

# **GTX SEF LLC RULEBOOK**

ANY MARKET PARTICIPANT THAT DIRECTLY OR INDIRECTLY EFFECTS A TRANSACTION ON GTX, OR ANY MARKET PARTICIPANT ACCESSING OR ENTERING ANY RFQ OR ORDER OR SUBMITTING ANY SWAP INTO GTX OR EXECUTING ANY TRADE PURSUANT TO THE RULES (I) IS BOUND BY, AND SHALL COMPLY WITH THE GTX RULES AND OBLIGATIONS, SWAP SPECIFICATIONS AND APPLICABLE LAW, IN EACH CASE TO THE EXTENT APPLICABLE TO IT, (II) SUBMITS TO THE JURISDICTION OF GTX WITH RESPECT TO ANY AND ALL MATTERS ARISING FROM RELATED TO, OR IN CONNECTION WITH THE STATUS, ACTIONS OR OMISSIONS OF SUCH MARKET PARTICIPANT, AND (III) AGREES TO ASSIST GTX IN COMPLYING WITH ITS LEGAL AND REGULATORY OBLIGATIONS COOPERATE WITH GTX, THE CFTC AND ANY GOVERNMENTAL BODY WITH JURISDICTION OVER GTX IN ANY INQUIRY, INVESTIGATION, AUDIT, EXAMINATION OR PROCEEDING.

**April 7, 2016**

CHAPTER 1. DEFINITIONS.....	10
CHAPTER 2. SEF GOVERNANCE.....	18
RULE 201. Board .....	18
RULE 202. [Reserved] .....	19
RULE 203. [Reserved] .....	19
RULE 204. Regulatory Oversight Committee .....	19
RULE 205. Additional Committees and Panels .....	20
RULE 206. Power of the Board to Review Decisions .....	20
RULE 207. Eligibility.....	20
RULE 208. Officers.....	21
RULE 209. Chief Compliance Officer .....	21
RULE 210. Conflicts of Interest.....	23
RULE 211. Restrictions on Certain Persons who Possess Material, Non- Public Information: Improper Use or Disclosure of Material Non-Public Information.....	25
RULE 212. Emergency Rules .....	26
RULE 213. Information-Sharing Agreements.....	27
RULE 214. Regulatory Services Agreement with the Regulatory Services Provider.....	28
RULE 215. Prohibited Use of Data Collected for Regulatory Purposes.....	28
RULE 216. Pending Legal Proceedings .....	29
CHAPTER 3. PARTICIPANTS .....	30
RULE 301. Participants.....	30
RULE 302. Eligibility Criteria for Becoming a Participant .....	31
RULE 303. Authorized Traders.....	32
RULE 304. Participant Application Process .....	33
RULE 305. Trading Privileges of a Participant.....	34
RULE 306. Customers and Accounts .....	34
RULE 307. Assessments and Fees .....	34
RULE 308. Authorized Representatives .....	35
RULE 309. Notices to Participants.....	35
RULE 310. Communications Between GTX and Participants.....	35
RULE 311. Description of Participant’s Status.....	35
RULE 312. Dissolution of Participants .....	35
RULE 313. Withdrawal of Participant .....	36
RULE 314. ECP and ISV Access .....	36
RULE 315. Legal Certainty for GTX Trades .....	37
CHAPTER 4. MARKET PARTICIPANTS.....	37
RULE 401. Market Participants .....	37
RULE 402. Duties and Responsibilities of Market Participants .....	37
RULE 403. Required Disclosures to GTX .....	38

RULE 404.	Inspections by GTX .....	39
RULE 405.	Minimum Financial and Related Reporting Requirements.....	39
RULE 406.	Confidentiality of Financial and Other Information .....	40
RULE 407.	Authority to Impose Restrictions .....	40
RULE 408.	Disclosure Requirements; Know Your Counterparty Requirements .....	40
RULE 409.	Books and Records.....	40
RULE 409.A.	Market Participant Books and Records.....	40
RULE 409.B.	GTX Books and Records .....	41
RULE 410.	Recording of Communications .....	42
RULE 411.	Compliance with the Commodity Exchange Act.....	42
RULE 412.	Application of GTX Rules and Jurisdiction.....	42
CHAPTER 5. TRADING PRACTICES, REPORTING AND BUSINESS CONDUCT .....		42
RULE 501.	Scope .....	42
RULE 502.	Procedures .....	43
RULE 503.	Business Days and Trading Hours .....	43
RULE 504.	Rule Violations.....	43
RULE 505.	Fraudulent Acts .....	44
RULE 506.	Fictitious, Wash or Non-Competitive Transactions .....	44
RULE 507.	[Reserved] .....	44
RULE 508.	Market Disruption and Market Manipulation .....	44
RULE 509.	Prohibition of Misstatements .....	45
RULE 510.	Acts Detrimental to Welfare of GTX.....	45
RULE 511.	Adherence to Law .....	45
RULE 512.	Use of Trading Privileges.....	45
RULE 513.	Supervision.....	45
RULE 514.	Misuse of GTX.....	45
RULE 515.	Mishandling of Customer Orders.....	45
RULE 516.	Trade Cancellation and Adjustment.....	46
RULE 517.	Withholding Orders Prohibited.....	46
RULE 518.	Priority of Customers' Orders.....	47
RULE 519.	Trading Against Customers' Orders Prohibited.....	47
RULE 520.	Disclosing Orders Prohibited.....	47
RULE 521.	Cross-Trading Prohibited.....	47
RULE 522.	Execution of Orders on GTX .....	47
RULE 523.	Trade Confirmations. ....	48
RULE 524.	Order Entry Requirements .....	49
RULE 524.A.	General .....	49
RULE 524.B.	Customer Type Indicator (CTI) Codes .....	50
RULE 524.C.	Block Trades .....	51
RULE 525.	Position Limits .....	51
To reduce the potential threat of market manipulation or congestion, GTX shall adopt for each of the contracts of the GTX Platform, as is necessary and appropriate, position limitations or position accountability levels for speculators.....		51

RULE 526.	[Reserved] .....	51
RULE 527.	[Reserved] .....	51
RULE 528.	Bunched Orders and Orders Eligible for Post-Execution Allocation .....	51
RULE 529.	Orders Entered Prior to GTX Opening .....	52
RULE 530.	Identification of Authorized Traders.....	52
RULE 531.	Block Trades .....	52
RULE 532.	Reporting to DDR .....	54
RULE 533.	Cleared Swaps .....	56
RULE 534.	Non-Cleared Swaps.....	56
RULE 535.	Risk Controls.....	56
RULE 537.	Fee Schedule .....	58
RULE 601.	General .....	58
RULE 602.	Inquiries and Investigation .....	59
RULE 603.	Reports of Investigations.....	60
RULE 604.	Opportunity to Respond to Investigation Report .....	61
RULE 605.	Review of Investigation Reports .....	61
RULE 606.	Warning Letters.....	62
RULE 607.	Notice of Charges.....	62
RULE 608.	Service of Notice of Charges .....	63
RULE 609.	Answer to Notice of Charges .....	63
RULE 610.	Admission or Failure to Deny .....	63
RULE 611.	Denial of Charges and Right to a Hearing .....	64
RULE 612.	Settlements .....	64
RULE 613.	Hearing Panel .....	65
RULE 614.	Convening Hearings of Disciplinary Proceedings .....	65
RULE 615.	Respondent Review of Evidence .....	66
RULE 616.	Conducting Hearings of Disciplinary Proceedings .....	66
RULE 617.	Decision of Disciplinary Panel.....	68
RULE 618.	Sanctions .....	69
RULE 619.	Costs.....	69
RULE 620.	Right to Appeal Disciplinary Panel Decision, Summary Impositions of Fines and Other Summary Actions .....	70
RULE 621.	Summary Imposition of Fines .....	72
RULE 622.	Summary Suspensions and Other Summary Actions.....	72
RULE 623.	Rights and Responsibilities after Suspension or Termination .....	73
RULE 624.	Notice to the Respondent, the Regulatory Services Provider and the Public ....	74
RULE 625.	CFTC Review.....	74
RULE 626.	CFTC Review.....	74
RULE 627.	Oral Argument .....	75
RULE 628.	Final Decision .....	75
CHAPTER 7. ARBITRATION.....		76
RULE 701	General .....	76
RULE 702	Forum and Arbitration Rules .....	76

RULE 703	Initiating an Arbitration Claim.....	76
RULE 704	Claims Relating to Trade Cancellations or Price Adjustments .....	76
RULE 705	Penalties .....	77
CHAPTER 8 MISCELLANEOUS.....		77
RULE 801.	Anti-Money Laundering and Anti-Terrorism .....	77
RULE 802.	Gifts and Gratuities .....	77
RULE 803.	Market Data.....	77
RULE 805.	Confidentiality.....	78
RULE 806	Extension or Waiver of GTX Rules .....	79
RULE 808.	Swap Contract Specifications .....	79
RULE 809.	Timely Publication of Trading Information .....	80
RULE 810.	Governing Law.....	80
CHAPTER 9 MISCELLANEOUS.....		81
RULE 901.	Limitation Of Liability, No Warranties .....	81
RULE 902.	Indemnification by GTX .....	83

## CHAPTER 1. DEFINITIONS

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

**“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 GTX 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 GTX 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 an applicant to become a Participant whose admission application is declined or is conditioned.

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

**“Appeals Panel”** means a panel appointed by the Chief Compliance Officer pursuant to Rule 620.

**“Applicable Law”** means, with respect to any Person, any statute, law, regulation, rule or ordinance of any Governmental Body or Self-Regulatory Authority applicable to such Person, including the CEA and CFTC Regulations.

**“Authorized Representative”** means any Person who is authorized by a Participant to represent the Participant in SEF matters pursuant to Rule 308.

**“Authorized Trader”** means any natural person who (i) has Trading Access to GTX using a Participant ID and (ii) is assigned a valid Trader ID.

**“Block Trade”** means a single Swap with a size that is at least as large as the Minimum Block Size and that is executed pursuant to Rule 531.

**“Board”** means the Board of Directors of GTX constituted from time to time in accordance with the Operating Agreement.

“**Bunched Orders**” means a single Order placed by an Account Manager for two or more of its Accounts on GTX pursuant to Rule 528.

“**Business Day**” means a day on which GTX is open for trading.

“**CEO**” means the individual appointed by the Board as GTX’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 209.

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

“**CFTC Regulations**” means the rules and regulations promulgated by the CFTC, as amended.

“**Chief Compliance Officer**” means the individual appointed by the Board as GTX’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.

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

“**CLOB**” means an Order Book that will match Orders pursuant to pre-determined, non-discretionary methods.

“**Commodity Interest**” means any commodity futures, commodity option or Swap contract traded on or subject to the rules of a contract market, a SEF or 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 GTX (including the Regulatory Services Provider) that assist GTX with the implementation, surveillance and enforcement of the GTX 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, or otherwise. The terms “controlling” or “controlled” shall have meanings correlative to the foregoing. For this purpose, a Person would be deemed to be controlled by a third party to whom the Person has granted discretionary trading authority.

“**Counterparty**” means a Participant or a Participant’s Account or Customer whose Legal Entity Identifier is reported by GTX to DDR as a counterparty to a Trade.

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

“**Customer**” means any Person who uses a Participant as agent to trade in any Swap on GTX.

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

“**DCM**” means a designated contract market as set forth in section 7 of the CEA.

“**DDR**” means DTCC Data Repository.

“**Derivatives Clearing Organization**” has the meaning attributed to such term by Section 1a(9) of the CEA.

“**Director**” means a member of the Board.

“**Disciplinary Panel**” means one or more Review Panels and one or more Hearing Panels collectively which are responsible for conducting hearings, rendering decisions and imposing sanctions with respect to disciplinary matters.

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

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

“**Eligibility Criteria**” means the criteria set forth in Rule 302(a).

“**Emergency**” means any occurrence or circumstance which, in the opinion of the Board or a Person duly authorized to make the determination, requires immediate action and which threatens, or may threaten, the fair and orderly trading in, or the clearance, settlement or integrity of, any Swap, including, any physical emergency, any circumstance that would materially affect its ability to carry out performance of GTX’s contractual obligations, including the bankruptcy of a service provider, any action taken by a Governmental Body which would have a direct impact on GTX carrying out its functions, and any other circumstance having a severe, adverse effect upon the functioning of GTX.

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

“**Employee**” means any person hired or otherwise employed on a salaried or contract basis by GTX.

“**Executing Dealer**” means a Counterparty who is authorized by a designated Prime Broker to enter into Trades on or pursuant to the rules of GTX with a Prime Broker Client (or its Authorized Representative), acting as agent for a designated Prime Broker.

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

“**Futures Commission Merchant**” or “**FCM**” has the meaning set forth in Section 1a(28) of the CEA.



“**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 Organization.

“**GTX**” means GTX SEF, LLC, a Delaware limited liability company. For purposes of this Rulebook, the term GTX also refers to the electronic trading system established and operated by GTX, or any successor thereto, that is made available by GTX for trading in Swaps.

“**Hearing Panel**” means a panel responsible for adjudicating disciplinary cases pursuant to a Notice of Charges authorized by a Review Panel.

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

“**Introducing Broker**” has the meaning set forth in CFTC Regulation 1.3(mm).

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

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

“**Local Law**” has the meaning attributed to such terms in Rule 810(a)

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

“**Market Participant**” shall have the meaning set forth in Rule 401.

“**Minimum Block Size**” means the minimum size of a particular Swap that may be treated as a Block Trade pursuant to Rule 531, which is at least as large as the “appropriate minimum block size” for that Swap under CFTC Regulation 43.2.

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

“**No-Bust Range**” shall have the meaning set forth in Rule 535.

“**Non-Cleared Swap**” means a Swap that is not (1) subject to the mandatory clearing requirement of Section 2(h)(1)(A) of the CEA or (2) intended to be submitted to a Derivatives Clearing Organization for clearing contemporaneously with execution.

“**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, master confirmation agreements, and incorporated industry definitions.

**“Non-Competitive Transaction”** means a transaction that was not executed on GTX.

**“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 GTX to all Participants as described in Rule 309.

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

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

**“Operating Agreement”** means the operating agreement of GTX.

**“Order”** means (i) a response to a Request For Quote, (ii) a response to a Resting Quote or (iii) the display of a quote on the CLOB.

**“Order Book”** means the trading system or platform operated by GTX in which all Participants have the ability to enter multiple bids and offers, observe or receive bids and offers entered by other Participants, and transact on such bids and offers.

**“Participant”** shall have the meaning set forth in Rule 301.

**“Participant Documentation”** means the agreements (together with any applicable schedules, exhibits or appendices thereto required by GTX) in form and substance acceptable to GTX, that are required to be executed and delivered to GTX before a Person may access GTX as a Participant.

**“Participant ID”** means a unique identifier assigned to a Participant by GTX for participation on GTX.

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

**“Prime Broker”** means a Person that has authorized a Prime Broker Client to submit Orders for, and enter into, Trades on or pursuant to the rules of GTX, as agent for such Person, with one or more designated Executing Dealers.

**“Prime Broker Client”** means a Trade counterparty who, acting as agent for a designated Prime Broker and is authorized by such Prime Broker to enter into a Prime Broker Trade on or pursuant to the rules of GTX with one or more designated Executing Dealers.

**“Prime Broker Client Mirror Trade”** means a Trade, not executed on or pursuant to the rules of GTX, that is entered into by a Prime Broker and a Prime Broker Client, the terms of which mirror the terms of a related Prime Broker Trade entered into on or pursuant to the rules of GTX, subject to associated prime brokerage service fees agreed by the parties.

**“Prime Broker Trade”** means a transaction executed on or pursuant to the rules of GTX by a Prime Broker Client, acting as agent for an identified Prime Broker, with an Executing Dealer that is subject to the condition subsequent that the Prime Broker is not obligated to perform the Trade if its terms fall outside parameters pre-agreed by the Prime Broker, the Executing Dealer and the Prime Broker Client and that, if the Trade within the Executing Dealer is accepted or deemed to be accepted by the Prime Broker and a Prime Broker Mirror Trade would, if entered into, fall within parameters applicable to the Prime Broker Client, obligates the Prime Broker Client and the Prime Broker to execute a Prime Broker Client Mirror Trade.

**“Proprietary Account”** has the meaning ascribed to it by CFTC Regulation 1.3(y).

**“Qualified Account Manager”** means any Person with more than \$25,000,000 in total assets under management that is either: (A) a commodity trading advisor registered pursuant to Section 4n of the Act, or exempt from registration under the Act, or a principal thereof, who has discretionary trading authority or directs Accounts; (B) an investment adviser who has discretionary trading authority or directs Accounts and satisfies the criteria of § 4.7(a)(2)(v) of the CFTC Regulations; or (C) a foreign person who performs a similar role or function as the persons described in paragraphs (h)(6)(i)(A) or (h)(6)(i)(B) of CFTC Regulation 43.6 and is subject as such to foreign regulation.

**“Recipient Participant”** shall have the meaning set forth in Rule 522(c)(i).

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

**“Regulatory Services Agreement”** means the agreement, if any, between GTX 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 GTX.

**“Regulatory Services Provider”** means the organization, if any, which provides regulatory services to GTX pursuant to a Regulatory Services Agreement.

**“Related Commodity Interest”** means any Commodity Interest which is traded on or subject to the rules of a contract market, SEF or linked exchange or other board of trade, exchange, or market, or cleared by a Derivatives Clearing Organization, other than the Self-Regulatory Organization by which a person is employed, and with respect to which:

- (i) Such employing Self-Regulatory Organization has recognized or established intermarket spread margins or other special margin treatment between that other Commodity Interest and a Commodity Interest which is traded on or subject to the rules of the employing Self-Regulatory Organization; or

(ii) 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 person has access to material, nonpublic 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 GTX for the purposes of soliciting a single bid or offer, or a stream of bids or offers, for Swaps.

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

**“Review Panel”** means a panel responsible for determining whether a reasonable basis exists for finding a violation of GTX Rules, and for authorizing the issuance of notices of chargers against persons alleged to have committed violations if the Review Panel believes that the matter should be adjudicated.

**“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 GTX and the interpretations, resolutions, orders and directives and procedures of GTX thereunder as in effect from time to time.

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

**“SEC”** means the U.S. Securities and Exchange Commission.

**“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(a).

**“SEF Activity”** means business for which a Market Participant is subject to the GTX Rules, which is purportedly conducted subject to the GTX Rules, or which should have been conducted subject to the GTX Rules, including Block Trades.

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

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

**“Self-Regulatory Organization”** shall, unless otherwise provided, have the meaning attributed to such term in CFTC Regulation 1.33(ee) and, in addition, shall include a Derivatives Clearing Organization, and a registered futures association. GTX is a Self-

Regulatory Organization.

“**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 traded on GTX or subject to the GTX Rules.

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

“**Swap 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 GTX.

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

“**Trade**” means the execution of any Swap made on GTX or subject to GTX Rules.

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

“**Trader ID**” means a unique identifier issued to each Authorized Trader which enables GTX to identify the individual entering RFQs or Orders into GTX.

“**Trading Access**” means the right to use the Trading Privileges of a Participant.

“**Trading Account**” means, with respect to each Participant, Account or Customer, each account established and maintained by such Participant at GTX through which the Participant’s Authorized Traders will trade Swaps and through which GTX will monitor the open Swap positions and closed Swap positions of such Participants, Account or Customers.

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

“**Trading Privileges**” means the right to send RFQs, place Orders and/or execute Swaps on GTX or subject to the GTX Rules. No Person may exercise Trading Privileges on behalf of a Participant during any suspension of such Participant’s Trading Privileges.

“**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 GTX Rules:

- (i) the headings in the GTX Rules are for convenience only and do not affect the construction of the GTX Rules;
- (ii) all references to time in the GTX Rules are to local time in New York, New York, except where expressly provided otherwise;
- (iii) in the GTX Rules, words denoting a singular number include the plural number where the context permits and vice versa;
- (iv) where the context permits or requires, any pronoun shall include the corresponding masculine, feminine and neuter forms;
- (v) forms of the word “include” mean that the inclusion is not limited to the items listed;
- (vi) “or” is disjunctive but not exclusive;
- (vii) references in the GTX Rules to statutory provisions include those provisions as amended, and any rules or regulations promulgated thereunder.

## **CHAPTER 2. SEF GOVERNANCE**

### **RULE 201. Board**

- (a) The Board shall manage the day-to-day business operations of GTX in accordance with the Operating Agreement and Applicable Law. 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 related to the day to day business operations of GTX.
- (b) Pursuant to Section 3.1(b) of the Operating Agreement, the Board must consist of at least three (3) Directors at all times. The Board may act only by the decision of an absolute majority in number of the Directors at any duly constituted meeting, if a quorum is present, by vote at such meeting, by unanimous Written consent without a meeting, or as otherwise set forth in the Operating Agreement.
- (c) Each Director is entitled to indemnification pursuant to the Operating Agreement with respect to matters relating to GTX.
- (d) Each Director shall satisfy all fitness standards and otherwise meet all the requirements to serving as a director of a SEF.
- (e) The Board shall have procedures, as may be further set forth in policies that GTX may adopt, to remove a member from the Board where the conduct of such member is likely to be prejudicial to the sound and prudent management of GTX.

**RULE 202. [Reserved]**

**RULE 203. [Reserved]**

**RULE 204. Regulatory Oversight Committee**

(a) The Regulatory Oversight Committee of the Board shall consist of one (1) Director appointed from time to time by the Board.

(b) Each member of the Regulatory Oversight Committee shall serve for a term of two calendar years from the date of their appointment or for the remainder of their term as a Director, and until the due appointment of his or her successor, or until his or her 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.

(c) The Regulatory Oversight Committee shall oversee GTX's regulatory program 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. It shall make such recommendations to the Board as will, in its judgment, best promote the interests of GTX. The Regulatory Oversight Committee shall also have such other powers and perform such other duties as set forth in the GTX Rules and as the Board may delegate to it from time to time.

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

(1) Monitor the regulatory program of GTX for sufficiency, effectiveness, and independence;

(2) Oversee all facets of the regulatory program, including:

i. Trade practice and market surveillance; audits, examinations, and other regulatory responsibilities with respect to Market Participants (including compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements); and the conduct of investigations and imposition of sanctions;

ii. Reviewing the size and allocation of the regulatory budget and resources, and the number, hiring, termination, and compensation of regulatory personnel;

iii. Recommending changes that would ensure fair, vigorous, and effective regulation; and

iv. Reviewing all regulatory proposals prior to implementation

and advising the Board as to whether and how such changes may impact GTX's discharge of its regulatory responsibilities.

- (e) The Regulatory Oversight Committee reports to the Board.

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

#### **RULE 206. Power of the Board to Review Decisions**

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

#### **RULE 207. Eligibility**

(a) A Director must meet the qualifications set forth from time to time in the Operating Agreement.

(b) An individual may not serve as a Director or serve on a committee established by the Board or 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, 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 or probation, or owes any portion of a fine or penalty related to either;
  - 1. a finding of a disciplinary offense by a final decision in any action or proceeding brought in a court of competent jurisdiction, the CFTC, or any Self-Regulatory Organization; or
  - 2. a settlement agreement in which any of the findings or, in the absence of



- such findings, any of the acts charged included a disciplinary offense;
- (iv) is currently subject to an agreement with the CFTC or Self-Regulatory Organization not to apply for registration with the CFTC or for membership in the Self-Regulatory Organization;
  - (v) is currently, or within the past three (3) years has been, subject to a revocation or suspension of registration by the CFTC;
  - (vi) has been convicted of a felony listed in Section 8a(2)(D)(ii) through (iv) of the CEA; or
  - (vii) is currently subject to a denial, suspension or disqualification from serving on a disciplinary committee, arbitration panel or appeals panel governing board of any Self-Regulatory Organization.

(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 CEO if such individual meets one or more of the criteria in Rule 207(b).

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

#### **RULE 208. Officers**

The Board shall appoint a CEO, a Chief Compliance Officer, one or more vice presidents, a secretary, a treasurer, and such other officers of GTX (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 GTX 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 GTX.

#### **RULE 209. Chief Compliance Officer**

(a) The Board shall appoint and approve the Chief Compliance Officer. The Board shall approve the compensation of the Chief Compliance Officer. The vote of the majority of the Board is required to remove the Chief Compliance Officer. GTX shall notify the CFTC of the appointment or removal of the Chief Compliance Officer within two Business Days of such appointment. The Chief Compliance Officer shall report directly to the Board.

(b) The individual designated to serve as Chief Compliance Officer shall have the background and skills appropriate for fulfilling the responsibilities of the position. No individual disqualified from registration pursuant to Sections 8a(2) or 8a(3) of the CEA may serve as a Chief Compliance Officer. The Chief Compliance Officer may not be a member of GTX’s legal department and may not serve as its general counsel.

(c) The Board shall meet with the Chief Compliance Officer at least annually. The Chief Compliance Officer shall also meet with the Regulatory Oversight Committee at least

quarterly. Each such meeting may occur in person or by means of telephone conference. The Chief Compliance Officer shall provide any information regarding the regulatory program of GTX that is requested by the Board or the Regulatory Oversight Committee.

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

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

(i) Overseeing and reviewing the compliance of GTX with Section 5h of the Act and applicable CFTC Regulations;

(ii) In consultation with the Board or the senior officer of GTX, resolving any conflicts of interest that may arise, including: (1) conflicts between business considerations and compliance requirements; (2) conflicts between business considerations and the requirement that GTX provide fair, open, and impartial access as set forth in CFTC Regulation 37.202; and (3) conflicts between GTX's management and members of the Board;

(iii) Establishing and administering Written policies and procedures reasonably designed to prevent violation of the Act and Rules adopted by the CFTC;

(iv) Taking reasonable steps to ensure compliance with the Act 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 noncompliance issues identified by the Chief Compliance Officer through a compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint;

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

(vii) Establishing and administering a compliance manual designed to promote compliance with the Applicable Law Rules, and regulations and administering a Written code of ethics designed to prevent ethical violations and to promote honesty and ethical conduct;

(viii) Supervising GTX's compliance program with respect to trade practice surveillance; market surveillance; real-time market monitoring; compliance with audit trail requirements; enforcement, disciplinary, and appeals proceedings; audits and examinations conducted by the Regulatory Services Provider, and other regulatory

responsibilities with respect to Market Participants (including ensuring compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements);

(ix) Supervising the effectiveness and sufficiency of any regulatory services provided to GTX by the Regulatory Services Provider; and

(x) Preparing and filing the annual compliance report of GTX.

## **RULE 210. Conflicts of Interest**

(a) A Director, Officer, panel member or other Person (a “**Relevant Person**”) authorized to exercise GTX’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, a “**SEF Proceeding**”) who knowingly has a “material conflict of interest” between his or her position as a Director, Officer, panel member or exercise of authority concerning any SEF Proceeding and his or her personal interests (each, an “**Interested Person**”) may not participate in any deliberations or vote of the Board Committee or panel or exercise any authority in any SEF Proceeding involving his or her personal interest, except as described in Rule 210(d).

(b) For purposes of Rule 210(a), a “material conflict of interest” includes a Relevant Person’s:

- (i) being named as a respondent or potential respondent in a SEF Proceeding;
- (ii) being an employer, employee or fellow employee 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;
- (iv) having a family relationship with a respondent or potential respondent in a SEF Proceeding; and/or
- (v) knowingly having a direct and substantial financial interest in the result of the deliberations or vote. 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.

(c) Before considering any SEF Proceeding, a Relevant Person must disclose to the Chief Compliance Officer whether he or she has one of the relationships listed in Rule 210(b). The Chief Compliance Officer will evaluate the actual or potential conflict, and will determine what course of action, if any, GTX must take, which may include disclosure to the Board. Such determination should be based upon information provided by the Relevant Person and any other source of information that is held by and reasonably available to GTX, including those factors set forth in CFTC Regulation 1.69(b)(2)(iv). The Chief Compliance Officer’s

determination should also include a review of the factors set forth in CFTC Regulation 1.69(b)(2)(iii).

If the Chief Compliance Officer determines that disclosure to the Board or other governing body is appropriate, the Interested Person must, upon request, provide all facts to the Chief Compliance Officer, the Board or members of any committee of the Board, as applicable, considering the possible conflict of interest. After all facts are provided, such director shall recuse himself or herself from the Board, the committee of the Board or other governing body, as applicable, and shall not participate in the final deliberation or decision regarding the matter under consideration while the determination of a conflict of interest is discussed and voted upon. The remaining Board, committee or governing body members, as applicable, and the Chief Compliance Officer shall decide if a conflict of interest exists, and the appropriate course of action GTX should take.

(d) Any Interested Person who would be required otherwise to abstain from deliberations and voting pursuant to Rule 210(a)(v) as a result of having a direct and substantial financial interest in the result of the deliberations and vote may participate in deliberations, prior to a vote on the matter (but may not vote on the matter), if the Board determines that the participation by the Interested Person would be consistent with the public interest and the Interested Person recuses himself or herself from voting on such action. In doing so, the Board shall consider the following factors:

- (i) Whether the Interested Person's participation in deliberations is necessary for the deliberating body to achieve a quorum in the matter; and
- (ii) Whether the Interested Person has unique or special expertise, knowledge or experience in the matter under consideration.

(e) Prior to any determination pursuant to Rule 210(d), the Board must fully consider the position information which is the basis for the Interested Person's direct and substantial financial interest in the result of a vote on a significant action pursuant to Rules 210(a)(v) and (d).

(f) If a determination is made pursuant to Rule 210(d) that an Interested Person may participate in deliberations prior to a vote, then the minutes of the meeting of the Board or committee thereof will:

- (i) document that the conflicts determination procedures required by this Rule 210 have been followed;
- (ii) include the names of all Persons who attended the meeting in person or who otherwise were present by electronic means;
- (iii) include the name of any Person who voluntarily recused himself or herself or was required to abstain from deliberations and/or voting on a matter and the reason for the recusal or abstention, if stated; and
- (iv) include information on the position information that was reviewed for each Person.

(g) If the Chief Compliance Officer or the Board has reasonable cause to believe an Interested Person has failed to disclose actual or possible conflicts of interest, the Chief Compliance Officer or the Board shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose. If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the Chief Compliance Officer and the Board determine the Interested Person has failed to disclose an actual or possible conflict of interest, the Chief Compliance Officer and the Board shall take appropriate action.

(h) All Interested Persons shall disclose any existing and pending memberships on any board of directors or a similar body for an outside company or Governmental Body. Helping the community by serving on boards of non-profit or community organizations is encouraged, and does not require disclosure or waiver.

(i) No Interested Person may take for themselves opportunities that rightfully belong to GTX. These opportunities rightfully belong to GTX when, for example, the opportunity is in the same general line of business as GTX's business, GTX has pursued the opportunity, GTX has been offered the opportunity, GTX has funded the opportunity or GTX has devoted facilities or personnel to develop the opportunity. Any situation in which an Interested Person might wish to engage in an activity that might be considered such an opportunity should discuss the matter with the Chief Compliance Officer.

(j) The minutes of meetings of the Board shall contain the following:

- (i) The names of the Persons who disclosed or otherwise were found to have an actual or possible conflict of interest, the nature of the conflict of interest, any action taken to determine whether a conflict of interest was present, the Chief Compliance Officer's and the Board's decision as to whether a conflict of interest in fact existed, and the recommended course of action to resolve any conflict; and
- (ii) The names of the Persons who were present for discussions and votes relating to the transaction or arrangement that presents a possible conflict of interest, the content of the discussion, including any alternatives to the transaction or arrangement, and a record of any votes taken in connection with the proceedings.

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

No member of the Board or of any Board committee, no member of any other committee of the Company, no Officer of GTX, no Employee of GTX and no consultant to GTX shall:

(a) trade for such Person's own account, or for or on behalf of any other account, in any Commodity Interest on the basis of any material, non-public information;

(b) use or disclose, for any purpose other than the performance of such Person's official duties, any material, non-public information obtained by such Person as a result of such Person's official duties, provided, however, that this Section shall not prohibit disclosures made by such Person in the course of his or her official duties or disclosures made to the CFTC, any Self-Regulatory Organization, a court of competent jurisdiction or any agency or department of the federal or state government; or

(c) trade, directly or indirectly, in any Swap traded on GTX; in any Related Commodity Interest;

#### **RULE 212. Emergency Rules**

(a) During an Emergency, the Board may implement temporary emergency procedures and rules ("**Emergency Rules**"), subject to the applicable provisions of the CEA and CFTC Regulations. Emergency Rules may require or authorize GTX, the Board, any committee of the Board, the CEO, or any other Officer to take actions necessary or appropriate to respond to the Emergency, including the following actions, after coordination with the CFTC, if possible:

- (i) pausing, halting, suspending or curtailing trading or limiting trading to liquidation only (in whole or in part);
- (ii) extending or shortening the last trading date for Swaps;
- (iii) providing alternative settlement mechanisms;
- (iv) temporarily modifying or suspending any provision of the GTX Rules or Obligations;
- (v) imposing or modifying price limits;
- (vi) imposing, modifying or reducing position limits; and/or
- (vii) ordering the liquidation or transfer of an open position in any Swap, or the reduction of such positions.

(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. Directors may attend such a meeting by teleconference. If the CEO determines that Emergency Rules must be implemented with respect to an Emergency before a meeting of the Board can reasonably be convened, then the CEO shall have the authority, without Board action, to implement any Emergency Rules with respect to such Emergency that he or she deems necessary or appropriate to respond to such Emergency. The Board shall thereafter ratify the CEO action.

(c) Whenever GTX, the Board, any committee of the Board, or the CEO takes actions necessary or appropriate to respond to an Emergency (including the actions set forth in paragraph (a) above), an Authorized Representative of GTX, where possible, will ensure that an announcement is posted in a Notice to Participants. When the Board, any committee of the Board or the CEO determines that the Emergency is no longer in effect, permitting GTX to resume normal functioning; any such actions responding to an Emergency will be terminated.

(d) GTX will use reasonable efforts to notify the CFTC prior to implementing, modifying or terminating an Emergency Rule. If such prior notification is not possible or practicable, GTX will 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, GTX will document the decision-making process related to such action. Such documentation will be kept for at least five years following the date on which the Emergency ceases to exist or to affect GTX, and all such documentation will be provided to the CFTC upon request.

### **RULE 213. Information-Sharing Agreements**

(a) GTX may enter into information-sharing agreements or other arrangements or procedures necessary to allow GTX to obtain any necessary information to perform any monitoring or trading and trade processing, provide information to other markets, the CFTC or any other Governmental Body with jurisdiction over GTX upon request and which allows GTX 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, GTX may, in its part:

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

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

(iv) require its current or former Market Participants to provide information and documents to GTX at the request of other markets with which GTX has an information-sharing agreement or other arrangements or procedures.

(b) GTX may enter into any arrangement with any Person or body (including the CFTC, the NFA, any Self-Regulatory Organization, any SEF, DCM, market, or clearing organization, or foreign regulatory authority) if GTX 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.

(c) GTX may disclose to any Person or entity information concerning or associated with a Market Participant that GTX believes is necessary and appropriate in exercising a legal or regulatory function, whether or not a formal arrangement governing the disclosure exists or a request for information was made. GTX will not disclose any proprietary data or personal information of any Market Participant without a corresponding confidentiality agreement between such Person, GTX and any applicable Market Participant, unless the Person requesting such information is a Governmental Body or GTX is prohibited from notifying the Market Participant by Applicable Law.

#### **RULE 214. Regulatory Services Agreement with the Regulatory Services Provider**

(a) GTX may choose to contract with a Regulatory Services Provider for the provision of services to assist in complying with the core principles and other regulatory responsibilities, as approved by the CFTC. If GTX chooses to contract with a Regulatory Services Provider, it will ensure that the Regulatory Services Provider has the capacity and resources necessary to provide timely and effective regulatory services, including adequate staff and automated surveillance systems.

(b) If GTX chooses to contract with a Regulatory Services Provider, GTX will at all times remain responsible for the performance of any regulatory services received, for compliance with GTX's obligations under the CEA and CFTC regulations, and for the Regulatory Services Provider's performance on its behalf.

(c) If GTX chooses to contract with a Regulatory Services Provider, GTX will retain exclusive authority in all substantive decisions made by its Regulatory Services Provider, including but not limited to decisions involving the cancellation of trades, the issuance of disciplinary charges against Market Participants, and denials of access to GTX for disciplinary reasons. GTX shall document any instances where its actions differ from those recommended by its Regulatory Services Provider.

#### **RULE 215. Prohibited Use of Data Collected for Regulatory Purposes**

GTX 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, for the purpose of fulfilling its regulatory obligations; provided, however, that GTX may use such data or information for business or marketing purposes if the Person from whom it collects or receives such data or personal information clearly consents to GTX's use of such data or information in such manner. GTX shall not condition access to its market(s) or market services on a Person's consent to GTX's use of proprietary data or personal information for business or marketing purposes. Where necessary for regulatory purposes, GTX may share such data or information with one or



more SEFs, DCMs, Derivatives Clearing Organizations or other regulatory bodies registered with the CFTC, as applicable.

**RULE 216. Pending Legal Proceedings**

- (a) GTX shall submit to the CFTC copies of the complaint, any dispositive or partially dispositive decision, any notice of appeal filed concerning such decisions and such further documents as the CFTC may thereafter request filed in any material legal proceeding to which GTX is a party or its property or assets is subject.
- (b) GTX shall submit to the CFTC copies of the complaint, any dispositive or partially dispositive decision, any notice of appeal filed concerning such decisions and such further documents as the CFTC may thereafter request filed in any material legal proceeding instituted against any officer, director, or other official of the contract market arising from conduct in such person's capacity as a contract market official and alleging violations of:
  - (i) The act or any rule, regulation, or order thereunder;
  - (ii) the constitution, bylaws or rules of the contract market; or
  - (iii) the applicable provisions of state law relating to the duties of officers, directors, or other officials of business organizations.
- (c) All documents required by this section to be submitted to the CFTC shall be mailed via first-class or submitted by other more expeditious means to the CFTC's headquarters office in Washington, DC, Attention: Office of the General Counsel. All complaints required by this section to be submitted to the CFTC shall be mailed to the CFTC within 10 days after the initiation of the legal proceedings to which they relate, all decisions required to be submitted by contract markets shall be mailed within 10 days of their date of issuance, all notices of appeal required to be submitted by GTX shall be mailed within 10 days of the filing or receipt by GTX of the notice of appeal. For purposes of paragraph (a) and (b) of this Rule, a "material legal proceeding" includes but is not limited to actions involving alleged violations of the Commodity Exchange Act or the CFTC's regulations. However, a legal proceeding is not "material" for the purposes of this Rule if the proceeding is not in a federal or state court or if the CFTC is a party.

**RULE 217. Composition of Board and Major Disciplinary Committees.**

- (a) GTX shall maintain in effect standards and procedures with respect to its Board which have been submitted to the CFTC:
  - (1) That twenty percent or more of the regular voting members of the Board are persons who:
    - (i) Are knowledgeable of Swaps trading or financial regulation or are otherwise capable of contributing to Board deliberations; and

- (ii) Are not:
  - (A) Participants of GTX,
  - (B) currently salaried Employees of GTX,
  - (C) primarily performing services for GTX in a capacity other than as a member of the Board, or
  - (D) officers, principals or employees of a firm which holds a membership in GTX either in its own name or through an employee on behalf of the firm; and
- (2) That the Board's membership includes a diversity of membership interests;
- (b) GTX shall maintain in effect rules with respect to its major disciplinary committees which have been submitted to the CFTC that ensure:
  - (1) That at least one member of each major disciplinary committee or hearing panel thereof be a Person who is not a Participant of GTX whenever such committee or panel is acting with respect to a disciplinary action in which:
    - (i) The subject of the action is a member of GTX's:
      - (A) Board, or
      - (B) Major disciplinary committee; or
    - (ii) Any of the charged, alleged or adjudicated GTX rule violations involve:
      - (A) Manipulation or attempted manipulation of the price of a Swap, or
      - (B) Conduct which directly results in financial harm to a non-Participant of GTX;
  - (2) That each major disciplinary committee or hearing panel thereof include sufficient different membership interests so as to ensure fairness and to prevent special treatment or preference for any person in the conduct of a committee's or the panel's responsibilities.
- (c) GTX shall submit to the CFTC within thirty days after each Board election a list of the Board's members, the membership interests they represent and how the composition of the Board otherwise meets the requirements of CFTC Regulation 1.64(b) and GTX's implementing standards and procedures.

### **CHAPTER 3. PARTICIPANTS**

#### **RULE 301. Participants**

A Participant is any Person that has been granted, and continues to have, Trading Privileges under the GTX Rules. A reference to a Participant includes any Person who is either employed by or is an agent of such Participant (including, but not limited to an Authorized Trader) any person who accesses or utilizes GTX pursuant to a Trader ID linked to a Participant. For the avoidance of doubt, a Participant is a “member” for the purpose of the definition of that term in CEA Section 1a(34). Subject to the Applicable Law, a Participant may trade for its own proprietary account or for or on behalf of a Customer or Account. An ISV cannot be a Participant.

**RULE 302. Eligibility Criteria for Becoming a Participant**

(a) To be eligible for admission as a Participant, an applicant must demonstrate to the satisfaction of GTX that it:

- (i) is an ECP and each Account or Customer on whose behalf it wishes to trade on GTX is an ECP in each case eligible to enter into the asset classes of Swaps it wishes to trade on GTX;
- (ii) is of good reputation and business integrity;
- (iii) maintains adequate financial resources and credit;
- (iv) is validly organized, in good standing, and authorized by its governing body and, if relevant, documents of organization, to trade Swaps;
- (v) has not filed for bankruptcy;
- (vi) is not a SEF Official, agent or Affiliate of GTX;
- (vii) is not prohibited from using the services of GTX for any reason whatsoever;
- (viii) holds all registrations required under Applicable Law, if any;
- (ix) is not subject to statutory disqualification under Section 8a(2) of the CEA;
- (x) satisfies any other criteria that GTX may require from a Participant to perform its SRO responsibilities, comply with Applicable Law or provide SEF services;
- (xi) is not an individual; and
- (xii) is not an ISV or an automated trading system.

(b) Once admitted, the Participant shall continue to comply with all applicable Eligibility Criteria in this Rule 302.

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

(d) Each Participant must provide GTX with all information necessary for GTX to establish Trading Accounts and keep such information current and up-to-date

(e) GTX shall monitor its Participants to ensure that each Participant continues to qualify as an ECP.

(f) Upon request of GTX, a Participant shall provide to GTX or its Regulatory Services Provider such information about its Customers, Accounts and Authorized Traders as GTX requests related to or in connection with the SEF Activity of such Customers, Accounts and Authorized Traders, including but not limited to, the names and dates of birth of its Authorized Traders.

### **RULE 303. Authorized Traders**

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

Each Authorized Trader of a Participant:

(i) must be a natural person;

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

(iii) must have a Trader ID.

A Participant that authorizes a third party to trade for its Trading Account on a discretionary basis pursuant to a power of attorney or other instrument must identify or approve a specific natural person as its Authorized Trader with respect to such Trading Account.

(b) Without limiting the foregoing, each Authorized Trader will abide by the GTX Rules and Applicable Law and each Participant 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 technically proficient; and

(iii) each of its Authorized Traders will conduct its business in accordance with the GTX Rules.

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

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

(ii) ensure that any SEF Activity conducted under any Trader ID assigned to him or her complies with all GTX Rules and Obligations.

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

(e) GTX will promptly notify a Participant in Writing of the approval of nominated Authorized Traders or if GTX declines to approve the nomination.

(f) GTX will maintain a list of all appointed Authorized Traders for each Participant.

(g) To request the termination of the designation of an Authorized Trader, the Participant or the Authorized Trader must notify GTX following the procedures established by GTX. GTX will terminate access of such Authorized Trader to GTX immediately upon receipt of such notice from Participant.

(h) Upon termination, revocation or suspension of an Authorized Trader, GTX will disable access of such Authorized Trader to GTX.

#### **RULE 304. Participant Application Process**

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

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

(c) If GTX decides to admit an application as a Participant, it shall promptly notify the applicant and state in such notice the date on which the applicant shall become a Participant.

(d) GTX may deny or condition Participant status of any Person if: (i) Such Person is unable to satisfactorily demonstrate its ability to satisfy the Eligibility Criteria in Rule 302(a) to become or remain a Participant; (ii) Such Person is unable to satisfactorily demonstrate its capacity to adhere to all applicable GTX Rules; or (iii) Such Person would bring GTX into disrepute as determined by GTX in its sole discretion.

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

(f) Upon admission as a Participant, the Participant must execute such Participant Documentation as required from time to time by GTX, and such Participant Documentation must remain in effect for the Participant to access GTX.

#### **RULE 305. Trading Privileges of a Participant**

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, GTX, or right to share in the profits, of GTX. A Participant may not transfer or assign its status as a Participant.

#### **RULE 306. 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 GTX Rules.

(b) Each Participant must: (1) ensure 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 GTX 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 GTX Rules and any other arrangements, provisions and directions given by GTX; and (4) provide GTX and its agents, including its Regulatory Services Provider, access to all information in connection with or related to its SEF Activity necessary for monitoring and enforcement of GTX Rules.

#### **RULE 307. Assessments and Fees**

GTX shall set the times and amounts of any assessments or fees to be paid by Participants, which assessments or fees shall be paid to GTX when due, upon reasonable notice. GTX shall provide Participants with reasonable prior notice before any change in any assessment or fee. 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 days after its due date, GTX may suspend, revoke, limit, condition, restrict or qualify the Trading Privileges of such Participant as it deems necessary or appropriate.

### **RULE 308. Authorized Representatives**

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

### **RULE 309. Notices to Participants**

GTX shall publish a notice with respect to each addition to, modification of, or clarification of, the GTX Rules or of any action to implement any GTX 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 (each a “**Notice to Participants**”). For purposes of publication in accordance with the first sentence of this Rule 309, it shall be sufficient (without limiting the discretion of GTX as to any other reasonable means of communication) if a Notice to Participants is published on GTX’s website after electronic mail notice to a designated representative of Participant of such publication. Any Notice to Participants shall also be deemed to have been made to all relevant Market Participants..

### **RULE 310. Communications Between GTX and Participants**

Each Participant must provide GTX 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 24 hours) update this information whenever it changes. All communications between GTX and the Participant will be transmitted by electronic mail and/or posted on GTX’s website, except as otherwise specified by GTX. The Participant shall be responsible for conveying such communications to its Authorized Persons and/or to its Account Managers. Each Participant will be responsible for promptly reviewing and, if necessary, responding to all electronic communications from GTX to the Participant or any other relevant Market Participant 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 relevant Market Participants.

### **RULE 311. Description of Participant’s Status**

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

### **RULE 312. Dissolution of Participants**

- (a) All rights and privileges of a Participant terminate upon, and all obligations of a

Participant shall survive, the death or incapacity of the Participant (if an individual) or the dissolution of the Participant (if an entity).

(b) If a Participant is an entity and any Person holds, or has a direct or indirect beneficial interest in, the Participant of (i) fifty percent (50%) or more of any class of equity or other membership, partnership or similar interest, or (ii) fifty percent (50%) or more of any class of equity or other membership, partnership or similar interest in a company that directly or indirectly holds, or has a beneficial interest in, fifty percent (50%) or more of any class of equity or other membership, partnership or similar interest of the Participant, then the Participant must notify GTX in writing within seven (7) calendar days of learning the identity of the Person or any change in the identity, holdings or interest of the Person.

(c) Once GTX receives a notice from a Participant pursuant to Rule 313(b), GTX shall determine the continued eligibility of the Participant to continue as a Participant on GTX. In connection with the determination of the Participant's continued eligibility, GTX may require the Participant to use the form, provide the information, and follow the procedures established by GTX. If, after completing its review, GTX determines that the Participant does not continue to satisfy the applicable criteria in Rule 302, GTX shall terminate the rights of the Participant.

#### **RULE 313. Withdrawal of Participant**

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

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

#### **RULE 314. ECP and ISV Access**

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

(b) GTX will provide ISVs with access to its trading platform and its data in a fair and non-discriminatory manner; provided, however, that each ISV shall comply with GTX's criteria governing such access. Such access criteria shall be impartial and transparent. All ISVs will be subject to a comparable fee structure and will receive comparable access to, or services from, GTX.



### **RULE 315. Legal Certainty for GTX Trades**

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

- a. a violation by GTX of the provisions of Section 5h of the Act or CFTC Regulations;
- b. any CFTC proceeding to alter or supplement a Rule, term or condition under section 8a(7) of the Act or to declare an emergency under section 8a(9) of the Act; or
- c. any other proceeding the effect of which is to:
  - (i) alter or supplement a specific term or condition or trading rule or procedure; or
  - (ii) require GTX to adopt a specific term or condition, trading rule or procedure, or to take or refrain from taking a specific action.

## **CHAPTER 4. MARKET PARTICIPANTS**

### **RULE 401. Market Participants**

A Market Participant is a Person that directly or indirectly effects transactions on GTX, including Persons with Trading Privileges on GTX and Persons whose trades are intermediated. For the avoidance of doubt, Accounts, Account Managers, Authorized Traders, Customers, Counterparties and Participants are all considered Market Participants.

### **RULE 402. Duties and Responsibilities of Market Participants**

- (a) Each Market Participant shall:
  - (i) ensure that GTX's facilities are used in a responsible manner and are not used for any improper purpose;
  - (ii) ensure that only GTX's facilities are used only to conduct SEF Activity;
  - (iii) ensure that all SEF Activity conducted by the Market Participant is performed in a manner consistent with the GTX Rules and their respective Obligations;
  - (iv) comply with all GTX Rules and Obligations and act in a manner consistent with each GTX Rule and Obligation;
  - (v) observe high standards of integrity, market conduct 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 GTX;
  - (vi) not mislead or conceal any material fact or matter in any dealings or filings with

GTX or in response to any SEF Proceeding; and

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

#### **RULE 403. Required Disclosures to GTX**

Each Market Participant shall, as soon as reasonably practicable, notify the Compliance Department upon becoming aware of any of the following events:

- (a) any material change to the contact information provided to GTX by the Market Participant;
- (b) any damage to, or failure or inadequacy of, the systems, facilities or equipment of the Market Participant to effect transactions, directly or indirectly, pursuant to the GTX Rules or to timely perform the Market Participant's financial obligations under or in connection with Swaps of such Market Participant;
- (c) any refusal of admission to, or involuntary withdrawal by the Market Participant of any application for membership in, any Self-Regulatory Organization, SEF or Derivatives Clearing Organization;
- (d) any expulsion, suspension or fine in excess of \$100,000 (whether through an adverse determination, voluntary settlement or otherwise) imposed on the Market Participant by any Self-Regulatory Organization, SEF, DCM, Derivatives Clearing Organization or relevant regulatory or Governmental Body;
- (e) any revocation, suspension or conditioning of any registration or license granted by any regulatory or Governmental Body;
- (f) (A) the commencement of any judicial or administrative proceeding against the Market Participant or (B) the imposition of any fine in excess of \$100,000, cease and desist order, denial of trading privileges, censure or other sanction or remedy (whether through an adverse determination, voluntary settlement or otherwise) imposed by any Self-Regulatory Organization, SEF, 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 Market Participant 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 Market Participant's or a 10% or greater owner of the Market Participant becoming the subject of a petition for bankruptcy;

- (i) the appointment of a receiver, trustee or administrator for the Market Participant or a 10% or greater owner of the Market Participant;
- (j) the presentment of a petition, or the passing of a resolution, for the Market Participant's or a 10% or greater owner of the Market Participant winding-up;
- (k) the commencement of proceedings for the Market Participant's or a 10% or greater owner of the Market Participant dissolution; or
- (l) the occurrence of an event of insolvency with respect to the Market Participant or a 10% or greater owner of the Market Participant.

**RULE 404. Inspections by GTX**

- (a) GTX (or the Regulatory Services Provider or other Authorized Representatives), shall have the right with such prior reasonable advance notice as is practicable under the circumstances, subject to the confidentiality provisions in this Rulebook, in connection with determining whether all GTX Rules and Obligations are being, will be, or have been complied with by a Market Participant, to:
  - (i) Inspect the books and records of the Market Participant relating to SEF Activity;
  - (ii) inspect systems, equipment and software of any kind operated by the Market Participant in connection with SEF Activity, wherever located;
  - (iii) access, either physically or electronically, the systems, equipment, software relating to SEF Activity, and the premises on which the systems, equipment, and software are located, any data stored in any of the systems or equipment, during the regular business hours and the Trading Hours of GTX;
  - (iv) remove, copy or reproduce any data to which GTX has access under this Rule.
- (b) Each Market Participant shall provide the Regulatory Services Provider with the same access to their books and records and offices as they are required to provide to GTX under the GTX Rules and Applicable Law.
- (c) The Compliance Department may require a Market Participant to furnish (periodically or on a particular occasion) information concerning the Market Participant's SEF Activity.

**RULE 405. Minimum Financial and Related Reporting Requirements**

Each Market 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 406. Confidentiality of Financial and Other Information**

All information and data obtained or received by the Compliance Department from inspections of accounting and other records, quarterly balance sheets and declarations or reports on financial condition will be treated as confidential by GTX; 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 407. Authority to Impose Restrictions**

Whenever a Market Participant is subject to the early warning requirements set forth in the CFTC Regulations, including CFTC Regulation 1.12, the CEO, or his or her designee, may impose such conditions or restrictions on the business and operations of such Market Participant as the CEO, or his or her designee, may deem necessary or appropriate for the protection of Customers, other Market Participants or GTX.

**RULE 408. Disclosure Requirements; Know Your Counterparty Requirements**

(a) Any Swap Dealer or Major Swap Participant that is a Counterparty to a Swap executed on or subject to the rules of GTX shall obtain representations from each of its Counterparties that the Counterparty is an ECP with respect to each Swap Trade as provided in Part 23 of the CFTC Regulations (unless no action relief or staff guidance has been granted or provided by the CFTC on such subject).

(b) Each Market Participant must comply with the disclosure requirements imposed by GTX rules.

**RULE 409. Books and Records**

**RULE 409.A. Market Participant Books and Records.**

(a) Each Market Participant shall prepare and keep current all books, ledgers and other similar records relating to its SEF Activity required to be kept by it pursuant to the Act, CFTC Regulations and these Rules, and shall prepare and keep current such other books and records relating to its SEF Activity and adopt such forms as GTX may from time to time prescribe. Such books and records shall be made available, upon request, to GTX, the CFTC, the Department of Justice or any Governmental Body, regulator or Self-Regulatory Organization with jurisdiction over GTX, and their respective Authorized Representatives. GTX shall have the authority to collect and examine books and records of every Person under investigation, including all Market Participants. For the purposes hereof, “under investigation” refers to any situation in which documents or information would be useful to GTX in determining whether a rule violation has occurred.

- (b) In addition to information required by subsection (a) of this Rule 409, each Market Participant must comply with all applicable requirements of CFTC Regulations 1.31 and 1.35.
- (c) As required by CFTC Regulation 37.404, each Market Participant must keep records of its trading on GTX (including records of its activity in the index or instrument used as a reference price, the underlying commodity and related derivatives markets) and make such records available, upon request, to GTX, or, if applicable, to its Regulatory Service Provider, and the CFTC.
- (d) Each Market Participant shall keep all books and records required to be kept by it pursuant to these Rules for a period of five years from the date on which they are first prepared unless otherwise provided in these Rules or required by law. Such books and records shall be readily accessible during the first two years of such five-year period. During such five-year period, all books and records shall be made available for inspection by, and copies thereof shall be delivered to, GTX and its Authorized Representatives upon request.
- (e) Each Market Participant shall provide the NFA with the same access to its books and records and offices as it is required to provide GTX under these Rules and Applicable Law.
- (f) GTX may require a Market Participant to furnish such information concerning the Market Participant's business that is subject to these Rules as GTX deems necessary to enable it to perform its obligations under Applicable Law, including information relating to (i) Swaps executed on GTX and in related derivatives markets, including the products underlying those Swaps, and (ii) information requested by a Governmental Body relating to GTX and/or GTX's compliance with Applicable Law that GTX believes is maintained by, or otherwise in the possession of, a Market Participant.
- (g) At least once per year, GTX shall enforce all audit trail and recordkeeping requirements through reviews of all Market Participants who are responsible for, or in control of, the creation of audit trail records.
- (h) All data and information provided to or obtained by GTX pursuant to this Rule 409 shall be subject to the provisions of Rule 804.

#### **RULE 409.B. GTX Books and Records**

GTX 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 GTX Rules as required by CFTC Regulation 1.31. GTX shall maintain all records of all activities relating to the business of GTX, in a form and manner acceptable to the CFTC, for a period of at least 5 years. Such records, including a complete audit trail for all Swaps executed on GTX, investigatory files and disciplinary files, shall be maintained in accordance with the

requirements of CFTC Regulation 1.31 and Part 45 of the CFTC Regulations.

**RULE 410. Recording of Communications**

GTX may record conversations and retain copies of electronic communications between SEF Officials, on one hand, and Market Participants, on the other hand, to the extent required by Applicable Law and in accordance with GTX-related business. Any such recordings may be retained by GTX or the Regulatory Services Provider in such manner and for such periods of time as GTX may deem necessary or appropriate.

**RULE 411. Compliance with the Commodity Exchange Act**

All Market 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 duly authorized representatives of the CFTC or Department of Justice.

**RULE 412. Application of GTX Rules and Jurisdiction**

- (a) ANY MARKET PARTICIPANT THAT DIRECTLY OR INDIRECTLY EFFECTS A TRANSACTION ON GTX, OR ANY MARKET PARTICIPANT ACCESSING OR ENTERING ANY RFQ OR ORDER OR SUBMITTING ANY SWAP INTO GTX OR EXECUTING ANY TRADE PURSUANT TO THE RULES (I) IS BOUND BY, AND SHALL COMPLY WITH THE GTX RULES AND OBLIGATIONS, SWAP SPECIFICATIONS AND APPLICABLE LAW, IN EACH CASE TO THE EXTENT APPLICABLE TO IT, (II) SUBMITS TO THE JURISDICTION OF GTX WITH RESPECT TO ANY AND ALL MATTERS ARISING FROM RELATED TO, OR IN CONNECTION WITH THE STATUS, ACTIONS OR OMISSIONS OF SUCH MARKET PARTICIPANT, AND (III) AGREES TO ASSIST GTX IN COMPLYING WITH ITS LEGAL AND REGULATORY OBLIGATIONS COOPERATE WITH GTX, THE CFTC AND ANY GOVERNMENTAL BODY WITH JURISDICTION OVER GTX IN ANY INQUIRY, INVESTIGATION, AUDIT, EXAMINATION OR PROCEEDING.
- (b) Any Person whose access to GTX is suspended for any period remains subject to the GTX Rules, Obligations and GTX's jurisdiction throughout the period of suspension. Any Person whose access to GTX is revoked or terminated, whether by GTX or such Person's voluntarily termination, shall remain bound by the GTX Rules and Applicable Law, in each case to the extent applicable to it, and subject to the jurisdiction of GTX with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Market Participant prior to such revocation or termination.

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

**RULE 501. Scope**

This Chapter 5 prescribes Rules concerning trading practices and business conduct on GTX 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 GTX or subject to GTX Rules, GTX may adopt, without limitation, procedures relating to transactions in Swaps and trading on GTX or subject to GTX Rules, including procedures to:

- (a) disseminate the prices of bids and offers on, and trades in, Swaps;
- (b) record, and account for, Swaps and SEF Activity and regulate administrative matters affecting Swaps and SEF Activity;
- (c) establish limits on the aggregate notional amount and/or size of RFQs or Orders that may be submitted by a Participant through GTX or subject to GTX Rules;
- (d) establish limits on the number of Swaps that may be held by a Market Participant;
- (e) 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;
- (f) establish minimum price quoting increments for each Swap; and
- (g) require a suspended or expelled Market Participant, or a Market Participant with restricted trading rights, to have Swaps executed for the Market Participant to reduce or eliminate any open position or exposure to future price changes for the Market Participant in any Swap.

(b) GTX 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 GTX.

## **RULE 503. Business Days and Trading Hours**

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

## **RULE 504. Rule Violations**

(a) It shall be an offense for a Market Participant to violate any GTX Rule regulating the conduct or business of a Market Participant, or any agreement made with GTX, or to engage in fraud, dishonorable or dishonest conduct, or in conduct which is inconsistent with just and equitable principles of trade.

(b) Market Participants shall assist GTX in any investigation into potential violations of the GTX 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 GTX or its designee, and/or to appearing in connection with an investigation.

(c) If a Market Participant has actual or constructive notice of a violation of GTX Rules in connection with the use of GTX by a Market Participant and the Market Participant fails to take appropriate action, the Market Participant may be found to have committed an act detrimental to GTX's operations or self-regulatory function or GTX's ability to enforce its Rules or in conduct inconsistent with just and equitable principles of trade that are a failure to observe the proper standards of conduct expected of Market Participants.

**RULE 505. Fraudulent Acts**

No Market Participant shall engage in any fraudulent act or engage in any scheme to defraud, deceive, trick or mislead in connection with or related to any SEF Activity. Specifically, no Market Participant shall engage in front running, fraudulent trading, money passes, or accommodation trading.

**RULE 506. Fictitious, Wash or Non-Competitive Transactions**

No Market Participant shall, directly or indirectly, create fictitious transactions or wash transactions or execute any Order with knowledge of its nature. No Participant 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. Additionally, no Market Participant shall knowingly execute or accommodate the execution of such Orders by direct or indirect means.

No Market Participant shall engage in a Non-Competitive Transaction on or subject to the rules of GTX other than Block Trades effected pursuant to Rule 531.

**RULE 507. [Reserved]**

**RULE 508. Market Disruption and Market Manipulation**

(a) Orders or RFQs entered into GTX for the purpose of market manipulation or market disruption associated with any Swap without the intent to reflect fair market values or creating a condition in which prices do not or will not reflect fair market values are prohibited, and any Market Participant who makes or assists in entering any such Order or RFQ with knowledge of the purpose thereof or who, with such knowledge, in any way assists in carrying out any plan or scheme for the entering of any such Order or RFQ, will be deemed to have engaged in an act detrimental to GTX.

(b) Any intentional attempted or completed manipulation of the market in any Swap is prohibited.

(c) A Participant may not post on an Order Book and submit an RFQ to GTX in the same Swap at the same time using the same Participant ID.



**RULE 509. Prohibition of Misstatements**

It shall be an offense to make any knowing misstatement of a material fact to GTX, any SEF Official, any Board committee or GTX panel, the Compliance Department and/or agents of GTX (including the Regulatory Services Provider) or any Market Participant.

**RULE 510. Acts Detrimental to Welfare of GTX**

It shall be an offense to engage in any act that is detrimental to GTX's operations or self-regulatory function or GTX's ability to enforce its Rules or in conduct inconsistent with just and equitable principles of trade that are a failure to observe the proper standards of conduct expected of Market Participants.

**RULE 511. Adherence to Law**

No Market Participant shall engage in conduct in violation of the GTX Rules, the Act, CFTC Regulations, the Rules of any SEF, or the rules of any DCM or SRO that has jurisdiction over such Market Participant or, with respect to SEF Activity, the laws, rules or regulations of any relevant Governmental Body.

**RULE 512. Use of Trading Privileges**

No Market Participant may use a Participant's Trading Privileges in any way that could be expected to bring disrepute upon such Participant, Market Participant or GTX.

**RULE 513. Supervision**

A Market Participant shall be responsible for establishing, maintaining and administering reasonable supervisory procedures to ensure that it and its personnel comply with the GTX Rules, the Act, CFTC Regulations, the Rules of any SEF, DCM or SRO that has jurisdiction over such Market Participant, or, with respect to SEF Activity, the laws, rules or regulations of any relevant Governmental Body. Such Market Participants may be held accountable for the actions of their personnel.

**RULE 514. Misuse of GTX**

Misuse of GTX is strictly prohibited. Only Swaps can be traded on GTX. It shall be deemed an act detrimental to the interest and welfare of GTX to willfully or negligently engage in unauthorized use of GTX, to assist any Person in obtaining unauthorized access to GTX, to alter the equipment associated with GTX, to interfere with the operation of GTX, to intercept or interfere with information provided thereby, or in any way to use GTX in a manner contrary to the GTX Rules.

**RULE 515. Mishandling of Customer Orders**

Any Participant that mishandles any Customer Order is responsible for all remedial actions

required by Applicable Law with respect to such Customer Order.

## **RULE 516. Trade Cancellation and Adjustment**

### **RULE 516.A Errors**

(a) If an Order was incorrectly executed or rejected by GTX, a Participant or its Authorized Trader may, within one Business Day thereafter, request review of the Order by providing the confirmation number for the Order and stating the grounds for the disagreement.

(b) Upon receipt by GTX of a request for review of an Order and the accompanying confirmation number, GTX will review its electronic audit trail to determine if GTX correctly executed or rejected the Order or resulting trade. Such review will be completed (i) on the same Business Day if GTX received such request for review prior to 12:00 noon on any Business Day or (ii) by noon of the following Business Day if such request was received (x) on or after 12:00 noon on any Business Day or (y) on any day that is not a Business Day.

(c) If the review described in this Rule reveals that the Order was incorrectly executed or rejected, then the Order in question shall be cancelled in the applicable Trading Accounts.

(d) If the review described in this Rule reveals that the Order was correctly executed by GTX, then no adjustment shall be made in the relevant Trading Accounts.

(e) Notwithstanding anything to the contrary in this Rule, if GTX determines its sole discretion that the execution of any trade was the result of Orders being incorrectly processed by GTX, or any other cause beyond the control of any Market Participant, then GTX may cancel such trade in all relevant Trading Accounts.

### **RULE 516.B Prime Broker Traders**

(a) A Participant that enters into a Prime Broker Trade may request the cancellation of such Trade by sending a cancellation message to GTX within 48 hours after execution of the Trade. The cancellation message must state the name and contact information of the Prime Broker for the Trade and the reason for cancellation. If the Prime Broker and Executing Dealer agree in writing to cancel the Trade, and a Participant delivers the written agreement to GTX within 48 hours of the execution of the Trade, GTX will cancel the Trade.

(b) A Prime Broker shall have the right to cancel any Prime Broker Trade (i) that is executed in excess of the limit established by the Prime Broker with respect to the Prime Broker Trade, (ii) because the Prime Broker Trade was executed by 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 shall communicate the cancellation directly to GTX within 4 hours after the execution of the Prime Broker Trade and indicate the reason for the cancellation.

## **RULE 517. Withholding Orders Prohibited**

Any Participant entering RFQs or Orders on GTX 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.

A Participant must enter immediately into GTX all Orders or Requests for Quotes received from its Customers that are executable immediately. If a Participant cannot immediately enter into GTX an Order or Request for Quote received from its Customer, the Participant must enter the Order or Request for Quote into GTX as soon as practicable, and 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.

**RULE 518. Priority of Customers' Orders**

No Participant shall enter an Order into GTX 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, including an Order allowing discretion as to time and price, when such Participant is in possession of any Order in the same Swap for a Customer for which it is acting as agent.

**RULE 519. Trading Against Customers' Orders Prohibited**

No Participant in possession of an Order of that Participant's Customer may knowingly take, directly or indirectly on or subject to the rules of GTX, 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 520. Disclosing Orders Prohibited**

No Market Participant shall disclose another Market Participant's Order to buy or sell except to a designated SEF Official or the CFTC, and no Market Participant shall solicit or induce another Market Participant to disclose RFQ or Order information. No Market Participant shall take action or direct another to take action based on non-public RFQ or Order Information, however acquired.

**RULE 521. Cross-Trading Prohibited**

No Participant in possession of two or more Orders of separate Customers of that Participant may knowingly execute any two such Orders against each other on or subject to the rules of GTX.

**RULE 522. Execution of Orders on GTX**

(a) GTX only offers transactions on or subject to the rules of GTX that are "permitted transactions" as defined in CFTC Rule 37.9(c)(1) and does not offer transactions that are "required transactions" as defined in CFTC Rule 37.9(a)(1). Transactions may be executed on GTX through the Order Book or Request for Quote functionality.

(b) Order Book

The Order Book allows Participants to (i) place bids and offers on the CLOB or (ii) execute against a bid or offer placed on the CLOB. A Participant must indicate if a bid or offer posted on an Order Book is firm or indicative. Both firm and indicative bids can be posted on the CLOB.

(c) Request for Quote Functionality

(i) The Request for Quote functionality of GTX allows a Participant (the “**Requesting Participant**”) to send an RFQ to any Participant that (x) is not the Requesting Participant or an Affiliate of or Controlled by the Requesting Participant and (y) is not an Affiliate of or Controlled by any other Participant receiving the same RFQ (a “**Recipient Participant**”), to which all such Recipient Participants may respond. An RFQ can be sent as a request for quote or as a request for streaming quote. GTX does not exclude any group of Participants from receiving RFQs.

(ii) Together with the first bid or offer response from any Recipient Participant, GTX will display to a Requesting Participant any firm Resting Quotes for the Swap indicated in the RFQ that are posted on the CLOB. GTX will permit the Requesting Participant to execute against such firm Resting Quotes or the response to the RFQ from the Recipient Participant.

(iii) The RFQ functionality will provide each Participant with equal priority in receiving RFQs and in transmitting and displaying for execution responsive Orders.

**RULE 523. Trade Confirmations.**

(a) GTX will confirm each Trade at the same time as execution of the Trade. GTX will provide each Participant with a Written record of all of the terms of the Trade which shall legally supersede any previous agreement and serve as confirmation of the transaction (a “**Confirmation**”) as soon as technologically practicable. Specifically, upon execution of a Trade, GTX automatically generates the Confirmation and sends the Confirmation via email to each Participant. Such terms shall legally supersede any previous agreement and serve as a confirmation of the Trade. A transaction will be deemed executed upon GTX providing a Confirmation to each Counterparty as provided in this Rule 523.

(b) On the Confirmation, GTX will

(i) provide USI for the Trade and DDR as the SDR where the trade is reported;

(ii) identify the Counterparty that is the Reporting Counterparty pursuant to CFTC Regulation 45.8, and 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 each Counterparty has equal reporting status under CFTC Regulation 45.8, GTX will designate the liquidity provider as the Reporting Counterparty. A “liquidity provider” is a Person that: (1) for RFQ, provided the response to an RFQ that

led to the reported Trade; or (2) for an Order Book, provide the first quote that led to the reported Trade.

(c) A Confirmation shall, as required by CFTC Regulation 37.6(b), consist of the Trade Communication and the Terms Incorporated by Reference.

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

“**Terms Incorporated by Reference**” shall mean the Non-Cleared Swap Agreements governing such Trade and existing at the time of the Trade.

(d) In accordance with CFTC No-Action Letter 16-25, which expires on March 31, 2017 or the effective date of any changes in the applicable CFTC regulation, for each Non-Cleared Swap entered into on or subject to the rules of GTX:

- (i) Each Confirmation shall state that it incorporates by reference the Terms Incorporated by Reference between the counterparties;
- (ii) In the event of any inconsistency between a Confirmation and the Terms Incorporated by Reference, the terms of the Confirmation legally supersede any contradictory terms;
- (iii) Each Confirmation states the condition set forth above in Rule 523(d)(ii);
- (iv) Upon request from GTX, Participants must provide copies of the Terms Incorporated by Reference to GTX; and
- (v) Upon request from the CFTC, GTX will request a Participant to provide copies of the Terms Incorporated by Reference and will furnish such copies to the CFTC as soon as they are available.

## **RULE 524. Order Entry Requirements**

### **RULE 524.A. General**

Each Authorized Trader entering an RFQ or Order with respect to any Swap traded on GTX must include with the Order, as applicable:

- (i) the Trader ID;
- (ii) the Participant ID;
- (iii) the Legal Entity Identifier of the Participant or Account Manager placing the RFQ or Order, if available;

- (iv) the Counterparty's Legal Entity Identifier;
- (v) the Swap description or code;
- (vi) the price or yield, quantity, maturity or expiration date;
- (vii) the CTI code;
- (viii) Trading Accounts and other relevant account(s);
- (ix) 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;
- (x) 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;
- (xi) a yes/no indication of whether the Counterparty is a Financial Entity;
- (xii) a yes/no indication of whether the Counterparty is a U.S. person;
- (xiii) a yes/no indication that a Swap is an inter-affiliate Swap that should not be subject to the real-time reporting requirements;
- (xiv) if applicable, other terms required by GTX;
- (xv) if the Swap will be allocated:
  - a. an indication that the Swap will be allocated;
  - b. the Legal Entity Identifier of the Account Manager;
  - c. An indication of whether the swap is a post-allocation swap; and
  - d. the USI of the original transaction between the Reporting Counterparty and the agent if the swap is a post-allocation swap.

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

Each Participant must identify each transaction submitted to GTX 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 proprietary trades other than FCMs and Introducing Brokers.

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, or for an account such other Participant controls or in which such other Participant has an ownership or financial interest.

CTI 4- Any transaction not meeting the definition of CTI 1, CTI 2 or CTI 3. Applies to Trades placed by FCMs and Introducing Brokers for their Customers and anything else.

#### **RULE 524.C. Block Trades**

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 (a) in the Order ticket all information required by Rule 524.A(a), (b) a timestamp reflecting the date and time when the Order resulting in the Trade was executed and must identify the specific account(s) for which the Order was placed and (c) an indication of whether the transaction involved a put or a call and the strike price.

#### **RULE 525. Position Limits**

To reduce the potential threat of market manipulation or congestion, GTX shall adopt for each of the contracts of the GTX Platform, as is necessary and appropriate, position limitations or position accountability levels for speculators.

#### **RULE 526. [Reserved]**

#### **RULE 527. [Reserved]**

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

(a) Only the following categories of Participants may place a Bunched Order to be allocated post-execution on GTX or that is subject to GTX Rules:

(i) a commodity trading advisor registered with the CFTC pursuant to the Act or excluded or exempt from registration under the Act 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, as defined in CFTC Regulation 4.7(a)(1)(iv);

- (v) a Futures Commission Merchant registered with the CFTC pursuant to the Act;
- (vi) an Introducing Broker registered with the CFTC pursuant to the Act.

(b) Bunched Orders must be allocated and recorded in accordance with CFTC Regulation 1.35(b)(5) and the NFA's Interpretative Notice related to Compliance Rule 2-10, provided, however that:

(i) the Order must be placed by an Account Manager for multiple accounts eligible for post-execution allocation;

(ii) the Account Manager must provide post-Trade allocation information to GTX for particular Trades, if GTX, at the request of the CFTC or otherwise, requests such information; and

(iii) in the course of a Trade practice surveillance or market surveillance investigation into any trading activity involving post-execution allocations, upon request by the CFTC, GTX will ascertain whether a post-execution allocation was made, and if so, GTX will request, obtain and review the post-execution allocation information as part of its investigation.

#### **RULE 529. Orders Entered Prior to GTX Opening**

Participants are prohibited from sending any Request for Quote or Order or using the Order Book or any other facility of GTX prior to the opening of the trading session.

#### **RULE 530. Identification of Authorized Traders**

Each Authorized Trader shall be identified to GTX, in the manner prescribed by GTX, and shall be subject to GTX 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 GTX. In no event may a Person enter an Order or permit the entry of an Order by an individual using a user Trader ID other than the individual's own Trader ID.

#### **RULE 531. Block Trades**

(a) A Block Trade can be executed pursuant to the GTX Rules, but outside GTX, only in accordance with this Rule.

(b) Each buy or sell Order underlying a Block Trade must (1) state explicitly that it is to be, or may be, executed by means of a Block Trade, (2) be for at or above the Minimum Block Size listed in paragraph (k) of this Rule, each of which is the threshold established by the CFTC in Part 43.6 and the applicable appendices to Part 43 of the CFTC Regulations and (3) comply with any other applicable CFTC Regulations governing Block Trades.



(c) Each party to a Block Trade shall comply with all applicable GTX Rules other than those which by their terms only apply to trading through GTX.

(d) A Block Trade must be reported to GTX. Block Trades must be reported to GTX 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 execution, but may not be submitted any later than 10 minutes after the execution of the Block Trade.

(e) GTX will review the information submitted by the Participant(s) for the Block Trade and will report the Block Trade to DDR as required by Part 43 and Part 45 of the CFTC Regulations. 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 GTX with the allocation information as soon as practicable.

(f) Block Trades shall not trigger unexecuted Orders.

(g) Each Participant that is a party to a Block Trade or execute a Block Trade on behalf of its Accounts or Customers must comply with the Recordkeeping Requirement set forth in Rule 409.A. Upon request by GTX, such Participant shall produce satisfactory evidence that the Block Trade meets the requirements set forth in this Rule 531.

(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 Minimum Block Trade size is permissible only by a Person who is a Qualified Account Manager.

(j) A Person transacting a Block Trade on behalf of any other Person must receive prior Written instructions or consent from the 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 to direct the trading in its account.

(k) List of Minimum Block Sizes for currency pairs traded on GTX:

<b>Currency Pair</b>	<b>Minimum Block Size</b>
KRW / USD	KRW 6,250,000,000
RMB (CNY) / USD	RMB 50,000,000
BRL / USD	BRL 5,000,000
RUB / USD	RUB 125,000,000
IDR / USD	0

INR / USD	0
MYR / USD	0
PHP / USD	0
TWD / USD	0
ARS / USD	0
CLP / USD	0
COP / USD	0
PEN / USD	0

**RULE 532. Reporting to DDR**

(a) GTX will report each Trade to DDR as its SDR as soon as technologically practicable after the execution of such Trade. For Non-Cleared Swaps, GTX will report all swap transaction and pricing data required by Part 43 of the CFTC Regulations and all required swap creation data required by and as defined in §45.1 of the CFTC Regulations, and for its reporting of confirmation data, GTX will rely on CFTC No-Action Letter 16-25 during the effectiveness of the letter to report the confirmation data that is readily available and collected by GTX.

(b) (i) The required swap creation data required by §45.3 and swap continuation data required by §45.4 will be reported to DDR as soon as technologically practicable after execution. GTX will report to the Counterparties:

- (1) that DDR is the SDR to which GTX reports required swap creation data; and
- (2) the USI for the swap created pursuant to §45.5; and

(ii) Thereafter, GTX or the Counterparty, as applicable, shall report all required swap creation data and swap continuation data to DDR for each Trade.

(c) The Reporting Counterparty designated in accordance with subsection (b) of Rule 523 shall comply with all reporting obligations set forth in Part 43 and 45 of the CFTC Regulations applicable to a Reporting Counterparty, including, but not limited to, reporting trade allocations. The reporting obligation includes a requirement on swap counterparties to provide sufficient information to GTX to enable GTX to report all required swap creation data as provided in Part 45.

(d) The Reporting Counterparty will be identified using the information obtained pursuant to Rule 524.A (pursuant to the CEA and §45.8) whenever possible. Currently, GTX only allows FX product trades on its SEF. To identify any Reporting Counterparties, GTX shall use the rule as identified in Rule 523(b) to determine the Reporting Counterparty. If GTX cannot identify the Reporting

Counterparty from the information available as specified in Rule 524.A, GTX shall:

(i) Notify each counterparty, as soon as technologically practicable after execution of the swap, that the Reporting Counterparty cannot be identified, and, if applicable, that neither counterparty is a U.S. person; and

(ii) Transmit to each counterparty the LEI (or substituted identifier as provided in this section) of the other counterparty.

(iii) To identify any Reporting Counterparties, GTX shall use the rules as identified in Rule 523(b).

(e) GTX shall submit corrected data to DDR whether (i) GTX learns of an error or omission from the Reporting Counterparty; (ii) GTX itself discovers the error or omission; or (iii) GTX learns of such error or omission from any source other than the Reporting Counterparty.

(f) A Participant must provide sufficient information to GTX to enable GTX to report all required swap creation data as provided in Part 45.

(g) GTX will require the actual notional or principal amount of a Block Trade to be reported to GTX as set forth in Section 43.4(f)(2)(ii) of the CFTC Regulation.

(h) A Participant that is a Reporting Counterparty or the Account Manager or agent for a Reporting Counterparty may instruct GTX to report a Trade executed pursuant to Rule 531 as a “block trade” for purposes of Part 43 of CFTC Regulations.

(i) If a Participant wishes a Trade described in Rule 532(h) to be publicly disseminated on a delayed basis as provided in Part 43 of the CFTC Regulations and otherwise treated as a Block Trade, the Participant shall designate each such Trade above the Minimum Block Size as a Block Trade. GTX will report to DDR each such Trade above the Minimum Block Size as a Block Trade when transmitting each such Trade and the swap transaction and pricing data to DDR in accordance with CFTC Regulation §43.3(b)(1).

(j) Unless otherwise specified in Part 43, when the Minimum Block Size or cap size is denominated in a currency other than U.S. dollars, Participants may use a currency exchange rate that is widely published within the preceding two Business Days from the date of execution of the swap transaction in order to determine such qualification.

(k) A Participant that is a Reporting Counterparty, or an Account Manager or broker for a Reporting Counterparty shall review the Trade details as soon as technologically practicable upon the 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 GTX 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 DDR. GTX shall then submit the corrected data to DDR.

(l) GTX and any of its Participants shall not submit or agree to submit a cancellation or correction for the purpose of re-reporting a Swap transaction and the swap transaction and pricing data in order to gain or extend a delay in public dissemination of accurate Swap transaction and pricing data or to otherwise evade the reporting requirements in Part 43 of the CFTC Regulations.

(m) For any pre-allocation swaps executed on or pursuant to the rules of GTX, GTX shall include the USI in the required swap creation data reported to DDR, and transmit the USI to the Reporting Counterparty and to the agent.

### **RULE 533. Cleared Swaps**

At this time, GTX does not permit Trades that are subject to mandatory clearing nor does GTX permit voluntary clearing of Trades.

### **RULE 534. Non-Cleared Swaps**

A Participant may not place an Order or send or respond to an RFQ with respect to a Swap unless there is a Non-Cleared Swap Agreement between the Participant and the prospective Counterparty to such Swap. 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 comply with Order entry requirements for Swaps that are Non-Cleared Swaps that GTX shall establish from time to time.

### **RULE 535. Risk Controls**

(a) GTX reserves the right to modify, adjust or cancel any Trade, including Block Trades, that GTX determines in its sole discretion to be unlawful, off market, the result of error, or otherwise incompatible with these GTX Rules, the User Agreement or the efficient and secure operation of GTX, including, but not limited to, excessive electronic traffic sent by any Market Participant, to GTX.

(b) GTX reserves the right to modify, adjust or cancel any Trade, including Block Trades, when such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the Platform or by system defects without unduly interfering with the market's price discovery function.

(c) GTX shall have the right in its sole discretion to cancel Trades executed at prices outside the No-Bust Range. “**No-Bust Range**” shall mean an exchange rate off price by a set number of “pips” (as such term is commonly understood in the foreign exchange marketplace) from the determination of the fair market value by GTX. The number of pips for the currency pairs available are set forth in the table below:

<b>Currency Pair</b>	<b>Pips</b>
USD/ARS	100
USD/BRL	250
USD/CLP	100
USD/CNY	750
USD/COP	250
USD/IDR	1000
USD/INR	750
USD/KRW	250
USD/MYR	500
USD/PEN	500
USD/PHP	500
USD/RUB	500
USD/TWD	500

(d) Notwithstanding any other provisions of this Rule, GTX may modify or adjust Trade prices or cancel any Trade if GTX determines that allowing the trade to stand as executed may have a material, adverse effect on the integrity of the Market.

(e) GTX shall have the right to take any action to reduce the potential of market disruption, including, but not limited to, market restrictions that pause or halt trading in market conditions prescribed by GTX. In the event that there is a market condition that requires GTX to pause or halt trading, GTX would treat this as an Emergency and the Emergency procedures set forth in Rule 212 must be followed. Examples of such market conditions may include (but are not limited to): severe market volatility; trading activity in foreign markets that would have a significant impact on the U.S. markets; and foreign government announcements that may affect the FX market.

(f) GTX shall have the right to choose from among risk controls that include: pre-Trade limits on order size, price collars or bands around the current price, message throttles, daily price limits, and intraday position limits related to financial risk, or design other types of controls, as well as clear error-trade and order-cancellation policies. Within the specific array of controls that are selected, GTX may set the parameters for those controls, so that the specific parameters are reasonably likely to serve the purpose of preventing market disruptions and price distortions.

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

(h) 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 (a “**Linked Swap**”), and such other trading venue placed risk controls on such financial instrument, GTX shall have the right to place similar risk controls on the Linked Swap.

### **RULE 536. Prime Broker Trades**

- (a) Participants may execute Prime Broker Trades on or pursuant to the rules of GTX in accordance with the provisions of this Rule 536, in addition to otherwise applicable provisions of this Rulebook.
- (b) Each Prime Broker must execute a Trade under a unique ID that identifies the Prime Broker for all trading under that particular ID.
- (c) Prior to negotiating any Prime Broker Trade on or pursuant to the rules of GTX, a Participant must have in place a Prime Broker agreement. In addition, each Prime Broker is required to enter into a give-up agreement with each Executing Dealer to a Prime Broker Trade.
- (d) When a Participant executes a Prime Broker Trade subject to the Rules of GTX, GTX will notify the Prime Broker as soon as technologically possible of each Prime Broker Trade executed pursuant to the Rules of GTX to which the Prime Broker is a Counterparty, and provide to the Prime Broker the Confirmation for the Prime Broker Trade issued by GTX.

### **RULE 537. Fee Schedule**

GTX shall charge a pre-arranged commission fee based upon volume traded through GTX by each Participant executing a transaction with GTX. GTX shall publish such fee schedule, as amended from time to time pursuant to the procedures specified in Part 40 of the Act. GTX may charge Participants different rates based upon volume transacted with GTX as a means to increase GTX's volume in certain products identified in such fee schedule. Increased volume creates more liquidity which attracts more Participants to GTX and benefits all Participants transacting such products.

## **CHAPTER 6. DISCIPLINARY RULES**

### **RULE 601. General**

- (a) Any Market Participant is subject to this Chapter 6 if it is alleged to have violated, to have aided and abetted a violation, to be violating, or to be about to violate, any GTX Rule or any provision of Applicable Law for which GTX possesses disciplinary jurisdiction.
- (b) GTX, through the Compliance Department and the Disciplinary Panels and the Appeals Panels, will conduct inquiries, investigations, disciplinary 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 GTX Rules with respect to a proceeding in which

the Director is a member of the relevant panel.

(d) Any Market Participant may be represented by counsel during any inquiry, investigation, disciplinary or appeals proceeding, summary imposition of fines, summary suspension or other summary actions pursuant to this Chapter 6.

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

(f) Pursuant to this Chapter 6, GTX may review an appeal by any applicant of GTX's decision to deny or otherwise limit Trading Privileges or Trading Access of such applicant pursuant to the GTX Rules; provided, however, that any such decision by GTX to deny or otherwise limit applicant's Trading Privileges or Trading Access shall continue in effect during such review.

(g) A Market Participant subject to a disciplinary or appeals proceeding (and any counsel or representative of such Market Participant) and the Compliance Department and/or the Review Panel (and any counsel or representative of the Compliance Department including any Regulatory Service Provider and Review 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 member of the Hearing Panel hearing such proceeding. Members of a Hearing 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 Market Participant) and the Compliance Department (and any counsel or representative of the Compliance Department) or the Review Panel (and any counsel or representative of the Review Panel). Any Market Participant 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 Market Participant shall not be deemed to have violated this Rule if the Market Participant refuses an attempted communication concerning the merits of a proceeding as soon as it becomes apparent the communication concerns the merits.

## **RULE 602. Inquiries and Investigation**

(a) The Compliance Department, with the assistance of a Regulatory Service Provider, if necessary, will conduct inquiries and, if applicable, investigations with respect to any matter within GTX's disciplinary jurisdiction of which it becomes aware or which the CFTC requests GTX to investigate. The Compliance Department will commence an investigation upon the receipt of a request from the CFTC staff or upon the discovery or receipt of information by GTX that indicates a reasonable basis for finding that a violation may have occurred or will occur. Subject to the previous sentence, 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 GTX. Unless directed otherwise by the CFTC, the Compliance Department's investigation must be completed within 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 12 months, including the complexity of the investigation, the number of Market 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) With respect to SEF Activity on GTX, the Compliance Department has the authority to:

- (i) initiate and conduct inquiries and investigations;
- (ii) prepare investigation reports and make recommendations concerning initiating disciplinary proceedings;
- (iii) prosecute alleged violations within GTX's disciplinary jurisdiction; and
- (iv) represent GTX on summary imposition of fines, summary suspension or other summary action.

(c) Each Market Participant:

- (i) is obligated to appear and testify and respond in Writing to interrogatories within the time period required by the Compliance Department in connection with: (A) any GTX Rule; (B) any inquiry or investigation; or (C) any preparation by and presentation during a disciplinary or appeals proceeding, summary imposition of fines, summary suspension or other summary action by GTX;
- (ii) is obligated to produce books, records, papers, documents or other tangible evidence in its, his or her possession, custody or control within the time period required by the Compliance Department in connection with: (A) any GTX Rule; (B) any inquiry or investigation; or (C) any preparation by and presentation during a disciplinary or appeals proceeding, summary imposition of fines, summary suspension or other summary action by GTX; 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. Reports of Investigations**

(a) The Compliance Department will maintain a log of all investigations and their disposition. The Compliance Department will prepare a Written report of each investigation, regardless of whether the evidence gathered during any inquiry or investigation forms a reasonable basis to believe that a violation within GTX'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 Written report of investigation will include the reasons for initiating the investigation (including a summary of the complaint, if any), all relevant facts and evidence gathered, staff analysis, conclusions and the recommendation of the Compliance Department. The report must also include the Market Participant's disciplinary history at GTX, including copies of the warning letters. For each potential respondent, the Compliance Department will recommend either (i) closing the investigation without further action, (ii) summary action, (iii) resolving the investigation through an informal disposition, including the issuance of a warning letter or (iv) initiating disciplinary proceedings. An informal disposition (including the issuance of a warning letter) will not constitute a finding of a violation or a sanction.

#### **RULE 604. Opportunity to Respond to Investigation Report**

(a) After completing its investigation report, the Compliance Department may, upon approval of the Chief Compliance Officer, notify each potential respondent that the Compliance Department has recommended formal disciplinary charges against the potential respondent.

(b) The Compliance Department may allow a potential respondent to propose a settlement of the matter or to submit a Written statement explaining why a disciplinary proceeding should not be instituted or one or more of the potential charges should not be brought. The potential respondent shall submit such Written statement within the time limit established by the Compliance Department.

#### **RULE 605. Review of Investigation Reports**

The Review Panel will review promptly each completed investigation report and any Written statement provided by the potential respondent pursuant to Rule 604 to determine whether a reasonable basis exists for finding that a violation of GTX Rules within GTX's jurisdiction has occurred or is about to occur. Within 30 days of receipt of the investigation report the Review Panel must take one of the following actions:

- (a) If the Review Panel determines that additional investigation or evidence is needed to decide whether a reasonable basis exists to find that a violation of GTX Rules within GTX's jurisdiction has occurred or is about to occur, the Review Panel will promptly direct the Compliance Department to conduct further investigation.
- (b) After receiving completion of an investigation, the Review Panel will determine for each potential respondent whether to authorize:
  - (i) the commencement of disciplinary proceedings because a reasonable basis exists to believe that a violation GTX Rules within GTX's jurisdiction has occurred or is about to occur and adjudication is warranted;
  - (ii) the informal disposition of the investigation (by issuing a warning letter as

more fully discussed in Rule 606) because disciplinary proceedings are unwarranted, in which case the Review Panel shall provide a Written explanation which must set forth the facts and analysis supporting the decision; or

(iii) the closing of the investigation without any action because no reasonable basis exists to believe that a violation of GTX Rules within GTX's jurisdiction has occurred or is about to occur in which case the Review Panel shall provide a Written explanation including the facts and analysis supporting the decision to the Compliance Department.

#### **RULE 606. Warning Letters**

GTX authorizes compliance staff to issue a warning letter to a Market Participant under investigation or to recommend that a disciplinary committee take such an action. A warning letter issued in accordance with this Rule is not a penalty or an indication that a finding of a violation has been made. A copy of a warning letter issued by compliance staff must be included in the investigation report. No more than one warning letter for the same Market Participant for the same Rule violation within a rolling 12-month period.

#### **RULE 607. Notice of Charges**

(a) If the Review Panel authorizes disciplinary proceedings pursuant to Rule 605(b)(i), the Review Panel 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 GTX 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 20 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 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 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 at the respondent's last known address. A copy of the Notice of Charges must also be filed on the same date with the CFTC, either in person during normal business hours or by mail to: Division of Market Oversight, CFTC, Three Lafayette Center, 1155 21st Street, NW, Washington, DC 20581. The Notice of Charges filed with the CFTC must additionally include the date on which the Notice of Charges was delivered to the respondent disciplined or denied access and state whether delivery was personal or by 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 20 days after being served with such notice, or within such other time period determined appropriate by the Review Panel.

(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 Review Panel.

(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**

If respondent admits or fails to deny any of the charges; a Hearing 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 Hearing Panel then must take the following action:

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

If a respondent fails to request a hearing within 20 days as specified in the notice, the respondent will be deemed to have accepted the sanction.

#### **RULE 611. Denial of Charges and Right to a Hearing**

In every instance where a respondent has denied a charge, the respondent shall have the right to request a hearing. Except for good cause, the hearing must concern only with those charges denied for which a hearing has been requested.

#### **RULE 612. Settlements**

(a) A respondent or potential respondent may at any time after the investigation report is complete propose in Writing an offer of settlement to anticipated or instituted disciplinary proceedings. Any offer of settlement should contain proposed findings and sanctions and be signed by the respondent or potential respondent and submitted to the Review Panel. A respondent or potential respondent may offer to settle disciplinary proceedings without admitting or denying the findings contained in the order of the disciplinary proceedings but must accept the jurisdiction of GTX over it and over the subject matter of the proceedings and consent to the entry of the findings and sanctions imposed.

(b) If a respondent submits an offer of settlement in accordance with paragraph (a) above, the Chief Compliance Officer will forward the offer to the Review Panel with a recommendation on whether to accept or reject the offer. The respondent may withdraw such offer of settlement at any time before acceptance by the Review Panel, but may not withdraw such offer at any time after acceptance by the Disciplinary Panel.

(c) If an offer of settlement is accepted, the Review Panel shall issue a Written decision specifying: (i) the GTX Rule violations it has reason to believe were committed, including the basis or reasons for its conclusions; (ii) any sanction to be imposed, which must include full customer restitution where customer harm is demonstrated; and (iii) if applicable, that the respondent has accepted the sanctions imposed without either admitting or denying the Rule violation.

(d) If an offer of settlement is accepted without the agreement of the Compliance Department, the decision must adequately support the Hearing Panel's acceptance of settlement. Where applicable, the decision must also include a statement that the respondent has accepted the sanctions imposed without either admitting or denying the rule violations. Further, the settlement is accepted the related order of disciplinary proceedings becomes final, the

respondent's submission of the offer will be deemed to constitute a waiver of the right to notice, opportunity for a hearing and review under the GTX Rules.

(e) If the offer of settlement of a respondent or potential respondent is not accepted by agreement between the Chief Compliance Officer and the Review Panel, fails to become final or is withdrawn by the respondent or potential respondent, the matter will proceed as if the offer had not been made and the offer and all documents relating to it will not become part of the record. Neither a respondent or potential 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. Hearing Panel**

The Hearing Panel is responsible for adjudicating disciplinary cases pursuant to a Notice of Charges authorized by a Review Panel.

A respondent may seek to disqualify any individual on the Hearing Panel for the reasons identified in GTX Rules or for any other reasonable grounds, by serving Written notice on the Chief Compliance Officer. By not timely filing a request for disqualification, the respondent will be deemed to have waived any objection to the composition of a Hearing Panel. The Chief Compliance Officer of GTX will decide the merits of any request for disqualification within his or her sole discretion. Any such decision will be final and not subject to appeal.

### **RULE 614. Convening Hearings of Disciplinary Proceedings**

(a) All disciplinary proceedings (except for summary impositions of fines pursuant to Rule 621) will be conducted at a hearing before the Hearing Panel. A hearing will be conducted privately and confidentially. Notwithstanding the confidentiality of hearings, the Hearing 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 Hearing 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.

The chairman of the Hearing Panel may continue, adjourn or otherwise conduct the hearing, as he or she may deem appropriate. The chairman of the Hearing Panel will determine all procedural and evidentiary matters, including the admissibility and relevance of any evidence proffered. In determining procedural and evidentiary matters, the chairman of the Hearing Panel will not be bound by any evidentiary or procedural rules or law. Once admitted during the hearing, the Hearing Panel may consider, and attach the weight it believes appropriate to, evidence or other materials. The Chief Compliance Officer of GTX, or its designee, will provide guidance to the chairman of the Hearing Panel on the conduct of the hearing.

(c) Except for procedural and evidentiary matters decided by the chairman of the Hearing Panel pursuant Rule 616, unless each respondent otherwise consents, the entire Hearing 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 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 GTX that the Compliance Department will use to support the allegations and proposed sanctions in the Notice of Charges or which the chairman of the Hearing Panel deems relevant to the disciplinary proceedings. Notwithstanding the foregoing, no respondent will have the right to review, and GTX will have no obligation to disclose, any information protected by attorney-client privilege.

(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 competitive positions include positions in Swaps currently held, trading strategies employed in establishing or liquidating positions, the identity of any Market Participant and the personal finances of the Market Participant providing the information.

**RULE 616. Conducting Hearings of Disciplinary Proceedings**

At a hearing conducted in connection with any disciplinary proceedings, the Compliance Department will present its case supporting the allegations and proposed sanctions in the Notice of Charges to the Hearing 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.

(a) At a hearing conducted in connection with any disciplinary proceedings, the Hearing Panel or the Compliance Department and each respondent may:

(i) present evidence and facts determined relevant and admissible by the chairman of the Hearing Panel;

(ii) call and examine witnesses; and

(iii) cross-examine witnesses called by other parties.

(b) Any Person within its jurisdiction who is called as a witness must participate in the hearing and produce evidence. GTX will make reasonable efforts to secure the presence of all other Persons called as witnesses whose testimony would be relevant.

(c) 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 chairman of the Hearing 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 Hearing Panel determines that the respondent had a compelling reason for failing to timely file an answer. If the Hearing Panel determines that the respondent had a compelling reason for failing to timely file an answer, the Hearing Panel will adjourn the hearing and direct the respondent to promptly file a Written answer in accordance with Rule 609.

(d) Any Person entitled, or required or called upon, to attend a hearing before a Hearing Panel pursuant to paragraph (a)(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. GTX will require all Market Participants (that are individuals) that are called as witnesses to appear at the hearing and produce evidence. GTX will make reasonable efforts to secure the presence of all other Persons called as witnesses whose testimony would be relevant.

(e) If during any disciplinary proceedings the Hearing Panel determines that a reasonable basis exists to believe that the respondent violated or is about to violate a GTX Rule or a provision of Applicable Law other than the violations alleged in the Notice of Charges, the Hearing 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 (e), the Hearing Panel may request that the Compliance Department provide the Hearing Panel with any additional information.

(f) The Hearing Panel may summarily impose sanctions on any Market Participant that impedes or delays the progress of a hearing.

(g) GTX 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 chairman of the Disciplinary Panel may within his or her sole discretion order the respondent to pay the costs for transcribing the recording of the hearing.

(h) No interlocutory appeals of rulings of any Disciplinary Panel or chairman of the Disciplinary Panel are permitted.

(i) If the respondent has requested a hearing, a copy of the hearing will be made and will become a part of the record of the proceeding. The record will be one that is capable of being accurately transcribed; however, it will not be transcribed unless the transcript is requested by the CFTC or the respondent. The cost of transcribing the record of the hearing will be borne by the respondent who requests the transcript or whose application for the CFTC review of the disciplinary action has been granted. In all other instances, the cost of transcribing the record will be borne by GTX.

(j) Sanctions may be summarily imposed upon any person within GTX's jurisdiction whose actions impede the progress of a hearing.

#### **RULE 617. Decision of Disciplinary Panel**

(a) As promptly as reasonable following a hearing, the Hearing Panel will issue an order 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 Hearing Panel will constitute the decision of the Hearing Panel.

(b) The order of the disciplinary or appeals proceedings will become final upon the expiration of 20 days after the order is served on the respondent and a copy thereof is provided to the Compliance Department.

(c) Promptly following a hearing conducted in accordance with the GTX Rules, the Disciplinary Panel shall render a Written decision 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;

(vi) a declaration of all sanctions imposed against the respondent, including the basis for such sanctions and the effective date of such sanctions; and

(vii) a statement informing the respondent that, within thirty days of



rendering the Written decision by the Disciplinary Panel, GTX shall provide a Written notice of such action to the CFTC. The CFTC may, in its discretion and in accordance with such standards and procedures as it deems appropriate, review the Written decision of the Disciplinary Panel. In addition, the CFTC may, in its discretion and upon application of any Person adversely affected by the GTX action, review such action.

#### **RULE 618. Sanctions**

(a) After notice and opportunity for hearing in accordance with the GTX Rules, GTX will impose sanctions if any Market Participant is found to have violated or to have attempted to violate a GTX Rule or provision of Applicable Law for which GTX possesses disciplinary jurisdiction. Subject to the limitations of Rule 618(b), GTX may impose one or more of the following sanctions or remedies: (i) censure; (ii) limitation on Trading Privileges or Trading Access or other activities, functions or operations; (iii) suspension of Trading Privileges or Trading Access; (iv) fine (subject to paragraph (b) below); (v) restitution or disgorgement; (vi) termination of Trading Privileges or Trading Access; or (vii) 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.

(b) GTX may impose a fine of not less than \$1,000 and not more than \$100,000 for each violation of a GTX Rule. All sanctions shall be commensurate with the violation committed and shall be clearly sufficient to deter recidivism or similar violations by other Market Participants. If a fine or other amount is not paid within 30 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 percent. GTX 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 Market Participant using any Trader IDs or login credentials linked to the Participant.

#### **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 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, the hearing and administrative and other expenses incurred by the Disciplinary Panel.

(b) The Disciplinary Panel may only award costs against GTX if the Panel concludes that GTX 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 GTX 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. GTX or the respondent will pay any costs ordered to be paid by it by the Disciplinary Panel within 30 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**

All Disciplinary Panel Decisions, summary impositions of fines and other summary actions are final and are subject to appeal under the GTX Rules.

(a) Each respondent found by the Disciplinary Panel to have violated a Rule or who is subject to any summary fine imposed pursuant to Rule 621 or any summary action imposed pursuant to Rule 622 may appeal the decision within 20 days of receiving the order of the Disciplinary Panel or the notice of the summary action, as the case may be, by filing a notice of appeal with the Chief Compliance Officer.

(b) GTX 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 20 days of receiving the order of the Disciplinary Panel, by filing a notice of appeal with the Chief Compliance Officer.

(c) While an appeal is pending, the effect of the order 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 order of the Disciplinary Panel or any summary action on the grounds that:

- (i) the order or summary action was arbitrary, capricious, an abuse of discretion, or not in accordance with these Rules;
- (ii) the order or summary action exceeded the authority or jurisdiction of the Disciplinary Panel, the Chief Compliance Officer or GTX;
- (iii) the order or summary action failed to observe required procedures;
- (iv) the order 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 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 and serve on GTX 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 GTX a brief in reply.

(f) In connection with any appeal, GTX will furnish to the Chief Compliance Officer 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 30 days after the last submission filed pursuant to paragraph (e) of this Rule 620, the Chief Compliance Officer will appoint an Appeals Panel to consider and determine the appeal. An Appeals Panel shall be comprised of three 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 10 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 Rules, by serving written notice on the Chief Compliance Officer. 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 will decide the merits of any request for disqualification within his or her sole discretion. Any such decision will be final and not subject to appeal.

(i) 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, 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 order 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 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 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. 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.

(m) The Appeals Panel's Written order on appeal (including findings of fact and conclusions and the imposition of sanctions, remedies and costs, and the effective date of any sanction, remedy cost) will be the final action of GTX and will not be subject to appeal within GTX.

#### **RULE 621. Summary Imposition of Fines**

(a) The Chief Compliance Officer may summarily impose a fine against a Market Participant for failing:

- (i) to make timely payments of fees, cost, charges or fines to GTX;
- (ii) to make timely and accurate submissions to GTX of notices, reports or other information required by the GTX Rules; or
- (iii) to keep any books and records required by the GTX Rules.

(b) The Compliance Department, acting on behalf of the Chief Compliance Officer, will give notice of any fine imposed pursuant to this Rule 621 to each Market Participant subject thereto. The notice will specify (i) the violations of the GTX 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 20 days of serving the notice of fine, the Market Participant must either pay or cause the payment of the fine. The fine will become final upon the expiration of 20 days after the notice of fine is served on the Market Participant.

(c) GTX will set the amount of any fines imposed pursuant to this Rule 621, with the maximum fine for each violation not to exceed \$5,000. Summary imposition of fines pursuant to this Rule 621 will not preclude GTX from bringing any other action against the Market Participant.

#### **RULE 622. Summary Suspensions and Other Summary Actions**

(a) Notwithstanding anything in the GTX Rules to the contrary, the Chief Compliance Officer may, after consultation with the Regulatory Oversight Committee, if practicable, summarily suspend, revoke, limit, condition, restrict or qualify the Trading Privileges of a Market Participant, and may take other summary action against any Market Participant in accordance with the GTX Rules; provided, however, that the Chief Compliance Officer must reasonably believe that the business, conduct or activities of the Market Participant in question is not in the best interests of GTX 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 GTX.

(b) Whenever practicable, the Compliance Department, acting on behalf of the Chief

Compliance Officer, 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, GTX 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, 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 20 days after the notice of action is served on the respondent.

(d) At the request of GTX, a respondent against whom a summary action is brought pursuant to this Rule 622 must provide books and records over which the respondent has access or control and must furnish information to, or appear or testify before, GTX or in connection with the enforcement of any GTX Rule.

### **RULE 623. Rights and Responsibilities after Suspension or Termination**

(a) When the Trading Privileges of any Participant 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 GTX 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 GTX Rules or right to Trading Access. Any such suspension will not affect the rights of creditors under the GTX Rules or relieve the Participant in question of its, his or her obligations under the GTX Rules to perform any Swaps entered into before the suspension, or for any GTX fees, costs, or charges incurred during the suspension.

(b) When the Trading Privileges of a Participant are terminated, all of its rights and Trading Privileges will terminate, except for the right of the Participant in question to assert claims against others, as provided in the GTX Rules. Any such termination will not affect the rights of creditors under the GTX Rules. A terminated Participant may only seek to reinstate its Trading Privileges by applying for Trading Privileges pursuant to Chapter 3. GTX 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 remains subject to the GTX Rules and the jurisdiction of GTX for acts and omissions prior to the suspension or termination, and must cooperate 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. GTX may discipline a suspended Participant under this Chapter 6 for any violation of a GTX Rule or provision of Applicable Law committed by the Participant 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, GTX shall seek to facilitate the transfer of any Customer Accounts held by such Participant to other Participants with Trading Privileges.

**RULE 624. Notice to the Respondent, the Regulatory Services Provider and the Public**

GTX will provide Written notice of disciplinary proceedings to the parties consistent with applicable CFTC Regulations. Whenever GTX suspends, expels, fines or otherwise disciplines, or denies any Person access, to GTX, GTX will make the disclosures required by CFTC Regulations.

**RULE 625. CFTC Review**

Pursuant to Part 9 of the Act, the CFTC may review any suspension, expulsion, disciplinary or access denial action determination made by GTX. On review, the CFTC may, in its discretion, consider *sua sponte* any issues arising from the record before it and may base its determination thereon, or limit the issues to those presented in the statement of issues in the briefs, treating those issues not raised as waived. If the CFTC determines to consider any issue not raised by the parties, it may issue an order that notifies the parties of such determination and provides an opportunity for the parties to address any issue considered *sua sponte* by the CFTC.

**RULE 626. CFTC Review**

(a) Where a Person disciplined or denied access has not appealed GTX's decision to the CFTC, upon review of the notice specified in §9.11 of the Act, the Division of Market Oversight or the Division of Swap Dealer and Intermediary Oversight and Division of Clearing and Risk may request that GTX file with the Division the record of the proceedings, or designated portions of the record, a brief statement of the evidence and testimony adduced to support GTX's findings that a rule or rules of the exchange were violated and such recordings, transcripts and other documents applicable to the particular proceeding as the Division may specify. GTX must promptly advise the Person who is the subject of the disciplinary or access denial action of the Division's request. Within thirty days after service of the Division's request, GTX shall file the information requested with the Division and, upon request, deliver that information to the person who is the subject of the disciplinary or access denial action. Delivery and filing must be in the manner prescribed by §9.11(c) of the Act. A Person subject to the disciplinary action or access denial action requesting a copy of the information furnished to the Division must agree to pay the exchange reasonable fees for printing the copy.

(b) The CFTC may institute review of a disciplinary or access denial action on its own motion. Other than in extraordinary circumstances, such review will be initiated within 180 days after the CFTC has received the notice of exchange action provided for in §9.11 of the Act. If the CFTC should institute review on its own motion, it will issue an order permitting the Person who is the subject of the disciplinary or access denial action an opportunity to file an appropriate submission, and the exchange an opportunity to file a reply thereto.

## **RULE 627. Oral Argument**

Any party to the proceeding may file with the CFTC's proceedings clerk a request in Writing for the opportunity to present oral argument before the CFTC, which the CFTC may, in its discretion, grant or deny. A request under this paragraph must be filed concurrently with the party's brief.

## **RULE 628. Final Decision**

(a) Upon review, the CFTC may affirm, modify, set aside, or remand for further proceedings, in whole or in part, the decision of GTX. The CFTC's decision will be contained in its opinion and order which will be based upon the record before it, including the record of the exchange proceeding, and any oral argument made in accordance with §9.32 of the Act. Except as provided in paragraph (b) of this section, the opinion and order will constitute the final decision of the CFTC, effective upon service on the parties. In the event the CFTC is equally divided as to its decision, the CFTC will affirm without opinion the decision of the exchange, which will constitute the CFTC's final decision.

(b) If the CFTC finds that the result reached in GTX's decision is substantially correct and that none of the arguments on appeal made by the appellant raise important questions of law or policy, the CFTC may, by appropriate order, summarily affirm GTX's decision without opinion, which will constitute the CFTC's final decision. Unless the CFTC expressly indicates otherwise in its order, an order of summary affirmance does not reflect a CFTC determination to adopt GTX's final decision, including any rationale contained therein, as its opinion and order, and neither GTX's final decision nor the CFTC's order of summary affirmance will serve as a CFTC precedent in other proceedings.

(c) In reviewing a GTX disciplinary, access denial or other adverse action, the CFTC will consider whether:

(1) GTX disciplinary, access denial or other adverse action was taken in accordance with the rules of GTX;

(2) Fundamental fairness was observed in the conduct of the proceeding resulting in the disciplinary, access denial or other adverse action;

(3)(i) In the case of a disciplinary action, the record contains substantial evidence of a violation of the GTX Rule or (ii) in the case of an access denial or other adverse action, the record contains substantial evidence supporting the exchange action; and

(4) The disciplinary, access denial or other adverse action otherwise accords with the Act and the rules, regulations and orders of the CFTC thereunder.

## **CHAPTER 7. ARBITRATION**

### **RULE 701    General**

(a) Except as otherwise provided in these Rules, Market Participants 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 system or services of GTX or the services, equipment or facilities used to support such system or services, including GTX (each, a “Dispute”). Any such claim against a Market Participant shall be brought within two 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 these Rules or Applicable Law. In the event that this Rule 701 is held unenforceable in connection with any Dispute or claim is deemed by a court of competent jurisdiction to be not arbitratable, (i) exclusive jurisdiction for any such Dispute will reside in any state or federal court sitting in New York County, New York, (ii) the Market 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 Market 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 Market Participants if (i) such Market Participants are required by the Rules of a Self-Regulatory Organization to submit to the Dispute resolution procedures of that Self-Regulatory Organization; or (ii) such Market Participants have, by valid and binding agreement, committed to negotiate or litigate in a forum other than the forum set out in Rule 702.

### **RULE 702    Forum and Arbitration Rules**

NFA will conduct any and all arbitrations of a type described in Rule 701 pursuant to NFA’s Member Arbitration Rules, as if each Market Participant to such arbitration was an “NFA Member”.

### **RULE 703    Initiating an Arbitration Claim**

(a) A Market Participant may initiate an arbitration claim by submitting the required documents and fees to NFA.

(b) A Market Participant submitting an arbitration claim shall provide such notice of claim to GTX.

### **RULE 704    Claims Relating to Trade Cancellations or Price Adjustments**

All claims relating to trade 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 Market Participant to arbitrate a case subject to arbitration or the commencement by any such Market Participant or its Person of a suit in any court prior to arbitrating a case subject to arbitration, violates the Rules and subjects such Person to disciplinary proceedings pursuant to Chapter 6.

(b) GTX may summarily suspend, pursuant to Chapter 6, a Market Participant 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**

It is GTX policy: (1) Not to engage in or knowingly assist any money laundering or other illicit business, and (2) Not to engage in or knowingly assist, or be a conduit for, terrorist financing.

Market Participants will be required to provide sufficient information for GTX to complete “know your customer” checks and to conduct restricted list searches, including searches against the Specially Designated Nationals (“SDN”) and Blocked Persons list maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC list”).

#### **RULE 802. Gifts and Gratuities**

Except as permitted in Writing by the Chief Compliance Officer, no Market Participant shall, directly or indirectly, give or permit to be given anything of value (including gratuities) to a SEF Official or GTX, including any agents or independent contractors of GTX. A gift of any kind is considered a gratuity. Furthermore no SEF Official or GTX, including any agents or independent contractors of GTX, may give anything of value to a Market Participant directly or indirectly, including gratuities.

#### **RULE 803. Market Data**

(a) Subject to each Market Participant's rights in Market Participant’s own data (and the data of its Accounts and Customers), GTX 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 GTX or Trades entered into pursuant to the Rules, including Orders, prices and volumes (“SEF Data”).

(b) Market Participants shall not, and shall cause their Affiliates, agents or intermediaries not to, distribute, sell or retransmit SEF Data or other information obtained via GTX, provided that any such restrictions shall not apply to the Market Participant’s own data (and the data of its Accounts and Customers).

(c) GTX may at any time restrict or establish utilization fees in respect of SEF Data and/or the format and presentation thereof with respect to Market Participants, provided that any such fees shall not apply to the Market Participants' use of the Market Participant's own data (and the data of its Accounts and Customers).

(d) Subject to Rule 805, GTX may make SEF Data and other information it may deem appropriate available to Market Participants, in an aggregated and anonymized form, at such times and in such manner (whether through GTX, a ticker, financial information services or otherwise) as it may consider necessary or advisable from time to time. Each Market Participant receiving any such information through GTX may redistribute such information only to such extent and in such manner as may be permitted by GTX from time to time.

#### **RULE 804. Prohibited Use of Data Collected for Regulatory Purposes**

GTX 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, for the purpose of fulfilling its regulatory obligations; provided, however, GTX 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 GTX's use of such data or information in such manner. GTX shall not condition access to its market(s) or market services on a Person's consent to GTX's use of proprietary data or personal information for business or marketing purposes. GTX, where necessary for regulatory purposes, may share such data or information with one or more SEFs or DCMs registered with the CFTC.

#### **RULE 805. Confidentiality**

Except as otherwise provided in these Rules, all non-public information provided by a Market Participant to GTX shall be held in confidence and shall not be made known to any other Person except as follows:

- (a) with the consent of the Market Participant providing such information;
- (b) to a Governmental Body or the regulatory authority of any foreign jurisdiction, if GTX is requested or legally required to do so by such Governmental Body;
- (c) pursuant to legal process;
- (d) to a Swap Data Repository;
- (e) subject to appropriate confidentiality requirements, to any Person providing services to GTX, including the Regulatory Service Provider;

- (f) pursuant to an information sharing agreement or other arrangement or procedures in accordance with Rule 213;
- (g) to the Board, Board committees, Disciplinary Panels, Appeals Panels, GTX Officers, attorneys, auditors and agents and independent contractors that have been engaged by GTX who require such information in connection with the discharge of their duties to GTX; and
- (h) As otherwise permitted under these Rules.

**RULE 806 Extension or Waiver of GTX Rules**

If necessary and expedient, the Chief Compliance Officer may, in its sole discretion, waive, or extend the time period for performing, any act or acts designated by the GTX Rules, but only to the extent such waiver or extension is not inconsistent with the CEA or the CFTC Regulations or other applicable regulations.

**RULE 807. Effect of Amendment, Repeal or New Rule**

(a) If an amendment or repeal of a GTX Rule or adoption of a new GTX Rule does not materially change the terms or conditions of an open Swap or affects the value of open swaps, then amendment, repeal or new GTX Rule shall not affect any open Swaps and shall be binding on new Swaps listed for trading after 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.

(b) If an amendment or repeal of a GTX Rule or adoption of a new Rule materially changes the terms or conditions of a Swap or affects the value of open Swaps, then the amendment, repeal or new GTX Rule is binding only on 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) Notwithstanding any provision of the GTX Rules to the contrary, the Swap Specification with respect to a particular Swap shall govern the applicability of the GTX Rules to trading in such Swap and, in the event of any conflict between the GTX Rules and the Swap Specification, the Swap Specification shall govern with respect to trading in the relevant Swap.

- (b) The Swap Specification for each individual Swap may specify:
  - (i) different classes of Market Participants eligible to trade such Swaps. Each such class of Market Participants shall have the rights and obligations specified by the Swap Specification for each such Swap;

- (ii) whether such Swap may be settled via cash settlement, physical delivery of the underlying commodity, or by any other means, as applicable; and
  - (iii) the method for determining settlement prices.
- (c) Each Swap contract will be published by GTX on its website.

**RULE 809. Timely Publication of Trading Information**

GTX will publish trading information as required by Core Principle 9 of Part 37, and by Part 16, of the CFTC Regulations.

**RULE 810. Governing Law.**

(a) Unless preempted by the Act, the law of the State of New York governs the GTX Rules and any Participant Documentation regardless of the laws that would otherwise apply under choice-of-law principles. If a Market Participant provides an opinion of a counsel (i) stating that the Market 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 Market Participant is organized (the “Local Law”) and enumerating specific provisions of these Rules or the Participant Documentation that must be subject to the Local Law, GTX will specify the application of the Local Law to the enumerated specific provisions of these Rules and the Participant Documentation; provided, however, that in no event shall Local Law supersede any provision of the Act.

(b) Any dispute between GTX and a Market Participant arising from or in connection with the GTX Rules of use of GTX must be brought to arbitration pursuant to subsection (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 GTX Rules.

(c) Any dispute between GTX and a Market Participant arising from or in connection with the GTX 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 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 GTX and each Market 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 jurisdiction for any such dispute

will reside in any state or federal court sitting in New York County, New York, (ii) GTX and the Market 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 Market Participants unconditionally and irrevocably waive any and all right to trial by jury in connection with any such dispute.

## **CHAPTER 9 MISCELLANEOUS**

### **RULE 901. Limitation Of Liability, No Warranties**

- (a) NONE OF GTX, ITS AFFILIATES OR ANY CONTRACTORS AND SUB- CONTRACTORS PROVIDING SERVICES RELATED TO GTX OR GTX, 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 MARKET PARTICIPANT) FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES (INCLUDING LOSS OF PROFITS, LOSS OF USE, AND DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES), 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 GTX OR SERVICES OF THE DISCLAIMING PARTY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT GTX OR SERVICES, INCLUDING ELECTRONIC ORDER ENTRY/DELIVERY, TRADING THROUGH ANY ELECTRONIC MEANS, ELECTRONIC COMMUNICATION OF MARKET DATA, SEF DATA, OR INFORMATION, WORKSTATIONS USED BY MARKET PARTICIPANTS, 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 GTX 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, BUT NOT LIMITED TO, INDEPENDENT SOFTWARE VENDORS 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 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 (a), (c), (e) or (f) OF THIS RULE 901, IN NO EVENT SHALL ANY AFFILIATE OF GTX ACTING AS GTX PLATFORM 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, BUT NOT LIMITED TO LOSS OF PROFITS, LOSS OF USE, DIRECT, SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, ARISING FROM THE USE OF GTX.

(c) WITHOUT LIMITATION GTX'S INDEMNIFICATION OBLIGATION UNDER RULE 902, THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS (INCLUDING BUT NOT LIMITED TO 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 701(a) AS IF THE DISCLAIMING PARTY WERE GTX AND THE OPPOSITE PARTY OR PARTIES WERE A MARKET PARTICIPANT. ANY ACTIONS, SUITS OR PROCEEDINGS BROUGHT AGAINST ANY DISCLAIMING PARTY MUST BE BROUGHT WITHIN TWO YEARS 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 701(a)) AND SHALL NOT AUTHORIZE AN ACTION THAT WOULD OTHERWISE BE PROHIBITED BY THE GTX 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 LAW, THE TOTAL COMBINED AGGREGATE LIABILITY OF GTX SHALL NOT EXCEED (I) \$10,000 FOR ALL LOSSES AND CLAIMS FROM ALL CAUSES SUFFERED ON A SINGLE DAY, (II) \$200,000 FOR ALL LOSSES AND CLAIMS FROM ALL CAUSES SUFFERED IN A SINGLE CALENDAR MONTH; AND (III) \$2,000,000 FOR ALL LOSSES AND 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 701(a).

(f) IN NO EVENT SHALL TOTAL COMBINED AGGREGATE LIABILITY OF GTX FOR ALL CLAIMS 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 GTX, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT GTX OR THE NEGLIGENCE OF GTX EMPLOYEES, AGENTS OR SUBAGENTS EXCEED \$1,000,000 IN ANY GIVEN CALENDAR YEAR.

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.

(g) THE LIMITATIONS OF LIABILITY IN THIS RULE 901 SHALL NOT APPLY TO GTX'S INDEMNIFICATION OBLIGATIONS UNDER RULE 902, GTX'S GROSS NEGLIGENCE, FRAUD, WILFULL MISCONDUCT, CLAIMS UNDER THE CONFIDENTIALITY SECTION, OR AND SHALL NOT PROTECT ANY PARTY FOR WHICH THERE HAS BEEN A FINAL DETERMINATION (INCLUDING EXHAUSTION OF ANY APPEALS) BY COURT OR ARBITRATOR TO HAVE ENGAGED IN GROSS NEGLIGENCE, 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.

#### **RULE 902. Indemnification by GTX**

GTX, at its expense, shall indemnify, hold harmless and defend a Market Participant against any loss, claim, demand or expense (including reasonable attorneys' fees) ("Claim") that GTX or any portion thereof infringes, misappropriates or violates any intellectual property or proprietary

rights of any third party; provided, however, that GTX shall not be required to indemnify the Market Participant for any Claim to the extent it arises from or in connection with any (a) additions, changes or modifications by the Market Participant to GTX, which changes were not provided by GTX or any of its Affiliates or (b) use of GTX other than as expressly permitted by the Rules or the Participant Documentation. GTX shall control such defense and all negotiations relative to the settlement of any such Claim. The Market Participant shall promptly provide GTX with Written notice of any claim which falls within the scope of this paragraph (provided that failure to provide such notice shall not relieve GTX of its indemnity obligations hereunder except to the extent it is prejudiced thereby).