

EBS Global Facility Limited - SEF Application - Exhibit L: Analysis of Compliance with Core Principles

CEA – SECTION 5H(F) – CORE PRINCIPLES FOR SWAP EXECUTION FACILITIES	EBS GLOBAL FACILITY LIMITED APPLICATION	RELEVANT EGFL DOCUMENTS, RULES, OR AGREEMENTS
<p>Core Principle 1 – Compliance with Core Principles. (A) In general To be registered, and maintain registration, as a swap execution facility, the swap execution facility shall comply with— (i) the core principles described in this subsection; and (ii) any requirement that the Commission may impose by rule or regulation pursuant to section 8a(5). (B) Reasonable discretion of swap execution facility Unless otherwise determined by the Commission by rule or regulation, a swap execution facility described in subparagraph (A) shall have reasonable discretion in establishing the manner in which the swap execution facility complies with the core principles described in this subsection.</p>	<p>The application of EBS Global Facility Limited (“EGFL” or the “Facility”) as a whole satisfies this Core Principle.</p> <p>Capitalized terms used in this Exhibit L but undefined have the meanings ascribed thereto in the EGFL Facility Rulebook submitted under Exhibit M (the “Facility Rulebook”).</p>	<p>SEF Application of EGFL and supporting documents.</p> <p>Facility Rulebook submitted under Exhibit M</p> <p>EGFL Compliance Manual submitted under Exhibit O (“Compliance Manual”)</p> <p>Regulatory Services Agreement between EGFL and NFA submitted under Exhibit N (“RSA”)</p> <p>NFA Market Regulation Compliance Manual for SEFs and DCMs Offering Swaps Contracts submitted under Exhibit O - Appendix B (“NFA Manual”)</p> <p>Application and Agreement for Trading Privilege Holder submitted under Exhibit N (“TPH Application”)</p> <p>EGFL Articles of Association submitted</p>

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		<p>under Exhibit G (“Articles”)</p> <p>EGFL Governance Policy submitted under Exhibit G</p> <p>Rules Prohibiting Trade Practice Violations submitted under Exhibit R</p>
<p>Core Principle 2 – Compliance with Rules A swap execution facility shall—</p> <p>(A) establish and enforce compliance with any rule of the swap execution facility, including—</p> <p>(i) the terms and conditions of the swaps traded or processed on or through the swap execution facility; and</p> <p>(ii) any limitation on access to the swap execution facility;</p> <p>(B) establish and enforce trading, trade processing, and participation rules that will deter abuses and have the capacity to detect, investigate, and enforce those rules, including means—</p> <p>(i) to provide market participants with impartial access to the market; and</p>	<p>EGFL has established rules and procedures reasonably designed to ensure compliance with Section 5h of the Commodity Exchange Act (the “Act”) and the regulations of the Commodity Futures Trading Commission (the “Commission”), including rules and procedures enforcing compliance with the Facility Rulebook, setting the terms and conditions of swaps traded on the Facility, providing for impartial access to the Facility, establishing trading procedures and surveillance and real-time monitoring of trading, and addressing the mandatory clearing and mandatory trading requirements under the Act.</p> <p>Chapter 2 of the Facility Rulebook sets forth the obligations, financial requirements and fitness standards for a Trading Privilege Holder and each of its Authorized Traders. Rule 201(e) states that all Trading Privilege Holders and each of its Authorized Traders acknowledge and submit to the jurisdiction of the Facility and agree to be bound by the Facility Rulebook. Rule 206(f) specifically requires Swap Dealers and Major Swap Participants that enter into a swap subject to mandatory clearing under section 2(h) of the Act to be responsible for compliance with the mandatory trading requirement under section 2(h)(8) of the Act. The Facility</p>	<p>Facility Rulebook (Exhibit M)</p> <p><u>Chapter 2 Trading Privileges</u> <u>Chapter 3 Trading Procedures</u> <u>Chapter 4 Trading Standards</u> <u>Chapter 5 Rule Enforcement</u> <u>Rule 201 Trading Privilege Holders</u> <u>Rule 201(e) Consent to Facility Rules</u> <u>Rule 202 Authorized Traders and Authorized Trading Firms</u> <u>Rule 204 Clearing</u> <u>Rule 206 Participant and Customer Obligations; Suspension or Termination of Access</u> <u>Rule 206(f) Compliance with Section 2(h)(8) of Act</u> <u>Rule 208 Recordkeeping</u></p>

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<p>(ii) to capture information that may be used in establishing whether rule violations have occurred;</p> <p>(C) establish rules governing the operation of the facility, including rules specifying trading procedures to be used in entering and executing orders traded or posted on the facility, including block trades; and</p> <p>(D) provide by its rules that when a swap dealer or major swap participant enters into or facilitates a swap that is subject to the mandatory clearing requirement of section 2(h), the swap dealer or major swap participant shall be responsible for compliance with the mandatory trading requirement under section 2(h)(8).</p>	<p>requires that Participants and independent software vendors will receive impartial access to its market(s) and market services. See Rules 201, 202 and 213 and Compliance Manual Section 10.1.3. Furthermore, Participants and Customers must be eligible contract participants (“ECPs”) to be granted access to the Facility. See the discussion of ECPs under Core Principle 7 below.</p> <p>Chapters 3 and 4 of the Facility Rulebook set forth trading practices that must be followed by Facility Participants. Rule 302 permits all Participants access to the Facility’s Order Book and Rules 304 and 305 establish rules governing execution of Permitted Transactions and Required Transactions applicable to all Participants. Rule 402 specifically prohibits activities such as manipulation, price distortion and disruptive trading practices. Additionally, the Facility has taken measures to physically separate itself from any affiliated trading entities, as required by Compliance Manual section 11.2.2, and adopted a Conflicts of Interest policy that addresses, among other things, any potential conflicts that may arise from external employers.</p> <p>Chapter 5 of the Facility Rulebook governs the Facility’s disciplinary procedures, including the initiation and adjudication of proceedings and the imposition of sanctions. Rule 501 provides that EGFL has the authority to initiate and conduct investigations, and prosecute Violations of the Facility Rulebook and impose sanctions for such Violations. Rules 509 and 510 require such sanctions to be commensurate with the violations committed and clearly sufficient to deter recidivism or similar violations by other market participants,</p>	<p><u>Rule 213</u> <i>Independent Software Vendors</i> <u>Rule 302</u> <i>Access to Order Book</i> <u>Rule 304</u> <i>Permitted Transactions</i> <u>Rule 305</u> <i>Execution Methods for Required Transactions</i> <u>Rule 309(d)</u> <i>Audit Trail and Recordkeeping</i> <u>Rule 315</u> <i>EGFL Authority over Transactions</i> <u>Rule 402</u> <i>Abusive Trading Practices</i> <u>Rule 501</u> <i>Jurisdiction</i> <u>Rule 502</u> <i>Market Regulation Staff Powers and Duties</i> <u>Rule 509</u> <i>Settlement</i> <u>Rule 510</u> <i>Hearing Procedures</i> <u>Rule 511</u> <i>Written Decision of the Hearing Panel</i> <u>Rule 514</u> <i>Summary Suspension</i></p> <p>Compliance Manual (Exhibit O)</p> <p><u>Section 5</u> <i>Handling of Non-Public Information by Employees</i> <u>Section 6</u> <i>Contracts to be</i></p>

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	<p>including by setting forth minimum and maximum fine amounts. The Facility has the ability to sanction, including by fine, suspension and/or expulsion, all Facility Subject Persons under Rules 501 and Rule 511. Rule 514 allows EGFL to summarily and immediately suspend Participants from trading on the Facility when the Chairperson of the Regulatory Oversight Committee (“ROC”) determines such action is necessary to protect the best interests of the market place.</p> <p>The Compliance Function, which consists of the Chief Compliance Officer (“CCO”) and a Head of Compliance and Oversight of EGFL registered with the FCA as a CF10 (“CF10”), the Market Regulation staff (“Market Regulation Staff”) and the Compliance Department, as well as the Regulatory Services Provider under the supervision of the Compliance Function, will implement EGFL’s monitoring, surveillance and other enforcement functions, and EGFL’s Board of Directors (the “Board”) and ROC will oversee this activity. The CCO is appointed by the Board and must meet with the ROC at least quarterly. The CCO has sufficient staff and resources to develop and enforce rules, policies and procedures necessary to fulfill the CCO’s duties to the Facility and obligations under the Act and Commission Regulations.</p> <p>The Facility has Rules that provide it with the authority to collect and examine books and records of Participants and Customers, including all persons under investigations. See Rules 208 and 502.</p> <p>Section 6.5 of the Compliance Manual also provides that the</p>	<p><i>Listed; Monitoring of Trading</i> <u>Section 7 Execution of Bids/Offers</u> <u>Section 10 Impartial Access and Fees</u> <u>Section 11 Role and Duties of The Compliance Function and Market Regulation Staff</u> <u>Section 12 Regulatory Services Providers</u> <u>Section 14 Automated Trade Surveillance and Real Time Monitoring</u> <u>Section 18 Recordkeeping; Audit Trail</u> <u>Section 19 Information Collection</u> <u>Appendix C Code of Ethics</u></p> <p>RSA (Exhibit N)</p> <p><u>Section 1 Scope of Services</u> <u>Schedule A Scope of Regulatory Services</u></p> <p>NFA Manual (Exhibit O - Appendix B)</p> <p>p. 6 <i>Trade Practice Surveillance</i></p>

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	<p>CCO shall ensure that the Facility conforms the Rulebook and the Facility’s operational practices with the Straight-Through Processing Guidance issued by the Commission.</p> <p>EGFL has contracted with the National Futures Association (“NFA”) as a Regulatory Services Provider to perform regulatory services including conducting trade and market surveillance for activities on the Facility. However, the Compliance Function maintains responsibility for supervision of NFA and the CCO is ultimately responsible for the compliance program of the Facility as it relates to the Act and the Commission’s Regulations. See “Core Principle 4 – Monitoring of Trading and Swap Processing.” NFA will also perform certain preliminary investigations related to trade practice and market surveillance, and may request information directly from Participants and prepare investigative summaries of its findings.</p> <p>EGFL has the ability to conduct real-time monitoring of trading activity in order to identify disorderly trading and market anomalies, and Rule 315 allows EGFL to adjust trade prices or cancel trades when necessary to mitigate market disrupting events. EGFL also has robust recordkeeping and audit trail rules and procedures that are reasonably designed to allow EGFL to identify trading violations and reconstruct all indications of interest, RFQs, orders and trades within a reasonable amount of time. For example, EGFL’s transaction history database includes an identification of each account to which fills are allocated, and EGFL enforces audit trail and</p>	<p>p. 14 <i>Market Surveillance</i> p. 26 <i>Investigations/Disciplinary</i></p> <p>TPH Agreement (Exhibit N)</p> <p><u>Section 3 ECP Representation</u> <u>Sections 8, 9 Notice to EGFL of Changes in Information</u></p> <p>Rules Prohibiting Trade Practice Violations (Exhibit R)</p> <p><u>Section 2 Procedures for Detecting Possible Violations of Trading Standards Rules</u></p>

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	<p>recordkeeping requirements through at least annual reviews of all participants who are responsible for, or in control of, the creation of audit trail records. See Rule 309(d) and Compliance Manual Sections 18.4 and 19.2.</p> <p>The Facility Rulebook, the Compliance Manual, and RSA provide the framework for EGFL’s compliance with regulatory, legal, and internal rules, policies and procedures, as well as monitoring and enforcement activities.</p>	
<p>Core Principle 3 – Swaps Not Readily Susceptible to Manipulation The swap execution facility shall permit trading only in swaps that are not readily susceptible to manipulation.</p>	<p>Rule 602 of the Facility Rulebook requires the CCO to determine that a swap is not readily susceptible to manipulation before submitting any swap to the Commission for prior approval or with self-certification. The CCO must include all information required by Appendix C to Part 38 of the Commission Regulations in any swap submission to the Commission. In addition, prior to listing any swap for trading on the Facility, the CCO will identify the reference price of the swap and determine that the reference price is not readily susceptible to manipulation.</p>	<p>Facility Rulebook (Exhibit M) <i>Rule 602 Swaps Not Readily Susceptible to Manipulation</i></p> <p>Compliance Manual (Exhibit O) <i>Section 6.2 Swaps Not Readily Susceptible to Manipulation</i> <i>Section 6.3.2 Additional Requirements for Physical Delivery Swaps</i> <i>Section 6.3.3 Additional Requirements for Cash-Settled Swaps</i></p>
<p>Core Principle 4 – Monitoring of</p>	<p>Chapters 3 and 4 of the Rules set forth trading practices that</p>	<p>Facility Rulebook</p>

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<p>Trading and Trade Processing The swap execution facility shall— (A) establish and enforce rules or terms and conditions defining, or specifications detailing— (i) trading procedures to be used in entering and executing orders traded on or through the facilities of the swap execution facility; and (ii) procedures for trade processing of swaps on or through the facilities of the swap execution facility; and (B) monitor trading in swaps to prevent manipulation, price distortion, and disruptions of the delivery or cash settlement process through surveillance, compliance, and disciplinary practices and procedures, including methods for conducting real-time monitoring of trading and comprehensive and accurate trade reconstructions.</p>	<p>must be followed when entering orders and RFQs into the Facility and when executing such orders and RFQs.</p> <p>Chapter 5 of the Rules describes EGFL’s disciplinary and enforcement procedures. See “<i>Core Principle 2 – Compliance with Rules.</i>”</p> <p>EGFL has contracted with the NFA as a Regulatory Services Provider to perform regulatory services including conducting trade and market surveillance for activities on the Facility. The Compliance Function, Market Regulation Staff and Regulatory Services Provider will implement EGFL’s monitoring, surveillance and other enforcement functions, and the Board and ROC will oversee this activity. The Facility Rulebook, the Compliance Manual, and RSA provide the framework for EGFL’s enforcement activities.</p> <p>As described in greater detail in Section XIV and Appendix B (NFA Manual) of the Compliance Manual, EGFL captures all trade and order data, including modifications and cancellations, and provides that data to NFA. The NFA has developed an automated trade surveillance system that performs trade practice and market surveillance on a trade day plus one (“T+1”) basis. NFA is also responsible for reviewing the Facility’s trades on a routine basis to determine whether suspicious activity relating to EGFL’s trading standards exists. The performance of the NFA’s functions is supervised by the Compliance Function and specifically by the CCO as it relates to the Act and the Commission’s Regulations.</p> <p>EGFL and its Participants are subject to certain audit trail</p>	<p>(Exhibit M)</p> <p><u>Chapter 3 Trading Procedures</u> <u>Chapter 4 Trading Standards</u> <u>Chapter 5 Rule Enforcement</u> <u>Rule 106 Risk Controls for Trading</u> <u>Rule 208 Recordkeeping</u> <u>Rule 209 Communication with Participants</u> <u>Rule 210 Required Disclosures to the Facility</u> <u>Rule 302 Information about, and Access to, EGFL’s Order Book</u> <u>Rule 309 Reporting and Data Collection</u> <u>Rule 405 Manipulation and Price Distortion</u></p> <p>Compliance Manual (Exhibit O)</p> <p><u>Section 4.3 Prevention of Fraudulent or Manipulative Activity on the Facility</u> <u>Section 6.3 Monitoring of Trading</u> <u>Section 6.3.2 Additional Requirements for Physical</u></p>

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	<p>requirements set out in Rules 302(b), 309 and 208, respectively, as well as in Section XVIII of the Compliance Manual, which taken together assure EGFL’s ability to comprehensively and accurately reconstruct all trading on the Trading Platform. See also “Core Principle 10 – Recordkeeping and Reporting.”</p>	<p><i>Delivery Swaps</i> <u>Section 6.3.3 Additional Requirements for Cash-Settled Swaps</u> <u>Section 6.4 Risk Controls for Trading</u> <u>Section 7 Execution of Bids/Offers</u> <u>Section 11 Role and Duties of Compliance Function and Market Regulation Staff</u> <u>Section 12 Regulatory Services Providers</u> <u>Section 14 Automated Trade Surveillance and Real Time Monitoring</u> <u>Section 18 Recordkeeping; Audit Trail</u> <u>Section 19 Information Collection</u></p> <p>RSA (Exhibit N)</p> <p><u>Section 1 Scope of Services</u> <u>Schedule A Scope of Regulatory Services</u></p> <p>NFA Manual (Exhibit O-Appendix B)</p> <p>p. 6 Trade Practice</p>

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		<p><i>Surveillance</i> p. 14 <i>Market Surveillance</i></p> <p>Rules Prohibiting Trade Practice Violations (Exhibit R)</p> <p><i>Section 2 Procedures for Detecting Possible Violations of Trading Standards Rules</i></p>

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<p>Core Principle 5 – Ability to Obtain Information The swap execution facility shall— (A) establish and enforce rules that will allow the facility to obtain any necessary information to perform any of the functions described in this section; (B) provide the information to the Commission on request; and (C) have the capacity to carry out such international information-sharing agreements as the Commission may require.</p>	<p>EGFL’s Facility Rulebook sets forth the requirements of Participants to maintain books and records and to permit inspection and visitation by duly authorized representatives of the Commission.</p> <p>Chapter 5 of the Facility Rulebook describes EGFL’s disciplinary and enforcement procedures. See “Core Principle 2 – Compliance with Rules.”</p> <p>It is EGFL’s policy to respond promptly and completely, through ICAP’s Legal and Compliance Departments, to any proper regulatory inquiry or request for documents.</p> <p>In addition, EGFL may enter into information sharing agreements or other arrangements or procedures to co-ordinate surveillance with other markets on which contracts or financial instruments related to the contracts trade. As part of these agreements, EGFL may, in part: (i) provide market surveillance reports to other SEFs; (ii) share information and documents concerning current and former Participants with other markets; (iii) share information and documents concerning ongoing and completed investigations with other markets; and/or (iv) require its current or former Participants to provide information and documents to EGFL at the request of other markets with which EGFL has an information sharing agreement or other arrangements or procedures.</p> <p>EGFL will enter into international information sharing agreements as the Commission may require from time to time.</p>	<p>Facility Rulebook (Exhibit M)</p> <p><u>Rule 103(a) Confidentiality; exception for sharing information for regulatory purposes</u> <u>Rule 208 Recordkeeping</u> <u>Rule 210 Required Disclosures to EGFL</u> <u>Rule 502 Facility Market Regulation Staff Powers and Duties</u></p> <p>Compliance Manual (Exhibit O)</p> <p><u>Section 6.3 Monitoring of Trading</u> <u>Section 11 Role and Duties of Compliance Function and Market Regulation Staff</u> <u>Section 11.6 Information Sharing Agreements</u> <u>Section 12 Regulatory Services Providers</u> <u>Section 14 Automated Trade Surveillance and Real Time Monitoring</u> <u>Section 18 Recordkeeping; Audit Trail</u></p>

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		<p><u>Section 19</u> <i>Information Collection</i></p> <p><u>Section 21</u> <i>Responding to Regulatory Requests for Information</i></p> <p>TPH Application (Exhibit N)</p> <p><u>Sections 9, 10</u> <i>Notice to EGFL of Changes in Information</i></p> <p><u>Section 10</u> <i>Obligation to Provide Information to EGFL</i></p> <p>RSA (Exhibit N)</p> <p><u>Schedule A</u> <i>Scope of Regulatory Services</i></p> <p>NFA Manual (Exhibit O - Appendix B)</p> <p>p. 6 <i>Trade Practice Surveillance</i></p> <p>p. 14 <i>Market Surveillance</i></p> <p>Rules Prohibiting Trade Practice Violations (Exhibit R)</p> <p><u>Section 2</u> <i>Procedures for</i></p>

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		<i>Detecting Possible Violations of Trading Standards Rules</i>
<p>Core Principle 6 – Position Limits or Accountability (A) In general To reduce the potential threat of market manipulation or congestion, especially during trading in the delivery month, a swap execution facility that is a trading facility shall adopt for each of the contracts of the facility, as is necessary and appropriate, position limitations or position accountability for speculators. (B) Position limits For any contract that is subject to a position limitation established by the Commission pursuant to section 4a(a), the swap execution facility shall— (i) set its position limitation at a level no higher than the Commission limitation; and (ii) monitor positions established on or through the swap execution facility for compliance with the limit set by the Commission and the limit, if any, set by the swap execution facility.</p>	<p>Rule 408 of the Facility Rulebook requires that EGFL set and enforce position limits and position accountability levels with respect to each swap traded on the Facility as is necessary and appropriate. Participants that are in violation of position limits will be prohibited from trading on the Facility, except to liquidate open positions. EGFL has adopted the Commission’s position limits for any swap for which the Commission has adopted a position limit. The Compliance Department will continue to assess whether additional position limits or position accountability levels are necessary or appropriate and should be adopted by the Facility. The Compliance Department and the NFA will monitor for positions that meet or exceed reportable levels.</p> <p>The NFA’s automated surveillance system will generate alerts for various situations regarding large trader reported positions. The alerts include, but are not limited to, the following: (a) whenever an account is identified as a large trader for the first time for any swap listed for trading on the Facility; (b) whenever a large trader position exceeds the reportable level in a particular swap listed for trading; and (c) whenever a large trader position exceeds speculative position limits or accountability levels.</p>	<p>Facility Rulebook (Exhibit M) <i>Rule 408 Position Limits and Position Accountability</i></p> <p>Compliance Manual (Exhibit O) <i>Section 14.2 Real-Time Monitoring</i> <i>Section 15 Position Limits</i></p> <p>RSA (Exhibit N) <i>Schedule A, Section II Market Surveillance</i></p> <p>NFA Manual (Exhibit O - Appendix B) <i>p. 6 Trade Practice Surveillance – Alerts</i></p> <p>Rules Prohibiting Trade Practice Violations (Exhibit R)</p>

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		<p><u>Section 2</u> <i>Procedures for Detecting Possible Violations of Trading Standards Rules</i></p>
<p>Core Principle 7 – Financial Integrity of Transactions The swap execution facility shall establish and enforce rules and procedures for ensuring the financial integrity of swaps entered on or through the facilities of the swap execution facility, including the clearance and settlement of the swaps pursuant to section 2(h)(1).</p>	<p>Financial Requirements</p> <p>Each Trading Privilege Holder must be an ECP in order to be approved as such and must certify annually that it continues to be an ECP. As noted above, Rule 201(e) requires Participants, Clearing Firms and Customers consent to EGFL’s jurisdiction.</p> <p>EGFL’s Rules require that each Trading Privilege Holder and Customer be an ECP at the time of entering into any transaction on the Facility and require written or electronic confirmation of such ECP status. Each Trading Privilege Holder or Customer transacting on the Facility in cleared swaps as a principal is required to provide EGFL with evidence that the Trading Privilege Holder or Customer is a Clearing Firm or provide evidence of a guarantee from a Clearing Firm of each transaction entered into on the Facility. EGFL requires Intermediaries to provide a signed representation that the Intermediaries’ Customers are ECPs. Each Trading Privilege Holder or Customer that enters into uncleared bilateral transactions as a principal must undergo such credit checks and provide such credit information as EGFL may require.</p> <p>Participants and Customers are required to notify EGFL when there are material changes in the information submitted to EGFL, including a change in status as an ECP.</p>	<p>Facility Rulebook (Exhibit M)</p> <p><u>Rule 201(b)</u> <i>Financial Requirements</i> <u>Rule 201(e)</u> <i>Consent to Jurisdiction</i> <u>Rule 202</u> <i>Authorized Traders</i> <u>Rule 203</u> <i>Financial Integrity</i> <u>Rule 204</u> <i>Clearing</i> <u>Rule 210</u> <i>Required Disclosures to EGFL</i> <u>Rule 312</u> <i>Enforceability of Transactions</i> <u>Rule 501</u> <i>Jurisdiction</i> <u>Rule 511</u> <i>Written Decision of the Hearing Panel</i></p> <p>Compliance Manual (Exhibit O)</p> <p><u>Section 6.5</u> <i>Transactions Cleared by a DCO</i> <u>Section 9.2</u> <i>Onboarding Process</i> <u>Section 10</u> <i>Impartial Access</i></p>

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	<p>Clearing</p> <p>All Contracts executed on the Facility that are subject to mandatory clearing under Section 2(h) of the Act must be cleared through a DCO by a Clearing Firm. Any other Contracts executed on the Facility may be cleared at the discretion of the parties to such transaction; provided that such Contracts are cleared through a DCO by a Clearing Firm. The Facility has the capacity to route transactions to the relevant DCO in a manner acceptable to the DCO.</p> <p>Onboarding</p> <p>Market Regulation Staff will review each application made to become a Trading Privilege Holder and will verify that the applicant has stated in its application that it is an ECP. Market Regulation Staff sign-off of this requirement will be required for approval of the application. Market Regulation Staff will monitor each Trading Privilege Holder’s status as an ECP on an annual basis.</p> <p>Market Regulation Staff will review each application made to become an Authorised Trader and will verify that each applicant has submitted to the jurisdiction of EGFL.</p> <p>Enforcement of Rules</p> <p>EGFL has the authority to collect and examine books and records of all Facility Subject Persons under Rules 501 and 502. If Market Regulation Staff at any time determines that a Trading Privilege Holder no longer meets the financial</p>	<p><i>and Fees</i></p> <p><i>Section 16 Monitoring for Financial Soundness</i></p> <p>TPH Agreement (Exhibit N)</p> <p><i>Section 3 ECP Representation</i></p> <p><i>Sections 9, 10 Notice to EGFL of Changes in Information</i></p>

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	<p>requirements, the Compliance Function will report the matter to the Chairperson of the ROC, who may suspend the trading privileges of the Trading Privilege Holder pursuant to Rule 514(a), and the Compliance Function may also report the matter to the Review Panel for possible disciplinary action pursuant to Rule 502(c). Furthermore, EGFL has the ability to sanction, including by fine, suspension and/or expulsion, all Facility Subject Persons under Rule 501 and Rule 511 for any Violations.</p> <p>Upon receiving information indicating that a Participant or Customer may have violated Rule 312 by failing to settle an executed trade, or by failing to submit for clearing a transaction that is required to be cleared, Market Regulation Staff will investigate the matter and will report the results of its investigation to the Compliance Function, who will decide whether to present the matter to the Chairperson of the ROC, who may suspend the Participant or Customer pursuant to Rule 514(a). The Compliance Function may also report the matter to the Review Panel for possible disciplinary action pursuant to Rule 502(c).</p>	
<p>Core Principle 8 – Emergency Authority The swap execution facility shall adopt rules to provide for the exercise of emergency authority, in consultation or cooperation with the Commission, as is necessary and appropriate, including the authority to liquidate or transfer</p>	<p>The Facility Rulebook sets forth clear procedures and guidelines for decision making regarding emergency intervention in the market, including procedures and guidelines to avoid conflicts of interest while carrying out such decision making.</p> <p>The measures available to EGFL in the case of an Emergency include the ability to place into immediate effect temporary rules, extending or shortening the expiration date for trading in</p>	<p>Facility Rulebook (Exhibit M) <i>Rule 104 Emergency Action</i> <i>Rule 105 Suspension of Trading</i></p>

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<p>open positions in any swap or to suspend or curtail trading in a swap.</p>	<p>Contracts; extending the time of delivery under or expiration of Contracts; extending, limiting or changing hours of trading; imposing or modifying price limits; imposing or modifying Position Limits; imposing or modifying intraday market restrictions; ordering the liquidation or transfer of open positions in any Contract; ordering the fixing of a settlement price; suspending trading or curtailing trading in any Contract; altering any Contract’s settlement terms or conditions; and modifying or suspending any provision of the Rules.</p> <p>The measures available to EGFL in the case of a Physical Emergency include any action that is necessary or appropriate to deal with the Physical Emergency, including, but not limited to, suspending trading in any one or more Contracts, delaying the opening of trading in any one or more Contracts, extending the Last Trading Day and/or the time of trading.</p> <p>EGFL will notify the Commission in accordance with Part 40 of the Commission’s Regulations of implementing, modifying, or terminating any Emergency Rule and will comprehensively document the decision making process related to any action in response to an Emergency.</p>	
<p>Core Principle 9 – Timely Publication of Trading Information (A) In general The swap execution facility shall make public timely information on price, trading volume, and other trading data on swaps to the</p>	<p>EGFL will timely transmit swap transaction and pricing data to a registered swap data repository (“SDR”) that accepts swap data for swaps traded on the Facility. EGFL will also timely publish information on its website as required under Part 16 of the Commission’s Regulations. Rule 309(f) requires EGFL to publish trading information as required by Core Principle 9, Commission Regulation §37.901 and Part 16 of the Commission’s Regulations. All swap data will be reported in</p>	<p>Facility Rulebook (Exhibit M)</p> <p><u>Rule 208</u> <i>Recordkeeping</i> <u>Rule 304(c)</u> <i>Permitted Transactions</i> <u>Rule 309(g)</u> <i>Reporting to SDRs</i></p>

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<p>extent prescribed by the Commission. (B) Capacity of swap execution facility The swap execution facility shall be required to have the capacity to electronically capture and transmit trade information with respect to transactions executed on the facility.</p>	<p>accordance with Part 43 and Part 45 of the Commission’s Regulations. Rule 309(g) sets forth the procedures governing how EGFL reports transactions to SDRs, including how EGFL determines which SDR to report a transaction to.</p> <p>Section 20 of the Compliance Manual sets forth EGFL’s procedures for reporting to SDRs, and also requires that public information provided by EGFL is accessible on the EGFL website without the need to register, log in, provide a username or obtain a password.</p>	<p><u>Rule 316 Reporting Counterparty Annex 1 ISDA Reporting Party Rules</u></p> <p>Compliance Manual (Exhibit O)</p> <p><u>Section 20 Publishing of Trade Information; Reporting to SDRs</u></p> <p>EGFL Website www.ebs.com</p>
<p>Core Principle 10 – Recordkeeping and Reporting (A) In general A swap execution facility shall— (i) maintain records of all activities relating to the business of the facility, including a complete audit trail, in a form and manner acceptable to the Commission for a period of 5 years; (ii) report to the Commission, in a form and manner acceptable to the Commission, such information as the Commission determines to be necessary or appropriate for the Commission to perform the duties of the Commission under</p>	<p>EGFL will maintain records of all activities related to its business for a period of five (5) years in accordance with Commission Regulations. Each Participant is also obliged to maintain all requisite books and records in accordance with Commission Regulations. All such records will be open to inspection by the Commission, U.S. Securities and Exchange Commission or U.S. Department of Justice.</p> <p>EGFL will respond promptly and completely, through the ICAP Legal and Compliance Departments, to any proper regulatory inquiry or request for documents from the Commission, NFA, or other regulatory or law enforcement agency.</p>	<p>Facility Rulebook (Exhibit M)</p> <p><u>Rule 208 Recordkeeping</u> Compliance Manual (Exhibit O)</p> <p><u>Section 18 Recordkeeping; Audit Trail</u> <u>Section 19 Information Collection</u> <u>Section 21 Responding to Regulatory Requests for Information</u></p>

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<p>this chapter; and (iii) shall keep any such records relating to swaps defined in section 1a(47)(A)(v) open to inspection and examination by the Securities and Exchange Commission.” (B) Requirements The Commission shall adopt data collection and reporting requirements for swap execution facilities that are comparable to corresponding requirements for derivatives clearing organizations and swap data repositories.</p>		
<p>Core Principle 11 – Antitrust Considerations Unless necessary or appropriate to achieve the purposes of this Act, the swap execution facility shall not— (A) adopt any rules or taking any actions that result in any unreasonable restraint of trade; or (B) impose any material anticompetitive burden on trading or clearing.</p>	<p>EGFL’s Rules and policies have been designed to avoid any unreasonable restraints on trade or the imposition of any material anti-competitive burden on trading. EGFL has not adopted any rule or taken any action with the intent or result of restraining trade. In particular, EGFL will not limit a Participant’s choice of Clearing Firm or DCO. Additionally, EGFL will not limit any SDR’s ability to compete for EGFL’s business. EGFL may request that the Commission consider under the provisions of section 15(b) of the Act any of EGFL’s Rules and policies for compliance with Core Principle 11.</p> <p>EGFL will not require Participants to acquire an equity interest in EGFL, and EGFL provides Participants, Customers and independent software vendors with impartial access to the</p>	<p>Compliance Manual (Exhibit O) <u>Section 10 Impartial Access and Fees</u> <u>Section 25.1 Antitrust Considerations</u> EGFL Website www.ebs.com</p>

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	<p>Facility. See also “Core Principle 2 – Compliance with Rules.”</p> <p>Moreover, EGFL will timely transmit swap transaction and pricing data to an SDR and will timely publish information on the EGFL website as required under Part 16 of the Commission’s Regulations. See “Core Principle 9 – Timely Publication of Trading Information.”</p>	
<p>Core Principle 12 – Conflicts of Interest The swap execution facility shall— (A) establish and enforce rules to minimize conflicts of interest in its decision-making process; and (B) establish a process for resolving the conflicts of interest.</p>	<p>EGFL’s Governance Policy and Facility Rulebook minimize conflicts of interest in decision making processes and contain methods to ascertain the presence of conflicts of interest and to make decisions in the event of such a conflict. No member of the Board, member of any committee, officer or other person authorised to exercise authority on behalf of EGFL may knowingly participate in any deliberations or vote if such person has a conflict of interest between his or her position with EGFL and such person’s personal interests.</p> <p>In addition, the Facility Rulebook contains limitations on the use and disclosure of material non-public information by Board members and EGFL personnel gained through performance of their duties. The Compliance Manual establishes standards regarding EGFL employee trading, and all EGFL personnel must comply with the Code of Ethics, which addresses, among other things, potential conflicts of interest related to external employment by EGFL affiliates. Furthermore, all EGFL personnel that are employed by an external employer are required to execute EGFL’s standard Secondment Agreement, which requires such persons to comply with obligations stemming from the Act, the Commission’s Regulations and</p>	<p>Governance Policy (Exhibit G) <u>Section 4</u> <i>Conflicts of Interest</i> <u>Section 10.4</u> <i>Regulatory Oversight Committee</i></p> <p>Facility Rulebook (Exhibit M) <u>Rule 103</u> <i>Confidentiality</i> <u>Rule 507</u> <i>Challenge to Members of the Hearing Panel</i></p> <p>Compliance Manual (Exhibit O) <u>Section 4.6.1</u> <i>Personnel Trading</i> <u>Appendix C</u> <i>Code of Ethics</i></p> <p>Secondment Agreement</p>

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	<p>EGFL's Rules.</p> <p>Pursuant to Rule 507, a Respondent may seek to disqualify any individual named as a member to a Hearing Panel for cause, including, without limitation, if the member has a direct financial, personal or other interest in the matter under consideration.</p> <p>EGFL will have a ROC that is composed of 50% Public Directors, and the chairperson of EGFL's ROC will be a Public Director. The ROC oversees EGFL's regulatory program on behalf of the Board. The ROC makes recommendations to the Board. The Board has requested that the ROC assist EGFL in minimising actual and potential conflicts of interest.</p>	<p>(Exhibit N-13)</p>
<p>Core Principle 13 – Financial Resources (A) In general The swap execution facility shall have adequate financial, operational, and managerial resources to discharge each responsibility of the swap execution facility. (B) Determination of resource adequacy The financial resources of a swap execution facility shall be considered to be adequate if the value of the financial resources exceeds the total amount that</p>	<p>EGFL will maintain adequate financial, operational, and managerial resources to discharge each responsibility of EGFL. Specifically, EGFL will maintain assets that exceed the total amount that would enable EGFL to cover its operating costs for a period of at least one year, calculated on a rolling basis, with six months' operating costs being in liquid assets. If any portion of EGFL's financial resources is not sufficiently liquid, capital infusions would be provided by EGFL's parent group for the purpose of meeting the requirement to have six months' operating costs in liquid assets.</p>	<p>Compliance Manual (Exhibit O)</p> <p><i>Section 13 Financial Resources of the Facility; Financial Filings</i></p> <p>Pro Forma Financial Statements (Exhibit I)</p>

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would enable the swap execution facility to cover the operating costs of the swap execution facility for a 1-year period, as calculated on a rolling basis.		

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<p>Core Principle 14 – System Safeguards The swap execution facility shall— (A) establish and maintain a program of risk analysis and oversight to identify and minimize sources of operational risk, through the development of appropriate controls and procedures, and automated systems, that— (i) are reliable and secure; and (ii) have adequate scalable capacity; (B) establish and maintain emergency procedures, backup facilities, and a plan for disaster recovery that allow for— (i) the timely recovery and resumption of operations; and (ii) the fulfillment of the responsibilities and obligations of the swap execution facility; and (C) periodically conduct tests to verify that the backup resources of the swap execution facility are sufficient to ensure continued— (i) order processing and trade matching; (ii) price reporting; (iii) market surveillance and</p>	<p>As a member of the ICAP group, EGFL will adopt ICAP plc’s policies and procedures regarding the establishment of system safeguards and Business Continuity and Disaster Recovery Plan.</p> <p>The ICAP system safeguard policies and procedures address risk management, technology testing and maintenance, information security, system safeguards and security tools, security testing, security incident handling procedures and management processes, quality assurance and test trades. ICAP conducts regular, periodic testing and review of EGFL’s automated systems.</p> <p>The ICAP Business Continuity and Disaster Recovery Plan is designed to ensure that EGFL is able to resume its operations and fulfill its responsibilities and obligations during the next business day following any disruption of its operations through the use of alternate ICAP sites. ICAP conducts regular, periodic testing and review of the Business Continuity and Disaster Recovery Plan. Upon request, the Compliance Function will provide the Commission with a copy of the Business Continuity and Disaster Recovery Plan and any business impact assessments or other relevant documents for the purpose of the Commission maintaining a current profile of EGFL’s automated systems.</p>	<p>Compliance Manual (Exhibit O)</p> <p><i>Section 23 System Safeguards</i> <i>Section 24 Business Continuity and Disaster Recovery Plan</i></p> <p>Technology Questionnaire (Exhibit V)</p>

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(iv) maintenance of a comprehensive and accurate audit trail.		
<p>Core Principle 15- Designation of Chief Compliance Officer</p> <p>(A) In general Each swap execution facility shall designate an individual to serve as a chief compliance officer.</p> <p>(B) Duties The chief compliance officer shall—</p> <p>(i) report directly to the board or to the senior officer of the facility;</p> <p>(ii) review compliance with the core principles in this subsection;</p> <p>(iii) in consultation with the board of the facility, a body performing a function similar to that of a board, or the senior officer of the facility, resolve any conflicts of interest that may arise;</p> <p>(iv) be responsible for establishing and administering the policies and procedures required to be established pursuant to this section;</p> <p>(v) ensure compliance with this chapter and the rules and regulations issued under this</p>	<p>EGFL has designated a CCO. The CCO reports directly to the Chief Executive Officer of the Facility and meets at least annually with the Board. Likewise, the CCO meets with the ROC at least once a quarter to discuss compliance matters. The CCO and CF10 are responsible for ensuring compliance with the Facility Rulebook and policies and procedures, and the CCO will prepare and file annual compliance reports with the Commission.</p> <p>The Governance Policy provides that the Compliance Function’s duties include, but are not limited to: overseeing and reviewing EGFL’s compliance with section 5h of the Act and any related rules adopted by the Commission; in consultation with the Board, resolving any conflicts of interest that may arise; establishing and administering written policies and procedures reasonably designed to prevent violation of the Act and any rules adopted by the Commission; taking reasonable steps to ensure compliance with the Act and Commission Regulations relating to agreements, contracts, or transactions, and with Commission Regulations under section 5h of the Act; establishing procedures for the remediation of noncompliance issues identified by the Compliance Function through a compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint; establishing and following appropriate procedures for handling, management response, remediation, retesting, and closing of noncompliance issues; establishing a</p>	<p>Compliance Manual (Exhibit O)</p> <p><i>Section 11 Role and Duties of the Compliance Function and Market Regulation Staff</i></p> <p><i>Section 12 Regulatory Services Providers</i></p> <p><i>Appendix C Code of Ethics</i></p> <p>Governance Policy (Exhibit G)</p> <p><i>Section 11 Compliance Function</i></p> <p>Organization Chart (Exhibit D)</p>

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<p>chapter, including rules prescribed by the Commission pursuant to this section; and (vi) establish procedures for the remediation of noncompliance issues found during compliance office reviews, look backs, internal or external audit findings, self-reported errors, or through validated complaints.</p> <p>(C) Requirements for procedures In establishing procedures under subparagraph (B)(vi), the chief compliance officer shall design the procedures to establish the handling, management response, remediation, retesting, and closing of noncompliance issues.</p> <p>(D) Annual reports</p> <p>(i) In general In accordance with rules prescribed by the Commission, the chief compliance officer shall annually prepare and sign a report that contains a description of—</p> <p>(I) the compliance of the swap execution facility with this chapter; and</p> <p>(II) the policies and procedures, including the code of ethics and conflict of interest policies, of the swap execution facility.</p>	<p>compliance manual designed to promote compliance with applicable laws, rules and regulations and administering a written code of ethics designed to prevent ethical violations and to promote honesty and ethical conduct; supervising EGFL’s self-regulatory program with respect to trade practice surveillance, market surveillance, real-time market monitoring, compliance with audit trail requirements, enforcement and disciplinary proceedings, audits, examinations and other regulatory responsibilities with respect to Participants (including ensuring compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements); and supervising the effectiveness and sufficiency of any regulatory services provided to EGFL by the NFA or any other registered futures association or other registered entity.</p> <p>The CCO will be responsible for all of the foregoing duties that relate to the Act and the Commission’s Regulations. The CCO also prepares and files any annual compliance reports with the Commission that are required by the Act or Commission Regulations.</p>	

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<p>(ii) Requirements The chief compliance officer shall—</p> <p>(I) submit each report described in clause (i) with the appropriate financial report of the swap execution facility that is required to be submitted to the Commission pursuant to this section; and</p> <p>(II) include in the report a certification that, under penalty of law, the report is accurate and complete.</p>		