

Attach as Exhibit L, a narrative and any other form of documentation that may be provided under other Exhibits herein, that describes the manner in which the Applicant is able to comply with each core principle. Such documentation must include a regulatory compliance chart setting forth each core principle and providing citations to the Applicant's relevant rules, policies, and procedures that address each core principle. To the extent that the application raises issues that are novel or for which compliance with a core principle is not self-evident, include an explanation of how that item and the application satisfy the core principles.

Attached as Exhibit L is a chart that describes the manner in which the Applicant is able to comply with each core principle.

**BLOOMBERG SWAP EXECUTION FACILITY (“BSEF”)
APPLICATION FOR SWAP EXECUTION FACILITY
COMPLIANCE WITH CORE PRINCIPLES**

Swap Execution Facility Registration and Core Principles	Bloomberg Swap Execution Facility (“BSEF”) Application	Relevant BSEF Documents, Rule or Agreements
<p>Core Principle 1</p> <p><i>Sec. 5h (f)(1) Compliance with Core Principles - "(A) IN GENERAL-</i> To be registered, and maintain registration, as a swap execution facility, the swap execution facility shall comply with-- (i) the core principles described in this subsection; and (ii) any requirement that the Commission may impose by rule or regulation pursuant to section 8a(5). (B) <i>REASONABLE DISCRETION OF SWAP EXECUTION FACILITY-</i> Unless otherwise determined by the Commission by rule or regulation, a swap execution facility described in subparagraph (A) shall have reasonable discretion in establishing the manner in which the swap execution facility complies with the core principles described in this subsection."</p>	<p>The BSEF application (“Application”) as a whole satisfies this Core Principle. <i>See generally</i> the Application</p>	<p>BSEF Application and supporting documentation.</p> <p>BSEF Rulebook (Exhibit M)</p> <p>BSEF Compliance Manual (Exhibit O)</p> <p>Regulatory Services Agreement (Exhibit N-2)</p> <p>BSEF User Agreement (Exhibit N-1)</p> <p>Amended and Restated Operating Agreement of Bloomberg SEF LLC</p>
<p>Core Principle 2</p> <p><i>Sec. 5h (f)(2) Compliance With Rules - "A swap execution facility shall -- (A) establish and enforce compliance with any rule of the swap execution facility, including-- (i) the terms and conditions of the swaps traded or processed on or through the swap execution facility; and (ii) any limitation on access to the swap execution facility; (B) establish and enforce trading, trade processing, and participation rules that will deter</i></p>	<p>BSEF has established rules and procedures reasonably designed to ensure compliance with section 5(h) of the Commodity Exchange Act (“CEA”) and the rules of the Commodity Futures Trading Commission (“CFTC”) including procedures to be used in entering and executing orders traded on BSEF. BSEF fulfills its compliance with the CEA, CFTC rules and BSEF rules through oversight by its Regulatory Oversight Committee (“ROC”), its Chief Compliance Officer (“CCO”) and Compliance Officer (collectively “Compliance</p>	<p>BSEF Rulebook (Exhibit M)</p> <p><u>Rule 311(a): Application of Rules and Jurisdiction</u></p> <p><u>Rule 522., Rule 522.A., Required Transaction</u></p> <p><u>Rule 531(a). Block Trades</u></p> <p><u>Rule 533(a). Cleared Swaps</u></p> <p><u>Rule 533 (b): Trades in Cleared Swaps by a Participant, its Client.</u></p>

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<p>abuses and have the capacity to detect, investigate, and enforce those rules, including means-- (i) to provide market participants with impartial access to the market; and (ii) to capture information that may be used in establishing whether rule violations have occurred;</p> <p>(C) establish rules governing the operation of the facility, including rules specifying trading procedures to be used in entering and executing orders traded or posted on the facility, including block trades; and</p> <p>(D) provide by its rules that when a swap dealer or major swap participant enters into or facilitates a swap that is subject to the mandatory clearing requirement of section 2(h), the swap dealer or major swap participant shall be responsible for compliance with the mandatory trading requirement under section 2(h)(8)."</p>	<p>Department") and through the engagement of a regulatory service provider, the National Futures Association ("NFA").</p> <p>The BSEF Compliance Department is under the supervision of the CCO. The CCO and the Compliance Department monitors BSEF's compliance with all regulatory, legal, and internal rules, policies and procedures. The CCO is appointed by the BSEF Board and is required to meet with the ROC at least quarterly. The CCO has available to him the resources to develop and enforce policies and procedures necessary to fulfill his duties as CCO and as required under CFTC regulations. The ROC oversees BSEF's regulatory program on behalf of the Board. The ROC has the authority, among other things, to (1) monitor the BSEF's regulatory program for sufficiency, effectiveness and independence and (2) oversee all facets of BSEF's regulatory program, including trade practice and market surveillance; audits examinations, and other regulatory responsibilities with respect to Participants.</p> <p>BSEF has contracted with NFA to perform certain surveillance, investigative, and regulatory functions under BSEF Rules. BSEF retains ultimate decision-making responsibility with respect to any functions contracted to NFA. NFA will utilize an automated system, Sophisticated Warning Analysis Profiling System or "SWAPS", to perform such regulatory services on a trade plus one basis (T+1). NFA will review BSEF trades on a routine basis to determine whether suspicious activity relating to BSEF's trading standards exists.</p> <p>BSEF will be responsible for monitoring overall activity on its market on a real-time basis. BSEF will provide NFA with a real-time, view-only market monitor screen, and NFA shall act as a secondary real-time monitor by viewing trading activity, tracking specific traders, monitoring pricing and volume and being alerted to market messages.</p> <p>NFA will be primarily responsible for performing most of the</p>	<p><u>Rule 204(b)</u>. <i>Regulatory Oversight Committee</i> conduct of investigations by the Regulatory Services Provider</p> <p><u>Rule 209(d)</u>. <i>Chief Compliance Officer</i></p> <p><u>Rule 209(e)(i)</u> : The Chief Compliance Officer's duties</p> <p><u>Rule 602(b)</u>. <i>Disciplinary Rules</i></p> <p><u>Rule 305</u>. <i>Limitations of Trading Privileges.</i></p> <p>BSEF Compliance Manual (Exhibit O)</p> <p><u>Section 9</u>. <i>Fees and Access</i>.</p> <p><u>Section 9.1</u>. <i>ECP Access</i></p> <p><u>Section 9.2</u>. <i>No Conditioning Access on Consent to Use Data</i></p> <p><u>Section 21.4</u>. <i>Compliance Staff and Resources</i></p> <p><u>Section 22.1</u>. <i>Automated Trade Surveillance</i></p> <p><u>Section 25.1</u>. <i>Investigations, Disciplinary Procedures and Sanctions</i> A full set of those procedures can be found in <u>Appendix C</u>, NFA Manual, pp. 22-26. <u>See also</u>, BSEF Rulebook, Chapter 6, <i>Disciplinary Rules</i>."</p> <p>Regulatory Services Agreement (Exhibit N-2).</p> <p><u>1. Scope of Services</u>.</p> <p><u>Section 22.1.1</u>. <i>NFA Surveillance</i>. <u>See Appendix C</u>, NFA Manual, ps. 7-8, for a full description of the surveillance process.</p> <p>BSEF USER Agreement (Exhibit N-1).</p> <p>Section 4. Representation as to the ECP status.</p>

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	<p>investigatory work relating to trade practice and market surveillance inquiries and investigations. NFA may conduct preliminary inquiries of potential irregularities or clearing exceptions and request information from Participants and Clearing Houses. NFA will inform the CCO of all such preliminary inquiries.</p> <p>If, after the preliminary inquiry, NFA has reason to believe that further investigation is required, NFA shall open a case matter, inform BSEF’s CCO and conduct further investigations. In conducting this investigation, NFA may engage in certain activities, including but not limited to the following (1) request documents; (2) conduct trader interviews, which at NFA’s discretion, may be conducted under oath; (3) review other trade activity; and (4) gather any additional information that NFA deems necessary.</p> <p>If at the conclusion of the investigation: (1) NFA does not have reason to believe that the matter should be forwarded to BSEF for review in conjunction with BSEF’s Rules, NFA will close the case matter internally and so notify the CCO; or (2) NFA has reasons to believe that the matter should be forwarded to BSEF for its review in conjunction with BSEF Rules, NFA will prepare a written report summarizing NFA’s investigative findings and provide such report to the CCO.</p> <p>In addition, the Compliance Department will also conduct inquiries and investigations relating to real-time surveillance, trade practice and market surveillance.</p> <p>Both NFA’s and the Compliance Department’s investigations are governed by Chapter 6 of the Rulebook. Chapter 6 governs disciplinary proceedings, including the initiation and adjudication proceedings. BSEF has appointed individuals to serve on separate Review and Hearing Panels.</p> <p>BSEF has the ability to actively monitor trading activity and</p>	

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	<p>Participants in order to prevent market manipulation, and has requirements to ensure that Participants maintain and make available information regarding their trading activity. BSEF has the ability, at any time, to revoke, suspend, limit, condition, restrict, or qualify the trading privileges of any Participant, if in the sole discretion of BSEF, such action is in the best interest of BSEF.</p>	
<p>Core Principle 3</p> <p><i>Sec. 5h (f)(3) Swaps Not Readily Susceptible to Manipulation</i> - "The swap execution facility shall permit trading only in swaps that are not readily susceptible to manipulation."</p>	<p>All Cleared Swaps shall be cleared through a Clearing House indicated in Swap Specifications in accordance with the CEA and the CFTC Regulations. Any Participant placing an Order with respect to a Swap that is not a Cleared Swap shall have entered into an agreement governing the execution of the Swap with the prospective counterparty to such Swap prior to placing such Order.</p> <p>BSEF believes that the swaps traded on its platform will largely be based on data which make them unlike that they will be susceptible to manipulation. For example, Interest Rate Swaps on Bloomberg’s BSEF will reference an observable index of LIBOR (or related index such as Euribor and Eonia). This index is an agnostic index in that it cannot be used to speculate on the health of a company or corporate entity. Contract specifications will set forth in detail the terms of the swap.</p> <p>As noted in the example above, LIBOR is the interest rate underlying the Contract. LIBOR refers to a daily reference rate based on the interest rates at which banks borrow unsecured funds from other banks in the London wholesale money interbank market. LIBOR rates are widely used as a reference rate for financial instruments such as interest rate swaps. The British Bankers Association (“BBA”) enlists a panel of banks in which each bank supplies the rate they perceive they could be offered funds in the London market for a certain currency</p>	<p>SEF Compliance Manual (Exhibit O)</p> <p><u>Section 11.8.</u> <i>Swaps not readily susceptible to manipulation</i></p> <p><u>Section 23.1.2.</u> <i>Cash-Settled Swaps where Price Relies on Third-Party Index or Instrument</i></p> <p><u>Section 23.2.1. and 23.2.2.</u> <i>Physical Delivery Swaps</i></p>

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	<p>and maturity.</p> <p>In summary, the cash settlement of the Contract is at a price reflecting the underlying market, will not be subject to manipulation or distortion, and is based on data that is reliable, acceptable, publicly available and timely. In addition, it should be noted that BSEF will only offer swaps which have been either approved or certified by the Commission.</p>	
<p>Core Principle 4</p> <p><i>Sec. 5h (f)(4) Monitoring Of Trading and Trading Processing - "(A) establish and enforce rules or terms and conditions defining, or specifications detailing-- (i) trading procedures to be used in entering and executing orders traded on or through the facilities of the swap execution facility; and (ii) procedures for trade processing of swaps on or through the facilities of the swap execution facility; and (B) monitor trading in swaps to prevent manipulation, price distortion, and disruptions of the delivery or cash settlement process through surveillance, compliance, and disciplinary practices and procedures, including methods for conducting real-time monitoring of trading and comprehensive and accurate trade reconstructions."</i></p>	<p>NFA uses its proprietary SWAP system to monitor the trading on BSEF to prevent manipulation, price distortion and disruptions of the settlement process. BSEF performs real-time market surveillance. BSEF will also maintain both a trade practice and market surveillance program to monitor for market abuses, including manipulation; and, has disciplinary procedures for violations of its rules.</p>	<p>BSEF Rulebook (Exhibit M)</p> <p>Chapter 5. <u>Rule 502. Procedures</u> <u>Rule 506. Fictitious, Wash or Non-Competitive Transactions.</u> <u>Rule 508. Market Disruption and Market Manipulation</u> <u>Rule 524.A. Order Entry</u> <u>Rule 522. Execution of Orders on SEF Platform</u></p> <p>BSEF Compliance Manual (Exhibit O)</p> <p><u>Section 21. Rule Enforcement Program</u> <u>Section 22. Automated Trade Surveillance and Real-Time Monitoring</u> <u>Section 23. Additional Requirements for Swaps</u> <u>Section 24. Audit Trail</u></p>

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Core Principle 5	<p>BSEF’s Rulebook sets forth the requirements of Participants to maintain books and records, and permitting inspection and visitation by duly authorized representatives of the CFTC.</p> <p>In addition, BSEF may enter into information-sharing agreements or other arrangements or procedures to coordinate surveillance with other markets on which contracts or financial instruments related to the Contracts trade. As part of these agreements BSEF may, in part: (i) provide market surveillance reports to other SEFs; (ii) share information and documents concerning current and former participants with other markets; (iii) share information and documents concerning ongoing and completed investigations with other markets; and/or (iv) require its current or former participants to provide information and documents to BSEF at the request of other markets with which BSEF has an information-sharing agreement or other arrangements or procedures.</p> <p>BSEF will enter into international information-sharing agreements as the CFTC may require from time-to-time.</p>	<p>BSEF Rulebook (Exhibit M)</p> <p><u>Rule 315.</u> <i>Compliance with the Commodity Exchange Act</i></p> <p><u>Rule 401.</u> <i>Duties and Responsibilities of Participants</i></p> <p><u>Rule 403.</u> <i>Inspections by the SEF</i></p> <p><u>Rule 213.</u> <i>Information-Sharing Agreements:</i></p> <p>SEF Compliance Manual (Exhibit O)</p> <p><u>Section 24.1.</u> <i>Audit Trail</i></p> <p><u>Section 24.6.</u> <i>Annual Audit Trail and Recordkeeping</i></p>
Core Principle 6	<p>BSEF has rules related to position limits and position accountability levels and receives reports of large positions in order to assess a trader’s power. At this time, BSEF has determined that position accountability limits will allow the Exchange to monitor the market and enforce the rules. The Compliance Department and the Regulatory Services Provider monitor for positions that exceed meet or exceed reportable levels. The Surveillance System will also generate alerts for various situations regarding open interest and large trader reported positions. The alerts include, but are not limited to,</p>	<p>BSEF Rulebook (Exhibit M)</p> <p><u>Rule 525(a).</u> <i>Position Limits</i></p> <p><u>Rule 527.</u> <i>Position Accountability</i></p> <p>BSEF Compliance Manual (Exhibit O)</p> <p><u>Section 17.</u> <i>Position Limits</i></p>

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<p>established by the Commission pursuant to section 4a(a), the swap execution facility shall-- (i) set its position limitation at a level no higher than the Commission limitation; and (ii) monitor positions established on or through the swap execution facility for compliance with the limit set by the Commission and the limit, if any, set by the swap execution facility."</p>	<p>the following: (a) whenever an account is identified as a large trader for the first time; (b) whenever large trader positions exceeds reportable level; (c) whenever large trader positions exceeds speculative position limits; and, (d) whenever firm open interest exceeds contract open interest by predefined limits. BSEF may sanction Participants for violating position limits established pursuant to Rule 524</p>	
<p>Core Principle 7</p> <p><i>Sec. 5h (f)(7) Financial Integrity of Transactions</i> - "The swap execution facility shall establish and enforce rules and procedures for ensuring the financial integrity of swaps entered on or through the facilities of the swap execution facility, including the clearance and settlement of the swaps pursuant to section 2(h)(1)."</p>	<p>All Cleared Swaps shall be cleared through a Clearing House indicated in Swap Specifications in accordance with the CEA and the CFTC Regulations. Any Participant placing an Order with respect to a Swap that is not a Cleared Swap shall have entered into an agreement governing the execution of the Swap with the prospective counterparty to such Swap prior to placing such Order. BSEF has the capacity to route information about executed trades to the derivative clearing organizations in a manner acceptable to the derivatives clearing organization for purposes of ongoing risk management.</p> <p>Additionally, BSEF requires that its Participants be an eligible contract participant (“ECP”), be either a clearing member or have a relationship with a clearing member for swaps required to cleared, of good reputation and business integrity and maintain adequate financial resources and credit, among other requirements designed to ensure the financial integrity of BSEF. Participants registered with the CFTC are required to comply with the minimum financial requirements and reporting obligations of the CFTC. Such Participants are required to concurrently provide BSEF with copies of any reports required to be filed with an SRO or the CFTC.</p> <p>Participants are required to notify BSEF when there are material changes to the Participant’s finances or in an instance of bankruptcy or insolvency.</p>	<p>BSEF Rulebook (Exhibit M)</p> <p><u>Rule 533(a). Cleared Swaps</u> <u>Rule 301. Eligibility Criteria for Becoming a Participant</u></p> <p><u>Rule 401 (ix). Duties and Responsibilities of Participants</u> <u>Rule 402. Required Disclosure to BSEF</u></p> <p>BSEF Compliance Manual (Exhibit O)</p> <p><u>Section 10.1. Monitoring Participant Financial Soundness</u></p>

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<p>Core Principle 8</p> <p><i>Sec. 5h (f)(8) Emergency Authority</i> - "The swap execution facility shall adopt rules to provide for the exercise of emergency authority, in consultation or cooperation with the Commission, as is necessary and appropriate, including the authority to liquidate or transfer open positions in any swap or to suspend or curtail trading in a swap."</p>	<p>BSEF Rules set forth have clear procedures and guidelines for decision-making regarding emergency intervention in the market, including procedures and guidelines to avoid conflicts of interest while carrying out such decision-making.</p> <p>The measures available to BSEF in the case of an emergency include the ability to place into immediate effect temporary rules, order the liquidation of contracts, order the fixing of the settlement price or liquidation-only trading, suspending or limiting trading, modifying trading hours, imposing position or price limits, and requiring Participants to meet special margin requirements.</p> <p>BSEF will notify the CFTC prior to implementing, modifying, or terminating an Emergency Rule and will comprehensively document the decision-making process related to any action in response to an Emergency.</p>	<p>BSEF Rulebook (Exhibit M)</p> <p><u>Rule 212</u>. <i>Emergency Rules</i></p> <p>BSEF Compliance Manual (Exhibit O)</p> <p><u>Section 27</u>. <i>Emergency Policies and Procedures</i>.</p>
<p>Core Principle 9</p> <p><i>Sec. 5h (f)(9) - Timely Publication of Trading Information</i> - "(A) IN GENERAL- The swap execution facility shall make public timely information on price, trading volume, and other trading data on swaps to the extent prescribed by the Commission. (B) CAPACITY OF SWAP EXECUTION FACILITY- The swap execution facility shall be required to have the capacity to electronically capture and transmit trade information with respect to transactions executed on the facility."</p>	<p>BSEF will timely transmit swap transaction and pricing data to a registered SDR that accepts swap data for swaps traded on BSEF.</p>	<p>BSEF Compliance Manual (Exhibit O)</p> <p><u>Section 38</u>. <i>Reporting to SDR</i></p> <p><u>Section 39</u>. <i>Recording, Reporting and Publishing of Trading Information</i></p>

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<p>Core Principle 10</p> <p><i>Sec. 5h (f)(10) - Recordkeeping and Reporting -</i> "(A) IN GENERAL- A swap execution facility shall--(i) maintain records of all activities relating to the business of the facility, including a complete audit trail, in a form and manner acceptable to the Commission for a period of 5 years; (ii) report to the Commission, in a form and manner acceptable to the Commission, such information as the Commission determines to be necessary or appropriate for the Commission to perform the duties of the Commission under this Act; and (iii) shall keep any such records relating to swaps defined in section 1a(47)(A)(v) open to inspection and examination by the Securities and Exchange Commission. (B) REQUIREMENTS- The Commission shall adopt data collection and reporting requirements for swap execution facilities that are comparable to corresponding requirements for derivatives clearing organizations and swap data repositories."</p>	<p>BSEF will maintain records of all activities related to its business for a period of five (5) years in accordance with CFTC regulations. Each Participant is also obliged to maintain all requisite books and records for in accordance with CFTC regulations.</p>	<p>BSEF Compliance Manual (Exhibit O)</p> <p><u>Section 26. Recordkeeping and Reporting.</u></p> <p>BSEF Rulebook (Exhibit M)</p> <p><u>Rule 315. Compliance with the Commodity Exchange Act.</u></p> <p><u>Rule 401. Duties and Responsibilities of Participants</u></p>
<p>Core Principle 11</p> <p><i>Sec. 5h (f)(11) - Antitrust Considerations -</i> "Unless necessary or appropriate to achieve the purposes of this Act, the swap execution facility shall not-- (A) adopt any rules or take any actions that result in any unreasonable restraint of trade; or (B) impose any material anticompetitive burden on trading or clearing."</p>	<p>BSEF believes that its Rules and business plan have been designed to avoid unreasonable restraints of trade or the imposition of any material anticompetitive burden on trading. In particular, access to BSEF will not require the acquisition of any equity interest but will be available to a broad range and potentially unlimited number of Participants on a fair, equitable and timely basis.</p>	<p>BSEF Compliance Manual (Exhibit O)</p> <p><u>Appendix F of Exhibit O, BSEF Code of Ethics, Paragraph 8.</u></p> <p>Amended and Restated Operating Agreement of Bloomberg SEF LLC. Paragraph 8.</p>
<p>Core Principle 12</p> <p><i>Sec. 5h (f)(12) - Conflicts of Interest -</i> The swap execution facility shall-- (A) establish and enforce rules to minimize conflicts of interest in</p>	<p>BSEF Rules minimize conflicts of interest in decision-making processes and contain methods to ascertain the presence of conflicts of interest and to make decisions in the event of such</p>	<p>BSEF Rulebook (Exhibit M)</p> <p><u>Rule 209 (e). Chief Compliance Officer:</u></p>

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<p>its decision-making process; and (B) establish a process for resolving the conflicts of interest.</p>	<p>a conflict. No person that knowingly has a “material conflict of interest” between his or her position may participate in any deliberations or vote involving his or her personal interest</p> <p>BSEF’s Rulebook contains rules that address conflicts of interest in decision-making, methods to ascertain the presence of conflicts of interest and to make decisions in the event of such a conflict. In addition, the Rulebook contains rules on limitations on the use or disclosure of material non-public information gained through the performance of official duties by Board Members, Committee members and BSEF personal gained through the performance of their duties.</p> <p>BSEF will have a Regulatory Oversight Committee that is composed of 100% Public Directors. The ROC oversees BSEF’s regulatory program on behalf of the Board. The ROC makes recommendations to the Board that will, in its judgment, be best to promote the interests of BSEF. The ROC assists BSEF in minimizing actual and potential conflicts of interest.</p>	<p><u>Rule 210. Conflicts of Interest</u></p> <p>BSEF Compliance Manual (Exhibit O)</p> <p><u>Section 31.1. Conflicts of Interest Policy</u></p>

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<p>Core Principle 13</p> <p><i>Sec. 5h (f)(13) - Financial Resources -</i>"(A) IN GENERAL - The swap execution facility shall have adequate financial, operational, and managerial resources to discharge each responsibility of the swap execution facility. (B) DETERMINATION OF RESOURCE ADEQUACY- The financial resources of a swap execution facility shall be considered to be adequate if the value of the financial resources exceeds the total amount that would enable the swap execution facility to cover the operating costs of the swap execution facility for a 1-year period, as calculated on a rolling basis."</p>	<p>BSEF will maintain adequate financial, operational, and managerial resources to discharge each responsibility of the swap execution facility. Specifically BSEF will maintain financial resources that exceed the total amount that would enable BSEF to cover the operating costs of the swap execution facility for a 1-year period, as calculated on a rolling basis.</p>	<p>BSEF Compliance Manual (Exhibit O)</p> <p><u>Section 8. Financial Resources of BSEF; Financial Filings</u></p> <p>See Pro-Forma Financial Statements attached as Exhibit I the Form SEF.</p>
<p>Core Principle 14</p> <p><i>Sec. 5h (f)(14) - System Safeguards -</i> "(A) establish and maintain a program of risk analysis and oversight to identify and minimize sources of operational risk, through the development of appropriate controls and procedures, and automated systems, that-- (i) are reliable and secure; and (ii) have adequate scalable capacity; (B) establish and maintain emergency procedures, backup facilities, and a plan for disaster recovery that allow for-- (i) the timely recovery and resumption of operations; and (ii) the fulfillment of the responsibilities and obligations of the swap execution facility; and (C) periodically conduct tests to verify that the backup resources of the swap execution facility are sufficient to ensure continued-- (i) order processing and trade matching; (ii) price reporting; (iii) market surveillance and (iv) maintenance of a comprehensive and accurate</p>	<p>BSEF conducts system capacity tests to verify that usage volume of BSEF will not cause response time of the host computers to fall below an acceptable level. BSEF reviews and tests the system periodically to estimate and plan for future system capacity, identify potential weak points and reduce the risk of system failures and threats to system integrity.</p> <p>BSEF has also established and maintains emergency procedures, backup facilities, and a plan for disaster recovery that allow for the timely recovery and resumption of operations; and the fulfillment of the responsibilities and obligations of the swap execution facility.</p>	<p>BSEF Compliance Manual (Exhibit O)</p> <p><u>Section 36. System Safeguards and Testing</u></p> <p><u>Section 27. Emergency Policies and Procedures</u></p> <p><u>Section 37. Business Continuity/Disaster Recovery Plan</u> See Appendix I to Exhibit O, <i>BSEF Business Continuity/Disaster Recovery Plan.</i></p> <p><u>Section 36.6. Testing</u></p>

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audit trail."		
<p>Core Principle 15</p> <p><i>Sec. 5h (f)(15) - Designation of Chief Compliance Officer -</i> (A) IN GENERAL- Each swap execution facility shall designate an individual to serve as a chief compliance officer."</p>	<p>The Board shall appoint the Chief Compliance Officer for BSEF. The Chief Compliance Officer will be responsible for ensuring compliance with BSEF Rules, including rules relating to market manipulation.</p>	<p>BSEF Rulebook (Exhibit M)</p> <p><u>Rule 209.</u> <i>Chief Compliance Officer</i></p> <p>BSEF Compliance Manual (Exhibit O)</p> <p><u>Rule 208.</u> <i>Officers</i></p> <p><u>Rule 209(d).</u> <i>Chief Compliance Officer</i></p>