compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements);

(viii) ~~(ix)~~ Supervising the effectiveness and sufficiency of any regulatory services provided to the SEF operated by BSEF by the Regulatory Services Provider in accordance with CFTC Regulation 37.204; and

~~(x) — Preparing and filing the annual compliance report of BSEF~~

(ix) Complying with CFTC Regulation 37.1500(d) and related filing requirements specified therein.

RULE 210. Conflicts of Interest

(a) A Director, Officer, Disciplinary Panel, Appellate Panel, Disciplinary Committee or any other panel or committee member or other Person authorized to exercise BSEF's authority concerning any inquiry, investigation or any disciplinary or appeals proceeding, summary suspension, or other summary actions (any such action, a "SEF Action" and, collectively, "SEF Actions"), or Emergency actions taken pursuant to Rule 212 (each such SEF Action or Emergency ~~Action~~ action, a "SEF Proceeding") who ~~knowingly has~~ knows or reasonably should have known that they have a "material conflict of interest" between ~~his or her~~ their position as a Director, Officer, panel or committee member or other Person authorized to exercise ~~of~~ BSEF's authority concerning any SEF Proceeding and ~~his or her~~ their personal interests (each, an "Interested Person") may not participate in any deliberations or vote of ~~the~~ the Board, committee, or panel or exercise any authority in any SEF Proceeding involving ~~his or her~~ their personal interest, except as described in Rule 210(~~de~~). An Interested Person cannot participate in any deliberations or vote if a determination to impose such restriction is based on factors set forth in Rule 210(b)(i) through (iv) or Rule 210(b)(vi).

(b) For purposes of Rule 210(a), a "material conflict of interest" includes a Director's, Officer's, panel or committee member's or other Person's:

(i) Being named as a respondent ~~or~~, potential respondent, witness, or potential witness, in a SEF Proceeding;

(ii) Being an employer, employee, fellow employee or an Affiliate of a respondent or potential respondent in a SEF Proceeding;

(iii) Having any significant, ongoing business relationship with a respondent or potential respondent in a SEF Proceeding, not including relationships limited to executing Swaps opposite of each other or to clearing Swaps through the same Clearing Member;

(iv) Having a family relationship with a respondent or potential respondent in a SEF Proceeding (including the individual's spouse, co-habitator, former spouse, parent, step-parent, child, step-child, sibling, step-brother, step-sister, grandparent, grandchild, uncle, aunt, nephew, niece, and in-laws (including father-in-law, and mother-in-law, son/grandparent-in-law, son-or daughter-in-law, and brother-in-law or sister-in-law); ~~and/or~~

(v) ~~Having a direct and substantial financial interest in the result of the deliberations or vote based upon either SEF or non-SEF positions. A direct and substantial financial interest includes positions held in Swaps in the accounts of, Controlled by, or affiliated with the Interested Person or any other types of direct and substantial financial positions of the Interested Person that are reasonably expected to be affected by the deliberations or vote.~~ Having a Financial Interest in a Significant Action; and/or

(vi) Other circumstances regarding a Person's personal interests.

(c) Before considering any SEF Proceeding, an Interested Person must disclose in Writing to the ~~Board~~ CCO the material facts concerning ~~his or her~~ their relationship or interest in ~~the matter~~ a SEF Proceeding, as specified by Rule 210(c). Such Written disclosures shall be reviewed by the CCO to determine whether such Interested Person is subject to deliberations and voting restrictions under Rule 210(a). Such disclosure requirement does not apply to Interested Persons that have a Financial Interest in a Significant Action who choose to abstain from deliberations and voting on a Significant Action.

(d) If the CCO determines that disclosure to the Board is appropriate, the Interested Person must, upon request, provide all facts to the CCO, the Board, members of any committee of the Board or panel, as applicable, considering the possible material conflict of interest. After all facts are provided, such Interested Person shall recuse themselves from the Board, the committee of the Board or the panel, as applicable, and shall not participate in the final deliberation or decision regarding the matter under consideration while the determination of a material conflict of interest is discussed and voted upon. The remaining Board, committee or panel members, as applicable, and the CCO shall decide if a material conflict of interest exists, and the appropriate course of action.

(e) ~~(d)~~ Any Interested Person who would be required otherwise to abstain from deliberations and voting pursuant to Rule 210(a) solely as a result of having a ~~direct and substantial financial interest in the result of the deliberations and vote~~ Financial Interest in a Significant Action may participate in deliberations, prior to a vote on ~~the matter~~ any Significant Action if the Interested Person recuses from voting and, if:

(i) The material facts about the Interested Person's ~~financial interest~~ Financial Interest in a Significant Action in the ~~matter~~ SEF Proceeding are disclosed ~~or known~~ to the Board;

(ii) The Board determines that ~~the~~ participation by the Interested Person would be consistent with the public interest; ~~and~~

(iii) A majority of the Directors (excluding any Interested Persons) vote to allow the Interested Person to participate in deliberations on the ~~matter~~ SEF Proceeding;

(iv) The Interested Person's participation in deliberations is necessary for the deliberating body to achieve a quorum in the SEF Proceeding; and

(v) The Interested Person has unique or special expertise, knowledge, or experience in the SEF Proceeding under consideration.

(f) ~~(e)~~ If a determination is made pursuant to Rule 210(~~d~~), that an Interested Person may not participate in deliberations or may nonetheless participate in deliberations on a Significant Action prior to a vote, ~~then~~ any such determination shall comply with CFTC Regulation 1.69 and include a review of all material facts concerning the Interested Person's relationships and/or interest in the relevant matter or Significant Action and any other source of information that is held by or reasonably available to BSEF.

(g) Upon a determination whether the Interested Person is subject to deliberations and voting restrictions (or exemptions thereof) under Rule 210(a), the minutes of the meeting of the Board ~~or~~ committee ~~thereof will~~ or panel or other records shall reflect the determination and the reason(s) for the determination. Such records must also include:

(i) The names of all members who attended the meeting in person or who otherwise were present by electronic means;

(ii) The name of any members who voluntarily recused themselves or were required to abstain from deliberations and/or voting on a matter and the ~~reasons~~ reason for the ~~determination~~ recusal or abstention, if stated; and

(iii) Information on the material facts that was reviewed for each member.

(h) ~~(f)~~ If a determination is made pursuant to Rule 210(a) that all Directors are Interested Persons with respect to a matter subject to a vote by the Board, the President will appoint a panel of individuals who are not Interested Persons with respect to such matter, which will have the same authority and powers over such matter that the Board would have if the Directors were not Interested Persons with respect to such matter. If a determination is made pursuant to Rule 210(a) that the President is an Interested Person, then the Vice President or the Regulatory Oversight Committee, if the Vice President is also an Interested Person, will appoint such panel of individuals who are not Interested Persons.

RULE 211. Restrictions on Certain Persons who Possess Material Non-Public Information: Improper Use or Disclosure of Material Non-Public Information

(a) ~~(g)~~ No Director, Officer or member of any committee or panel established by the Board or a member of the Disciplinary Panel, Appellate Panel, or Disciplinary Committee shall use or disclose for any purpose other than the performance of ~~his or her~~ their official duties and responsibilities as a Director, Officer or committee or panel member any ~~material, non-public information~~ Material Non-Public Information obtained as a result of the individual's duties and responsibilities as a Director, Officer or committee or panel member. ~~No Director, Officer or committee or panel member shall, directly or indirectly, disclose or use at any time, either during his or her association with BSEF or thereafter, any confidential information of which the Board member or committee or panel member becomes aware. Each Director, Officer or committee or panel member in possession of confidential information shall take all appropriate steps to safeguard the information and to protect it against disclosure, misuse, espionage, loss and theft.~~

(b) ~~(h)~~ Notwithstanding Rule ~~210~~ 211 ~~(gd)~~, a Director, Officer or committee or panel member may disclose ~~confidential information if required by Applicable Law or a court order to be revealed to the United States Department~~ Material Non-Public Information acting in the course of such individuals' official duties to another SEF, court of competent jurisdiction, or representative of Justice any agency or ~~the CFTC~~.

(i) ~~For the purposes of Rule 210(g), the term “material, non-public information” shall mean “material information” that is “nonpublic information,” as such terms are defined in CFTC Regulation 1.59(a) federal or state government.~~

~~RULE 211. Restrictions on Certain Persons who Possess Material, Non-Public Information: Improper Use or Disclosure of Material Non-Public Information~~

(c) ~~(a) No member of the Board or of any Board committee, no member of any other committee of BSEF, no Officer of BSEF, no employee of BSEF, no a member of the Disciplinary Panel, Appeals Panel or Disciplinary Committee, Officer, SEF Employee or agent of BSEF, no subcontractor of BSEF and no or consultant to of BSEF, shall:~~

(i) ~~Trade trade for such Person’s own account, or for or on behalf of any other account, in any commodity interest Covered Interest on the basis of any material, non-public information Material Non-Public Information obtained through the performance of such Person’s official duties;~~

(d) ~~(ii) Use No member of the Board or any Board or any other committee of BSEF, a member of the Disciplinary Panel, Appeals Panel or Disciplinary Committee, Officer, SEF Employee or agent, or consultant of BSEF, shall use or disclose, for any purpose other than the performance of such Person’s official duties, any material, non-public information 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 the CFTC, any Self Regulatory Organization, a court of competent jurisdiction or any agency or department of the federal or state government; or.~~

(e) No SEF Employee shall:

(i) ~~(iii) Trade, directly or indirectly, in any Swap traded on the SEF operated by BSEF; in any related commodity interest; or in any commodity interest traded on any DCM or SEF or cleared by any Clearing House if such Person has access to material non-public information concerning such Swap or commodity interest. Trade, directly or indirectly, any Covered Interest; and/or~~

(ii) Disclose to any other Person any Material Non-Public Information which such SEF Employee obtains as a result of their employment at BSEF, where such SEF Employee has or should have a reasonable expectation that the information disclosed may assist another Person in trading any Covered Interest; provided, however, that such rules shall not prohibit disclosures made in the course of a SEF Employee’s official duties, or disclosures made to another SEF, Self-Regulatory Organization, Linked Exchange, court of competent jurisdiction, or representative of any agency or department of the Federal or State government acting in their official capacity.

(iii) Exemptions from (e)(i) are permitted on a case-by-case basis in the following circumstances:

(A) Participation by SEF Employee in a pooled investment vehicle (within the meaning of CFTC Regulation 1.59(a)(10)) where the SEF Employee has no direct or indirect control with respect to transactions executed for or on behalf of such vehicle or any account in which trading decisions and activities are performed by a third-party money manager, in which the account owner does not retain discretion to direct or influence the trading of securities in that account; or

(B) Trading by a SEF Employee under circumstances enumerated by BSEF in which BSEF determines trading is not contrary to Applicable Law, the public interest, or just and equitable principles of trade.

(f) No Person shall trade for such Person's own account, or for or on behalf of any other account, in any Covered Interest on the basis of any Material Non-Public Information that such Person knows was obtained in violation of this Rule from a SEF Employee, member of the Board or any Board or any other committee of BSEF, Officer, or consultant.

RULE 212. Emergency Rules

(a) In the event of an Emergency, BSEF ~~may implement~~ shall adopt temporary emergency procedures and/or rules (“**Emergency Rules**”), ~~subject to provide for the applicable provisions of the CEA and CFTC Regulations~~ exercise of Emergency authority. Implementation of Emergency Rules shall be done in consultation or cooperation with the CFTC, ~~as is necessary and appropriate, including the authority to order the liquidation or transfer of open positions in any Swap or curtail trading in a Swap. To comply with CFTC Regulations 37.800 and 37.801 the~~ Emergency Rules may require or authorize BSEF, the Board, any committee of the Board, the President, or any other Officer to take actions necessary or appropriate adopt Emergency Rules that are reasonably designed to respond to the Emergency, including the following actions:

(i) ~~Suspending or curtailing trading or limiting trading to liquidation only (in whole or in part);~~ Allow BSEF to intervene as necessary 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 SEF's market or as part of a coordinated, cross-market intervention;

(ii) ~~Extending or shortening the last trading date for Swaps;~~ Have the flexibility and independence to address Emergencies in an effective and timely manner consistent with the nature of the Emergency, as long as all such actions taken by BSEF are made in good faith to protect the integrity of the SEF;

~~(iii) Ordering the fixing of a settlement price;~~

~~(iii) (iv) Ordering~~ Take market actions as may be directed by the CFTC, including, in situations where a Swap is traded on more than one platform, Emergency action to order the liquidation or transfer of an open position in any Swap, or the reduction of positions interest as directed, or agreed to, by the CFTC or the CFTC's staff;

(iv) Include procedures and guidelines for decision-making and implementation of Emergency Rules that avoid conflicts of interest;

~~(v) Extending, limiting or changing the Trading Hours;~~Include alternate lines of communication and approval procedures to address Emergencies associated with real-time events; and

~~(vi) Imposing or modifying~~Allow the SEF to address perceived market threats, to impose or modify position limits, impose or modify price limits, impose or modify intraday market restrictions;

~~(vii) Transferring customer contracts and the margin in an emergency;~~

~~(viii) Imposing, impose~~ special margin requirements;

~~(ix) Extending or shortening the expiration date of a Swap;~~

~~(x) Altering,~~ order the liquidation or transfer of open positions in any Swap, order the fixing of a settlement price, extend or shorten the expiration date or Trading Hours, suspend or curtail trading in any Swap, transfer Participant's Swaps and the margin, or alter any Swap's settlement terms and/or conditions;, or, if applicable, provide for the carrying out of such actions through its agreements with its Clearing Houses or its Regulatory Services Provider.

~~(xi) Imposing or modifying price limits;~~

~~(xii) Imposing, modifying or reducing position limits; and/or~~

~~(xiii) Temporarily modifying or suspending any provision of the BSEF Rules or Obligations.~~

(b) Before any Emergency Rule may be adopted and enforced, a required vote of the Board must approve the implementation of such Emergency Rule at a duly convened meeting requested by the President or any other Officer. Directors may attend such ~~a meeting by teleconference~~telephonically. Each Director participating in such meeting shall be subject to Rule 210. If the President, Vice President or the Chief Technology Officer determines that Emergency Rules must be implemented with respect to an Emergency before a meeting of the Board can reasonably be convened, then the President, Vice President or the Chief Technology Officer shall have the authority, without Board action, to implement any Emergency Rules with respect to such Emergency that ~~he or she deems~~they deem necessary or appropriate to respond to such Emergency.

(c) Whenever BSEF, the Board, any committee of the Board, or the President, Vice President or the Chief Technology Officer takes actions necessary or appropriate to respond to an Emergency (including the actions set forth in paragraph (a) above), an ~~Authorized Representative~~authorized representative of BSEF will post a Notice to Participants regarding such Emergency, as soon as practicable. When the Board, any committee of the Board or the President, Vice President or the Chief Technology Officer determines that the Emergency is no

longer in effect, permitting the SEF operated by BSEF to resume normal functioning; any such actions responding to an Emergency will be terminated.

(d) BSEF will use reasonable efforts to notify the CFTC prior to implementing, modifying or terminating an Emergency Rule. If such prior notification is not reasonably possible or practicable, BSEF will promptly notify the CFTC ~~as soon as possible or reasonably practicable~~, but in all circumstances within twenty-four (24) hours of the implementation, modification or termination of such Emergency Rule.

(e) Upon taking any action in response to an Emergency, BSEF will document the decision-making process in Writing related to such action. Such Written documentation will be kept for at least five (5) years following the date on which the Emergency ceases to exist or to affect the SEF operated by BSEF, and all such Written documentation will be provided to the CFTC upon request.

RULE 213. Information-Sharing Agreements

(a) BSEF shall enter into information-sharing agreements or other arrangements or procedures necessary to allow BSEF to obtain any necessary information to perform any monitoring of trading and Trade processing, provide information to other markets, the CFTC or any other Governmental Body with jurisdiction over BSEF upon request and which allow BSEF to carry out such international information-sharing agreements as the CFTC may require. As part of any information-sharing agreements or other arrangements or procedures adopted pursuant to this Rule, BSEF may:

(i) Provide market surveillance reports to the CFTC, any Governmental Body with jurisdiction over BSEF, or, as necessary for BSEF to comply with its ~~SRO~~Self-Regulatory Organization obligations, to other markets;

(ii) Share information and documents concerning current and former Participants to the CFTC, any Governmental Body with jurisdiction over BSEF, or, as necessary for BSEF to comply with its ~~SRO~~Self-Regulatory Organization obligations, to other markets;

(iii) Share information and documents concerning ongoing and completed investigations to the CFTC, any Governmental Body with jurisdiction over BSEF, or, as necessary for BSEF to comply with its ~~SRO~~Self-Regulatory Organization obligations, to other markets; and/or

(iv) Require its current or former Participants to provide information and documents to BSEF at the request of the CFTC, any Governmental Body with jurisdiction over BSEF, or, as necessary for BSEF to comply with its ~~SRO~~Self-Regulatory Organization obligations, to other markets.

(b) BSEF may enter into any information-sharing arrangement with any Person or body (including the CFTC, the NFA, any Self-Regulatory Organization, any SEF, DCM, market, or ~~clearing organization~~Clearing House, or any Governmental Body) if BSEF (i) believes that such entity exercises a legal or regulatory function under any law or regulation, or a function

comprising or associated with the enforcement of a legal or regulatory function, or (ii) considers such arrangement to be in furtherance of the purpose or duties of ~~BSEF and the SEF operated by~~ BSEF under Applicable Law.

(c) BSEF may disclose any information provided by or relating to ~~Participant~~ Participants, Account Managers, Authorized Traders, Supervised Persons, Clearing Members, Customers or Accounts or their agents, or Trades of ~~Participant~~ Participants or of ~~its~~ their Customers or Accounts, including the content of ~~this Agreement~~ Participant Documentation, to any Governmental Body, to the Regulatory Services Provider (whether for the purpose of supporting the provision of services by the Regulatory Services Provider or for the purpose of supporting the Regulatory Services Provider's performance of its obligations and responsibilities as a registered futures association), to an SDR where BSEF reports Trades, to any other ~~person~~ Person or entity as required by Applicable Law or as necessary to conclude a Participant's Trades, submit a Participant's Trades for clearance to a Clearing House or perform services requested by a Participant, and to any Person providing services to ~~BSEF with respect to the SEF operated by~~ BSEF. BSEF will not disclose any proprietary data or personal information of any Participant, Account Manager, Authorized Trader, Supervised Person, Clearing Member, Customer or Account without a corresponding confidentiality agreement between such Person and BSEF, unless the Person requesting such information is a Governmental Body.

RULE 214. Regulatory Services Agreement with the Regulatory Services Provider

(a) BSEF has contracted with the Regulatory Services Provider to provide certain regulatory services to BSEF pursuant to a Regulatory Services Agreement. In accordance with the Regulatory Services Agreement, the Regulatory Services Provider may perform certain surveillance, investigative, and regulatory functions under the ~~BSEF~~ Rules and BSEF may provide information to the Regulatory Services Provider in connection with the performance by the Regulatory Services Provider of those functions, which such information may be used by the Regulatory Services Provider for the purpose of performing its obligations and responsibilities as a Regulatory Services Provider or a registered futures association.

(b) BSEF shall retain ~~ultimate decision making~~ exclusive authority ~~with respect to any functions that are contracted to~~ in all substantive decisions made by any Regulatory Services Provider, including, but not limited to, decisions involving the cancellation of Trades, the issuance of disciplinary charges against Participants, and denials of access to the SBSEF operated by BSEF for disciplinary reasons. BSEF shall document in Writing any instances where its actions differ from those recommended by the Regulatory Services Provider, including the reasons for the course of action recommended by the Regulatory Services Provider and the reasons why BSEF chose a different course of action and shall keep such Written documentation in its books and records.

RULE 215. ~~RULE 215.~~ Delivery and Service of CFTC Communications for Non-U.S.-Person Participants

In accordance with CFTC Rule 15.05, BSEF will serve as an agent of a non-U.S. Person Participant or a Customer of a non-U.S. Person Participant for whom Swaps were executed or a non-U.S. Person Participant's Authorized Trader for purposes of accepting delivery and service

of any communication issued by or on behalf of the CFTC to the non-U.S. Person Participant ~~or~~, the Customer of the non-U.S. Person Participant or the non-U.S. Person's Authorized Trader, in each case with respect to any swap traded ~~on~~ pursuant to the ~~SEF operated by BSEF~~ Rules.

CHAPTER 3. PARTICIPANTS

RULE 301. Eligibility Criteria for Becoming a Participant

(a) To be eligible for admission as a Participant, an applicant warrants to BSEF that it meets the following criteria:

(i) Is an ECP, and each Account or Customer on whose behalf it wishes to trade ~~on~~ pursuant to the ~~SEF operated by BSEF~~ Rules is an ECP, in each case eligible to enter into the ~~asset classes of~~ Swaps it wishes to trade ~~on~~ pursuant to the ~~SEF operated by BSEF~~ Rules;

(ii) Is of good reputation and business integrity;

(iii) Is validly organized, in good standing, and authorized by its governing body and, if relevant, documents of organization, to trade Swaps;

(iv) Has not filed for bankruptcy;

(v) Is not a SEF Official, agent or ~~affiliate~~ Affiliate of BSEF;

(vi) Is not prohibited from using the services of BSEF for any reason whatsoever;

(vii) Holds all registrations required under Applicable Law, if any;

(viii) Is not subject to statutory disqualification under Section 8a(2) of the CEA;

(ix) Satisfies any other criteria that BSEF may require from a Participant for BSEF to ~~perform~~ carry out its ~~SRO~~ Self-Regulatory Organization responsibilities, comply with Applicable Law or provide the SEF ~~services~~ operated by BSEF; ~~and~~

(x) Is not an ISV or an automated trading system;

(xi) Is not seeking to become a Participant as a branch of a Person; and

(xii) Not on any restricted list including, but not limited to, the Specially Designated Nationals and Blocked Persons list that is maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury.

(b) Once admitted, the Participant shall continue to ~~comply with~~ meet all applicable Eligibility Criteria in this Rule 301.

(c) With respect to Cleared Swaps, each Participant that is an Account Manager, FCM or Introducing Broker must ensure that each of its, as applicable, Accounts or Customers

has a clearing account with a Clearing Member that is a member of the Clearing House accepting for clearance Cleared Swaps traded ~~on~~pursuant to the ~~SEF operated by BSEF~~Rules and provide BSEF with evidence of such relationship. With respect to Non-Cleared Swaps, each Participant that is an Account Manager or Introducing Broker must ensure that each of its, as applicable, Accounts or Customers complies with Rule 534, if applicable. A DMA Customer that is an Account Manager must ensure that each of its Accounts complies with Rule 534, if applicable. ~~Each~~Upon BSEF's prior Written request, each Participant or DMA Customer that is an Account Manager must provide BSEF ~~upon BSEF's prior Written request~~ with Written representation or proof of authority to place RFQs or Orders and execute Trades ~~on~~pursuant to the ~~SEF operated by BSEF~~Rules on behalf or in the name of each Account.

(d) With respect to Cleared Swaps, each Participant that is not an Account Manager must either be a Clearing Member of a Clearing House where the Cleared Swaps are cleared or have a clearing account with a Clearing Member with respect to such Cleared Swap and provide ~~SEF~~BSEF with evidence of such relationship. With respect to Non-Cleared Swaps, each Participant that is not an Account Manager must comply with Rule 534, if applicable.

(e) Each Participant must establish ~~a~~ Trading ~~Account~~Profile(s). In addition to all information required by BSEF, information in each Trading ~~Account~~Profile shall at a minimum be sufficient to allow BSEF to present a Trade for clearing to a Clearing House and report a Trade to an SDR. ~~A~~Further, each Participant must ~~keep~~ensure information provided to any external party which stages Trades for clearing is correct and up-to-date, and promptly provide such information ~~current and up-to-date~~to BSEF. Please see Notices to Participants 2016-5A and 2017-1, which are posted on BSEF's website.

(f) Participants that do not have a relationship with a Clearing Member as set forth in ~~subsection~~paragraphs (c) or (d) of this Rule 301 are prohibited from entering RFQs or Orders in Cleared Swaps ~~on~~pursuant to the ~~SEF operated by BSEF~~Rules.

(g) Upon request of BSEF, a Participant shall promptly provide to BSEF or its Regulatory Services Provider, information about the Participant, its Customers, Accounts, Clearing Members and Authorized Traders as BSEF requests related to or in connection with SEF Activity.

RULE 302. Authorized Traders

(a) Each Participant shall nominate or designate one or more Authorized Traders, who will conduct SEF Activity on behalf of the Participant.

(b) Each Authorized Trader:

(i) Must be a natural ~~person~~Person;

(ii) Must satisfy any other requirements as may be prescribed by BSEF from time to time; and

(iii) Must have a Trader ID.

(c) A Participant that authorizes a third party to trade on its behalf on the SEF operated by BSEF for its Trading ~~Account~~Profile(s) on a discretionary basis pursuant to a power of attorney or other instrument must identify or approve a specific natural ~~person~~Person as its Authorized Trader with respect to such Participant's Trading ~~Account~~Profile(s).

(d) Without limiting the foregoing, each Authorized Trader will abide by applicable ~~BSEF~~ Rules and Applicable Law, and each Participant or DMA Customer, as applicable, will ensure on an ongoing basis that:

(i) None of its Authorized Traders is subject to a disqualification pursuant to any Applicable Law (unless an appropriate exemption has been obtained with respect thereto);

(ii) Each of its Authorized Traders ~~will be~~is technically proficient;

(iii) Each of its Authorized Traders ~~will conduct its~~conducts business in a fair and equitable manner; and

(iv) Each of its Authorized Traders ~~will conduct its~~conducts business in accordance with the ~~BSEF~~-Rules.

(e) By agreeing to become an Authorized Trader, ~~an~~such individual agrees to be bound by the duties and responsibilities of an Authorized Trader under ~~these~~the Rules and to be subject to, and comply with, the ~~BSEF~~-Rules and Obligations. Among other duties and responsibilities that BSEF may impose, an Authorized Trader must:

(i) Have the authority, at BSEF's request, to adjust or withdraw any Order submitted under any Trader ID assigned to ~~him or her~~them; and

(ii) Ensure that any SEF Activity conducted under any Trader ID assigned to ~~him or her~~them complies with all ~~BSEF~~the Rules and Obligations.

(f) To nominate or designate an Authorized Trader, a Participant must follow the procedures established by BSEF. BSEF may establish criteria that individuals must fulfill to become an Authorized Trader. Any such criteria will be set out in the ~~BSEF~~ Rules and/or Participant Documentation. BSEF will not accept the registration as an Authorized Trader of any individual who is a SEF Official.

(g) BSEF will maintain a list of all appointed Authorized Traders for each Participant.

(h) BSEF may, in its sole discretion terminate, revoke or suspend an Authorized Trader and shall promptly notify the Participant in Writing of such action. Upon such termination, revocation or suspension, BSEF will disable access of such Authorized Trader ~~to the SEF operated by BSEF~~.

(i) To request the termination of the designation of an Authorized Trader, the Participant or the Authorized Trader must notify BSEF following the procedures established by

BSEF. BSEF will terminate access of such Authorized Trader ~~to the SEF operated by BSEF~~ immediately upon receipt of such notice from Participant.

RULE 303. Participant Application Process; Termination of Participant

(a) Any Person who desires to become a Participant shall (i) submit signed Participant Documentation; (ii) agree in Writing to abide by the ~~BSEF Rules and Applicable Law~~; (iii) provide such information and documentation as may be requested by BSEF; and (iv) follow the application procedures established by BSEF.

(b) The admission of an Applicant to Participant status shall be subject to satisfaction of the Eligibility Criteria.

(c) ~~(b)~~ In considering an application from a potential Participant, BSEF may require additional information from the applicant, or conduct an investigation to verify information submitted by the applicant, or both.

(d) ~~(e)~~ If BSEF decides to admit an applicant as a Participant, it shall promptly notify the applicant and state in such notice the date on which the applicant shall become a Participant.

(e) ~~(d)~~ If BSEF decides to decline or condition an application for admission as a Participant, or terminate a Person's status as a Participant, BSEF shall promptly notify such Affected Person thereof in a Writing sent to the address provided by the applicant or maintained in BSEF registry of Participants. Such Affected Person may, within seven (7) calendar days, request in Writing that BSEF provide the reasons for the denial, conditioning or termination of Participant status. Within fourteen (14) calendar days after receiving such Written request, BSEF shall send in Writing to the Affected Person the reasons for the denial, conditioning or termination. Within fourteen (14) calendar days of receiving ~~the~~ BSEF's Written response, the Affected Person may request in Writing that BSEF reconsider its determination, and may provide any relevant representations or other information that such Affected Person believes to be relevant to the reconsideration.

(f) ~~(e)~~ BSEF may deny, condition, suspend, or terminate Participant status of any Person if: ~~(i) such~~

(i) Such Person is unable to satisfactorily demonstrate its ability to satisfy on a continuous basis the Eligibility Criteria as set forth in Rule 301(a) to become or remain a Participant; ~~(ii) such~~

(ii) Such Person is unable to satisfactorily demonstrate its capacity to adhere to all applicable ~~BSEF~~ Rules; ~~(iii) such~~

(iii) Such Person would bring BSEF into disrepute as determined by BSEF in its sole discretion; ~~or~~

(iv) [Reserved]

(v) Such Person does not execute Trades pursuant to the Rules for a period of two (iv2) for years or longer; or

(vi) For such other cause as BSEF may reasonably determine.

RULE 304. Trading Privileges of a Participant

(a) Upon admission as a Participant or DMA Customer, the Participant or DMA Customer must execute such Participant Documentation or DMA Customer Documentation, as applicable, as required from time to time by BSEF, and such Participant Documentation or DMA Customer Documentation, as applicable, must remain in effect for the Participant or DMA Customer to access the SEF ~~operated by BSEF~~ Platform.

(b) Admission as a Participant entitles the Participant only to Trading Privileges and does not confer any right of ownership in, or right to attend or vote at meetings of, BSEF, or right to share in the profits, of BSEF. A Participant may not transfer or assign its status as a Participant.

RULE 305. Termination or Limitation of Trading Privileges and Trading Access

(a) Notwithstanding anything in the ~~BSEF~~ Rules to the contrary, the ~~Chief Compliance Officer~~ CCO may, after consultation with the Regulatory Oversight Committee, if practicable, summarily suspend, revoke, limit, condition, restrict or qualify the Trading Privileges of a Participant or the Trading Access of an Authorized Trader, and may take other summary action against any Participant or any of its Supervised Persons or any Authorized Trader in accordance with the ~~BSEF~~ Rules; provided, however, that the ~~Chief Compliance Officer~~ CCO must reasonably believe that the business, conduct or activities of the Participant, Authorized Trader or Supervised Person in question is not in the best interests of BSEF ~~or the marketplace~~, including based on any of the following: (i) statutory disqualification from registration as provided in CEA Section 8a(2) or (3); (ii) non-payment of fees, costs, charges, fines or arbitration awards; or (iii) the reasonable belief that immediate action is necessary to protect the public or the best interests of ~~BSEF and the SEF operated by~~ BSEF. BSEF may deny or limit Trading Privileges of a Participant or Trading Access of any Authorized Trader upon default of the Participant, Customer or Account, as applicable, on any Swap with respect to such Participant, Customer or Account.

(b) Whenever practicable, the Compliance Department, acting on behalf of the ~~Chief Compliance Officer~~ CCO, shall provide prior Written notice to the party against whom any action in accordance with paragraph (a) shall be taken. If prior notice is not practicable, BSEF will give notice at the earliest possible opportunity to the respondent against whom the action is brought. The Compliance Department, acting on behalf of the ~~Chief Compliance Officer~~ CCO, will prepare a notice of summary action (which will state the action, the reasons for the action, and the effective time, date and duration of the action) and serve the notice on such party.

(c) The summary action will become final upon the expiration of twenty (20) calendar days after the notice of action is served on the respondent.

(d) At the request of BSEF, a respondent against whom a summary action is brought pursuant to this Rule 305 must provide books and records over which the respondent has access or control and must furnish information to, or appear or testify before, BSEF or ~~the~~ in connection with the enforcement of any ~~BSEF~~ Rule.

(e) A Participant may appeal any decision taken by BSEF under this Rule 305 as provided in Rule 620; provided, however, that any such decision by BSEF to deny or otherwise limit applicant's Trading Privileges or Trading Access shall continue in effect during such review.

RULE 306. Assessments and Fees

BSEF shall set the times and amounts of any assessments or fees to be paid by Participants, which assessments or fees shall be paid to BSEF when due. If a Participant fails to pay when due any such assessments or fees levied on such Participant, and such payment obligation remains unsatisfied for thirty (30) calendar days after its due date, BSEF may suspend, revoke, limit, condition, restrict or qualify the Trading Privileges of such Participant as it deems necessary or appropriate.

RULE 307. Authorized Representatives

Each Participant shall designate one or more Authorized Representatives who will represent the Participant before BSEF and its committees and receive notices on behalf of the Participant. The Authorized Representative shall be empowered by the Participant to act on its behalf and BSEF shall be entitled to rely on the actions of the Authorized Representative as binding on the Participant. Each Participant must provide BSEF with current contact and other requested information for each of its Authorized Representatives so that BSEF is able to immediately contact the Authorized Representatives.

RULE 308. Recording of Communications

BSEF may record conversations and retain copies of electronic communications between SEF Officials, ~~on one hand~~, and Participants, their Account Managers, Authorized Traders, Supervised Persons or other agents, ~~on the other hand, to the extent required by Applicable Law~~. Any such recordings may be retained by BSEF or the Regulatory Services Provider in such manner and for such periods of time as BSEF or the Regulatory Services Provider may deem necessary or appropriate.

RULE 309. Notices to Participants

BSEF shall publish a Notice to Participants with respect to each addition to, modification of, or clarification of, the ~~BSEF~~ Rules or of any action to implement any ~~BSEF~~ of the Rules, in a form and manner that is reasonably designed to enable each Participant to become aware of and familiar with, and to implement any necessary preparatory measures to be taken by it with respect to, such addition or modification, prior to the effective date thereof. For purposes of publication in accordance with the first sentence of this Rule, it shall be sufficient (without limiting the discretion of BSEF as to any other reasonable means of communication) if a Notice to Participants is published on BSEF's website ~~and posted on BSEF's internal notification~~

~~system~~. Any Notice to Participants shall also be deemed to have been made to all Account Managers, Authorized Traders and Supervised Persons.

RULE 310. Communications between BSEF and Participants

Each Participant must provide BSEF with its current electronic mail address and telephone number and the electronic mail address and telephone number of any of its Authorized Traders and immediately (and in any event within twenty-four (24) hours) update this information whenever it changes. All communications between BSEF and the Participant will be transmitted by electronic mail and/or posted on BSEF's website, except as otherwise specified by BSEF. The Participant shall be responsible for conveying such communications to its Authorized Traders and/or to its Account Managers. Each Participant will be responsible for promptly reviewing and, if necessary, responding to all electronic communications from BSEF to the Participant or any of its Account Managers, Authorized Traders, Supervised Persons or any Person to whom it has given Trader ID(s). All communications made to a Participant shall also be deemed to have been made to all Account Managers, Authorized Traders and Supervised Persons of such Participant.

RULE 311. Application of ~~BSEF~~the Rules and Jurisdiction

(a) **ANY MARKET PARTICIPANT THAT DIRECTLY OR INDIRECTLY EFFECTS A TRANSACTION ON OR PURSUANT TO THE RULES OF THE SEF OPERATED BY BSEF, OR ANY PARTICIPANT, AUTHORIZED TRADER, CLEARING MEMBER OR OTHER PERSON ACCESSING OR ENTERING ANY RFQ OR ORDER OR SUBMITTING ANY SWAP INTO THE SEF OPERATED BY BSEF OR EXECUTING ANY TRADE PURSUANT TO THE RULES (i) IS BOUND BY, AND SHALL COMPLY WITH, THE ~~BSEF~~ RULES AND OBLIGATIONS, THE CLEARING HOUSE RULES, SWAP CONTRACT SPECIFICATIONS AND APPLICABLE LAW WHICH APPLIES TO THEIR TRADING PURSUANT TO THE RULES, IN EACH CASE TO THE EXTENT APPLICABLE TO ITS SEF ACTIVITY, (ii) SUBMITS TO THE JURISDICTION OF BSEF WITH RESPECT TO ANY AND ALL MATTERS ARISING FROM, RELATED TO, OR IN CONNECTION WITH, THE STATUS, ACTIONS OR OMISSIONS OF SUCH PARTICIPANT, AUTHORIZED TRADER OR OTHER PERSON, AND (iii) AGREES TO ASSIST BSEF IN COMPLYING WITH ITS LEGAL AND REGULATORY OBLIGATIONS, COOPERATE WITH BSEF, THE CFTC AND ANY GOVERNMENTAL BODY WITH JURISDICTION OVER BSEF OR THE SEF OPERATED BY BSEF IN ANY INQUIRY, INVESTIGATION, AUDIT, EXAMINATION OR PROCEEDING.**

(b) Any Person whose access to the SEF operated by BSEF is suspended for any period remains subject to the ~~BSEF~~ Rules, the Obligations and BSEF's jurisdiction throughout the period of suspension. Any Person whose access to the SEF operated by BSEF is revoked or terminated shall remain bound by the ~~BSEF~~ Rules and Applicable Law, in each case to the extent applicable to it, and subject to the jurisdiction of BSEF with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Participant prior to such revocation or termination.

RULE 312. Description of Participant's Status

A Participant shall ensure that the form, content and context of any description of the Participant's status on the SEF operated by BSEF is not inconsistent with, and does not misrepresent, the Participant's capacity on the SEF operated by BSEF under the ~~BSEF~~ Rules or the Participant's registration, if any, under the CEA, or under any other Applicable Law.

RULE 313. Dissolution of Participants

All rights and privileges of a Participant terminate upon, and all obligations of a Participant shall survive the dissolution of the Participant.

RULE 314. Withdrawal of Participant

(a) To withdraw from the SEF operated by BSEF, a Participant must notify BSEF of its withdrawal. Such withdrawal shall be accepted and effective immediately upon receipt of such notice by BSEF.

(b) When BSEF accepts the withdrawal of a Participant, all rights and privileges of such Participant will terminate (including the Trading Privileges). The accepted withdrawal of a Participant shall not affect the rights of BSEF under the ~~BSEF~~ Rules or relieve the former Participant of such Participant's obligations under the ~~BSEF~~ Rules before such withdrawal. Notwithstanding the accepted withdrawal of a Participant, the withdrawn Participant remains subject to the ~~BSEF~~ Rules, the Obligations and the jurisdiction of BSEF for acts ~~done~~ and omissions ~~made~~ done or committed while a Participant, and ~~must cooperate~~ shall comply in any SEF Proceeding under Chapter 6 as if the withdrawn Participant were still a Participant.

RULE 315. ~~Compliance with the Commodity Exchange Act~~ Reserved

~~All SEF Participants shall comply with all relevant provisions of the CEA and the Rules and regulations duly issued pursuant thereto by the CFTC, including the filing of reports, maintenance of books and records, and permitting inspection and visitation by Authorized Representatives of the CFTC or Department of Justice.~~

RULE 316. Access

RULE 316.A. ECP Access

BSEF will provide its services to any ECP with access to its markets and BSEF services that is impartial, transparent and applied in a fair and non-discriminatory manner; provided, however, that each ECP complies with BSEF's ~~documentation~~ Participant Documentation and the ~~eligibility requirements~~ Eligibility Criteria set forth in ~~this Rulebook~~ the Rules.

RULE 316.B. ISV Access

BSEF will provide ISVs with access to ~~its trading platform~~ the SEF Platform and ~~its~~ data in a fair and non-discriminatory manner; provided, however, that each ISV shall comply with BSEF's criteria governing such access. Such access criteria shall be impartial and transparent.

RULE 317. Direct Market Access

(a) A DMA Customer may be sponsored only by a Sponsoring Broker.

(b) All trades in Cleared Swaps executed via DMA connection must be guaranteed by a Sponsoring Broker that assumes financial responsibility for all trades in Cleared Swaps executed through the DMA connection.

(c) Each DMA Customer must execute the DMA Customer Documentation as a condition of being granted access to the SEF operated by BSEF.

(d) A Sponsoring Broker shall assist BSEF in any investigation into potential violations of the ~~BSEF~~ Rules, CFTC Regulations or the ActCEA which occur through or with respect to a DMA connection guaranteed by such Sponsoring Broker. Such assistance must be timely and may include requiring any DMA Customer to produce documents, to answer questions from BSEF, and/or to appear in connection with an investigation.

(e) A Sponsoring Broker shall suspend or terminate the Trading Access of a DMA Customer or any Authorized Trader associated with such DMA Customer if BSEF determines that the actions of the DMA Customer or any of its Authorized Traders threaten the integrity of the SEF operated by BSEF or liquidity of any Swap or violate any ~~BSEF~~ Rule or if the DMA Customer or any of its Authorized Traders fails to cooperate in an investigation.

(f) If a Sponsoring Broker has actual or constructive notice of a violation of the ~~BSEF~~ Rules in connection with Direct Market Access by its DMA Customer and the Sponsoring Broker fails to take appropriate action, BSEF may consider that the Sponsoring Broker has committed an act detrimental to the interest or welfare of BSEF.

RULE 318. Legal Certainty for SEF Trades

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

(a) A violation by BSEF of the provisions of section 5h of the ActCEA or CFTC Regulations;

(b) Any CFTC proceeding to alter or supplement a Rule, term, or condition under section 8a(7) of the ActCEA or to declare an emergency under section 8a(9) of the ActCEA; 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 BSEF to adopt a specific term or condition, trading rule or procedure, or to take or refrain from taking a specific action.

RULE 319. Rights and Responsibilities after Suspension or Termination

(a) When the Trading Privileges of a Participant or the Trading Access of any Authorized Trader are suspended, none of its rights and Trading Privileges (including the right to hold oneself out to the public as a Participant, enter RFQs or Orders into the SEF ~~operated by BSEF~~ Platform and receive Participant rates for fees, costs, and charges at Participant levels) will apply during the period of the suspension, except for the right of the Participant in question to assert claims against others as provided in the ~~BSEF~~ Rules or the right to Trading Access. Any such suspension will not affect the rights of creditors under the ~~BSEF~~ Rules or relieve the Participant in question of its, ~~his~~ or ~~her~~ their obligations under the ~~BSEF~~ Rules to perform any Swaps entered into before the suspension, or for any ~~SEF~~ BSEF fees, costs, or charges incurred during the suspension.

(b) When the Trading Privileges of a Participant or the Trading Access of any Authorized Trader are terminated, all of a Participant's rights and Trading Privileges or an Authorized Trader's right to Trading Access will terminate, except for the right of the Participant in question to assert claims against others, as provided in the ~~BSEF~~ Rules. Any such termination will not affect the rights of creditors under the ~~BSEF~~ Rules. A terminated Participant may only seek to reinstate its Trading Privileges by applying for Trading Privileges pursuant to Rule 304. BSEF will not consider the application of a terminated Participant if such Participant continues to fail to appear at disciplinary or appeals proceedings without good cause or continues to impede the progress of disciplinary or appeals proceedings.

(c) A suspended or terminated Participant, Authorized Trader or Supervised Person remains subject to the ~~BSEF~~ Rules and the jurisdiction of BSEF for acts ~~and~~ or omissions done or committed prior to the suspension or termination, and ~~must cooperate~~ shall comply in any inquiry, investigation, disciplinary or appeals proceeding, summary suspension or other summary action as if the suspended or terminated Participant still had Trading Privileges or the terminated Authorized Trader still had Trading Access. BSEF may discipline a suspended Participant or Authorized Trader ~~under this Chapter 6~~ for any violation of a ~~BSEF~~ Rule or provision of Applicable Law committed by the Participant or Authorized Trader before, during or after the suspension.

(d) Upon the request of a Customer, in the event of the suspension or revocation of the Trading Privileges of a Participant, BSEF shall seek to facilitate the transfer of any Customer ~~accounts~~ Accounts held by such Participant to other Participants with Trading Privileges.

CHAPTER 4. OBLIGATIONS OF PARTICIPANTS, ACCOUNT MANAGERS, DMA CUSTOMERS, AUTHORIZED TRADERS AND SUPERVISED PERSONS

RULE 401. Duties and Responsibilities

(a) Each Participant, Account Manager, DMA Customer, Authorized Trader and Supervised Person shall:

(i) Ensure ~~that BSEF's~~ the facilities of the SEF operated by BSEF are used in a responsible manner and are not used for any improper purpose;

(ii) Ensure ~~that BSEF's~~ the facilities of the SEF operated by BSEF are used to only ~~to~~ conduct SEF Activity;

(iii) Ensure that all SEF Activity conducted by the Participant, Account Managers, Authorized Traders and Supervised Persons is performed in a manner consistent with the applicable ~~BSEF~~ Rules and their respective Obligations;

(iv) Comply with all ~~BSEF~~ the Rules and Obligations and act in a manner consistent with each ~~BSEF~~ Rule and Obligation;

(v) Observe high standards of integrity, market conduct, commercial honor, fair dealing, and just and equitable principles of trade while conducting or attempting to conduct any SEF Activity, or any aspect of any business connected with or concerning the SEF operated by BSEF;

(vi) Not mislead or conceal any material fact or matter in any dealings or filings with BSEF or in response to any SEF Proceeding; ~~and~~

(vii) Keep the Authorized Trader's Trader IDs, account numbers and passwords confidential; and

(viii) Not use the SEF Platform for the purposes of testing or workflow validation.

(b) Each Participant shall be responsible for promptly informing BSEF of any material changes to Eligibility Criteria information provided to BSEF by the Participant.

RULE 402. Required Disclosures to BSEF

Each Participant shall immediately notify the Compliance Department upon becoming aware of any of the following events:

(a) Any material change to the contact or other information provided to BSEF by the Participant, including, but not limited to, information relating to the status of Participant as a U.S. Person or a non-U.S. Person, relating to guarantees by any Person of any Swaps that a Participant executes on the SEF Platform or subject to the Rules or relating to any Person which exercises control over Participant's trading of any Swaps on or subject to the Rules;

(b) Any damage to, or failure or inadequacy of, the systems, facilities or equipment of the Participant to effect transactions pursuant to the ~~BSEF~~ Rules or to timely perform the Participant's financial obligations under or in connection with Swaps of such Participant or Swaps of any Customer or Account of such Participant;

(c) Any refusal of admission of the Participant for membership in, any Self-Regulatory Organization, SEF, or DCM, ~~or Derivatives Clearing Organization;~~

(d) Any expulsion, suspension or fine in excess of \$25,000 (whether through an adverse determination, voluntary settlement or otherwise) imposed on the Participant by any Self-Regulatory Organization, SEF, or DCM, ~~Derivatives Clearing Organization~~ or, with respect to SEF Activity, any relevant Governmental Body;

(e) Any revocation, suspension or conditioning of any registration or license of a Participant necessary to conduct SEF Activity granted by any relevant Governmental Body;

(f) (Ai) the commencement of any judicial or administrative proceeding against the Participant or any Authorized Trader or Supervised Person or (Bii) the imposition of any fine in excess of \$25,000, cease and desist order, denial of trading privileges, censure or other sanction or remedy (whether through an adverse determination, voluntary settlement or otherwise) imposed, in each case of (Ai) and (Bii), by any Self-Regulatory Organization, SEF, or DCM, ~~Derivatives Clearing Organization~~ or, with respect to SEF Activity, any relevant Governmental Body;

(g) Any indictment or conviction of, or any confession of guilt or plea of guilty or nolo contendere by, any principals or senior officers of the Participant or any Authorized Trader for any felony or misdemeanor involving, arising from, or related to, the purchase or sale of any commodity, futures contract, swap, option, security, securities futures product or other financial instrument, or involving or arising from fraud or moral turpitude; and

(h) The Participant's or a 10% or greater owner of the Participant becoming the subject of a petition for bankruptcy;

(i) The appointment of a receiver, trustee or administrator for the Participant or a 10% or greater owner of the Participant;

(j) The presentment of a petition, or the passing of a resolution, for the Participant's or a 10% or greater owner of the Participant winding-up;

(k) The commencement of proceedings for the Participant's or the 10% or greater owner's of the Participant dissolution; or

(l) The occurrence of an event of insolvency with respect to the Participant or the 10% owner or greater owner of the Participant.

RULE 403. Inspections by BSEF

(a) BSEF or the Regulatory Services Provider (or their respective authorized representatives), shall have the right with such prior reasonable advance notice as is practicable under the circumstances, in connection with determining whether all ~~BSEF~~the Rules are being, will be, or have been complied with by the Participant, to:

(i) Inspect the books and records of the Participants relating to SEF Activity;

(ii) Inspect systems, equipment and software of any kind operated by the Participant in connection with SEF Activity and any data stored in any of the systems or equipment related to SEF Activity; and/or

(iii) Copy or reproduce any data to which BSEF has access under this Rule.

(b) Such books and records, systems, equipment, software and data shall be made available to BSEF and the Regulatory Services Provider and their respective authorized representatives during regular business hours and BSEF and the Regulatory Services Provider and their respective authorized representatives agree to adhere to Participant's reasonable logical and physical access and security procedures.

(c) Each Participant, DMA Customer and Authorized Trader shall provide the Regulatory Services Provider with the same access to their books and records and offices as they are required to provide to BSEF under the ~~BSEF~~ Rules and Applicable Law.

(d) The Compliance Department may require a Participant to furnish (periodically or on a particular occasion) information concerning the Participant's SEF Activity.

RULE 404. Minimum Financial and Related Reporting Requirements

Each Participant that is registered with any Self-Regulatory Organization shall comply with the provisions of Applicable Law relating to minimum financial and related reporting and recordkeeping requirements.

RULE 405. Position Liquidation upon Default

Upon default of any Swap by a Participant, Customer or Client, BSEF shall have the right to arrange the liquidation of all or some Swap positions of such Participant, Customer or Client, as applicable, opened via ~~the SEF operated by BSEF~~ trading pursuant to the Rules.

RULE 406. Authority to Impose Restrictions

Whenever a Participant is subject to the early warning requirements set forth in the CFTC Regulations, including but not limited to, CFTC Regulation 1.12, the President, or ~~his or her~~ their designee, may impose such conditions or restrictions on the business and operations of such Participant as the President, or ~~his or her~~ their designee, may deem necessary or appropriate for the protection of Customers, other Participants or the SEF operated by BSEF.

RULE 407. Customers and Accounts

(a) No Participant shall carry an account for a Customer or enter an RFQ or Order in the name of an Account unless the Participant has entered into a Written agreement with the Customer or Account that is in compliance with Applicable Law and the ~~BSEF~~ Rules.

(b) Each Participant must: (1) ensure that the Customer or Account is an ECP at the time of execution of any Swap; (2) subject every Swap executed for the Customer or Account to the ~~terms of the BSEF~~ Rules insofar as they are applicable to that Swap; (3) in relation to any Swap executed for the Customer or Account, be able to comply with all requirements of the

~~BSEF~~ Rules and any other arrangements, provisions and directions given by BSEF; and (4) if a Participant is an Account Manager or a broker, provide to its Accounts and Customers any information relevant to such Accounts or Customer's Trades on the SEF operated by BSEF, and provide BSEF and its agents, including ~~its~~the Regulatory Services Provider, access to all information in connection with or related to its SEF Activity necessary for monitoring and enforcement of ~~BSEF~~the Rules.

RULE 408. ~~Disclosure Requirements; Know Your Counterparty Requirements~~[Reserved]

~~(a) — With respect to Non-Cleared Swaps, Participants that are Swap Dealers or Major Swap Participants shall verify the status of each Counterparty as an ECP with respect to each Trade as provided in Part 23 of the CFTC Regulations applicable to business conduct standards for Swap Dealers and Major Swap Participants in their dealing with counterparties.~~

~~(b) — Each Participant must comply with the disclosure requirements imposed by the BSEF Rules.~~

RULE 409. Books and Records

RULE 409.A. Participant and Clearing Member Books and Records

(a) Each Participant, Clearing Member and market participant shall prepare and keep current all books, ledgers and other similar records relating to SEF Activity required to be kept by it pursuant to the ~~Act~~CEA, CFTC Regulations and ~~these~~the Rules and shall prepare and keep current such other books and records relating to SEF Activity and adopt such forms as BSEF may from time to time prescribe. Such books and records shall be made available, upon request, to BSEF, the CFTC, the Department of Justice or any Governmental Body, regulator or Self-Regulatory Organization with jurisdiction over BSEF, and their respective ~~Authorized Representatives~~authorized representatives.

(b) In addition to information required by ~~subsection~~paragraph (a) of this Rule 409, each Participant, Clearing Member and market participant must comply with all applicable recordkeeping and retention requirements of CFTC Regulation 1.35.

(c) If a Participant cannot enter an Order or Request for Quote received from its Customer into the SEF Platform, the Participant must immediately create an electronic record that includes the account identifier that relates to the Customer Account, time of receipt, and terms of the Order or Request for Quote.

(d) As required by CFTC Regulation 37.404, each Participant, Clearing Member and market participant, as applicable, must keep records of their trading ~~on~~pursuant to the ~~SEF operated by BSEF~~Rules (including records of ~~its or~~ 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 BSEF, the CFTC or any Governmental Body, ~~regulator or any~~ Self-Regulatory Organization with jurisdiction over BSEF, and their respective ~~Authorized Representatives~~authorized representatives.

(e) Each Participant, Clearing Member and market participant shall keep all books and records required to be kept by it pursuant to ~~these~~the Rules for a period of five (5) years from the date on which they are first prepared unless otherwise provided in ~~these~~the Rules or such longer time as required by Applicable Law. Such books and records shall be readily accessible during the first two (2) years of such five-~~(5)~~ year period. During such five-(5) year period, all such books and records shall be made available for inspection by, and copies thereof shall be delivered to, BSEF and its ~~Authorized Representatives~~authorized representatives upon request.

(f) Each Participant and Authorized Trader shall provide the ~~NFA~~Regulatory Services Provider with the same access to its books and records and offices as it is required to provide BSEF under ~~these~~the Rules and Applicable Law.

(g) BSEF may require a Participant, Clearing Member and market participant to furnish such information concerning the Participant or Clearing Member's business that is subject to ~~these~~the Rules as BSEF deems necessary to enable it to perform its obligations under Applicable Law, including information relating to (i) Swaps executed ~~on~~pursuant to the ~~SEF operated by BSEF~~Rules and in related derivatives markets, including in the products underlying those Swaps, and (ii) information requested by a government agency relating to the SEF operated by BSEF and/or BSEF's compliance with Applicable Law that BSEF believes is maintained by, or otherwise in the possession of, a Participant or Clearing Member.

(h) All data and information provided to or obtained by BSEF pursuant to this Rule 409 shall be subject to the provisions of Rule 805.

(i) A DMA Customer can delegate the maintenance of the DMA Customer's records required by CFTC Regulation 1.35 for transactions executed on BSEF to its Sponsoring Broker; provided, however, that the DMA Customer has an agreement with its Sponsoring Broker regarding the maintenance of such records. The DMA Customer shall remain ultimately responsible for all CFTC Regulation 1.35 recordkeeping obligations, including any records not covered by the agreement with its Sponsoring Broker. Notwithstanding anything to the contrary in this Rule 409.A, the DMA Customer shall remain directly responsible for the maintenance of all records set forth in Rule 409.A(d).

(j) Participants and ISVs that operate systems that route orders to the SEF Platform are responsible for maintaining or causing to be maintained a routing/front-end audit trail for all Orders, which shall include Order entry, modification and cancellation and any SEF Platform responses to such messages. For executed Orders, such audit trail must record the execution time of the Trade, along with all fill information. Participants and ISVs shall maintain audit trail information as required by Applicable Law and must have the ability to produce audit trail data in a reasonably usable format upon request of ~~the SEF. The SEF~~BSEF. BSEF will enforce these audit trail and recordkeeping requirements by conducting an annual review of all Participants to verify their compliance with ~~the SEF~~BSEF's audit trail and recordkeeping requirements.

RULE 409.B. BSEF Books and Records

BSEF shall keep, or cause to be kept, complete and accurate books and records, including all books and records required to be maintained pursuant to the CEA, the CFTC Regulations or the ~~BSEF~~ Rules as required by CFTC Regulation 1.31.

RULE 410. Responsibility for Mandatory Trading

Each Participant that is a Swap Dealer or Major Swap Participant shall be responsible for compliance with the mandatory trading requirement under Section 2(h)(8) of the CEA and shall not enter into any Required Transaction outside a SEF that lists a Swap related to such Required Transaction.

RULE 411. Eligibility for Clearing Exempt Transactions

(a) Each Participant wishing to execute any Clearing Exempt Transaction on the SEF operated by BSEF must submit to BSEF documentation demonstrating its eligibility (or the eligibility of its relevant Client or Customer, if applicable) for a Clearing Exception (a “**Clearing Exception Form**”) required by CFTC Regulations or CFTC Staff No-Action Letters prior to sending an RFQ or placing an Order subject to the Clearing Exception.

(b) Each Participant must comply with the conditions of the applicable Clearing Exception.

CHAPTER 5. TRADING PRACTICES, REPORTING, CLEARING AND BUSINESS CONDUCT

RULE 501. Scope

This Chapter 5 prescribes the Rules concerning trading practices and business conduct on the SEF operated by BSEF and applies to all RFQs, Orders and Trades in Swaps ~~as defined in Chapter 1.~~

RULE 502. Procedures

(a) With respect to trading ~~on or through the SEF Platform or subject to BSEF~~ pursuant to the Rules, BSEF may adopt, without limitation, procedures relating to transactions in Swaps and trading ~~on~~ pursuant to the ~~SEF Platform or subject to BSEF~~ Rules, including procedures to:

- (i) Disseminate the prices of bids and offers on, and ~~trades~~ Trades in, Swaps;
- (ii) Record, and account for, Swaps and SEF Activity and regulate administrative matters affecting Swaps and SEF Activity;
- (iii) Establish limits on the number and/or size of RFQs or Orders that may be submitted by a Participant ~~through~~ pursuant to the ~~SEF Platform or subject to BSEF~~ Rules;

(iv) Establish limits on the aggregate notional amount of Swaps that may be held by a Participant;

(v) Establish a limit on the maximum daily price fluctuations for any Swap and provide for any related restriction or suspension of trading in the Swap; and

(vi) Establish minimum price quoting increments for each Swap.

(b) BSEF may, in its discretion and at any time, amend any procedures adopted pursuant to Rule 502(a), and will publish the amendments in a Notice to Participant or in any other manner determined appropriate by BSEF.

RULE 503. ~~Business~~ Trading Days and Trading Hours

Except as provided in Rule 212 with respect to Emergencies, BSEF shall determine and publish ~~a Notice to Participants listing~~ the ~~Business~~ Trading Days of the SEF ~~operated by BSEF Platform~~ and the Trading Hours for each Swap.

RULE 504. Rule Violations

(a) It shall be an offense for a Participant, Account Manager, DMA Customer, Authorized Trader or Supervised Person to violate any ~~BSEF~~ Rule regulating the conduct or business of a Participant or its Account Managers, Authorized Traders or Supervised Persons, or any agreement made with BSEF, or to engage in fraud, dishonorable or dishonest conduct, or in conduct which is inconsistent with just and equitable principles of trade.

(b) Participants shall assist BSEF in any investigation into potential violations of the ~~BSEF~~ Rules or, with respect to ~~the~~ SEF Activity, the CEA. Such assistance must be timely and may include, but not be limited to, producing documents, answering questions from BSEF or its designee, and/or appearing in connection with an investigation.

(c) If a Participant has actual or constructive notice of a violation of ~~BSEF~~ the Rules in connection with the use of the SEF operated by BSEF by a Participant, Customer, Account, Clearing Member or Authorized Trader and the Participant fails to take appropriate action, the Participant may be found to have committed an act detrimental to the interest or welfare of the SEF operated by BSEF.

RULE 505. Fraudulent Acts

No Participant, Account Manager, DMA Customer, Authorized Trader, Supervised Person or any market participant shall ~~(a)~~ intentionally or recklessly, directly or indirectly, engage, or attempt to engage, in any fraudulent act, practice, or course of business which operates or would operate as a fraud or deceit upon any Person or intentionally or recklessly, directly or indirectly, use or employ, or attempt to use or employ, any manipulative device, scheme or artifice to defraud, deceive, trick or mislead another Person or intentionally or recklessly, directly or indirectly, engage, or attempt to engage in any other activity manipulative or disruptive trading practices prohibited by CFTC Regulation 180.1(a), ~~or (b) engage, or attempt to engage, in any other activity prohibited or~~ by CEA section 9(a)(2), ~~in each case of (a) and (b)~~ in connection with or related to any SEF Activity. Specifically, no Participant, Account

Manager, DMA Customer, Authorized Trader or Supervised Person shall directly or indirectly, engage in front running, fraudulent trading, money passes, trading ahead of ~~eustomers~~Customers, trading against ~~eustomers~~Customers, accommodation trading or improper cross trading.

RULE 506. Prohibited Transactions

RULE 506.A. Fictitious or Wash Transactions

No Participant, Account Manager, DMA Customer, Authorized Trader, Supervised Person or any market participant that directly or indirectly effects a transaction ~~on~~pursuant to the ~~SEF-operated by BSEF~~Rules shall create fictitious transactions or wash transactions or execute any Order with knowledge of its fictitious or wash nature. No Person shall place or accept Orders in the same Swap where the Person knows or reasonably should know that the purpose of the Orders is to avoid taking a bona fide market position exposed to market risk (transactions commonly known or referred to as wash sales). Orders for different accounts with common beneficial ownership that are entered with the intent to negate market risk or price competition shall also be deemed to violate the prohibition on wash ~~trades~~transactions. Additionally, no Person shall knowingly execute or accommodate the execution of such Orders by direct or indirect means.

RULE 506.B. Pre-Arranged Transactions

No Participant, Account Manager, DMA Customer or Authorized Trader shall engage in a pre-arranged transaction except as permitted by ~~Rule~~Rules 516, ~~Rule~~ 521 or ~~Rule~~ 531.

RULE 507. Pre-Execution Communications

(a) Pre-Execution Communications with respect to Swaps executed through the Order Book shall be prohibited except in the case of Trades executed in accordance with Rule 521.

(b) Pre-Execution Communications are permitted with respect to Swaps executed through the Request for Quote Functionality in accordance with Rule 522.

RULE 508. Market Manipulation and Post-Trade CLOB Disclosures Prohibited

RULE 508.A. Price Manipulation

No Participant, Account Manager, DMA Customer, Authorized Trader, Supervised Person or any market participant shall directly or indirectly engage in any conduct that manipulates or attempts to manipulate the price of any Swap, including without limitation, engaging in activity in violation of CFTC Regulation 180.2.

RULE 508.B. Disruptive Practices Prohibited

(a) No Participant, Account Manager, DMA Customer, Authorized Trader or Supervised Person shall engage in any ~~trading~~ practice or conduct that constitutes a “disruptive trading practice,” as such term is described in the CEA ~~section 4e(a)(5)~~, or in any interpretive

guidance issued by the CFTC, in relation to the trading of any Swap. Prohibited disruptive trading practices include, but are not limited to, trading ahead of Customer Orders, trading against Customer Orders, accommodation trading, and improper cross trading. Specific trading practices that shall be prohibited include front-running, wash trading, pre-arranged trading (except for transactions described in Rule 506.B), fraudulent trading, money passes, spoofing, violating bids and offers and any other manipulative or abusive trading practices that BSEF deems to be disruptive.

(b) A Participant may post on the CLOB and submit an RFQ to the SEF Platform in the same Swap at the same time using the same Participant ID only ~~as permitted by~~ if such conduct does not violate Rule 508.B(a) and Rule 508.A.

RULE 508.C. Post-Trade Anonymity

(a) It is prohibited to disclose, directly or indirectly, including through a third-party service provider, the identity of a counterparty for Cleared Swaps executed, pre-arranged or pre-negotiated anonymously on or pursuant to the ~~rules of the SEF operated by BSEF~~ Rules. BSEF shall not disclose the names of Participants or Counterparties for a Trade executed on the CLOB and it shall be a violation of the Rules for a Participant or Counterparty to ascertain or attempt to ascertain the name of the Participant or Counterparty that is on the opposite side of a Trade executed on the CLOB.

(b) Prohibition on post-trade name give-up shall not apply to components of a Package Transaction that are not Cleared Swaps.

~~(c) — The compliance date for swaps subject to the trade execution requirement under section 2(h)(8) of the CEA is July 5, 2021.~~

RULE 509. Prohibition of Misstatements

It shall be an offense to make any knowing misstatement of a material fact to BSEF, any SEF Official, any Board committee or ~~SEF~~ panel, the Compliance Department and/or agents of BSEF (including the Regulatory Services Provider) or any Participant or any of its Account Managers, Authorized Traders or Supervised Persons.

RULE 510. Acts Detrimental to Welfare of the SEF Operated by BSEF

It shall be an offense to engage in any act that is detrimental to the interest or welfare of the SEF operated by BSEF.

RULE 511. Adherence to ~~Law~~ the Rules

~~(a) — No Participant, Account Manager, Customer, Authorized Trader or Supervised Person shall engage in conduct in violation of the BSEF Rules, the Act, CFTC Regulations, the Rules of any SEF, or the rules of any DCM, DCO or SRO that has jurisdiction over such Participant, Account Manager, Customer, Authorized Trader or Supervised Person or, with respect to SEF Activity, the laws, rules or regulations of any relevant Governmental Body.~~

~~(b) Without limiting subsection (a) of this Rule, each Participant that is an FCM or a Clearing Member must comply with all requirements of Applicable Law regarding the treatment of Customer funds and Customer Orders; and each Participant, Customer or Account must comply with all margin requirements established by each relevant Clearing House and by each relevant Clearing Member, if applicable, as well as any margin requirements set forth by the CFTC or Applicable Law. It shall be a violation of the Rules for a Participant to violate any Written agreement made with BSEF.~~

RULE 512. Use of Trading Privileges

No Participant, Account Manager, DMA Customer, Authorized Trader or Supervised Person may use such Participant's Trading Privileges in any way that could be expected to bring disrepute upon such Participant, Account Manager, DMA Customer, Authorized Trader or Supervised Person.

RULE 513. Supervision

Each Participant, DMA Customer and Account Manager shall be responsible for establishing, maintaining and administering reasonable supervisory procedures to ensure that its Authorized Traders and Supervised Persons, as applicable, comply with the ~~BSEF Rules, the Act, CFTC Regulations, the Rules of any SEF, or the rules of any DCM, DCO or SRO that has jurisdiction over such Participant, Account Manager, DMA Customer, Authorized Traders or Supervised Persons~~ Rules or, with respect to SEF Activity, the laws, rules or regulations of any relevant Governmental Body, and such Participant may be held accountable for the actions of such Account Managers, Authorized Traders or Supervised Persons.

RULE 514. Misuse of the SEF Operated by BSEF or the SEF Platform

Misuse of the SEF ~~Platform~~ operated by BSEF is strictly prohibited. Only Swaps can be traded on the SEF operated by BSEF. It shall be deemed an act detrimental to the interest and welfare of the SEF operated by BSEF to willfully or negligently engage in unauthorized use of the SEF ~~Platform~~ operated by BSEF, to assist any Person in obtaining unauthorized access to the SEF Platform, ~~to trade on the SEF Platform without an agreement and an established account with a Derivatives Clearing Organization or a Clearing Member,~~ to alter the equipment associated with the SEF Platform, to interfere with the operation of the SEF Platform, to intercept or interfere with information provided thereby, or in any way to use the SEF Platform in a manner contrary to the ~~BSEF~~ Rules.

Please see Notice to Participants 2017-2, which is posted on BSEF's website.

RULE 515. Mishandling of Customer Orders

Any Participant that mishandles any Customer Order is responsible for all remedial actions with respect to such Order.

RULE 516. Trade Cancellation, Correction, Offset and Adjustment – General

(a) Any Trade executed on or pursuant to the Rules of the SEF ~~Platform~~ operated by BSEF ~~or in accordance with BSEF Rules~~ can be canceled, corrected, adjusted or offset only in accordance with this Rule 516.

(b) A Participant involved in an Error Trade and acting as an Account Manager, Introducing Broker or FCM shall have the authority to request or consent to the cancellation, adjustment or offset, as applicable, of such Trade on behalf of the relevant Counterparty involved in the Trade.

(c) Timing of an Offset or Correction – Cleared Swaps

(i) For Error Trades rejected or not accepted by a Clearing House for non-credit reasons, (i.e., operational or clerical reasons) the Correcting Trade must be executed ~~on~~ pursuant to the ~~SEF operated by BSEF Rules~~ and submitted for clearing as quickly as technologically practicable after the Clearing House provides notice of the rejection of the Error Trade or BSEF cancels the Error Trade, but, in any event, no later than **one (1) hour** ~~from~~ after the ~~issuance of the notice or cancellation by BSEF~~ Error Trade was executed.

(ii) For Error Trades accepted by a Clearing House, the Offsetting Trade and/or the Correcting Trade must be executed and submitted for clearing no later than **three Business(3) Trading** Days after the Error Trade was executed.

(d) Timing of a Correction, Cancellation or Adjustment – Non-Cleared Swaps.

Any correction, cancellation or adjustment of a Trade in Non-Cleared Swaps made pursuant to this Rule 516 shall be made no later than **three Business(3) Trading** Days after the erroneous Trade was discovered.

RULE 516.A. Notification of Action Taken and Trade Review – Cleared Swaps

(a) Cleared Swaps Executed on a Non-Anonymous Basis

(i) If Participants involved in a Trade agree that the Trade is an Error Trade and that the cancellation, correction, adjustment or offset of the Error Trade is appropriate and will not adversely impact market integrity, facilitate market manipulation, or other illegitimate activity, or otherwise violate the CEA, CFTC Regulations or ~~BSEF~~ the Rules, Participants may enter into an Offsetting Trade and/or Correcting Trade ~~using RFQT for Permitted Transactions,~~ as provided below in this Rule.

(ii) For both Required Transactions and Permitted Transactions, Participants may enter into an Offsetting Trade and/or Correcting Trade ~~using RFQT~~ by sending an RFQ to the Participant involved in the Error Trade and ~~specify~~ specifying in the RFQ that a Trade is either an Offsetting Trade or Correcting Trade. Providing such specification will constitute notice to the Compliance Department.

(iii) For Permitted Transactions, Participants may enter into an Offsetting Trade and/or Correcting Trade ~~using RFQ~~ by sending an RFQ to the Participant involved in the Error Trade without specifying that a Trade is either an Offsetting Trade or Correcting Trade; provided that the Requesting Participant and the Recipient Participant notify BSEF Support Desk at 1-212-617-1530 within twenty-four (24) hours after the execution of such Offsetting Trade and/or Correcting Trade and provide to BSEF the following information:

(A) A description of the clerical or operational error or omission in the terms of the Error Trade;

(B) The ~~UTI~~ UTIs for the Error Trade and Offsetting Trade and/or Correcting Trade and any additional information reasonably requested by BSEF; and

(C) A representation that the Trade qualifies as an Error Trade, e.g., the Trade contains an operational or clerical error.

(iv) For a Trade corrected pursuant to ~~subsection paragraph~~ (a)(i) of this Rule 516.A, the Compliance Department will conduct an *ex post facto* review of the Trade, the Offsetting Trade and the Correcting Trade within one ~~Business~~ (1) Trading Day of the date of execution of the Offsetting Trade and/or the Correcting Trade or notification under Rule 516.A(a)(iii). Such *ex post facto* review will include a review of the electronic audit trail of the Trade, as well as other facts and circumstances associated with the Trade. If BSEF makes an affirmative finding that such Trade was not an Error Trade, BSEF Compliance will consider any action appropriate under ~~BSEF~~ the Rules.

(v) In the case of a Trade in Cleared Swaps executed on a non-anonymous basis, BSEF may, but is not obliged to, inform Participants affected by the Error Trade of the identity and contact information of any other Participant affected by the Error Trade.

(b) Cleared Swaps Executed on an Anonymous Basis

(i) To request cancellation, correction, adjustment or offset of a Trade in Cleared Swaps executed on an anonymous basis (“**Alleged Error Trade**”), a Participant must notify the BSEF Support Desk by phone at 1-212-617-1530 or by any form of ~~written~~ Written communication approved by BSEF by providing details sufficient to identify the Error Trade (e.g., UTI, FIT/FITDNA key, or Swap contract, notional amount, price/spread, Clearing House and execution time) and stating the grounds for the request as soon as possible, but no later than the end of the ~~Business~~ Trading Day following the date of execution of the Alleged Error Trade. For notifications received after such date, BSEF shall have discretion as to whether to review the request to cancel, correct, adjust or offset the Alleged Error Trade.

(ii) The Compliance Department will review promptly the electronic audit trail of the Alleged Error Trade as well as any facts and circumstances associated with the Alleged Error Trade. If BSEF makes an affirmative finding that the Alleged Error Trade was an Error Trade and that the cancellation, correction, adjustment or offset of the Alleged Error Trade is appropriate and would not adversely impact market integrity,

facilitate market manipulation or other illegitimate activity, or otherwise violate the CEA, CFTC Regulations or **BSEF**the Rules, BSEF will designate such Alleged Error Trade as an “Error Trade.”

(iii) BSEF will inform affected Participants of the Error Trade alleged as set forth in **subsection**paragraph (b)(i) and of the next steps that the Participants must or could make.

(iv) BSEF will not take any action with respect to an Error Trade unless the Error Trade is outside the No-Bust Range. BSEF will inform the affected Participants of the final disposition of the Error Trade.

(v) For Trades in Cleared Swaps executed on an anonymous basis, BSEF will not inform Participants affected by the Error Trade of the identity and contact information of any other Participant affected by the Error Trade and will facilitate a pre-arranged Offsetting Trade or a Correcting Trade if all such Participants agree to or are required to enter into Trades described in Rule 516.B.

RULE 516.B. Error Trade Cancellation, Correction, Adjustment and Offset – Cleared Swaps

(a) Participant Errors

(i) For each Error Trade cleared by a Clearing House, BSEF may, if both Participants agree:

(A) Request, or allow the Participants to request, the appropriate Clearing House to cancel, correct or adjust the Error Trade; or

(B) Allow the affected Participants to enter into a pre-arranged Offsetting Trade to offset the position on the books of the Clearing House that resulted from the Error Trade; and/or

(C) If desired by the affected Participants, allow the affected Participants to execute a Correcting Trade, provided, however, that the terms of such new Trade shall not include costs or fees associated with the Error Trade.

(ii) For each Error Trade rejected by a Clearing House and determined to be void ab initio under Rule 533 or not accepted by a Clearing House and cancelled by BSEF as provided in Rule 516.E, in each case because of an operational or clerical error or omission made by a Participant, Counterparty or Account Manager, if both Participants agree, the affected Participants may enter into a pre-arranged Correcting Trade.

(iii) All **BSEF**the Rules other than Rule 522.A shall apply to Correcting Trades executed by Participants pursuant to this Rule 516.B(a).

(iv) Participants must report to BSEF as soon as possible all changes made to the Error Trade pursuant to Rule 516.B(a)(i)(A).

(v) With respect to an Error Trade rejected by a Clearing House for non-credit reasons, if the Correcting Trade is also rejected by the Clearing House and void ab initio, the affected Participants will not be provided a second opportunity to correct the Error Trade.

(b) System Errors

(i) If, after its own investigation or a notice from a Participant, BSEF determines in its sole discretion that the execution of a Trade cleared by a Clearing

House was the result of an error made by the SEF Platform and the Trade has been designated as an Error Trade, then BSEF may:

(A) Request, or allow the Participants to request, the appropriate Clearing House to cancel, correct or adjust the Error Trade; or

(B) Direct the affected Participants to enter into a pre-arranged Offsetting Trade to offset the position on the books of the Clearing House that resulted from the Error Trade; and/or

(C) Direct the affected Participants to execute a Correcting Trade, provided, however, that the terms of such new Trade shall not include costs or fees associated with the Error Trade.

(ii) If, after its own investigation or a notice from a Participant, BSEF determines in its sole discretion that the execution of a Trade rejected by a Clearing House and determined to be void ab initio under Rule 533 or not accepted by a Clearing House and cancelled by BSEF as provided in Rule 516.E, in each case because of an operational or clerical error or omission made by the SEF Platform was the result of an error made by the SEF Platform, then BSEF may direct the affected Participants to enter into a pre-arranged Correcting Trade, provided, however, that the terms of such new Trade shall not include costs or fees associated with the Error Trade.

(iii) If BSEF directs affected Participants to enter into a pre-arranged Trade in accordance with ~~sub-section~~[paragraph](#) (i)(B) above, the affected Participants shall enter into such pre-arranged Trade.

(iv) All ~~BSEF~~[the](#) Rules other than Rule 522.A shall apply to Correcting Trades executed by Participants pursuant to this Rule 516.B(b).

(v) Notwithstanding anything to the contrary in this Rule 516(B)(b), BSEF reserves the right to correct an Error Trade resulting from an error made by the SEF Platform by any means BSEF deems appropriate.

(vi) If BSEF is unable to determine how to correct the Error Trade, BSEF may either not fix the error, or it may seek guidance on how to address the error from the affected Participants. Any such guidance may not be implemented without consent from both Participants.

(vii) [A](#) Participant must report to BSEF as soon as possible all changes made to the Error Trade pursuant to Rule 516.B(b)(i)(A).

(viii) With respect to an Error Trade rejected by a Clearing House for non-credit reasons, if the Correcting Trade is also rejected by the Clearing House and void ab initio, the affected Participants will not be directed to enter into another Trade to correct the Error Trade.

RULE 516.C. Erroneous Trade Cancellation, Correction and Adjustment – Non-Cleared Swaps

(a) Participant Error

⊕ The Participants involved in an erroneous Trade, other than a Prime Broker Trade, may mutually agree to cancel the erroneous Trade or to correct or adjust the erroneous Trade. BSEF will cancel, correct or adjust the erroneous Trade as instructed by the affected Participants. A Prime Broker Trade shall be canceled in accordance with Rule 516.D.

(b) System Error

(i) If, after its own investigation or a notice from a Participant, BSEF determines in its sole discretion that the execution of a Trade, other than a Prime Broker Trade, was the result of an error made by the SEF Platform, then BSEF may:

(A) Cancel such Trade; or

(B) If both Participants, or with respect to a Prime Broker Trade, both Participants and the Prime Broker, affected by the erroneous Trade agree, correct or adjust the ~~price~~terms of the Trade.

RULE 516.D. Prime Broker Trades

(a) A Participant that is a Counterparty to a Prime Broker Trade may request the cancellation of a Prime Broker Trade. The Participant must request cancellation by sending a cancellation message to BSEF. The cancellation message must state the UTI of the Prime Broker Trade, name and contact information of the Prime Broker for the Prime Broker Trade and the reason for cancellation. If the Prime Broker confirms the cancellation, BSEF will cancel the Prime Broker Trade.

(b) Subject to ~~subsection~~paragraph (c) of this Rule, a Prime Broker shall have the right to cancel any Prime Broker Trade (i) that is executed in excess of the limit, terms or parameters established by the Prime Broker with respect to the Prime Broker Trade, (ii) because the Prime Broker Trade was executed by or with a Person that was not authorized by the Prime Broker, or (iii) because the Prime Broker Trade was executed for an unauthorized product. The Prime Broker must request cancellation by sending a cancellation message to BSEF. The cancellation message must state the UTI of the Prime Broker Trade and the reason for cancellation. If BSEF determines that the cancellation satisfies the conditions of Rule 516.D(b), BSEF will cancel the Prime Broker Trade.

(c) Each Prime Broker that wishes to have the ability to instruct BSEF to cancel Trades executed on BSEF under Rule 516.D.(b) must enter into ~~an~~a Written agreement with BSEF.

RULE 516.E. Trade Cancellation and Adjustment by BSEF

(a) BSEF may adjust or cancel a Trade (i) that resulted from a market disrupting event, (ii) that is executed at a price that was outside the No-Bust Range, (iii) to comply with Applicable Law or (iv) that was intended to be cleared and was submitted to a Clearing House via a service provider but was not presented to the Clearing House for clearing due to a post-execution processing issue. Please see Notice to Participants 2016-5A, which is posted on BSEF's website.

(b) If BSEF takes action pursuant to this Rule 516.E, it will give prompt notice to affected Participant(s).

RULE 516.F. Trade Reporting by BSEF

BSEF will report the adjustment or cancellation of the Trade and any new Trade entered into pursuant to this Rule in accordance with Rule 532.

RULE 517. Withholding Orders Prohibited

(a) Any Participant entering RFQs or Orders on the SEF ~~operated by BSEF~~ [Platform](#) for its Customers shall not withhold or withdraw from the market any RFQ or Order, or any part of an RFQ or Order, for the benefit of any Person other than the Customers.

(b) A Participant must enter immediately into the SEF ~~operated by BSEF~~ [Platform](#) all Orders or Requests for Quotes received from its Customers that are executable immediately. If a Participant cannot immediately enter into the SEF Platform an Order or Request for Quote received from its Customer, the Participant must enter the Order or Request for Quote into the SEF ~~operated by BSEF~~ [Platform](#) as soon as practicable, and must immediately create an electronic record as provided in Rule 409.

RULE 518. Priority of Customers' Orders

No Participant that is an FCM or Introducing Broker shall enter an Order into the SEF ~~operated by BSEF~~ [Platform](#) for ~~his~~ [its](#) own account, an account in which ~~he~~ [it](#) has a direct or indirect financial interest or an account over which ~~he~~ [it](#) has discretionary trading authority, including an Order allowing discretion as to time and price, when such ~~Person~~ [Participant](#) is in possession of any Order in the same Swap for its Customer that the SEF operated by BSEF is capable of accepting.

RULE 519. Trading Against Customers' Orders Prohibited

RULE 519.A. General Prohibition

No Person in possession of a Customer's Order shall knowingly take, directly or indirectly, the opposite side of such Order for its own account, an account in which it has a direct or indirect financial interest, or an account over which it has discretionary trading authority.

RULE 519.B. Exceptions

The foregoing restriction shall not apply to transactions executed pursuant to Rule [521](#), 531.A or Rule 531.B.

RULE 520. Disclosing Orders Prohibited

No Person shall disclose another Person's RFQ or Order to buy or sell except to a designated SEF Official or the CFTC, and no Person shall solicit or induce another Person to

disclose RFQ or Order information. No Person shall take action or direct another to take action based on non-public RFQ or Order information, however acquired.

RULE 521. Required Cross Transactions: Time Delay Requirement for Simultaneous Buy ~~And~~ Sell Orders ~~For~~ Different Beneficial Owners

(a) Required Cross Transactions must be executed as set forth in this Rule.

(b) ~~(a)~~ In the case of an execution by a Participant ~~that is a broker or a dealer which seeks either to execute~~ as a principal against a Customer Order, the Customer Order shall be entered into the CLOB as a firm quote and exposed to the market for at least fifteen (15) seconds before the Participant's Order ~~or to execute~~ may be entered.

(c) In the case of an execution by a Participant acting as broker of two Customers' Orders against each other ~~through an Order Book following some form of pre-arrangement or pre-negotiating of such Orders must expose one side of the transaction for a minimum of, one~~ side of the potential Trade (the "**Displayed Order**") shall be entered into the CLOB and exposed to the market for at least fifteen (15) seconds ~~to the other Participants~~ before the second side of the ~~transaction (whether for~~ potential Trade (the "**Waiting Order**") may be entered by the Participant's ~~own account. Any Participant or for a second Customer) can be submitted for execution~~ Participant whose Order is the Waiting Order shall not, directly or indirectly, execute against the Displayed Order prior to the time that entry of the Waiting Order is permitted under this Rule.

(d) ~~(b)~~ Notwithstanding the foregoing ~~clause~~ paragraphs (a), (b) and (c), this Rule shall not apply to any ~~DMA~~ Order.

RULE 522.—Execution or an RFQ placed by a DMA Customer using the Participant ID of ~~Orders on~~ the SEF Platform

RULE 522 Sponsoring Broker.

RULE 522.A. Required Transactions and Cleared Swaps

(a) No Participant shall execute a Required Transaction in a Swap listed on the SEF operated by BSEF other than as described in this Rule 522.A unless ~~it~~ such Required Transaction is a Block Trade, Offsetting Trade, Correcting Trade or a component of a Covered Package Transaction.

(b) Request for Quote Functionality

(i) The SEF Platform will not transmit an RFQ or an Order for a Required Transaction unless (x) an RFQ for a specific Swap is sent to at least three (3) MAT Recipient Participants using RFQT; or (y) RFQS provides quotes from at least three (3) MAT Recipient Participants.

(ii) Together with the first response from any MAT Recipient Participant, the SEF Platform will provide to a Requesting Participant any firm Resting Quotes for the Swap indicated in the RFQ that are posted on ~~an Order Book~~ the CLOB together with any responses to the RFQ from the MAT Recipient Participants, and such Resting Quotes

will remain provided until all responses to the RFQ are received or the time for response has lapsed. The SEF Platform will permit the Requesting Participant to execute against such firm Resting Quotes along with any responsive Order from a MAT Recipient Participant.

~~“MAT Recipient Participant” means, with respect to any Requesting Participant sending any RFQ via the Request for Quote functionality of the SEF Platform, a Participant other than the Requesting Participant that (x) is not an Affiliate of or Controlled by the Requesting Participant and (y) is not an Affiliate of or Controlled by any other MAT Recipient Participant receiving the same RFQ of the Requesting Participant.~~

(iii) The Request for Quote Functionality will provide each Participant with equal priority in receiving RFQs, transmitting and providing responses and accepting resulting Orders.

(c) **Anonymous CLOB for Cleared Swaps**

Only firm bids and offers can be posted on the CLOB. Firm bids or offers may be posted on the CLOB for Cleared Swaps only by a Participant that is a member of the applicable Clearing House, by a Participant that has a clearing account with a Clearing Member as set forth in Rule 533(b), or by a Participant in the name of an Account or Customer that has a clearing account with a Clearing Member as set forth in Rule 533(b). Bids and offers posted on the CLOB for Cleared Swaps are anonymous and will be matched on a price/time priority basis.

~~BSEF shall not disclose the names of Participants or Counterparties for a Trade executed on the CLOB and it shall be a violation of the Rules for a Participant or Counterparty to ascertain or attempt to ascertain the name of the Participant or Counterparty that is on the opposite side of a Trade executed on the CLOB.~~

RULE 522.B. Permitted Transactions

The following execution methods are available for Permitted Transactions:

- (a) Disclosed Order Book for Permitted Transactions in foreign exchange Swaps;
- (b) Anonymous CLOB for Permitted Transactions in rate and credit Swaps that are Cleared Swaps;
- (c) Disclosed CLOB for Permitted Transactions in rate and credit Swaps that are Non-Cleared Swaps;
- (d) RFQS for ~~rate, credit, non-deliverable forwards~~ Swaps listed in the Rules; and
- (e) RFQT for all Swaps.

RULE 522.C. Package Transactions

(a) Other than as set forth in Rule 522.C(b), a Package Transaction or a component of a Package Transaction that is a Required Transaction must be executed as provided in Rule 522.A.

(b) A Covered Package Transaction or a component of a Covered Package Transaction that is a Required Transaction may be executed using RFQT in accordance with CFTC Rule 37.9(d) or No-Action Letter 22-15, which expires November 15, 2025.

RULE 522.D. Execution of Swaps Subject to the Clearing Exemption

No Participant shall enter into a Clearing Exempt Transaction unless it (or its Account or Customer) or its Counterparty can claim a Clearing Exception with respect to such Clearing Exempt Transaction. An Order for a Clearing Exempt Transaction will be rejected if an applicable Clearing Exception Form is not on file with BSEF.

RULE 522.E. Block Trades in Swaps

(a) Block Trades in Swaps may be executed ~~using~~ on the SEF operated by BSEF via Request for Quote Functionality. BSEF will report each Block Trade to an SDR as set forth in ~~BSEF~~-Rule 532(d).

(b) Each Counterparty to a Block Trade must be an ECP.

(c) The aggregation of Orders for different accounts to satisfy the Appropriate Minimum Block Trade size is permissible only by a Person who is a Qualified Account Manager.

(d) A Qualified Account Manager transacting an aggregated Block Trade on behalf of any other Person must receive prior Written instruction or consent from each such other Person to do so. Such instruction or consent may be provided in the power of attorney or similar document by which the other Person provides the Person with discretionary trading authority or the authority to direct the trading in its account.

(e) Please see Notice to Participants 2024-R-09, which is posted on BSEF's website.

RULE 523. Trade Confirmations

(a) BSEF will confirm each Trade as soon as technologically practicable after the time of execution of ~~the~~ Trade. ~~BSEF will provide each Counterparty to a Trade that is entered into on or pursuant to the BSEF Rules with~~ by providing a Written record to each Participant involved in the Trade of all of the terms of the Trade that were agreed to pursuant to the Rules which shall legally supersede any ~~conflicting terms of any~~ previous agreement ~~and serve as a confirmation of the transaction (a "Confirmation") as soon as technologically practicable after the execution of a Trade. Such terms shall legally supersede any previous agreement and serve as a confirmation of the Trade~~ regarding such terms. BSEF will not include specific customer identifiers for accounts included in Bunched Orders if the applicable requirements of CFTC Regulation 1.35(b)(5) are met.

(b) On the Confirmation BSEF will:

(i) Provide the UTI for ~~the~~ Trade and the name of the SDR where the Trade is reported. The Confirmation will indicate the Clearing House for the Trade: CME, Eurex, ICE, JSCC, or LCH;

(ii) ~~Identify the Counterparty that is a Reporting Counterparty pursuant to CFTC Regulation 45.8, and notify~~ Notify each Counterparty or its agent if the Counterparty is a Reporting Counterparty, using the information provided by a Participant pursuant to Rule 524.A or 524.C; and

(iii) If both Counterparties have equal reporting status under CFTC Regulation 45.8, BSEF will designate the Reporting Counterparty using the following rules:

(A) For ~~the~~ rates ~~asset class~~ Swaps, the Reporting Counterparty will be determined as set forth in the table below:

A Trade that is not a leg of a Package Transaction	A Package Transaction defined on the SEF Platform as “curves”	A Package Transaction defined on the SEF Platform as “butterflies”	A Package Transaction defined on the SEF Platform as “rolls”	Package Transactions executed via the BOLT functionality of the SEF Platform
in accordance with the ISDA Dodd-Frank Act – Swap Transaction Reporting Party Requirements, the relevant portion of which is attached to this Rulebook as <u>Annex A</u>	the fixed rate payer on the leg with longer maturity is the Reporting Counterparty on all legs	the fixed rate payer on the leg with the middle tenor (“body”) is the Reporting Counterparty on all legs	the fixed rate payer of the far month leg is the Reporting Counterparty on all legs	on an individual leg basis in accordance with the ISDA Dodd-Frank Act – Swap Transaction Reporting Party Requirements, the relevant portion of which is attached to this Rulebook as <u>Annex A</u>

(B) For ~~the~~ credit ~~asset class~~ Swaps, the Reporting Counterparty will be determined as set forth in the table below:

A Trade that is not a Package Transaction	A Package Transaction defined on the SEF Platform as a “curve”	A Package Transaction defined on the SEF Platform as a “roll”	A Package Transactions defined on the SEF Platform as a “switch”
the seller of protection is the Reporting Counterparty	the seller of protection on the leg with longer maturity is the Reporting Counterparty on all legs	the seller of protection on the leg with longer maturity is the Reporting Counterparty on all legs	the seller of protection on the second leg of the switch (as displayed on the SEF Platform) is the reporting counterparty for all

			legs
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(C) For ~~the~~ foreign exchange ~~asset class~~ Swaps: the Reporting Counterparty is the liquidity provider. For a Package Transaction, Reporting Counterparty will be determined on an individual leg basis and is the liquidity provider. A “**liquidity provider**” is a Person that: (i) for an RFQ, provided the responses to an RFQ that led to the reported Trade; or (ii) for an Order Book, provided the first quote that led to the reported Trade.

(c) With respect to any Non-Cleared Swap, a Confirmation shall for purposes of ~~Commission~~ CFTC Regulation 37.6(b) consist of the Trade Communication and the Terms Incorporated by Reference. In the event of any conflict between (x) the Trade Communication and (y) the Terms Incorporated by Reference, the Trade Communication shall prevail to the extent of any inconsistency and the Trade Communication will state the same.

“**Trade Communication**” ~~shall mean~~ means a Written communication provided by BSEF to each Participant involved in a Trade containing the economic terms of the Trade agreed by the Participants on the SEF operated by BSEF.

“**Terms Incorporated by Reference**” ~~shall mean~~ means the Non-Cleared Swap Agreement(s) governing the Trade memorialized in the Trade Communication.

RULE 524. Order Entry Requirements

Participant must provide to BSEF the information required by Notices to Participants 2017-1, 2022-2, 2023-R-15, and 2024-R-04, which are posted on BSEF’s website.

RULE 524.A. General

Each Authorized Trader entering an RFQ or Order with respect to any Swap ~~traded on the SEF operated by BSEF~~ must include with the Order, as applicable:

- (a) The Trader ID;
- (b) The Participant ID;
- (c) The Legal Entity Identifier of the Participant placing the RFQ or Order;
- (d) The Counterparty’s Legal Entity Identifier;
- (e) The Swap description or code;
- (f) The price or spread, upfront payment, fixed rate, yield, quantity, maturity or expiration date of the Swap;
- (g) Side of the Order;

- (h) The CTI code;
- (i) Trading ~~Accounts~~Profile and any other ~~relevant account(s)~~information required to be collected by BSEF;
- (j) A yes/no indication of whether the Counterparty is a Swap Dealer with respect to the Swap with respect to which the Order is placed;
- (k) A yes/no indication of whether the Counterparty is a Major Swap Participant with respect to the Swap with respect to which the Order is placed;
- (l) A yes/no indication of whether the Counterparty is a Financial Entity;
- (m) A yes/no indication of whether the Counterparty is a U.S. ~~person~~Person;
- (n) A yes/no indication of whether the Counterparty is a Federal Entity~~;~~;
- (o) A yes/no indication that a Swap is an inter-affiliate or ~~an~~ intra-entity Swap that should not be subject to the real-time reporting requirements;
- (p) A yes/no indication of the Clearing Exception;
- (q) An indication of whether the Swap is a leg of a Covered Package Transaction;
- (r) If applicable, other terms of a Swap that is not a Cleared Swap required by the SEF operated by BSEF (e.g., type of Clearing Exception);
- (s) If the Swap is a Cleared Swap:
 - (i) An indication that the Swap will be cleared; and
 - (ii) The Clearing Account Identifier for a Clearing House where the Swap is intended to be cleared;
- (t) If the Swap will be subject to Allocation:
 - (i) An indication that the Swap will be ~~subject to Allocation~~Allocated; and
 - (ii) If the Swap is intended to be cleared and allocated pre-execution, the Legal Entity Identifier for each Account that will receive ~~allocations~~Allocations and the Clearing Account Identifier for a Clearing House where each ~~allocation~~Allocation is intended to be cleared;
- (u) If the Counterparty to a Swap is a Prime Broker:
 - (i) An indication that the Counterparty is a Prime Broker;
 - (ii) The LEI of each Prime Broker; and

(iii) For each Prime Broker, the information required by ~~subsections~~paragraphs (j) through ~~(np)~~, as applicable, of this Rule; and

~~(v)~~(y) If a Trade is not subject to Allocation and the Participant is not a Counterparty to the Trade:

(i) The LEI of the Counterparty; and

(ii) The information required by ~~subsections~~paragraphs (j) through ~~(np)~~, as applicable, of this Rule with respect to such Counterparty.

RULE 524.B. Customer Type Indicator (CTI) Codes

Each Participant must identify each transaction submitted pursuant to the ~~SEF operated by BSEF Rules~~ with the correct customer type indicator code (a “CTI” code). ~~The~~ CTI codes are as follows:

CTI 1- — Transactions 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. Applies to Trades placed by Account Managers and other Participants trading in a principal capacity (including Swap Dealers) and proprietary traders other than FCMs and Introducing Brokers trading for Proprietary Accounts.

CTI 2- — Transactions executed for the Proprietary Account of a Participant. Applies to FCMs and Introducing Brokers trading for their Proprietary Accounts.

CTI 3- — Orders that a Participant executes on behalf of another Participant (e.g., ~~or for an account such other Participant controls or in which such other Participant has an ownership or financial interest. Applies to Trades placed by a DMA Customer using the Participant ID of the Sponsoring Broker~~ also applies to FCMs and Introducing Brokers which execute on behalf of Customer Participants).

CTI 4- — Any transaction not meeting the ~~definition~~definitions of ~~CTIs~~CTI 1, 2 or 3. Applies to Trades placed by FCMs, including Sponsoring Brokers, and Introducing Brokers for their Customers ~~and anything else, which are not Customer Participants~~.

RULE 524.C. Pre-Arranged Transactions

All Trades executed in accordance with Rule 531, unless otherwise exempted by a Rule, must be in the form of a Written or electronic record and include in the Order ticket all information required by Rule 524.A.

RULE 525. Position Limits

(a) To reduce the potential threat of market manipulation or congestion, BSEF shall adopt for each of the contracts of the SEF operated by BSEF, as is necessary and appropriate, position limitations for speculators. Where the CFTC has established a position limit for any

Swap, BSEF's position limit for that Swap shall not be higher than such limit established by the CFTC. Such limits will apply only with respect to trading on the SEF operated by BSEF.

(b) Except as otherwise provided by the ~~BSEF~~ Rules, no Person, including a Participant, may hold or control a position in excess of such position limits and a Participant may not maintain a position in excess of such position limits for an Account or Customer if such Participant knows, or with reasonable care should know, that such position will cause such Account or Customer to exceed the applicable position limits.

(c) Position limits shall apply to (i) all positions in accounts for which any Person, by power of attorney or otherwise, directly or indirectly holds positions or controls trading, and (ii) positions held by two or more Persons acting pursuant to an expressed or implied agreement or understanding, as if the positions were held by, or the trading of the positions were executed by, a single Person.

(d) For Required Transactions, BSEF will enforce position limits only for Trades executed on the SEF operated by BSEF. If BSEF establishes position limits or position accountability levels for Permitted Transactions, BSEF will demonstrate compliance with CFTC Regulation 37.600 by sending the CFTC a list of Permitted Transactions traded on the SEF operated by BSEF.

RULE 526. Exemptions from Position Limits

Any Person seeking an exemption from the position limits referred to in Rule 525 must file an application with BSEF. BSEF shall notify the applicant whether the exemption has been approved and whether BSEF has imposed any limitations or conditions on the exemption. The decision of BSEF shall be final.

RULE 527. Position Accountability

(a) To reduce the potential threat of market manipulation or congestion, BSEF shall adopt for each of the ~~contracts of~~ Swaps listed on the SEF operated by BSEF, as is necessary and appropriate, position accountability levels for speculators. Any Person, including a Participant, who owns or controls Swaps in excess of the applicable position accountability level shall provide to BSEF at its request any information regarding the nature of the position, trading strategy or hedging activities, if applicable, and if ordered by BSEF, shall not increase the size of any such position.

(b) For purposes of this Rule, all positions in accounts for which a Person, by power of attorney or otherwise, directly or indirectly controls trading shall be included with the positions held by such Person. The provisions of this Rule shall apply to positions held by two or more Persons acting pursuant to an expressed or implied agreement or understanding, as if the positions were held by a single Person.

RULE 528. Bunched Orders and Orders Eligible for Post-Execution Allocation

(a) Only the following categories of Persons may place a Bunched Order to be allocated post-execution enpursuant to the ~~SEF Platform or that is subject to BSEF~~ Rules:

(i) A commodity trading advisor registered with the ~~Commission~~CFTC pursuant to the ~~Act~~CEA or excluded or exempt from registration under the ~~Act~~CEA or the CFTC Regulations, except for entities exempt under CFTC Regulation 4.14(a)(3);

(ii) An investment adviser registered with the SEC pursuant to the Investment Advisers Act of 1940 or with a state pursuant to applicable state law or excluded or exempt from registration under the Investment Advisers Act of 1940 or applicable state law or rule;

(iii) A bank, insurance company, trust company, or savings and loan association subject to federal or state regulation;

(iv) A foreign adviser that exercises discretionary trading authority solely over the accounts of non-U.S. ~~persons~~Persons, as defined in CFTC Regulation 4.7(a)(1)(iv);

(v) A Futures Commission Merchant registered with the ~~Commission~~CFTC pursuant to the ~~Act~~CEA; or

(vi) An Introducing Broker registered with the ~~Commission~~CFTC pursuant to the ~~Act~~CEA.

(b) Bunched Orders must be allocated and recorded in accordance with CFTC Regulation 1.35(b)(5) and the NFA's Interpretative Notice "[The Allocation of Bunched Orders for Multiple Accounts](#)" related to Compliance Rule 2-10.

(c) Bunched Orders may be entered using an ~~Account Series Designation~~account series designation or suspense account number; provided, however, that:

(i) The Order is being placed by an Account Manager for multiple accounts eligible for post-execution ~~allocation~~Allocation; and

(ii) An Account Manager that places a Bunched Order shall keep and must make available upon request of any representative of the ~~Commission~~CFTC, the United States Department of Justice, ~~BSEF~~ or other appropriate regulatory agency, ~~BSEF and the Regulatory Services Provider~~, records sufficient to demonstrate that all ~~allocations~~Allocations meet the ~~standards~~requirements of CFTC ~~Regulations~~Regulation 1.35(b)(5)(iv) and to permit the reconstruction of the handling of the ~~order~~Order from the time of placement by the Account Manager to the ~~allocation~~Allocation to individual ~~accounts~~Accounts.

RULE 529. Orders Entered Prior to ~~SEF~~OpeningTrading Day

Participants are prohibited from sending any Request for Quote or Order or using an Order Book [of the SEF operated by BSEF](#) or any other facility of BSEF prior to the opening of the ~~trading session~~Trading Day.

RULE 530. Identification of Authorized Traders

Each Authorized Trader shall be identified to BSEF and shall be subject to the ~~BSEF~~ Rules. It is the duty of the Participant to ensure that Authorized Trader (and Trader ID) registration is current and accurate at all times. Each individual must use a Trader ID to access the SEF ~~operated by BSEF~~ Platform. In no event may ~~a Person~~ an individual enter an RFQ or Order or permit the entry of an RFQ or Order by an individual using a user Trader ID other than the individual's own Trader ID.

RULE 531. Pre-Arranged Transactions

RULE 531.A. Block Trades

(a) Each buy or sell Order underlying a Block Trade ~~must (1) if the Order is entered by a broker, state explicitly that it is to will be, or may be, executed by means of a Block Trade and (2) comply with any other applicable CFTC Regulations governing Block Trades as~~ described in Rule 522.E.

(b) Each Person transacting a Block Trade shall be a Participant and shall comply with all applicable ~~BSEF~~ Rules ~~other than those which by their terms only apply to trading through the SEF Platform.~~

(c) Each Counterparty to a Block Trade must be an ECP.

(d) A Block Trade executed outside the SEF Platform by a Participant must be reported to the SEF operated by BSEF. A Block Trade must be reported to the SEF operated by BSEF by one Counterparty (or a Participant acting on behalf of such Counterparty) and confirmed by the other Counterparty (or a Participant acting on behalf of such Counterparty) as soon as practicable after its execution, but may not be submitted any later than 10 minutes after the execution of the Block Trade. Each Block Trade must state the time of execution to the nearest second. BSEF shall have the right not to accept any transaction that does not satisfy the conditions set forth in this Rule.

(e) BSEF will review the information submitted by the Participant(s) for the Block Trade and will report the Block Trade as required by ~~Part~~ Parts 43 and ~~Part~~ 45 of the CFTC Regulations if the details are complete and accurate in accordance with this Rule. A Participant that executes a Bunched Order as a Block Trade must comply with Rule 524.C. A Participant that executes a Bunched Order as a Block Trade must provide BSEF with the allocation information as soon as practicable.

(f) Block Trades shall not trigger unexecuted Orders.

(g) Each Participant or Account Manager that is a party to a Block Trade or executes a Block Trade on behalf of its Accounts or Customers must comply with the recordkeeping requirements set forth in Rule 409.A(c). Upon request by BSEF, such Participant 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 531.A.

(h) Any Block Trade in violation of these requirements shall constitute conduct which is inconsistent with just and equitable principles of trade.

(i) The aggregation of Orders for different accounts in order to satisfy the Appropriate Minimum Block ~~Trade-size~~Size is permissible only by a Person who is a Qualified Account Manager.

(j) A Qualified Account Manager transacting an aggregated Block Trade on behalf of ~~any other Person~~ a Customer must receive prior Written instruction or consent from each such ~~other Person~~Customer to do so. Such instruction or consent may be provided in the power of attorney or similar document by which the ~~other Person~~Customer provides the ~~Person~~Qualified Account Manager with discretionary trading authority or the authority to direct the trading in its account.

(k) Please see Notice to Participants ~~2014-3~~2024-R-09, which is posted on BSEF's website.

RULE 531.B. Trade Correction

If permitted by Rule 516, two Participants may pre-arrange ~~a~~any Offsetting Trade ~~correcting an error~~and/or Correcting Trade.

RULE 531.C. Covered Package Transactions and Permitted Transactions

(a) Two Participants may pre-arrange a Covered Package Transaction subject to ~~BSEF~~the Rules outside the SEF Platform; provided, however, that each component of such Covered Package Transaction that is a Required Transaction must be executed on the SEF Platform via RFQT.

(b) Two Participants may pre-arrange a Permitted Transaction subject to ~~BSEF~~the Rules outside the SEF Platform, provided, however, that such Permitted Transaction must be executed on the SEF Platform via RFQT.

RULE 532. Reporting to an SDR

(a) BSEF will report each Trade to ~~an SDR of BSEF's choice as soon as technologically practicable~~DTCC after the execution of such Trade. For Cleared Swaps, BSEF will report all real-time ~~data~~information required by Part 43 of the CFTC Regulations and all creation data required by Part 45 of the CFTC Regulations.

(b) [Reserved]

(c) BSEF will report the actual notional or principal amount of a Block Trade to ~~the appropriate SDR~~DTCC as set forth in ~~Part~~Parts 43 and ~~Part~~Part 45 of the CFTC ~~Regulation~~Regulations.

(d) Each Participant that has executed on or pursuant to the Rules of the SEF operated by BSEF a Trade that is a Block Trade, shall be deemed to have elected for purposes of

~~Part~~Parts 43 and ~~Part~~ 45 of CFTC Regulations to have such Block Trade reported to ~~an~~ SDR/DTCC indicating a real-time reporting delay provided by Part 43 of the CFTC Regulations.

(e) Each Participant that is the Reporting Counterparty, or an Account Manager or broker for a Reporting Counterparty shall review the Trade details as soon as technologically practicable upon transmission of the Trade details to the Participant. The non-reporting counterparty shall report any errors in such Trade details to the Reporting Counterparty as soon as technologically practicable. The Reporting Counterparty shall report all errors in such Trade details to BSEF as soon as technologically practicable after finding or being made aware of any error or omission in the data as reported and/or maintained by ~~the relevant SDR/DTCC~~. BSEF shall then submit the corrected data to ~~the relevant SDR/DTCC~~.

(f) No Person, including BSEF, shall submit or agree to submit a cancellation or correction for the purpose of re-reporting Swap transaction and pricing data 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 in Part 43 of the CFTC Regulations.

(g) BSEF will report all Trades to DTCC ~~Data Repository (U.S.) LLC~~.

RULE 533. Cleared Swaps

(a) Each Cleared Swap shall be cleared through the Clearing House indicated in the Swap Contract Specification ~~in accordance with the CEA and the CFTC Regulations~~.

(b) For each Cleared Swap a Participant expects to enter into ~~via the SEF Platform or subject pursuant to BSEF~~the Rules, the Participant or an Account or Customer of the Participant must establish a clearing account with the Clearing House or with a Clearing Member of the Clearing House, in each case, designated in the Swap Contract Specification for such Cleared Swap.

(c) All Trades in Cleared Swaps by a Participant or its Account or Customer must be guaranteed to the Clearing House by a Clearing Member following the Clearing Member's acceptance of such Trade for clearing.

(d) BSEF shall submit each Trade to the Clearing House specified in the Swap ~~Specifications~~Contract Specification. If BSEF receives a notice from the Clearing House rejecting a Trade for clearing, such Trade is *void ab initio*.

(e) BSEF will ~~provide each Clearing Member with tools~~conduct pre-trade clearing checks for each Order before submitting an Order to screen each an Order ~~or RFQ in Cleared Swaps based on criteria established by such Clearing Member~~Book. BSEF will conduct pre-trade clearing checks on each RFQ before transmitting the RFQ to Recipient Participants. If an Order or an RFQ fails to satisfy the criteria established by the Clearing Member, BSEF will reject the Order or will not allow the RFQ to be sent.

(f) If manual affirmation of a Trade in Cleared Swaps is required prior to presentation of the Trade to a Clearing House, a Participant must affirm the Trade within five (5) minutes after the execution of the Trade.

RULE 534. Non-Cleared Swaps

(a) Any Participant that is a Swap Dealer or Major Swap Participant, or if neither Counterparty is a Swap Dealer or Major Swap Participant, the Participant that is the Reporting Counterparty, that places an Order or sends or responds to an RFQ with respect to a Non-Cleared Swap shall ensure that there is a Non-Cleared Swap Agreement between the Participant or its Account or Customer, as applicable, and the prospective Counterparty to such Swap prior to placing such Order or sending or responding to such RFQ. A Participant will only be able to transact in Non-Cleared Swaps with another Participant if both Participants have entered into a Non-Cleared Swap Agreement with each other. Both Participants involved in execution of a Non-Cleared Swap (whether in a principal capacity or in their capacity as agents on behalf of their respective Accounts or Customers) shall, upon the request of BSEF, make available to BSEF any terms of such Non-Cleared Swap that are not reflected in the applicable Swap Contract Specification and shall comply with Order entry requirements for Non-Cleared Swaps that BSEF shall establish from time to time.

(b) Each Participant involved in a Prime Broker Trade must notify the Prime Broker as soon as technologically possible of each Prime Broker Trade executed pursuant to the Rules ~~of BSEF~~ to which the Prime Broker is a Counterparty, and provide to the Prime Broker the Confirmation for the Prime Broker Trade issued by the SEF operated by BSEF.

RULE 535. Risk Controls

(a) BSEF may, in its sole discretion, reject any RFQ or Order or Block Trade placed or reported on the SEF Platform if such RFQ or Order or Block Trade is in violation of any ~~BSEF Rule or Applicable Law.~~

(b) BSEF shall have the right to take any action to reduce the potential of market disruption, including market restrictions that pause or halt trading in market conditions prescribed by BSEF if such action is in the best interest of the swap markets.

(c) BSEF shall have the right ~~in its sole discretion~~ to cancel Trades executed at prices outside the No-Bust Range. ~~“No-Bust Range” shall mean the price of a Swap that is no more than 30% higher or lower than the prior Business Day’s Daily Settlement Price for such Swap.~~

(d) If a Swap affected by any action of BSEF under this Rule 535 is fungible with, linked to, or a substitute for, other Swaps ~~on the SEF operated by BSEF~~, BSEF may apply the same action to any such other Swaps.

(e) If a Swap is fungible with, linked to or a substitute for a financial instrument trading on another trading venue, including any trading venue regulated by the SEC (each, a **“Linked Swap”**), and such other trading venue placed risk controls on such financial instrument, BSEF shall have the right to place similar risk controls on the Linked Swap.

CHAPTER 6. DISCIPLINARY RULES

RULE 601. General

(a) Any Person is subject to this Chapter 6 if ~~it~~such Person is alleged to have violated, to have aided and abetted a violation, to be violating, or to be about to violate, any ~~BSEF~~ Rule or any provision of Applicable Law for which BSEF possesses jurisdiction.

(b) BSEF, through the Compliance Department, the Disciplinary Panel and the Appeals Panel, will conduct inquiries, investigations, disciplinary and appeals proceedings, summary impositions of fines, summary suspensions or other summary actions in accordance with this Chapter 6.

(c) No SEF Official will interfere with or attempt to influence the process or resolution of any inquiry, investigation, disciplinary or appeals proceeding, summary imposition of fines, ~~summary suspension or other summary action. No Director will interfere with or attempt to influence the process or resolution of any inquiry, investigation, disciplinary or appeals proceeding and summary imposition of fines,~~ summary suspension or other summary action, except to the extent provided under the ~~BSEF~~ Rules with respect to a proceeding in which the ~~Director~~SEF Official is a member of the relevant panel.

(d) Any Person that ~~directly~~is served with a Notice of Charges under Rule 601 or ~~indirectly effects a transaction on the SEF operated by BSEF~~a Draft Notice of Charges may be represented by counsel ~~during~~or any ~~inquiry, investigation, disciplinary or appeals proceeding, summary imposition of fines, summary suspension or other summary actions~~other representative of its choosing in all succeeding stages of the disciplinary process pursuant to this Chapter 6, except by any member of BSEF's Board or Disciplinary Panel, any SEF Employee, or any Person substantially related to the underlying investigation(s), such as a material witness or respondent.

(e) Pursuant to this Chapter 6, BSEF may hold a Participant liable for, and impose sanctions against such Participant, for such Participant's own acts and omissions that constitute a violation as well as for the acts and omissions of each (i) Authorized Trader of such Participant, (ii) Supervised Person of such Participant, (iii) other Person using the Trader ID or login credentials linked to the Participant or Participant ID, or (iv) other agent or representative of such Participant, in each case, that constitute a violation as if such violation were that of the Participant.

(f) Pursuant to this Chapter 6, BSEF may hold an Authorized Trader liable for, and impose sanctions against ~~him or her~~them, for such Authorized Trader's own acts and omissions that constitute a violation as well as or for the acts and omissions of any other agent or representative of such Authorized Trader that constitute a violation as if such violation were that of the Authorized Trader.

(g) A Person subject to a ~~disciplinary or appeals~~Disciplinary Panel or Appeals Panel proceeding (and any counsel or representative of such Person) and the Compliance Department (and any counsel or representative of the Compliance Department including ~~any~~the Regulatory Services Provider) shall not knowingly make or cause to be made an ex parte communication

relevant to the merits of a disciplinary or appeals proceeding to any member of the Disciplinary Panel or Appeals Panel hearing such proceeding. Members of a Disciplinary Panel or Appeals Panel shall not knowingly make or cause to be made an ex parte communication relevant to the merits of a disciplinary or appeals proceeding to any Person subject to such proceeding (and any counsel or representative of such Person) and the Compliance Department (and any counsel or representative of the Compliance Department including ~~any~~the Regulatory Services Provider). Any Person who receives, makes or learns of any communication which is prohibited by this Rule shall promptly give notice of such communication and any response thereto to the Compliance Department and all parties to the proceeding to which the communication relates. A Person shall not be deemed to have violated this Rule if the Person refuses an attempted communication concerning the merits of a proceeding as soon as it becomes apparent the communication concerns the merits.

(h) In the event that the ~~Chief Compliance Officer~~CCO has a material conflict of interest, as defined in Rule 210(b) in respect of any matter under Chapter 6 of ~~these~~the Rules, the ~~Chief Compliance Officer~~CCO may appoint a member of the Compliance Department to carry out the ~~Chief Compliance Officer~~CCO's duties ~~in his or her stead~~instead with respect to that matter. If such designee of the CCO is conflicted, then the Regulatory Oversight Committee shall appoint a member of the Compliance Department to carry out such duties in lieu of the CCO's designee.

RULE 602. Inquiries and ~~Investigation~~Investigations

(a) The Compliance Department, with the assistance of ~~a~~the Regulatory Services Provider, if necessary, will conduct inquiries and, if applicable, investigations with respect to any matter within BSEF's jurisdiction of which it becomes aware or which the ~~Commission~~CFTC requests BSEF to investigate. The Compliance Department will determine the nature and scope of its inquiries and investigations within its sole discretion and will function independently of any commercial interests of BSEF. The Compliance Department's investigation must be completed within twelve (12) months of the date when the Compliance Department commenced its investigation unless there are mitigating factors that may reasonably justify an investigation taking longer than twelve (12) months, including the complexity of the investigation, the number of Participants or individuals involved as potential wrongdoers, the number of potential violations to be investigated, and the volume of documents and data to be examined and analyzed by the Compliance Department.

(b) The Compliance Department has the authority to:

- (i) Initiate inquiries and investigations;
- (ii) Prepare investigation reports and provide recommendations concerning initiating disciplinary proceedings;
- (iii) Prosecute alleged violations if a disciplinary proceeding has been authorized; and

(iv) Represent BSEF on appeals of a Disciplinary Panel decision, the summary imposition of fines, summary suspension or other summary action.

(c) Each Participant, Account Manager, Authorized Trader, Supervised Person and Clearing Member:

(i) Is obligated to appear and testify and respond in Writing to requests for information within the time period required by the Compliance Department in connection with: (Aa) any ~~BSEF~~ Rule; (Bb) any inquiry or investigation; or (Cc) any preparation by and presentation during a disciplinary or appeals proceeding, summary imposition of fines, summary suspension or other summary action by BSEF;

(ii) Is obligated to produce books, records, papers, documents or other tangible evidence in its, ~~his~~ or ~~her~~ their possession, custody or control within the time period required by the Compliance Department in connection with: (Aa) any ~~BSEF~~ Rule; (Bb) any inquiry or investigation; or (Cc) any preparation by and presentation during a disciplinary or appeals proceeding, summary imposition of fines, summary suspension or other summary action by BSEF; and

(iii) May not impede or delay any inquiry, investigation, disciplinary or appeals proceeding, summary imposition of fines, summary suspension or other summary action.

RULE 603. ~~Investigative~~ Investigation Reports

(a) The Compliance Department will maintain a Written log of all inquiries and investigations and their disposition. The Compliance Department will prepare a Written report of each inquiry and investigation, regardless of whether the evidence gathered during any inquiry or investigation forms a reasonable basis to believe that a violation within BSEF's jurisdiction has occurred or is about to occur or whether the evidence gathered results in closing the matter without further action or through summary action.

(b) Any such report prepared in accordance with Rule 603(a) will include (i) the reasons the inquiry or investigation was initiated; (ii) a summary of the complaint, if any; (iii) the relevant facts and evidence gathered; (iv) the Compliance Department's analysis, conclusions and recommendations; and (v) the Participant's disciplinary history at BSEF.

(c) For each potential respondent, the Compliance Department will recommend either (i) closing the investigation without further action; (ii) resolving the investigation through an informal disposition; or (iii) initiating disciplinary proceedings.

RULE 604. Warning Letters

(a) The ~~Chief Compliance Officer~~ CCO may issue a warning letter without the approval of a Disciplinary Panel in order to close an inquiry or investigation administratively.

(b) No more than one warning letter may be issued to the same Person or entity for the same Rule violation within a rolling twelve (12-) month period.

(c) Warning letters must contain an affirmative finding that a Rule violation has occurred.

RULE 605. Review of Investigation Reports

(a) The ~~Chief Compliance Officer~~ CCO will timely review each ~~proposed~~ investigation report received from the Compliance Department to determine whether a reasonable basis exists for finding that a violation of ~~BSEF~~ the Rules within BSEF's jurisdiction has occurred or is about to occur. Within thirty (30) business days of receipt of the investigation report the ~~Chief Compliance Officer~~ CCO must take one of the following actions:

(i) If the ~~Chief Compliance Officer~~ CCO determines that additional investigation or evidence is needed to decide whether a reasonable basis exists to find that a violation of ~~BSEF~~ the Rules within BSEF's jurisdiction has occurred or is about to occur, the ~~Chief Compliance Officer~~ CCO will promptly direct the Compliance Department to do at least one of the following:

(A) Conduct further investigation; and/or

(B) Gather any necessary new or additional information or evidence from the potential respondents.

(ii) The Compliance Department will revise the investigation report as necessary to reflect the additional information gathered pursuant to this paragraph (a) and will resubmit a revised proposed investigation report to the ~~Chief Compliance Officer~~ CCO.

(b) After receiving a completed investigation report, the ~~Chief Compliance Officer~~ CCO will determine for each potential respondent whether to ~~authorize~~:

(i) Refer the matter to the Disciplinary Panel for further determination;

(ii) ~~(i) The~~ Authorize the commencement of disciplinary proceedings because a reasonable basis exists to believe that a violation of ~~BSEF~~ the Rules within BSEF's jurisdiction has occurred or is about to occur and adjudication is warranted;

(iii) ~~(ii) The informal~~ Authorize the summary disposition of the investigation because disciplinary proceedings are unwarranted, ~~in which case the Chief Compliance Officer shall complete the investigation report in compliance with Rule 603~~ including issuance of a warning letter; or

(iv) ~~(iii) The~~ Authorize the closing of the investigation without any action because no reasonable basis exists to believe that a violation of ~~BSEF~~ the Rules within BSEF's jurisdiction has occurred or is about to occur; in which each case the ~~Chief Compliance Officer~~ CCO shall complete the investigation report in compliance with Rule 603.

(c) If the ~~Chief Compliance Officer~~ CCO determines that disciplinary proceedings should be authorized pursuant to Rule 605(b)(i), the ~~Chief Compliance Officer~~ CCO may in ~~his~~

~~or her~~their discretion provide each potential respondent with a Written draft Notice of Charges (“**Draft Notice of Charges**”) which shall contain all information required pursuant to Rule 607.

(d) The Draft Notice of Charges must be accompanied by a Written notice that shall inform the potential respondent:

(i) That an investigation report has been completed by ~~BSEF’s~~the Compliance Department;

(ii) That a Notice of Charges will be served, in accordance with Rule 608, ten (10) business days, ~~as defined in CFTC Regulation 40.1,~~ after receipt of the Written notice;

(iii) That a settlement offer may be submitted pursuant to Rule 612; and

(iv) Of the respondent’s right to a hearing if a Notice of Charges is served in accordance with Rule 608.

RULE 606. ~~Reserved~~Emergency Disciplinary Actions

(a) BSEF may impose a sanction, including suspension, or take other summary action against a Person subject to its jurisdiction upon a reasonable belief that such immediate action is necessary to protect the best interests of BSEF.

(b) If practicable, the CCO will provide a respondent with Written notice before the action is taken, stating the action, the reasons for the action, and the effective time and date, and the duration of the action. The notice shall advise the respondent of its right to be represented by legal counsel or any other representative of its choosing (other than any member of the Disciplinary Panel or any Person substantially related to the disciplinary proceedings, such as a material witness or other respondent) in all proceedings subsequent to the emergency action taken. If the notice cannot be provided before the action is taken, BSEF will provide the notice at the earliest possible opportunity. The notice shall be served as provided in Rule 608.

(c) The respondent shall be given the opportunity for a hearing before the Disciplinary Panel as provided in Rule 616 as soon as reasonably practicable.

(d) Promptly following the hearing, the Disciplinary Panel shall render a Written decision based upon the weight of the evidence contained in the record of the proceeding. The decision shall include:

(i) A description of the summary action taken;

(ii) The reasons for the summary action;

(iii) A summary of the evidence produced at the hearing;

(iv) A statement of findings and conclusions;

(v) A determination that the summary action should be affirmed, modified, or reversed; and

(vi) A declaration of any action to be taken pursuant to the determination, and the effective date and duration of such action.

(e) Upon rendering a decision by the Disciplinary Panel, BSEF shall, within thirty (30) business days thereafter, provide a Written notice of such final decision to the respondent.

RULE 607. Notice of Charges

(a) If the ~~Chief Compliance Officer~~ CCO authorizes disciplinary proceedings pursuant to Rule 605(b)(i), the Compliance Department will prepare, and serve in accordance with Rule 608, a Notice of Charges.

(b) A Notice of Charges will:

(i) State the acts, practices or conduct that the respondent is alleged to have engaged in;

(ii) State the ~~BSEF Rule or provision of Applicable Law~~ alleged to have been violated or about to be violated;

(iii) State the proposed sanctions;

(iv) Advise the respondent of its right to a hearing;

(v) State the period of time within which the respondent can request a hearing on the Notice of Charges, which will not be less than twenty (20) business days after service of the Notice of Charges;

(vi) Advise the respondent that any failure to request a hearing within the period stated, except for good cause, will be deemed to constitute a waiver of the right to a hearing;

(vii) Advise the respondent that any allegation in the Notice of Charges that is not expressly denied will be deemed to be admitted; and

(viii) Advise the respondent of its right to be represented by legal counsel or any other representative of its choosing (other than any member of the Disciplinary Panel or any Person substantially related to the disciplinary proceedings such as a material witness or other respondent) in all succeeding stages of the disciplinary process.

RULE 608. Service of Notice of Charges

Any Notice of Charges or other documents contemplated to be served pursuant to this Chapter 6 may be served (and service shall be deemed complete) upon the respondent either personally or by leaving the same at ~~his~~ the respondent's place of business, or by tracked delivery via reputable overnight courier, or by deposit in the United States mail, postage prepaid,

via registered or certified mail addressed to the respondent at the address as it appears on the books and records of BSEF, or by electronic mail.

RULE 609. Answer to Notice of Charges

(a) If the respondent determines to answer a Notice of Charges, the respondent must file answers within twenty (20) business days after being served with such notice, or within such other reasonable time period determined appropriate by the ~~Chief Compliance Officer~~CCO.

(b) To answer a Notice of Charges, the respondent must in Writing:

(i) Specify the allegations that the respondent denies or admits;

(ii) Specify the allegations that the respondent does not have sufficient information to either deny or admit;

(iii) Specify any specific facts that contradict the Notice of Charges;

(iv) Specify any affirmative defenses to the Notice of Charges; and

(v) Sign and serve the answer on the ~~Chief Compliance Officer~~CCO.

(c) Any failure by the respondent to timely serve an answer to a Notice of Charges will be deemed to be an admission to the allegations in such notice. Any failure by the respondent to answer one or more allegations in a Notice of Charges will be deemed to be an admission of that allegation or those allegations. Any allegation in a Notice of Charges that the respondent fails to expressly deny will be deemed to be admitted. A statement of a lack of sufficient information shall have the effect of a denial of an allegation. A general denial by the respondent, without more, will not satisfy the requirements of paragraph (b) above.

RULE 610. Admission or Failure to Deny Charges

(a) If respondent admits or fails to deny any of the charges, the ~~Chief Compliance Officer~~Disciplinary Panel may find that the violations alleged in the Notice of Charges for which the respondent admitted or failed to deny any of the charges have been committed. The ~~Chief Compliance Officer~~CCO then must take the following action:

(i) Impose a sanction for each violation found to have been committed; and

(ii) ~~Notify~~Promptly notify the respondent in Writing of any sanction to be imposed and advise the respondent that it may request a hearing on such sanction within a specified period of time.

(b) If a respondent fails to request a hearing within twenty (20) business days as specified in the notice described in 610(a)(ii), the respondent will be deemed to have accepted the sanction and will have waived any right to appeal such sanctions.

RULE 611. Denial of Charges and Right to a Hearing

~~In every instance~~ BSEF shall provide to a respondent an opportunity for a hearing in accordance with the Rules in each case where a respondent has ~~denied~~ requested a hearing on a charge, ~~the respondent shall have a right to request a hearing before that is denied, or on a sanction set by~~ the Disciplinary Panel. ~~Except for good cause, the hearing must be limited to only those denied charges for which a hearing has been requested.~~

RULE 612. Settlements

(a) Any offer of settlement should contain proposed findings and sanctions and be signed by a potential respondent/respondent and submitted to the ~~Chief Compliance Officer~~ CCO. A potential respondent/respondent may offer to settle disciplinary proceedings without admitting or denying the findings contained in a Draft Notice of Charges or a Notice of Charges, but must accept the jurisdiction of BSEF over it and over the subject matter of the proceedings and consent to the entry of the findings and sanctions imposed.

(b) A potential respondent may at any time within ten (10) business days, ~~as defined in CFTC Regulation 40.1,~~ of receipt of the Draft Notice of Charges specified in Rule 605, or at a later date as determined by the CCO in their reasonable discretion, propose in Writing an offer of settlement to anticipated disciplinary proceedings. The ~~Chief Compliance Officer~~ CCO must review an offer of settlement received pursuant to this paragraph (b) within thirty (30) business days, ~~as defined in CFTC Regulation 40.1,~~ after receipt of the offer of settlement. The ~~Chief Compliance Officer~~ CCO shall have discretion and be authorized to accept or reject an offer of settlement for \$25,000 or less for each violation on behalf of BSEF. The ~~Chief Compliance Officer shall also have the discretion and be~~ CCO is authorized to convene and forward the offer of settlement to the Disciplinary Panel with a recommendation on whether to accept or reject the offer of settlement. The potential respondent may withdraw such offer of settlement at any time before acceptance by the ~~Chief Compliance Officer, but may not withdraw such offer of settlement at any time after acceptance by the Chief Compliance Officer~~ CCO.

(c) A respondent may at any time after receipt of a Notice of Charges, but before disciplinary proceedings have concluded, propose in Writing an offer of settlement to instituted disciplinary proceedings. If a respondent submits an offer of settlement after being served a Notice of Charges pursuant to Rule 608, the ~~Chief Compliance Officer~~ CCO will forward the offer of settlement to the Disciplinary Panel with a recommendation on whether to accept or reject the offer of settlement. The Disciplinary Panel must review an offer of settlement received pursuant to this paragraph (c) or paragraph (b) above within ninety (90) business days, ~~as defined in CFTC Regulation 40.1,~~ after the receipt of the offer of settlement by the ~~Chief Compliance Officer~~ CCO unless an extension was agreed by the respondent in Writing. The respondent may withdraw such offer of settlement at any time before ~~acceptance by the Disciplinary Panel, but may not withdraw such offer of settlement at any time after final~~ acceptance by the Disciplinary Panel. The Disciplinary Panel may review the offer of settlement and determine whether to accept or reject the offer of settlement in person, ~~by means of telephone conference~~ telephonically or in Writing.

(d) The ~~Chief Compliance Officer or the~~ Disciplinary Panel may accept an offer of settlement received pursuant to paragraph (b) or (c) of this Rule 612, respectively, but may not alter the terms of a settlement offer unless the potential respondent/respondent agrees.

(e) If an offer of settlement is accepted by the ~~Chief Compliance Officer~~CCO or the Disciplinary Panel, a Written decision shall be issued by the ~~Chief Compliance Officer~~CCO or the Disciplinary Panel, ~~as applicable~~, specifying:

(i) The Rule violations the Compliance Department/it has reason to believe were committed, including the basis or reasons of its conclusions;

(ii) Any sanction to be imposed, which must include full customer restitution where customer harm has been demonstrated; and

(iii) If applicable, that the potential respondent/respondent has accepted the sanctions imposed without either admitting or denying the Rule violations.

(f) In the event ~~that~~ the Disciplinary Panel accepts an offer of settlement without the agreement of the Compliance Department, the Written decision must adequately support such acceptance.

(g) If an offer of settlement is accepted pursuant to this Rule and the related Written decision becomes final, the respondent's submission of the offer of settlement will be deemed to constitute a waiver of the right to notice, opportunity for a hearing and review and appeal under ~~these~~the Rules.

(h) If an offer of settlement of a potential respondent/respondent is not accepted by the ~~Chief Compliance Officer~~CCO or the Disciplinary Panel, pursuant to paragraph (b) or (c) of this Rule, respectively, fails to become final or is withdrawn by the potential respondent/respondent, the matter will proceed as if the offer of settlement had not been made and the offer of settlement and all documents relating to it will not become part of the record. Neither a potential respondent/respondent nor the Compliance Department may use an unaccepted offer of settlement as an admission or in any other manner at a hearing of disciplinary proceedings.

RULE 613. Disciplinary Panel

(a) The Disciplinary Panel is responsible for adjudicating disciplinary cases pursuant to a Notice of Charges ~~authorized by the Chief Compliance Officer~~.

(b) Each Disciplinary Panel shall be composed of three (3) individuals selected by the ~~Chief Compliance Officer~~CCO. If the CCO is conflicted and thus cannot appoint a Disciplinary Panel, a designee of the CCO will serve in lieu of the CCO. If the CCO's designee is conflicted, then a member of the Compliance team who is selected by the Regulatory Oversight Committee will serve in lieu of the CCO. Except in cases concerning the timely submission of accurate records, each Disciplinary Panel shall consist of at least one individual who would not be disqualified from serving as a Public Director, who shall chair the Disciplinary Panel. Each member of the Disciplinary Panel must comply with Rule 211. No

member of the ~~BSEF~~ Compliance Department or Person involved in adjudicating any other stage of a proceeding or that has a financial, personal, or other direct interest in the matter under consideration shall participate in a Disciplinary Panel for such proceeding.

(c) A respondent may seek to disqualify any individual on the Disciplinary Panel for the reasons identified in the ~~BSEF~~ Rules or for any other reasonable grounds, by serving Written notice on the ~~Chief Compliance Officer~~ CCO. By not filing a request for disqualification within ten (10) business days, the respondent will be deemed to have waived any objection to the composition of a Disciplinary Panel. The ~~Chief Compliance Officer of BSEF~~ CCO will decide the merits of any request for disqualification within ~~his or her~~ their sole discretion. Any such decision will be final and not subject to appeal.

RULE 614. Convening Disciplinary Proceeding Hearings

(a) All disciplinary proceedings (except for summary impositions of fines pursuant to Rule 621) will be conducted at a hearing before the Disciplinary Panel. A hearing will be conducted privately ~~and~~, confidentially and fairly. Notwithstanding the confidentiality of hearings, the Disciplinary Panel may appoint an expert to attend any hearing and assist in deliberations if such expert agrees to be subject to an appropriate confidentiality agreement.

(b) After reasonable notice to each respondent, the Disciplinary Panel will promptly convene a hearing to conduct the disciplinary proceedings with respect to such respondent. Parties to a disciplinary proceeding include each respondent and the Compliance Department including BSEF enforcement staff.

(c) The chairperson of the Disciplinary Panel may continue, adjourn or otherwise conduct the hearing, as ~~he or she~~ they may deem appropriate. The chairperson of the Disciplinary Panel will determine all procedural and evidentiary matters, including the admissibility and relevance of any evidence proffered. In determining procedural and evidentiary matters, the chairperson of the Disciplinary Panel ~~will need~~ not be bound by any evidentiary or procedural rules or law apply the formal rules of evidence, but such hearing shall follow the procedures specified in Rule 616, and should not be so informal as to deny a fair hearing. Once admitted during the hearing, the Disciplinary Panel may consider, and attach the weight it believes appropriate to, evidence or other materials. The ~~Chief Compliance Officer of BSEF~~ CCO, or its designee, will provide guidance to the chairperson of the Disciplinary Panel on the conduct of the hearing.

(d) Except for procedural and evidentiary matters decided by the chairperson of the Disciplinary Panel pursuant to paragraph (c) above and Rule 616, unless each respondent otherwise consents, the entire Disciplinary Panel must be present during the entire hearing and any related deliberations.

RULE 615. Respondent Review of Evidence

(a) Prior to the commencement of a Disciplinary Panel hearing, each respondent will be given the opportunity to review all books, records, documents, papers, transcripts of testimony and other tangible evidence in the possession or under the control of BSEF that the Compliance Department will use to support the allegations and proposed sanctions in the Notice

of Charges or which the chairperson of the Disciplinary Panel deems relevant to the disciplinary proceedings. BSEF may withhold documents that:

- (i) Are privileged or constitute attorney work product;
- (ii) Were prepared by ~~an employee of BSEF~~ a SEF Employee, but will not be offered as evidence in the disciplinary proceedings;
- (iii) May disclose a technique or guideline used in examinations, investigations or enforcement proceedings; or
- (iv) Disclose the identity of a confidential source.

(b) If any books, records, documents, papers, transcripts of testimony, or other tangible evidence contain information that could adversely affect the competitive position of the Person providing the information or if such information might compromise other investigations being conducted by the Compliance Department, the Compliance Department may redact, edit or code such information before furnishing it to the respondent.

(c) Notwithstanding anything in paragraph (b) above to the contrary, the Compliance Department:

- (i) Will not redact, edit or code competitive or investigative information contained in documents in a manner that would impair the respondent's ability to defend against the allegations or proposed sanctions in the notices of charges; and
- (ii) Will provide the respondent with access to the information and portions of the documents that the Compliance Department intends to rely on to support the allegations or proposed sanctions in the Notice of Charges.

(d) For purposes of this Rule 615, information that could adversely affect the competitive position includes positions in Swaps currently held, trading strategies employed in establishing or liquidating positions, the identity of any Participant or Authorized Trader and the personal finances of the Person providing the information.

RULE 616. Conducting Disciplinary Proceeding Hearings

(a) At a hearing conducted in connection with any disciplinary proceeding, the Compliance Department will present its case supporting the allegations and proposed sanctions in the Notice of Charges to the Disciplinary Panel. If a respondent has timely filed an answer to the Notice of Charges in accordance with Rule 609, the respondent is entitled to attend and participate in the hearing.

(b) At a hearing conducted in connection with any disciplinary proceedings, the Disciplinary Panel or the Compliance Department and each respondent may:

- (i) Present evidence and facts determined relevant and admissible by the chairperson of the Disciplinary Panel;

- (ii) Call and examine witnesses; and
- (iii) Cross-examine witnesses called by other parties.

(c) Any Person within BSEF's jurisdiction who is called as a witness must participate in the hearing and produce evidence. BSEF will make reasonable efforts to secure the presence of all other Persons called as witnesses whose testimony would be relevant.

(d) If the respondent fails to file an answer, has filed a general denial, or if any or all of the allegations in the Notice of Charges are not expressly denied in the respondent's answer, the chairperson of the Disciplinary Panel may limit evidence concerning any allegations not expressly denied in determining the sanctions to impose. If a respondent fails to file an answer but appears at the hearing, the respondent may not participate in the hearing (by calling or cross examining witnesses, testifying in defense, presenting evidence concerning the Notice of Charges, or otherwise) unless the Disciplinary Panel determines that the respondent had a compelling reason for failing to timely file an answer. If the Disciplinary Panel determines that the respondent had a compelling reason for failing to timely file an answer, the Disciplinary Panel will adjourn the hearing and direct the respondent to promptly file a Written answer in accordance with Rule 609.

(e) Any Person entitled, or required or called upon, to attend a hearing before a Disciplinary Panel pursuant to paragraph (b)(ii) above will be given reasonable notice, confirmed in Writing, specifying the date, time and place of the hearing, and the caption of the disciplinary proceedings. BSEF will require all Participants (that are individuals), Customers, Account Managers, Clearing Members, Authorized Traders and Supervised Persons that are called as witnesses to appear at the hearing and produce evidence. BSEF will make reasonable efforts to secure the presence of all other Persons called as witnesses whose testimony would be relevant.

(f) If during any disciplinary proceedings the Disciplinary Panel determines that a reasonable basis exists to believe that the respondent violated or is about to violate a ~~BSEF Rule or a provision of Applicable Law~~ other than the violations alleged in the Notice of Charges, the Disciplinary Panel may consider those apparent violations after providing the respondent with an opportunity to answer the additional allegations in accordance with Rule 609. In connection with considering apparent violations pursuant to this paragraph (f), the Disciplinary Panel may request that the Compliance Department provide the Disciplinary Panel with any additional information.

(g) The Disciplinary Panel may summarily impose sanctions on any ~~Participant, Account Manager, Authorized Trader or Supervised~~ Person within its jurisdiction that impedes or delays the progress of a hearing.

(h) BSEF will arrange for any hearing conducted in connection with disciplinary proceedings to be recorded ~~hearing~~ verbatim, or substantially verbatim, in a manner capable of accurate transcription. If the respondent requests a copy of all or portions of the recording of a hearing, the chairperson of the Disciplinary Panel may within ~~his or her~~ their sole discretion order the respondent to pay the costs for transcribing the recording of the hearing.

(i) As promptly as reasonable following a hearing, the Disciplinary Panel will issue a Written decision rendering its decision based on the weight of the evidence contained in the record of the disciplinary proceedings. A decision by a majority of the Disciplinary Panel will constitute the decision of the Disciplinary Panel.

(j) No interlocutory appeals of rulings of any Disciplinary Panel are permitted.

(k) If the respondent has requested a hearing, a copy of the hearing shall be made and shall become a part of the record of the proceeding. The record shall not be required to be transcribed unless:

(i) The transcript is requested by ~~Commission~~CFTC staff or the respondent;

(ii) The decision is appealed pursuant to the ~~BSEF~~ Rules; or

(iii) The decision is reviewed by the ~~Commission~~CFTC pursuant to section 8c of the ~~Act~~CEA or Part 9 of CFTC Regulations.

(l) In all other instances, a summary record of a hearing is permitted.

RULE 617. Decision of Disciplinary Panel

(a) ~~The~~Promptly following the hearing, the Disciplinary Panel~~'s~~ shall render a Written decision ~~must be~~ based upon the weight of the evidence contained in the record of the proceeding ~~and shall provide a copy to the respondent.~~ 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 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, and a complete explanation of the evidentiary and other basis for such findings and conclusions with respect to each charge;

(v) An indication of each specific Rule that the respondent was found to have violated; and

(vi) A declaration of all sanctions imposed against the respondent, including the basis for such sanctions and the effective date of such sanctions.

(b) Upon rendering a ~~final~~ decision by the Disciplinary Panel, BSEF shall, within thirty (30) business days thereafter, provide a Written notice of such action to the ~~Person against whom the action was taken~~respondent.

(c) The Written decision will become final twenty (20) business days after it is served on the respondent and a copy thereof is provided to the Compliance Department. BSEF

shall cause any or all of the Written decision to be final prior to such date if the CCO reasonably believes that such action pursuant to Rule 806 is necessary to protect the best interests of the SEF operated by BSEF.

RULE 618. Sanctions

(a) After notice and opportunity for hearing in accordance with the ~~BSEF~~ Rules, BSEF will impose sanctions on the respondent, including any Participant, Account Manager, Authorized Trader, Supervised Person, Account, Customer, Clearing Member or other Person using any Trader ID or login credentials linked to the Participant that is found to have violated or to have attempted to violate a ~~BSEF Rule or provision of Applicable Law for which BSEF possesses jurisdiction~~. Subject to the limitations set forth in Rule 618(b), BSEF may impose one or more of the following sanctions or remedies: (i) censure; (ii) limitation on Trading Privileges, Trading Access or other activities, functions or operations; (iii) suspension of Trading Privileges or Trading Access; (iv) fine (subject to paragraph (b) below); (v) disgorgement; (vi) termination of Trading Privileges or Trading Access; (vii) in the event of ~~a customer~~Customer harm, full ~~customer~~Customer restitution, except where the amount of restitution or to whom it should be provided cannot reasonably be determined; or (viii) any other sanction or remedy deemed to be appropriate. All sanctions, including those imposed pursuant to an accepted settlement offer, shall take into account respondent’s disciplinary history.

~~For purposes of Rule 618(a)(vii), “customer” shall have the meaning set forth in CFTC Regulation 1.3(k).~~

(b) BSEF may impose a fine of up to \$100,000 for each violation of a ~~BSEF~~ Rule. If a fine or other amount is not paid within thirty (30) business days of the date that it becomes payable, then interest will accrue on the sum from the date that it became payable at the quoted prime rate plus three (3) percent. BSEF has sole discretion to select the bank on whose quotations to base the prime rate. Each Participant will be responsible for paying any fine or other amount imposed on, but not paid by, any of its Authorized Traders, Account Managers, Supervised Persons, Accounts or Customers. The following schedule lists the recommended fines that BSEF may impose:

Type of Violation	Fine Per Occurrence ¹		
	First Violation	Second Violation	Third Violation
Failure to provide information to BSEF as required by the BSEF Rules	\$1000	\$1500	\$2500
Impeding or delaying a BSEF examination, inquiry or investigation undertaken pursuant to BSEF Rule 402	\$1000	\$1500	\$2500

RULE 619. Costs

(a) Regardless of the outcome of any disciplinary proceeding, the Disciplinary Panel may order a respondent to pay some or all of the costs associated with the disciplinary

¹ Within a “rolling” 12-month period.

proceedings that the Disciplinary Panel believes were unnecessarily caused by the respondent. Costs may include costs associated with the inquiry or investigation, the prosecution by the Compliance Department, legal and professional assistance, as well as the hearing and administrative costs and other expenses incurred by the Disciplinary Panel.

(b) The Disciplinary Panel may only award costs against BSEF if the Panel concludes that BSEF has behaved in a manifestly unreasonable manner in the commencement or conduct of the disciplinary proceedings in question. The Disciplinary Panel must limit any award of costs against BSEF to an amount that the Panel concludes is reasonable and appropriate, but does not exceed the respondent's costs for external legal or other external professional assistance.

(c) The Disciplinary Panel may determine the amounts and allocation of costs in any manner it may deem appropriate. BSEF or the respondent will pay any costs ordered to be paid by it by the Disciplinary Panel within thirty (30) business days of Written notice of the amount imposed by the Disciplinary Panel.

RULE 620. Right to Appeal Disciplinary Panel Decision, Summary Impositions of Fines and Other Summary Actions

(a) Each respondent found by the Disciplinary Panel to have violated (or, in the case of a Participant, whose Authorized Trader, Supervised Person or other Person using its Participant ID was found to have violated) a Rule or who is subject to termination or limitation of Trading Privileges or Trading Access imposed pursuant to Rule 305, any summary fine imposed pursuant to ~~Rule 621~~this Chapter 6, or any summary action imposed pursuant to Rule 622 may appeal the decision within twenty (20) business days of receiving the Written decision of the Disciplinary Panel or the notice of summary action, as the case may be, by filing a notice of appeal with the ~~Chief Compliance Officer~~CCO.

(b) BSEF may appeal all or any part of a decision of the Disciplinary Panel, including any sanctions that may or may not have been imposed by the Disciplinary Panel, within twenty (20) business days of receiving the Written Decision of the Disciplinary Panel, by filing a notice of appeal with the ~~Chief Compliance Officer~~CCO.

(c) While an appeal is pending, the effect of the Written decision of the Disciplinary Panel or the summary action (including any sanctions, remedies or costs imposed thereby) shall be suspended.

(d) The notice of appeal must state in writing the grounds for appeal, including the findings of fact, conclusions or sanctions to which the appellant objects. An appellant may appeal the Written decision of the Disciplinary Panel or any summary action on the grounds that:

(i) The Written decision or summary action was arbitrary, capricious, an abuse of discretion, or not in accordance with ~~these~~the Rules;

(ii) The Written decision or summary action exceeded the authority or jurisdiction of the Disciplinary Panel, the ~~Chief Compliance Officer~~CCO or BSEF;

- (iii) The Written decision or summary action failed to observe required procedures;
- (iv) The Written decision or summary action was unsupported by the facts or evidence; or
- (v) The sanctions, remedies or costs which were imposed were inappropriate or unsupported by the record.

(e) The ~~Chief Compliance Officer~~ CCO will forward copies of any notice of appeal received by it to all parties to the disciplinary proceeding or summary action, as the case may be, except the appellant. On or before the 20th day after filing a notice of appeal, the appellant must file with the ~~Chief Compliance Officer~~ CCO and serve on BSEF a brief supporting the notice of appeal and documents supporting the brief. On or before the 20th day after the date on which the appellant serves its supporting brief, the appellee must file and serve its brief in opposition. On or before the 10th day after the date on which the appellee serves its brief in opposition, the appellant must file and serve on BSEF a brief in reply.

(f) In connection with any appeal, BSEF will furnish to the ~~Chief Compliance Officer~~ CCO and to the respondent/appellant a transcript of the hearing, any exhibits introduced at the hearing, the notice of appeal and briefs filed to support and oppose the appeal.

(g) No later than thirty (30) business days after the last submission filed pursuant to paragraph (e) of this Rule 620, the ~~Chief Compliance Officer~~ CCO will appoint an Appeals Panel to consider and determine the appeal. If the CCO is conflicted, a designee of the CCO will perform such duties in lieu of the CCO. If the CCO's designee is conflicted, then a member of the Compliance team who is selected by the Regulatory Oversight Committee will perform such duties in lieu of the CCO's designee. An Appeals Panel shall be comprised of three (3) individuals, none of whom shall be a member of the Compliance Department or have been a member of any Disciplinary Panel involved in the matters on appeal. The chairperson of the Appeals Panel shall be an individual who would not be disqualified from serving as a Public Director.

(h) Within ten (10) business days of being notified of the appointment of the Appeals Panel, an appellant or appellee may seek to disqualify any individual named to the Appeals Panel for the reasons identified in ~~these~~ the Rules, by serving Written notice on the ~~Chief Compliance Officer~~ CCO. By not timely filing a request for disqualification, the appellant or appellee will be deemed to have waived any objection to the composition of the Appeals Panel. The ~~Chief Compliance Officer~~ CCO will decide the merits of any request for disqualification within ~~his or her~~ their sole discretion. Any such decision will be final and not subject to appeal.

(i) The appeals proceeding must be conducted before all members of the Appeals Panel. The Appeals Panel may hold a hearing to allow parties to present oral arguments. Any hearing will be conducted privately and confidentially. Notwithstanding the confidentiality of hearings, the Appeals Panel may appoint an expert to attend any hearing and assist in the deliberations if such individual(s) agree to be subject to appropriate confidentiality agreements.

In determining procedural and evidentiary matters, the Appeals Panel will not be bound by evidentiary or procedural rules or law.

(j) The Appeals Panel will only consider on appeal the record before the Disciplinary Panel or, in the case of a summary action, the record considered by the ~~Chief Compliance Officer~~ CCO, the notice of appeal, the briefs filed in support and opposition of the appeal, and any oral arguments of the parties. The Appeals Panel may only consider new evidence when the Appeals Panel is satisfied that good cause exists for why the evidence was not introduced during the disciplinary proceeding or when imposing the summary action.

(k) After completing its review, the Appeals Panel may affirm, modify or reverse any Written decision of the Disciplinary Panel or summary action under appeal, in whole or in part, including increasing, decreasing or eliminating any sanction or remedy imposed, imposing any other sanction or remedy authorized by ~~these~~ the Rules, or remanding the matter to the same or a different Disciplinary Panel for further disciplinary proceedings or for reconsideration by the ~~Chief Compliance Officer~~ CCO in the case of summary action. The Appeals Panel may order a new hearing for good cause or if the Appeals Panel deems it appropriate.

(l) As promptly as reasonably possible following its review, the Appeals Panel will issue a Written decision on appeal rendering its decision based on the preponderance of the evidence before the Appeals Panel and provide the copy of the decision to the respondent. The decision of the Appeals Panel will include a statement of findings of fact and conclusions for each finding, sanction, remedy and cost reviewed on appeal, including each specific Rule and provision of Applicable Law that the respondent is found to have violated, if any, and the imposition of sanctions, remedies and costs, if any, and the effective date of each sanction, remedy or cost. The decision issued by the Appeals Panel will adhere to the requirements of Rule 617(a) to the extent that a different conclusion is reached from that issued by the Disciplinary Panel.

(m) The Appeals Panel's Written ~~order~~ decision on appeal (including findings of fact and conclusions and the imposition of sanctions, remedies and costs, and the effective date of any sanction, remedy and cost) will be the final action of BSEF and will not be subject to appeal within BSEF.

RULE 621. Summary Imposition of Fines

(a) The ~~Chief Compliance Officer~~ CCO may summarily impose a fine against a Participant, Account Manager, Authorized Trader, Supervised Person, Account, Customer, Clearing Member or other Person using any Trader ID or login credentials linked to the Participant for failing to:

- (i) ~~To make~~ Make timely payments of fees, cost, charges or fines to BSEF;
- (ii) ~~To make~~ Make timely and accurate submissions to BSEF of notices, reports or other information required by the ~~BSEF~~ Rules; or
- (iii) ~~To keep~~ Keep any books and records required by the ~~BSEF~~ Rules.

(b) The Compliance Department, acting on behalf of the ~~Chief Compliance Officer~~ CCO, will give notice of any fine imposed pursuant to this Rule 621 to each Participant subject thereto. The notice will specify (i) the violations of the ~~BSEF~~-Rules for which the fine is being imposed, (ii) the date of the violation for which the fine is being imposed and (iii) the amount of the fine. Within twenty (20) business days of serving the notice of fine, the Participant must either pay or cause the payment of the fine. The fine will become final upon the expiration of twenty (20) business days after the notice of fine is served on the Participant, Account Manager, Authorized Trader, Supervised Person, Account, Customer, Clearing Member or other Person using any Trader ID or login credentials linked to the Participant.

(c) BSEF will set the amount of any fines imposed pursuant to this Rule 621, with the maximum aggregate fine for each occurrence of a Rule violation (which may be aggregated in the reasonable discretion of the Disciplinary Panel, CCO or their designee) described below not to exceed \$5,000 on an annual basis. Summary imposition of fines pursuant to this Rule 621 will not preclude BSEF from bringing any other action against the Participant (or any of its Account Managers, Authorized Traders or Supervised Persons) or Authorized Trader, as the case may be. The following schedule lists the recommended summary fines that BSEF or the ~~Chief Compliance Officer~~ CCO (or their designee) may impose for each type of violation described below:

Type of Violation	Fine Per Occurrence ²		
	First Summary Fine	Second Summary Fine	Third Summary Fine
Failure to maintain complete and accurate books and records as required by BSEF -Rule 409.B	\$1000	\$1500	\$2500
Failure to provide any disclosure required by BSEF Rule 402	\$1000	\$1250	\$1500
Failure to identify and maintain a current list of Authorized Traders as required by BSEF -Rule 530	\$1000	\$1250	\$1500
Violation of Order entry requirements pursuant to Rule 524, including failure to provide an accurate Legal Entity Identifier LEI	\$1250	\$1500	\$1750
Violation of Trade reporting requirements	\$1250	\$1500	\$1750
Violation of the requirements to timely report a block trade pursuant to Rule 531.A(d)	\$1250	\$1500	\$1750
Failure to provide information required by BSEF -Rule 301(e)	\$1250	\$1500	\$1750
Failure to notify BSEF under Rule 516.A(a) about a Trade executed in error prior to a request for cancellation, correction or adjustment of a Trade or failure to comply with Rule Rules 516.A(e)B. or <u>516.C.</u>	\$1250	\$1750	\$2000

² Within a “rolling” 12-month period.

(d) A Participant is eligible for the summary imposition of fines as described in ~~sub-section~~paragraph (a) of this Rule 621 only if BSEF did not serve on the Participant any Notice of Charges pursuant to Rule 607 that alleges a failure described in ~~sub-section~~paragraphs (a)(i) through (a)(iii) of this Rule 621 for a continuous thirty-six (36) month period (the "Qualifying Period").

(e) A Participant may become re-eligible for summary imposition of fines as described in ~~sections~~paragraph (a) of this Rule 621 after the end of the Qualifying Period; provided, however, that BSEF's ~~Chief Compliance Officer~~CCO may in ~~his or her~~their sole discretion extend the Qualifying Period for any period of time, including indefinitely, where a failure described ~~subsections~~paragraphs (a)(i) through (a)(iii) of this Rule 621 does not qualify for a summary imposition of fines due to aggravating circumstances, including actions or omissions of a Participant or its Account Manager, Customer or any agent that aggravated such failure.

RULE 622. Hearings Involving BSEF-Affiliated Trading Entities

(a) No ~~BSEF employee~~SEF Employee that is also an employee of an ~~affiliate~~Affiliate of BSEF that engages in trading activity on the SEF or the SBSEF operated by BSEF shall perform an investigation of such affiliated trading entity.

(b) In the event that a Disciplinary Panel is convened for a hearing involving an affiliated trading entity, no Person associated with BSEF or such affiliated trading entity shall be a member of such Disciplinary Panel.

(c) The Board must approve the issuance of disciplinary charges and acceptance of settlement offers involving an affiliated trading entity.

RULE 623. ~~{Reserved}~~Notification of Final Disciplinary Action Involving Financial Harm to a Customer

Upon any Final Disciplinary Action in which BSEF finds that a Participant has committed a Rule violation that involved a transaction for a Customer, whether executed or not, and that resulted in financial harm to the Customer, BSEF shall promptly provide Written notice of the disciplinary action to the Participant, which Notice shall include the principal facts of the disciplinary action and a statement that BSEF has found that the Participant has committed a Rule violation that involved a transaction for the Customer, whether executed or not, and that resulted in financial harm to the Customer. Any Participant that has received such Written notice from BSEF, shall promptly provide Written notice of the Final Disciplinary Action to the Customer, as disclosed on the Participant's books and records.

RULE 624. Notice to the Respondent, the Regulatory Services Provider and the Public

~~BSEF will provide Written notice of disciplinary proceedings to the parties consistent with applicable CFTC Regulations. Whenever BSEF suspends, expels, fines or otherwise disciplines, or denies any Person access, to BSEF, BSEF will make the disclosures required by CFTC Regulations. In accordance with CFTC Regulation § 9.11, upon rendering a final decision~~

~~regarding a disciplinary or access denial action, BSEF shall provide notice to the Commission by filing with NFA's BASIC.~~

If BSEF issues a Final Disciplinary Action against a Participant, or takes final action with respect to a denial or conditioning of participation, or takes final action with respect to a denial or limitation of access of a Person to any services offered by BSEF must, within thirty (30) business days thereafter, provide Written notice of such action to the person against whom the action was taken and notice to the National Futures Association (“NFA”) through the NFA's Background Affiliation Status Information Center (“BASIC”) system: No final disciplinary or access denial action may be made effective by BSEF except as provided in CFTC Regulation 9.12.

CHAPTER 7. ARBITRATION

RULE 701. General

(a) Except as otherwise provided in ~~thesethe~~ Rules, including in the case of a decision rendered by BSEF which cannot be further appealed, Participants, Authorized Traders and any market participant that directly or indirectly effects a transaction ~~on~~pursuant to the ~~SEF operated by BSEF~~Rules shall submit to the NFA for arbitration all disputes, controversies and claims between or among themselves arising out of a Swap or the use of the systems or services of BSEF or the services, equipment, or facilities used to support such systems or services, including ~~the SEF Platform and~~ the SEF operated by BSEF (each, a “Dispute”). Any such claim against a Participant shall be brought within two (2) years from the time that a cause of action has accrued. This Rule 701 shall in no way be construed to create a cause of action and shall not authorize an action that would otherwise be prohibited by ~~thesethe~~ Rules or Applicable Law. In the event that this Rule 701 is held to be unenforceable in connection with any Dispute or a claim is deemed by a court of competent jurisdiction to be not arbitrable, (i) exclusive jurisdiction for any such Dispute will reside in any state or federal court sitting in New York County, New York, (ii) the Participants involved in the Dispute will be presumed to have submitted to the personal jurisdiction of any such court, and (iii) an action to enforce any judgment or decision of such court may be brought in the same court or in any other court with jurisdiction or venue. Finally, all Participants unconditionally and irrevocably waive any and all right to trial by jury in connection with any such Dispute.

(b) Notwithstanding the foregoing, this Rule 701 does not apply to Disputes between Participants, Authorized Traders or any market participant that directly or indirectly effects a transaction ~~on~~pursuant to the ~~SEF operated by BSEF that~~Rules when: (i) such Persons are required by the ~~Rules~~rules of a Self-Regulatory Organization to submit to the Dispute resolution procedures of that Self-Regulatory Organization; or (ii) such Persons have, by valid and binding agreement, committed to negotiate or litigate in a forum other than the forum set out in ~~Rule~~Rules 701 and 702.

RULE 702. Forum and Arbitration Rules

The NFA will conduct any and all arbitrations of a type described in Rule 701 pursuant to NFA's Member Arbitration Rules, as if each Participant or Authorized Trader to such arbitration was an "NFA Member."

RULE 703. Initiating an Arbitration Claim

(a) A Participant or Authorized Trader may initiate an arbitration claim by submitting the required documents and fees to NFA.

(b) A Participant or Authorized Trader submitting an arbitration claim shall provide notice of such claim to BSEF.

RULE 704. Claims Relating to Trade ~~Cancellations~~Cancellations or Price Adjustments

~~All~~Subject to Rule 901, all claims relating to Trade ~~cancellations~~cancellations pursuant to Rule 516 shall be arbitrated in accordance with this Chapter 7.

RULE 705. Penalties

(a) Any failure on the part of any Participant or Authorized Trader to arbitrate a case subject to arbitration, or the commencement by any such Participant or its Person of a suit in any court prior to arbitrating a case subject to arbitration, violates ~~these~~the Rules and subjects such Person to disciplinary proceedings pursuant to Chapter 6.

(b) BSEF may summarily suspend, pursuant to Chapter 6, a Participant or Authorized Trader that fails to satisfy an arbitration award rendered in any arbitration conducted pursuant to this Chapter 7.

CHAPTER 8. MISCELLANEOUS

RULE 801. Anti-Money Laundering and Anti-Terrorism

(a) ~~It is SEF policy: (1) Not to~~A Participant shall not engage in or knowingly assist any money laundering or other illicit business, ~~and (2) Not to~~or engage in or knowingly assist, or be a conduit for, terrorist financing.

(b) Participants will be required to provide sufficient information for Participants and their Accounts, if applicable, for ~~SEF to complete "know your customer" checks and~~BSEF to conduct restricted list searches, including searches against the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury.

RULE 802. Gifts and Gratuities

Except as permitted in Writing by the ~~Chief Compliance Officer~~CCO, no Participant or Authorized Trader shall, directly or indirectly, give or permit to be given anything of value

(including gratuities) to a SEF Official or BSEF, including any agents or independent contractors of BSEF. A gift of any kind is considered a gratuity.

RULE 803. Market Data

(a) Subject to each Participant's rights in Participant's own data (and the data of its Accounts and Customers) as set forth in the Participant Documentation, BSEF shall own all rights, title and interest, database rights and trade secret rights in and to all data and other information contained in, displayed on, generated by or derived from the SEF ~~Platform or the SEF~~ operated by BSEF or Trades entered into pursuant to the ~~BSEF~~ Rules, including Orders, prices and volumes ("SEF Data").

(b) Participants and Authorized Traders shall not, and shall cause their Affiliates, Accounts and Customers not to, distribute, sell or retransmit SEF Data or other information obtained via the SEF operated by BSEF, provided that any such restrictions shall not apply to Participant's own data (and the data of its Accounts and Customers).

(c) BSEF may at any time restrict or establish utilization fees in respect of SEF Data and/or the format and presentation thereof with respect to Participants, Customers or Accounts, provided that any such fees shall not apply to Participants' use of Participant's own data (and the data of its Accounts and Customers).

(d) Subject to Rule 805 [and CFTC Regulations](#), BSEF may make SEF Data and other information it may deem appropriate available to Participants and other Persons at such times and in such manner (whether through the SEF Platform, a ticker, financial information services or otherwise) as it may consider necessary or advisable from time to time. Each Participant or other Person receiving any such information through the SEF operated by BSEF may redistribute such information only to such extent and in such manner as may be permitted by BSEF from time to time.

RULE 804. Prohibited Use of Data Collected for Regulatory Purposes

BSEF shall not use for business or marketing purposes any proprietary data or personal information it collects or receives, from or on behalf of any ~~person~~ [Person](#), for the purpose of fulfilling its regulatory obligations; provided, however, that BSEF may use such data or information for business or marketing purposes if the Person from whom it collects or receives such data or information clearly consents in Writing to BSEF's use of such data or information in such manner. BSEF shall not condition access to its market(s) or market services on a Person's consent to BSEF's use of proprietary data or personal information for business or marketing purposes. BSEF, where necessary for regulatory purposes, may share such data or information with one or more SEFs or DCMs registered with the CFTC, [or any Self-Regulatory Organization, including but not limited to any Regulatory Services Provider](#).

RULE 805. Confidentiality

(a) All non-public information provided by a Participant or Authorized Trader to BSEF shall be held in confidence and shall not be made known to any other Person except as follows:

(i) With the consent of the Participant or Authorized Trader providing such information;

(ii) To a Governmental Body if BSEF is requested or legally required to do so by such Governmental Body;

(iii) Pursuant to a lawful discovery request;

(iv) To a ~~Derivatives~~ Clearing ~~Organization~~ House of which such Participant is a member or in connection with the clearing of a Swap;

(v) To other Participant(s) to facilitate Participant's trading on the SEF operated by BSEF;

(vi) ~~(v)~~ To an SDR;

(vii) ~~(vi)~~ Subject to appropriate confidentiality requirements, to any Person providing services to BSEF, including the Regulatory Services Provider, which may also use such information for the purpose of performing its obligations and responsibilities as a registered futures association;

(viii) ~~(vii)~~ Pursuant to an information -sharing agreement or other arrangement or procedures in accordance with Rule 213;

(ix) ~~(viii)~~ Subject to appropriate confidentiality requirements, to ~~BSEF employees~~ SEF Employees, the Board, Board committees, Disciplinary Panels, Appeals Panels, BSEF Officers, attorneys, auditors, and agents, independent contractors or other Persons that have been engaged by BSEF, in each case, who require such information in connection with the discharge of their duties to BSEF; and

(x) ~~(ix)~~ As otherwise permitted under ~~these~~ the Rules.

(b) All information and data obtained or received by BSEF from inspections of accounting and other records will be treated as confidential by BSEF; provided, however, this Rule does not supplant Rule 212 (Emergency Rules) and the Rules in Chapter 6 (Disciplinary Rules), or any other requirement of legal process or law.

RULE 806. Extension or Waiver of ~~BSEF~~ the Rules

If necessary and expedient, the ~~Chief Compliance Officer~~ CCO may, in its sole discretion, reasonably waive, or extend the time period for performing, any act or acts designated by the ~~BSEF~~ Rules, but only to the extent such waiver or extension is not inconsistent with the CEA or the CFTC Regulations. If such waiver or ~~other applicable regulations~~ extension is

granted, the CCO shall document in Writing the rationale and reasons for such waiver or extension and maintain such Written documentation in BSEF's books and records.

RULE 807. Effect of Amendment, Repeal or New Rule

(a) If an amendment or repeal of a ~~BSEF~~ Rule or adoption of a new ~~BSEF~~ Rule does not materially change the terms or conditions of a Swap and does not affect the value of open Swaps, then the effective date of any amendment or repeal of a Rule or adoption of a new Rule relating to Swaps is binding on all Swaps entered into before and after the effective date of such amendment, repeal or adoption and, to the extent applicable, before the effective date of such amendment, repeal or adoption.

(b) If an amendment or repeal of a ~~BSEF~~ Rule or adoption of a new Rule materially changes the terms or conditions of an open Swap or affects the value of open Swaps, then the amendment, repeal or new ~~BSEF~~ Rule shall not affect any open Swaps and shall be binding only on new Swaps listed for trading after the effective date of such amendment, repeal or adoption, and Swaps listed as of the effective date of such amendment, repeal or adoption with no open positions then in existence, unless otherwise specifically provided by the Board.

RULE 808. Swap Contract Specifications

(a) BSEF shall permit trading on the SEF operated by BSEF only in ~~Swaps~~swaps that are not readily susceptible to manipulation. To demonstrate to the CFTC compliance with the requirements of this Rule 808(a), BSEF shall, at the time it submits a new ~~Swap~~swap in advance to the CFTC pursuant to Part 40 of the CFTC Regulations, provide ~~the~~ applicable information as ~~set forth~~described in Appendix C to Part 38 of the CFTC Regulations – Demonstration of Compliance That a Contract is ~~not~~Not Readily Susceptible to Manipulation.

(b) Notwithstanding any provision of the ~~BSEF~~ Rules to the contrary, the Swap Contract Specification with respect to a particular Swap shall govern the applicability of the ~~BSEF~~ Rules to trading in such Swap and, in the event of any conflict between the ~~BSEF~~ Rules and the Swap Contract Specification, the Swap Contract Specification shall govern with respect to trading in the relevant Swap.

(c) The Swap Contract Specification for each individual Swap may specify:

(i) Different classes of Participants eligible to trade such Swaps. Each such class of Participants shall have the rights and obligations specified by the Swap Contract Specification for each such Swap;

(ii) ~~Whether such~~ Terms and conditions of a Swap may be settled via that include the definition of the trading unit, description of the payments to be exchanged under a Swap, specification of cash settlement, physical or delivery of the underlying commodity, or by any other means standards and procedures, and establishment of buyers' and sellers' rights and obligations under the Swap. Terms and conditions of a Swap include provisions relating to the following, as applicable; and:

~~(iii) —The method for determining~~

(A) Identification of the major group, category, type or class in which the Swap falls and of any further sub-group, category, type or class that further describes the Swap;

(B) Notional amounts, quantity standards, or other unit size characteristics;

(C) Any applicable premiums or discounts for delivery of nonpar products;

(D) Trading hours and the listing of Swaps;

(E) Pricing basis for establishing the payment obligations under, and mark-to-market value of, the Swap including, as applicable, the accrual start dates, termination or maturity dates, and, for each leg of the Swap, the initial cash flow components, spreads, and points, and the relevant indexes, prices, rates, coupons, or other price reference measures;

(F) Any price limits, trading halts, or circuit breaker provisions, and procedures for the establishment of daily settlement prices;

(G) Speculative position limits, position accountability standards, and position reporting requirements, including an indication as to whether the Swap meets the definition of economically equivalent swap as defined in CFTC Regulation 150.1, and, if so, the name of either the core referenced futures contract or referenced contract, as applicable, to which the Swap submitted under Part 40 of the CFTC Regulations is economically equivalent.

(H) Payment and reset frequency, day count conventions, business calendars, and accrual features;

(I) If physical delivery applies, delivery standards and procedures, including fees related to delivery or the delivery process, alternatives to delivery and applicable penalties or sanctions for failure to perform;

(J) If cash settled, the definition, composition, calculation and revision of the cash settlement price, and the settlement currency;

(K) Option exercise price, if it is constant, and method for calculating the exercise price, if it is variable;

(L) Threshold prices for an option, the existence of which is contingent upon those prices;

(M) Any restrictions or requirements for exercising an option; and

(N) Life cycle events.

(d) Each Swap ~~contract~~Contract Specification will be published by BSEF on its website.

(e) Swap Contract Specifications are incorporated into the ~~Rulebook~~Rules by reference and each Swap Contract Specification ~~shall constitute~~constitutes a ~~BSEF~~-Rule.

RULE 809. Timely Publication of Trading Information

(a) BSEF will publish ~~trading information as required by Core Principle 9 of Part 37, and by Part 16, of a~~ Daily Market Report for each Trading Day. The Daily Market Report will be published on BSEF's website as soon as reasonably practicable on the next CFTC Business Day after the Trading Day to which the information pertains, but in no event later than 7 a.m. on the next CFTC ~~Regulations~~Business Day.

(b) Except where indicated, BSEF does not calculate Daily Settlement Price.

(c) BSEF uses the following indicators for pricing:

(i) "P" indicates that the price is represented as a premium.

(ii) "V" indicates that the price is represented as a percentage.

(iii) "O" indicates that the price is represented as neither a premium nor a percentage.

(d) If more than one Swap transaction was executed at the same time, and this time is the time of (i) ~~an Opening Price~~the first execution on the SEF Platform for a Trading Day, BSEF will report the lowest price as an Opening Price; or (ii) ~~a Closing Price~~the last execution on the SEF Platform for a Trading Day, BSEF will report the highest price as a Closing Price.

(e) Prices for rate Swaps constituting legs of a Package Transaction executed via the BOLT functionality of the SEF Platform are not included into a Daily Market Report if a premium (net present value) is not allocated to each leg.

RULE 810. Governing Law, Jurisdiction and Dispute Resolution

(a) Unless preempted by the ~~Act~~CEA, the law of the State of New York governs the ~~BSEF~~-Rules and any Participant Documentation regardless of the laws that would otherwise apply under choice-of-law principles. If a Participant provides an opinion of a counsel (i) stating that the Participant cannot be subject to the law of the State of New York and must be subject to the law of the jurisdiction of the location where the Participant is organized (the "**Local Law**") and (ii) enumerating specific provisions of ~~these~~the Rules or the Participant Documentation that must be subject to the Local Law, BSEF will specify the application of the Local Law to the enumerated specific provisions of ~~these~~the Rules and the Participant Documentation; provided, however, that in no event shall Local Law supersede any provision of the ~~Act~~CEA.

(b) Any dispute between BSEF and a Participant or any market participant that directly or indirectly effects a transaction ~~on~~pursuant to the ~~SEF operated by BSEF arising~~Rules which arises from or in connection with the ~~BSEF~~-Rules or use of the SEF operated by BSEF

must be brought to arbitration pursuant to ~~subsection~~paragraph (c) of this Rule 810 within one (1) year from the occurrence of the event giving rise to the dispute. This Rule 810 shall in no way create a cause of action nor authorize an action that would otherwise be prohibited by the ~~BSEF~~-Rules.

(c) Any dispute between BSEF and a Participant or any market participant that directly or indirectly effects a transaction ~~on~~pursuant to the ~~SEF operated by BSEF arising~~Rules that arises from or in connection with the ~~BSEF~~-Rules will be settled by arbitration administered in New York County, New York by the American Arbitration Association (~~the~~ “AAA”) under its Commercial Arbitration Rules. The dispute will be submitted to one arbitrator who will be appointed by the AAA. Any arbitrator appointed for purposes of this Rule 810 will have experience with and knowledge of commodities, derivatives and ~~Swaps~~swaps as listed on the National Roster of Arbitrators kept in the AAA’s records. 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 County, New York, and BSEF and each Participant shall be deemed to have consented to the personal jurisdiction of any such court. Each party to the dispute will bear its own costs and expenses in connection with any arbitration hereunder, as well as an equal share of the administrative fees and the fees of the arbitrator; provided, however, that the arbitrator will be entitled to include in any award a full reimbursement for the prevailing party’s costs and expenses, such party’s share of the administrative fees and the fees of the arbitrator, or any combination of any or all of the above. In the event that this Rule 810 is held to be unenforceable in connection with any dispute or a claim is deemed by a court of competent jurisdiction to be not arbitrable, (i) exclusive jurisdiction for any such dispute will reside in any state or federal court sitting in New York County, New York, (ii) BSEF and the Participant involved in the dispute will be presumed to have submitted to the personal jurisdiction of any such court, and (iii) an action to enforce any judgment or decision of such court may be brought in the same court or in any other court with jurisdiction or venue. Finally, all Participants unconditionally and irrevocably waive any and all right to trial by jury in connection with any such dispute.

CHAPTER 9. LIMITATION OF LIABILITY, NO WARRANTIES, AND INDEMNIFICATION

RULE 901. LIMITATION OF LIABILITY, NO WARRANTIES

(a) NONE OF BSEF, OR ANY CONTRACTORS OR SUB-CONTRACTORS PROVIDING SERVICES RELATED TO ~~BSEF OR~~ THE SEF OPERATED BY BSEF, NOR ANY OF THEIR RESPECTIVE SUCCESSORS OR ASSIGNS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, PARTNERS, CONSULTANTS, OR LICENSORS (EACH, A “**DISCLAIMING PARTY**”) SHALL BE LIABLE TO ANY PERSON (INCLUDING ANY PARTICIPANT, AUTHORIZED TRADER, SUPERVISED PERSON, ACCOUNT, CUSTOMER, CLEARING MEMBER OR ANY MARKET PARTICIPANT THAT DIRECTLY OR INDIRECTLY EFFECTS A TRANSACTION PURSUANT TO THE RULES) FOR ANY LOSSES, DAMAGES, DEMANDS, COSTS OR EXPENSES (INCLUDING LOSS OF PROFITS; LOSS OF USE; AND DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES) (“**CLAIM**”), ARISING FROM:

(i) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION, TERMINATION, OR ANY OTHER EVENT, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF BSEF SERVICES, OR SERVICES OF THE DISCLAIMING PARTY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH BSEF SERVICES, INCLUDING ELECTRONIC ORDER ENTRY/DELIVERY, TRADING THROUGH ANY ELECTRONIC MEANS, ELECTRONIC COMMUNICATION OF MARKET DATA, SEF DATA OR INFORMATION, WORKSTATIONS USED BY PARTICIPANTS, AUTHORIZED TRADERS, SUPERVISED PERSONS, CLEARING MEMBERS, ACCOUNTS OR CUSTOMERS, PRICE REPORTING SYSTEMS AND ANY AND ALL COMMUNICATIONS NETWORKS, SOFTWARE AND HARDWARE RELATING THERETO;

(ii) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION OR TERMINATION, OR ANY OTHER EVENT, OF BSEF SERVICES OR ANY SERVICES OF A DISCLAIMING PARTY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH TRADING SYSTEMS OR SERVICES, CAUSED BY ANY THIRD PARTIES INCLUDING ISVs OR NETWORK PROVIDERS;

(iii) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY THE DISCLAIMING PARTY OR IN ANY OF THE DISCLAIMING PARTY'S SYSTEMS, SERVICES, EQUIPMENT OR FACILITIES;

(iv) ANY ERRORS, INACCURACIES, OR OMISSIONS IN INFORMATION IN THE PARTICIPANT DOCUMENTATION; OR

(v) ANY UNAUTHORIZED ACCESS TO OR UNAUTHORIZED USE OF ANY OF THE DISCLAIMING PARTY'S SYSTEMS, SERVICES, EQUIPMENT OR FACILITIES BY ANY PERSON.

THE FOREGOING LIMITATION OF LIABILITY SHALL APPLY WHETHER A CLAIM ARISES IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, CONTRIBUTION OR OTHERWISE AND WHETHER THE CLAIM IS BROUGHT DIRECTLY OR AS A THIRD PARTY CLAIM.

(b) NOTWITHSTANDING ~~SUBSECTION~~PARAGRAPH (a), (c) or (f) OF THIS RULE 901, IN NO EVENT SHALL ANY AFFILIATE OF BSEF ACTING AS ITS TECHNOLOGY SERVICES PROVIDER BE LIABLE TO ANY PERSON NOR SHALL ANY PERSON BRING ANY LEGAL ACTION (WHETHER IN TORT, NEGLIGENCE, OR BREACH OF CONTRACT) FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES INCLUDING LOSS OF PROFITS, LOSS OF USE, DIRECT, SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, ARISING FROM THE USE OF THE SEF OPERATED BY BSEF.

(c) WITHOUT LIMITING BSEF'S INDEMNIFICATION OBLIGATION UNDER RULE 902, THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR

REPRESENTATIONS (INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR USE) PROVIDED BY ANY DISCLAIMING PARTY RELATING TO ANY SYSTEMS OR SERVICES OF ANY DISCLAIMING PARTY OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES.

(d) ANY DISPUTE ARISING OUT OF THE USE OF SYSTEMS OR SERVICES OF ANY DISCLAIMING PARTY OR SERVICES, EQUIPMENT, OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES IN WHICH THE DISCLAIMING PARTY OR DISCLAIMING PARTIES IS A PARTY SHALL BE SUBJECT TO ARBITRATION AS PROVIDED IN RULE 810(c) AS IF THE DISCLAIMING PARTY WERE BSEF AND THE OPPOSITE PARTY OR PARTIES WERE A PARTICIPANT. ANY ACTIONS, SUITS OR PROCEEDINGS BROUGHT AGAINST ANY DISCLAIMING PARTY MUST BE BROUGHT WITHIN ONE (1) YEAR FROM THE TIME THAT A CAUSE OF ACTION HAS ACCRUED. THIS PARAGRAPH (d) SHALL IN NO WAY BE CONSTRUED TO LIMIT A PARTY'S OBLIGATION TO ARBITRATE ITS CLAIM OR TO CREATE A CAUSE OF ACTION (OR MODIFY THE LIMITATION ON ACTIONS PROVIDED IN RULE 901(a)) AND SHALL NOT AUTHORIZE AN ACTION THAT WOULD OTHERWISE BE PROHIBITED BY THE ~~BSEF~~ RULES. IF FOR ANY REASON, A COURT OF COMPETENT JURISDICTION FINDS THAT A DISPUTE IS NOT ARBITRABLE, SUCH DISPUTE SHALL BE SUBJECT TO THE JURISDICTION OF EACH OF THE FEDERAL AND STATE COURTS LOCATED IN NEW YORK COUNTY, NEW YORK IN CONNECTION WITH ANY MATTERS ARISING OUT OF THIS RULEBOOK AND NO PARTY TO SUCH DISPUTE MAY ASSERT A DEFENSE OF FORUM NON CONVENIENS, SOVEREIGN IMMUNITY, ACT OF STATE OR ANALOGOUS DOCTRINES IN CONNECTION WITH ANY ACTION.

(e) TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE TOTAL COMBINED AGGREGATE LIABILITY OF BSEF FOR ALL CLAIMS SHALL NOT EXCEED (i) \$20,000 FOR ALL CLAIMS FROM ALL CAUSES SUFFERED ON A SINGLE DAY, (ii) \$100,000 FOR ALL CLAIMS FROM ALL CAUSES SUFFERED IN A SINGLE CALENDAR MONTH; AND (iii) \$1,200,000 FOR ALL CLAIMS FROM ALL CAUSES SUFFERED IN A SINGLE CALENDAR YEAR. ANY DISPUTED CLAIM PURSUANT TO THIS PARAGRAPH (e) SHALL BE SUBJECT TO ARBITRATION TO THE EXTENT PROVIDED IN RULE 810(c).

(f) IN NO EVENT SHALL TOTAL COMBINED AGGREGATE LIABILITY OF BSEF FOR ALL CLAIMS AGAINST BSEF AND CLAIMS AGAINST DISCLAIMING PARTIES ARISING OUT OF ANY FAILURES, MALFUNCTIONS, FAULTS IN DELIVERY, DELAYS, OMISSIONS, SUSPENSIONS, INACCURACIES, INTERRUPTIONS, TERMINATIONS, OR ANY OTHER CAUSES, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF THE BSEF SERVICES, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT BSEF SERVICES OR FACILITIES, OR THE NEGLIGENCE OR GROSS NEGLIGENCE OF ~~BSEF~~BSEF EMPLOYEES, AGENTS OR SUBAGENTS EXCEED \$1,200,000 IN ANY GIVEN CALENDAR YEAR.

(g) IF THE NUMBER OF ALLOWED CLAIMS ARISING OUT OF ANY FAILURES OR MALFUNCTIONS ON A SINGLE DAY, SINGLE MONTH OR SINGLE YEAR 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.

(h) THE LIMITATIONS OF LIABILITY IN THIS RULE 901 SHALL NOT PROTECT ANY PARTY FOR WHICH THERE HAS BEEN A FINAL DETERMINATION (INCLUDING EXHAUSTION OF ANY APPEALS) BY A COURT OR ARBITRATOR TO HAVE ENGAGED IN FRAUD OR WILLFUL MISCONDUCT. ADDITIONALLY, THE FOREGOING LIMITATIONS ON LIABILITY OF THIS RULE SHALL BE SUBJECT TO THE CEA AND THE REGULATIONS PROMULGATED THEREUNDER, EACH AS IN EFFECT FROM TIME TO TIME.

(i) THE LIMITATIONS OF LIABILITY IN THIS RULE 901 SHALL NOT APPLY TO BSEF'S INDEMNIFICATION OBLIGATION UNDER RULE 902.

RULE 902. Indemnification by BSEF

(a) BSEF, at its expense, shall indemnify, hold harmless and defend Participant against any Claim, that for the purposes of this Rule 902 shall include reasonable attorneys' fees; that the SEF operated by BSEF or any portion thereof infringes, misappropriates or violates any intellectual property or proprietary rights of any third party; provided, however, that BSEF shall not be required to indemnify Participant for any Claim which falls within the scope of this Rule 902 to the extent it arises from or in connection with:

(i) Any additions, changes or modifications by Participant to the SEF Platform or any portion thereof, which changes were not provided by BSEF;

(ii) The use of the SEF operated by BSEF in combination with other products or services not provided by BSEF; or

(iii) The use of the SEF operated by BSEF other than as expressly permitted by the Rules, any SEF technical specification regarding the use of the SEF operated by BSEF or the Participant Documentation.

(b) Participant shall promptly provide BSEF with Written notice of any Claim which falls within the scope of this Rule 902 (provided that failure to provide such notice shall not relieve BSEF of its indemnity obligations hereunder except to the extent it is prejudiced thereby). This indemnity shall not cover any Claims in which a Participant fails to provide prompt Written notice of any Claim. In the event any Participant provides notice of a Claim for indemnification covered under paragraph (a) of this Rule 902 above, BSEF shall control such defense and all negotiations relative to the settlement of any such Claim.

CHAPTER 10. [Reserved]

CHAPTER 11. [Reserved]

RULE 1204.B. Option – iTraxx Europe

Contract Overview	Swaption on a Credit Default Swap. An agreement granting the owner the right, but not the obligation, to enter into an underlying Swap. A payer (put) option allows the option holder to enter into a fixed rate payer (protection buyer) position in the underlying Swap at the agreed strike level. A receiver (call) option gives the option holder the right to enter into a fixed rate receiver (protection seller) position in the underlying Swap at the agreed strike level.
Ticker	ITRX EUR CDSI [Series] [Tenor] [Expiry] [Direction] [Strike]
Underlying Swap	iTraxx Europe (Rule 1204.A.)
Notional Currency	EUR
Quoting Convention	Premium
Strike Price	Spread
Option Premium Currency	EUR
Minimum Increment	As agreed by counterparties
Minimum Size	As agreed by counterparties
Option Style	European
Option Type	Put (Payer Option) Call (Receiver Option)
Effective Date	Unadjusted date at which obligations under the swap come into effect.
Maturity/Expiration Date	Unadjusted date at which obligations under the swap stop being effective; Third Wednesday of the Expiration Month
Valuation Method	Vanilla
Settlement Method	Financially settled
Final Contractual Settlement Date	Expiration date +2 days, according to market center conventions.
Settlement Currency	EUR
“Made Available to Trade” Determination	None
Mandatory Clearing Determination	None
Trading Hours	00:01 -24:00 Sunday-Friday; Eastern Time
Settlement Procedure	Bilateral or as determined by a Clearing House
Clearing House	ICE Clear Credit LLC; LCH.Clearnet SA; Chicago Mercantile Exchange, Inc.; ICE Clear Credit LLC; ICE Clear Europe Limited; LCH.Clearnet SA ; or Bilateral
Block Size	As set forth in Part 43 of the CFTC Regulations
Speculative Limits	Same as for the underlying Swap
Reportable Levels	Same as for the underlying Swap

RULE 1213.A. [Reserved]

RULE 1315.

USD Basis Swap

Contract Overview	Interest Rate Swap. An agreement to exchange a stream of cash flows by applying two floating interest rates to a specified notional over a term to maturity.
Ticker	USD SWAP [Reference Rate Index 1] V [Reference Rate Index 2] [Swap Tenor or Maturity Date]
Reference Rate 1 Index	USD-SOFR-OIS Compound USD-SOFR-COMPOUND
Reference Rate 2 Index	USD-Federal Funds-OIS Compound USD-Federal Funds-H.15-OIS-COMPOUND
Reference Rate 1 Term Value	1 day
Reference Rate 2 Term Value	1 day
Fixed Rate	Par; Custom Coupon
Notional Currency	USD
Notional Schedule	Constant
Quoting Convention	Spread
Minimum Increment	<ul style="list-style-type: none"> • CLOB: 100,000 • Trading Protocols other than CLOB: 0.01
Minimum Size	<ul style="list-style-type: none"> • CLOB: 100,000 • Trading Protocols other than CLOB: 0.01
Trading Conventions	<ul style="list-style-type: none"> • Buy = Pay Spread • Sell = Receive Spread
Trade Start Types	<ul style="list-style-type: none"> • Spot: A new swap where the Effective Date is T+2 from the trade date. • Non-Spot: Any date where the Effective Date is a date other than the spot date.
Fixing Offset	0 to 10 days
Payment Conventions	<p>SOFR Floating Leg</p> <ul style="list-style-type: none"> • Payment/Resets Frequency: Monthly, Quarterly, Semi-annual, Annual, At Maturity • Day Count Conventions: ACT/360, or as agreed by the counterparties • Business Calendar: New York, or as agreed by the counterparties • Fixing Calendar: US Government Securities • Business Day Conventions: Modified Following <p>Fed Funds Floating Leg</p> <ul style="list-style-type: none"> • Payment/Resets: Monthly, Quarterly, Semi-annual, Annual, At Maturity • Day Count Conventions: ACT/360, or as agreed by the counterparties • Business Calendar: New York, or as agreed by the counterparties • Fixing Calendar: New York • Business Day Conventions: Modified Following
Swap Tenor	The duration of time from the effective date to the maturity date. A contract can have a Tenor from 7 days to up to 51 years.
Effective Date	Unadjusted date at which obligations under the swap come into effect.
Maturity/Expiration Date	Unadjusted date at which the obligations under the swap stop being effective.
Final Contractual Settlement Date	Expiration Date
Payment Lag	<ul style="list-style-type: none"> • Floating Leg (Reference Rate 1): 0-5 days • Floating Leg: (Reference Rate 2): 2 days
Settlement Method	Financially Settled
Settlement Procedure	As determined by Clearing House or Bilateral
Settlement Currency	USD
“Made Available to Trade” Determination	None
Mandatory Clearing Determination	None
Trading Hours	00:01-24:00 Sunday-Friday Eastern Time
Clearing House	Chicago Mercantile Exchange, Inc.; LCH.Clearnet Ltd.; Eurex Clearing Aktiengesellschaft
Block Size	As set forth in Appendix F to Part 43 of the CFTC Regulations.
Speculative Limits	As set forth in Part 150 of the CFTC Regulations
Reportable Levels	As set forth in CFTC Regulation 15.03

RULE 1316.

| **RULE 1317.** **[Reserved]**

RULE 1318.

SEK STIBOR SIDE Fixed-to-Floating

Contract Overview	Interest Rate Swap. An agreement to exchange a stream of cash flows by applying a fixed and floating interest rate to a specified notional over a term to maturity.
Ticker	SEK SWAP VS 3M [Reference Rate Term Value] [Swap Tenor or Maturity Date]
Reference Rate Index	SEK-STIBOR SEK-STIBOR-SIDE
Reference Rate Term Value	3 months
Fixed Rate	Par; Custom Coupon
Notional Currency	SEK
Notional Schedule	Constant
Quoting Convention	Fixed rate
Minimum Increment	<ul style="list-style-type: none"> • CLOB: 100,000 • Trading Protocols other than CLOB: 0.01
Minimum Size	<ul style="list-style-type: none"> • CLOB: 100,000 • Trading Protocols other than CLOB: 0.01
Trading Conventions	<ul style="list-style-type: none"> • Pay Fixed, Receive Float. • Receive Fixed, Pay Float.
Trade Start Types	<ul style="list-style-type: none"> • Spot: A new swap where the Effective Date is T+2 from the trade date. • Non-Spot: Any date where the Effective Date is a date other than the spot date.
Fixing Offset	0 to 10 days
Payment Conventions	<p>Fixed Leg</p> <ul style="list-style-type: none"> • Payment Frequency: Quarterly, Semi-Annual, Annual • Day Count Conventions: 30/360, ACT/360, ACT/365 • Business Calendar: Stockholm • Business Day Conventions: Modified Following <p>Floating Leg</p> <ul style="list-style-type: none"> • Payment/Resets: Quarterly, Semi-Annual • Day Count Conventions: ACT/360 • Business Calendar: Stockholm • Fixing Calendar: Stockholm • Business Day Conventions: Modified Following
Swap Tenor	The duration of time from the effective date to the maturity date. A contract can have a Tenor from 28 days to as long as 31 years.
Effective Date	Unadjusted date at which obligations under the swap come into effect.
Maturity/Expiration Date	Unadjusted date at which the obligations under the swap stop being effective.
Final Contractual Settlement Date	Expiration Date
Payment Lag	<ul style="list-style-type: none"> • Fixed Leg: 0 days • Floating Leg: 0 days
Settlement Method	Financially Settled
Settlement Procedure	As determined by Clearing House or Bilateral
Settlement Currency	SEK
“Made Available to Trade” Determination	None
Mandatory Clearing Determination	None
Trading Hours	00:01 -24:00 Sunday-Friday Eastern Time
Clearing House	Chicago Mercantile Exchange, Inc.; LCH.Clearnet Ltd.
Block Size	As set forth in Appendix F to Part 43 of the CFTC Regulations.
Speculative Limits	As set in Part 150 of the CFTC Regulations
Reportable Levels	As set in CFTC Regulation 15.03

RULE 1319. [Reserved]

RULE 1320. [Reserved]

RULE 1321. [Reserved]

RULE 1322. [Reserved]

RULE 1323. [Reserved]

RULE 1324. [Reserved]

RULE 1325. [Reserved]

RULE 1326. [Reserved]

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CHAPTER 14. FOREIGN EXCHANGE CONTRACTS TERMS AND CONDITIONS

RULE 1400. Reference Currency List

The below currencies are available Reference Currencies for Chapter 14 contracts.

- AOA Angolan Kwanza
- ARS Argentine Peso
- AUD Australian Dollar Spot
- AZN Azerbaijani Manat
- BRL Brazilian Real
- CAD Canadian Dollar Spot
- CHF Swiss Franc Spot
- CLP Chilean Peso
- CNY Chinese Renminbi, including CNH (Hong Kong Settlement)
- COP Colombian Peso
- CRC Costa Rican Colon
- CZK Czech Koruna Spot
- DOP Dominican Republic Peso
- EGP Egyptian Pound
- ETB Ethiopian Birr
- EUR Euro
- GBP British Pound Spot
- GEL Georgian Lari
- GHS Ghanaian Cedi
- GTQ Guatemalan Quetzal
- HKD Hong Kong Dollar Spot
- HNL Honduran Lempira
- HUF Hungarian Forint Spot
- IDR Indonesian Rupiah
- ILS Israeli Shekel Spot
- INR Indian Rupee
- JPY Japanese Yen Spot
- KES Kenyan Shilling
- KRW South Korean Won
- KZT Kazakh Tenge
- [MXN Mexican Peso Spot](#)
- MYR Malaysian Ringgit (See Notice to Participants 2017-3 on BSEF's website)
- MZN Mozambican Metical
- ~~MXN Mexican Peso Spot~~
- NGN Nigerian Naira
- NOK Norwegian Krone Spot
- NPR Nepalese Rupee
- NZD New Zealand Dollar Spot
- PEN Peruvian Nuevo sol
- PHP Philippine Peso
- PKR Pakistani Rupee
- PLN Polish Zloty Spot
- PYG Paraguayan Guarani
- RON Romanian Leu Spot
- RUB Russian Ruble
- RWF Rwandan Franc
- SEK Swedish Krona Spot
- SGD Singapore Dollar Spot
- TRY Turkish Lira Spot
- TWD Taiwan Dollar
- TZS Tanzanian Shilling
- UAH Ukrainian Hryvnia
- UGX Ugandan Shilling
- USD U.S. Dollar
- UYU Uruguayan Peso

RULE 1401. Non-Deliverable Forward

Contract Overview	A non-deliverable forward (NDF) is a forward contract which counterparties settle by exchanging in Settlement Currency the difference between the Forward Rate and the Fixing Rate on the Fixing Date on an agreed notional amount. Forward Rate means the rate of exchange from converting the unit currency into the quoted currency determined at the inception of the contract. Fixing Rate means the rate of exchange from converting the unit currency into the quoted currency determined on the Fixing Date.
Ticker	[NDF] [Currency Pair] [Settlement Currency] [Expiration Date]
Reference Currency	Any currency listed in Rule 1400.
Reference Currency Rate Source	<ul style="list-style-type: none"> • Any source described in Section 4.5A of ANNEX A to the 1998 FX and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets; or • “Bloomberg MID” or “BFX03” as described in Section 4.5B of ANNEX A to the 1998 FX and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets; or • “WM/RefinitivMID” or “WMR03” as described in Section 4.5B of ANNEX A to the 1998 FX and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets.
Settlement Currency	Any currency listed in Rule 1400.
Quoting Convention	Forward Rate
Minimum Increment	Any value greater than zero.
Minimum Size	Any value greater than zero.
Notional Currency	Currency in which contract size is expressed in, as agreed by counterparties.
Trading Conventions	Buy or Sell
Effective Date	The unadjusted date at which obligations come into effect.
Fixing/Expiration Date	The date that the difference between the Forward Rate and the Fixing Rate is calculated and unadjusted date at which obligations stopped being effective.
Final Contractual Settlement Date	Unadjusted date by which all transfer of cash should take place and the counterparties no longer trade any outstanding obligations under the contract, as agreed by counterparties.
Settlement Method	Financially settled
Settlement Procedure	Bilateral settlement performed in settlement currency.
Clearing House	None
Trading Hours	14:00 Sunday to 17:00 Friday Eastern Time.
Block Size	As set forth in Appendix F to Part 43 of the CFTC Regulations.
Speculative Limits	As set in Part 150 of the CFTC Regulations.
Reportable Levels	As set in CFTC Regulation 15.03.

RULE 1402. Vanilla FX Option

Contract Overview	Option on a spot foreign exchange contract. An agreement granting the owner the right, but not the obligation, to exchange the notional amount of the reference currency and the settlement currency at the Strike Price on the exercise date.
Ticker	[CUO] [VAN] [Currency Pair] [Settlement Currency] [Expiration Date] [Option Type] [Strike Price]
Reference Currency	Any currency listed in Rule 1400.
Reference Currency Rate Source	<ul style="list-style-type: none"> • Any source described in Section 4.5A of ANNEX A to the 1998 FX and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets; or • “Bloomberg MID” or “BFX03” as described in Section 4.5B of ANNEX A to the 1998 FX and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets; or • “WM/RefinitivMID” or “WMR03” as described in Section 4.5B of ANNEX A to the 1998

	FX and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets.
Settlement Currency	Any currency listed in Rule 1400.
Strike Price	The rate of exchange from converting the unit currency into the quoted currency determined at the inception of the contract.
Option Premium Currency	Settlement Currency
Quoting Convention	Premium
Minimum Increment	Any value greater than zero.
Minimum Size	Any value greater than zero.
Notional Currency	A put or a call currency, as applicable
Option Style	<ul style="list-style-type: none"> • Physical settlement: American or European • Financial settlement: European
Option Type	<ul style="list-style-type: none"> • Put: Gives the buyer of the option the right to sell the reference currency. • Call: Gives to the buyer of the option the right to buy the reference currency
Valuation method	Vanilla
Effective Date	Unadjusted date at which obligations under the swap come into effect
Expiration Date/Fixing Date	Unadjusted date at which obligations stopped being effective. For financially settled options the Expiration Date is the same as the Fixing Date. The Fixing Date is the date on which the difference between the Strike Price and the Fixing Rate is calculated.
Final Contractual Settlement Date	Unadjusted date by which all transfer of cash should take place and the counterparties no longer trade any outstanding obligations under the contract, as agreed by counterparties.
Settlement Method	<ul style="list-style-type: none"> • Physically settled: The settlement performed by exchange of the full amount of Reference Currency and the Settlement Currency. • Financially Settled: The settlement performed by exchanging in the Settlement Currency the difference between the Strike Price and the Fixing Rate on the Fixing Date applied on the agreed put or call amount. Fixing Rate means the rate of exchange from converting the unit currency into the quoted currency determined on the Fixing Date based on the spot rate published by Reference Currency Rate Sources
“Made Available to Trade” Determination	None
Mandatory Clearing Determination	None
Trading Hours	14:00 Sunday to 17:00 Friday Eastern Time
Settlement Procedure	Bilateral; partial exercise is permitted.
Clearing House	None
Block Size	As set forth in Appendix F to Part 43 of the CFTC Regulations.
Speculative Limits	As set in Part 150 of the CFTC Regulations
Reportable Levels	As set in CFTC Regulation 15.03

RULE 1403. Barrier Option

Contract Overview	Option on a spot foreign exchange contract. An agreement granting the buyer of the option the right, but not the obligation, to exchange the notional amount of the Reference Currency and the Settlement Currency at the Strike Price on the exercise date if the Reference Currency spot rate reaches a specified rate (“Barrier Rate”) during the term of the agreement.
Ticker	[CUO] [BARR] [Currency Pair] [Settlement Currency] [Expiration Date] [Option Type] [Strike Price]
Reference Currency	Any currency listed in Rule 1400.
Reference Currency Rate Source	<ul style="list-style-type: none"> Any source described in Section 4.5A of ANNEX A to the 1998 FX and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets; or “Bloomberg MID” or “BFX03” as described in Section 4.5B of ANNEX A to the 1998 FX and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets; or “WM/RefinitivMID” or “WMR03” as described in Section 4.5B of ANNEX A to the 1998 FX and Currency Option Definitions published by International Swaps and Derivatives Association, Inc and Trade Association for the Emerging Markets.
Settlement Currency	Any currency listed in Rule 1400.
Strike Price	The rate of exchange from converting the unit currency into the quoted currency determined at the inception of the contract.
Barrier Rate	Reference Currency exchange rate that either springs the option into existence or extinguishes an already existing option.
Barrier Style	<ul style="list-style-type: none"> American: Barrier is breached at any time before the Expiration Date European: Barrier breached only at the Expiration Date.
Barrier Direction/Style	<ul style="list-style-type: none"> Up-and-out: The option exists at the inception of the contract. The Reference Currency spot price starts below the Barrier Rate at the inception of the contract and must move up for the option to become null and void. Down-and-out: The option exists at the inception of the contract. The reference Currency spot price starts above the Barrier Rate at the inception of the contract and has to move down for the option to become null and void. Up-and-in: No option exists at the inception of the contract. The Reference Currency spot price starts below the Barrier Rate at the inception of the contract and must move up for the option to come into existence. Down-and-in: No option exists at the inception of the contract. The Reference Currency spot price starts above the Barrier Rate and must move down for the option to come into existence.
Option Premium Currency	Settlement Currency
Quoting Convention	Premium
Minimum Increment	Any value greater than zero.
Minimum Size	Any value greater than zero.
Notional Currency	A put or a call currency, as applicable
Option Style	<ul style="list-style-type: none"> Physically settled: American or European Financially settled: European
Option Type	<ul style="list-style-type: none"> Put: givesGives the buyer of the option the right to sell the Reference Currency. Call: givesGives to the buyer of the option the right to buy the Reference Currency
Valuation method	Barrier
Effective Date	Unadjusted date at which obligations under the swap come into effect
Expiration Date/Fixing Date	Unadjusted date at which obligations stopped being effective. For financially settled options the Expiration Date is the same as the Fixing Date. The Fixing Date is the date on which the difference between the Strike Price and the Fixing Rate is calculated.
Final Contractual Settlement Date	Unadjusted date by which all transfer of cash should take place and the counterparties no longer trade any outstanding obligations under the contract, as agreed by counterparties.
Settlement Method	<ul style="list-style-type: none"> Physically settled: The settlement performed by exchange of the full amount of Reference Currency and the Settlement Currency.

RULE 1404. [Reserved]

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RULE 1406. [Reserved]

RULE 1407. [Reserved]

RULE 1408. [Reserved]

RULE 1409. [Reserved]