

TERA[^]EXCHANGE

TeraExchange, LLC
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October 4, 2013

BY ELECTRONIC MAIL: submissions@cftc.gov

Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, N.W.
Washington, DC 20581

Re: TeraExchange Submission 13-01: Listing of Interest Rate Swaps by Certification Pursuant to Commission Regulation 40.2(a)

To Whom it May Concern:

TeraExchange, LLC (“TeraExchange”) hereby notifies the Commodity Futures Trading Commission (the “Commission” or “CFTC”), pursuant to Commission Regulation 40.2(a), that it is certifying a group of interest rate swaps (“IRS”) for trading on its swap execution facility. Specifically, TeraExchange is certifying IRS in each of the following categories:

- Spot Starting IRS
- Forward Starting IRS
- Invoice IRS
- IMM Starting IRS
- NPV Quoted IRS

The intended listing date of the IRS certified in this letter is October 7, 2013.

This submission letter includes the following attachments:

- The submission cover sheet;
- The terms and conditions for the IRS (Exhibit A); and
- A concise explanation and analysis of the IRS’s compliance with applicable provisions of the Commodity Exchange Act (the “CEA”), including the relevant Core Principles, and the Commission’s Regulations thereunder (Exhibit B).

TeraExchange certifies that each IRS complies with the CEA and Commission Regulations thereunder. TeraExchange additionally certifies that it has concurrently posted a copy of this submission letter and all attachments on the TeraExchange website at <http://www.teraexchange.com/regulatory.html>.

Please contact the undersigned at (908) 273-8277 or at LNuara@teraexchange.com with any questions.

Sincerely,

Leonard T. Nuara

Leonard T. Nuara
President and COO

Exhibit A

Terms and Conditions

(Attached)

SPT

Spot Starting IRS

General										
Swap Structure	A spot starting fixed for float Interest Rate Swap whose value is based upon the difference between a stream of fixed cashflows and floating interest payments that are tied to a floating reference rate, over a term to maturity.									
Currencies	USD	EUR	GBP	JPY	CHF	CAD	AUD	SEK	DKK	NOK
Clearing Venue Specifications	CME available at http://www.cmegroup.com/trading/interest-rates/cleared-otc/files/cme-otc-irs-supported-product-list.xls									
Quoting Convention	Fixed coupon in points (00.000)									
Tick Size	0.001 points = 0.1 basis points									
Minimum Order Size	1,000 notional units of the contract currency									
Minimum Size Increment	1,000 notional units of the contract currency									
Trading Conventions	Buy = Pay Fixed Sell = Receive Fixed									
Trading Hours	7:30 AM to 5:00 PM Eastern Time									
Last Trade Date	Available to trade on every US business day									
Effective Date	The Effective Date is the first date for which fixed and floating payments accrue. For SPT instruments, the Effective Date is Trade Date + 2 New York Business Days. This date is subject to adjustment based on Modified Following convention.									
Maturity Date	The Maturity Date (also referred to as the Termination Date) is the final date to which fixed and floating amounts accrue. For SPT instruments, this date is Effective Date + Tenor. This date is subject to adjustment based on Modified Following convention.									
Forward Starting Period	None									
Tenor	Up to 51 YEARS	Up to 51 YEARS	Up to 51 YEARS	Up to 31 Years	Up to 31 Years	Up to 31 Years	Up to 31 Years	Up to 31 Years	Up to 31 Years	Up to 31 Years
Upfront Payment	Standard: None Variable: As determined by Participant or Industry Standards									
Block Size	As set forth in Appendix F to Part 43 of the CFTC Regulations									
Settlement Procedure	As determined by the Clearing Venue									
Position Accountability	As may be determined and published by TeraExchange under CFTC Regulation 37.600 (c)									
Fixed Leg										
Fixed Copoun	The fixed coupon is determined by the price of execution and remains static throughout the life of the contract.									
Reset Frequency	Semiannual									
Payment Frequency	Semiannual									
Compounding	None									
Day Count Convention	30/360									
Business Day Convention	Modified Following									
Reset Dates	Reset Dates define the beginning and end of accrual periods. Each Reset Date is subject to adjustment based on Modified Following convention.									
Holiday Calendar(s)	New York, London	Europe	London	Japan, London	Swiss, London	Canada	Australia	Sweden	Denmark	Norway
Customization	All of the above attributes can be defined by Market Participants in conformity with the Clearing House Specifications.									
Float Leg										
Reset Frequency	Quarterly (1M & 3M Libor) Semiannually (6M Libor)	Quarterly (1M & 3M Euribor) Semiannually (6M Euribor)	Quarterly (1M & 3M Libor) Semiannually (6M Libor)	Quarterly (1M & 3M Libor) Semiannually (6M Libor)	Semiannually	Quarterly	Quarterly (3M BBSW) Semiannually (6M BBSW)	Quarterly	Semiannually	Semiannually
Payment Frequency	Quarterly (1M & 3M Libor) Semiannually (6M Libor)	Quarterly (1M & 3M Euribor) Semiannually (6M Euribor)	Quarterly (1M & 3M Libor) Semiannually (6M Libor)	Quarterly (1M & 3M Libor) Semiannually (6M Libor)	Semiannually	Quarterly	Quarterly (3M BBSW) Semiannually (6M BBSW)	Quarterly	Semiannually	Semiannually
Compounding	Flat (1M Libor) None (3M & 6M Libor)	Flat (1M Euribor) None (3M & 6M Euribor)	Flat (1M Libor) None (3M & 6M Libor)	Flat (1M Libor) None (3M & 6M Libor)	None	None	None	None	None	None
Day Count Convention	Act/360									
Business Day Convention	Modified Following									
Reset Dates	Reset Dates define the beginning and end of accrual periods. Floating Rate Reset Dates facilitate the determination of the LIBOR Fixing Dates. Each Reset Date is subject to adjustment based on Modified Following convention.									
Fixing Date	Two London business days prior to the Reset Date	Two TARGET business days prior to the Reset Date	London business day that coincides with the Reset Date	Two London business days prior to the Reset Date	Two London business days prior to the Reset Date	Montreal business day that coincides with the Reset Date	Sydney business day that coincides with the Reset Date	Two Stockholm business days prior to the Reset Date	Copenhagen business day that coincides with the Reset Date	Two Norwegian business days prior to the Reset Date
Floating Rate Index	British Bankers' Association LIBOR: 1,3,6 Month USD	EURIBOR: 1,3,6 Month EUR	British Bankers' Association LIBOR: 1,3,6 Month GBP	British Bankers' Association LIBOR: 1,3,6 Month JPY	British Bankers' Association LIBOR: 6 Month CHF	Bank of Canada CDOR: 3 Month CAD	Australian Financial Markets Association BBSW: 3,6 Month AUD	Sweedish Bankers' Association STIBOR: 3 Month CHF	Sweedish Bankers' Association CIBOR: 6 Month DKK	Norges Bank NIBOR: 6 Month NOK
Holiday Calendar(s)	New York, London	TARGET	London	Japan, London	Swiss, London	Canada	Australia	Sweden	Denmark	Norway
Customization	All of the above attributes can be defined by market participants in conformity with the Clearing House Specifications.									

FWD

Forward Starting IRS

General	
Swap Structure	A forward starting fixed for float Interest Rate Swap whose value is based upon the difference between a stream of fixed cashflows and floating interest payments over a term to maturity.
Currencies	Standard: USD Variable: In conformance with Clearing Venue Specifications
Clearing Venue Specifications	CME available at http://www.cmegroup.com/trading/interest-rates/cleared-otc/files/cme-otc-irs-supported-product-list.xls LCH available at http://www.lchclearnet.com/swaps/swapclear_for_clearing_members/products.asp
Quoting Convention	Fixed coupon in points (00.000)
Tick Size	0.001 points = 0.1 basis points
Minimum Order Size	1,000 notional units of contract currency
Minimum Size Increment	1,000 notional units of contract currency
Trading Conventions	Buy = Pay Fixed Sell = Receive Fixed
Trading Hours	7:30 AM to 5:00 PM Eastern Time
Last Trade Date	Available to trade on every US business day
Effective Date	The Effective Date is the first date for which fixed and floating payments accrue. For FWD instruments, the Effective Date is Trade Date + 2 New York Business Days + Forward Starting Period. This date is subject to adjustment based on Modified Following convention.
Maturity Date	The Maturity Date (also referred to as the Termination Date) is the final date to which fixed and floating amounts accrue. For FWD instruments, the Maturity Date is Effective Date + Tenor. This date is subject to adjustment based on Modified Following convention.
Forward Starting Period	Up to 10 Years
Tenor	Up to 50 Years or as permissible by Clearing Venue Rules
Upfront Payment	Standard: None Variable: As determined by Participant or Industry Standards
Block Size	As set forth in Appendix F to Part 43 of the CFTC Regulations
Settlement Procedure	As determined by the Clearing Venue
Position Accountability	As may be determined and published by TeraExchange under CFTC Regulation 37.600 (c)
Fixed Leg	
Fixed Rate	The executed price of the trade which remains static throughout the life of the contract.
Reset Frequency	Semiannual
Payment Frequency	Semiannual
Compounding	None
Day Count Convention	30/360
Reset Dates	Reset Dates define the beginning and end of accrual periods. Each Reset Date is subject to adjustment based on Modified Following convention.
Business Day Convention	Modified Following
Holiday Calendar(s)	New York, London
Customization	All of the above attributes can be defined by Market Participants in conformity with the Clearing House Specifications.
Float Leg	
Reset Frequency	Quarterly
Payment Frequency	Quarterly
Compounding	None
Day Count Convention	Act/360
Business Day Convention	Modified Following
Reset Dates	Reset Dates define the beginning and end of accrual periods. Floating Rate Reset Dates facilitate the determination of the LIBOR Fixing Dates. Each Reset Date is subject to adjustment based on Modified Following convention.
Fixing Dates	Two London business days prior to the Reset Date or as permissible by Clearing Venue Rules
Floating Rate Index	British Bankers' Association LIBOR 3 Month USD or as permissible by Clearing Venue Rules
Holiday Calendar(s)	New York, London or as permissible by Clearing Venue Rules

INV

Invoice IRS

General	
Swap Structure	A fixed for float Interest Rate Swap whose value is based upon the difference between a stream of fixed cashflows and floating interest payments over a term to maturity. The Effective Dates for INV instruments coincide with the last Delivery Day for Treasury Futures Contracts listed at the Chicago Merchantile Exchange. An initial stub period alligns all cash flows with those of US Treasuries deliverable against the CME futures.
Currencies	USD
Clearing Venue Specifications	CME available at http://www.cmegroup.com/trading/interest-rates/cleared-otc/files/cme-otc-irs-supported-product-list.xls
Quoting Convention	Fixed coupon in points (00.000)
Tick Size	0.001 points = 0.1 basis points
Minimum Order Size	\$1,000 notional
Minimum Size Increment	\$1,000 notional
Trading Conventions	Buy = Pay Fixed Sell = Receive Fixed
Trading Hours	7:30 AM to 5:00 PM Eastern Time
Last Trade Date	The Last Trade Date for INV instruments coincides with the last Intention Day for CME Treasury Futures contracts. This is two New York business days before the Effective Date.
Effective Date	The Effective Date is the first date for which fixed and floating payments accrue. For INV instruments, this date coincides with the last Delivery Day for Treasury Futures Contracts listed at the Chicago Merchantile Exchange.
Maturity Date	The Maturity Date (also referred to as the Termination Date) is the final date to which fixed and floating amounts accrue. For INV instruments, this date coincides with the Maturity Date of a US Treasury Note or Bond.
Forward Starting Period	Up to 10 Years
Tenor	Up to 30 Years
Upfront Payment	Standard: None Variable: As determined by Participant or Industry Standards
Block Size	As set forth in Appendix F to Part 43 of the CFTC Regulations
Settlement Procedure	As determined by the Clearing Venue
Position Accountability	As may be determined and published by TeraExchange under CFTC Regulation 37.600 (c)
Fixed Leg	
Fixed Rate	The fixed coupon is determined by the price of execution and remains static throughout the life of the contract.
Reset Frequency	Semiannual
Payment Frequency	Semiannual
Compounding	None
Day Count Convention	30/360
Business Day Convention	Modified Following
Reset Dates	Reset Dates define the beginning and end of accrual periods. For INV instruments, reset dates coincide with coupon dates of US Treasuries.
Holiday Calendar(s)	New York, London
Customization	All of the above attributes can be defined by Market Participants in conformity with the Clearing House Specifications.
Float Leg	
Reset Frequency	Quarterly
Payment Frequency	Semiannual
Compounding	Flat
Day Count Convention	Act/360
Business Day Convention	Modified Following
Reset Dates	Reset Dates define the beginning and end of accrual periods. Floating Rate Reset Dates facilitate the determination of the LIBOR Fixing Dates. For INV instruments, reset dates coincide with coupon dates of US Treasuries. Each Reset Date is subject to adjustment based on Modified Following convention.
Fixing Dates	Two London business days prior to the Reset Date.
Floating Rate Index	British Bankers' Association LIBOR: 3 Month USD
Holiday Calendar(s)	New York, London
Customization	All of the above attributes can be defined by Market Participants in conformity with the Clearing House Specifications.

IMM / FWDMM

IMM Starting IRS

General	
Swap Structure	A fixed for float Interest Rate Swap that starts on quarterly IMM dates whose value is based upon the difference between a stream of fixed cashflows and floating interest payments that are tied to 3 month Libor, over a term to maturity. IMM Swaps also reset and mature on IMM dates
Currencies	Standard: USD Variable: In conformance with Clearing Venue Specifications
Clearing Venue Specifications	CME available at http://www.cmegroup.com/trading/interest-rates/cleared-otc/files/cme-otc-irs-supported-product-list.xls LCH available at http://www.lchclearnet.com/swaps/swapclear_for_clearing_members/products.asp
Quoting Convention	Fixed coupon in points (00.000)
Tick Size	0.001 points = 0.1 basis points
Minimum Order Size	1,000 notional units of contract currency
Minimum Size Increment	1,000 notional units of contract currency
Trading Conventions	Buy = Pay Fixed Sell = Receive Fixed
Trading Hours	7:30 AM to 5:00 PM Eastern Time
Last Trade Date	The Friday preceeding the Effective Date.
Effective Date	The Effective Date is the first date for which fixed and floating payments accrue. For all IMM starting instruments, the Effective Date is a quarterly IMM date.
Maturity Date	The Maturity Date (also referred to as the Termination Date) is the final date to which fixed and floating amounts accrue. FWDMM Swaps: Effective Date + Tenor (subject to adjustment based on Modified Following convention) IMM Swaps: Quarterly IMM date that falls nearest to Effective Date + Tenor.
Forward Starting Period	Up to 10 Years
Tenor	Up to 51 Years
Upfront Payment	Standard: None Variable: As determined by Participant or Industry Standards
Block Size	As set forth in Appendix F to Part 43 of the CFTC Regulations
Settlement Procedure	As determined by the Clearing Venue
Position Accountability	As may be determined and published by TeraExchange under CFTC Regulation 37.600 (c)
Fixed Leg	
Fixed Rate	The fixed coupon is determined by the price of execution and remains static throughout the life of the contract.
Reset Frequency	FWDMM Swaps: Semiannual IMM Swaps: Annual
Payment Frequency	FWDMM Swaps: Semiannual IMM Swaps: Annual
Compounding	None
Day Count Convention	Actual/360
Business Day Convention	Modified Following
Reset Dates	Reset Dates define the beginning and end of accrual periods. FWDMM Swaps: Each Reset Date is subject to adjustment based on Modified Following convention. IMM Swaps: Quarterly IMM dates through the life of the contract.
Holiday Calendar(s)	New York, London
Customization	All of the above attributes can be defined by Market Participants in conformity with the Clearing House Specifications.
Float Leg	
Reset Frequency	Quarterly
Payment Frequency	Quarterly
Compounding	None
Day Count Convention	Act/360
Business Day Convention	Modified Following
Reset Dates	Reset Dates define the beginning and end of accrual periods. FWDMM Swaps: Each Reset Date is subject to adjustment based on Modified Following convention. IMM Swaps: Quarterly IMM dates through the life of the contract.
Fixing Dates	Two London business days prior to the Reset Date. For IMM Swaps, these dates coincide with a quarterly CME Eurodollar Futures settlement dates.
Floating Rate Index	British Bankers' Association LIBOR: 3 Month USD
Holiday Calendar(s)	New York, London
Customization	All of the above attributes can be defined by Market Participants in conformity with the Clearing House Specifications.

NPV / MAC

NPV Quoted IRS

General	
Swap Structure	A fixed for float Interest Rate Swap whose value is based upon the difference between a stream of fixed cashflows and floating interest payments over a term to maturity. NPV quoted instruments have predefined fixed coupons and are priced based upon NPV per million notional, including, for example, Market-Agreed Coupon ("MAC") swaps.
Currencies	Standard: USD Variable: In conformance with Clearing Venue Specifications
Clearing Venue Specifications	CME available at http://www.cmegroup.com/trading/interest-rates/cleared-otc/files/cme-otc-irs-supported-product-list.xls LCH available at http://www.lchclearnet.com/swaps/swapclear_for_clearing_members/products.asp
Quoting Convention	NPV per million notional
Tick Size	20 units of contract currency
Minimum Order Size	1MM notional of contract currency
Minimum Size Increment	1MM notional of contract currency
Trading Conventions	Buy = Pay Fixed Sell = Receive Fixed
Trading Hours	7:30 AM to 5:00 PM Eastern Time
Last Trade Date	Available to trade on every US business day
Effective Date	The Effective Date is the first date for which fixed and floating payments accrue. SPT NPV Swaps: Trade Date + 2 New York Business Days. This date is subject to adjustment based on Modified Following convention. FWD NPV Swaps: Trade Date + 2 New York Business Days + Forward Starting Period. This date is subject to adjustment based on Modified Following convention.
Maturity Date	The Maturity Date (also referred to as the Termination Date) is the final date to which fixed and floating amounts accrue. This date is Effective Date + Tenor. The Maturity Date is subject to adjustment based on Modified Following convention.
Forward Starting Period	Up to 10 Years
Tenor	Up to 51 Years or as permissible by Clearing Venue Rules
Upfront Payment	The Upfront Payment is determined by the price of execution.
Block Size	As set forth in Appendix F to Part 43 of the CFTC Regulations
Settlement Procedure	As determined by the Clearing Venue
Position Accountability	As may be determined and published by TeraExchange under CFTC Regulation 37.600 (c)
Fixed Leg	
Fixed Rate	As determined by Participants or Industry Standards.
Reset Frequency	Semiannual
Payment Frequency	Semiannual
Compounding	None
Day Count Convention	30/360
Reset Dates	Reset Dates define the beginning and end of accrual periods. Each Reset Date is subject to adjustment based on Modified Following convention.
Business Day Convention	Modified Following
Holiday Calendar(s)	New York, London
Customization	All of the above attributes can be defined by Market Participants in conformity with the Clearing House Specifications.
Float Leg	
Reset Frequency	Quarterly
Payment Frequency	Quarterly
Compounding	None
Day Count Convention	Act/360
Business Day Convention	Modified Following
Reset Dates	Reset Dates define the beginning and end of accrual periods. Floating Rate Reset Dates facilitate the determination of the LIBOR Fixing Dates. Each Reset Date is subject to adjustment based on Modified Following convention.
Fixing Dates	Two London business days prior to the Reset Date
Floating Rate Index	British Bankers' Association LIBOR 3 Month USD
Holiday Calendar(s)	New York, London
Customization	All of the above attributes can be defined by Market Participants in conformity with the Clearing House Specifications.

Exhibit B

This exhibit includes a concise explanation and analysis of the certified IRS's compliance with applicable provisions of the Commodity Exchange Act (the "CEA"), including the relevant Core Principles, and the Commission's Regulations thereunder.

Core Principle 2 – Compliance with Rules

As with all products listed for trading on TeraExchange, trading in IRS will be subject to compliance with the CEA, CFTC Regulations and the TeraExchange Rulebook (the "Rules"). Chapter 5 of the Rules sets out in detail the trading practice and business conduct rules applicable to all Participants. In general, under Rule 517, Participants are prohibited from engaging in any conduct in violation of Applicable Law or the Rules. Under Rule 518, any violation of the Rules or act constituting fraud, dishonorable or dishonest conduct, or conduct inconsistent with just and equitable principles of trade is an offense. Fraudulent acts of any kind, including but not limited to front-running, money passes, trading ahead of or against customers, and accommodation trading, are all prohibited under Rule 519. Also included in Chapter 5 is a series of specific Rules intended to deter abusive and disruptive trading practices, including prohibitions on the following: fictitious, wash or non-competitive transactions (Rule 520); market disruption, including violating bids and offers, closing period violations, and spoofing (Rule 521); market manipulation (Rule 522); misstatements (Rule 523); acts detrimental to the SEF (Rule 524); misuse of the SEF (Rule 525); withholding of orders (Rule 526); trading against or crossing orders (Rule 527); and disclosing orders (Rule 528).

TeraExchange market regulation staff, working in partnership with the staff of the National Futures Association as regulatory services provider, will conduct surveillance and initiate disciplinary proceedings as necessary to enforce compliance with the Rules, the CEA and Commission Regulations.

Core Principle 3 – Swaps not Readily Susceptible to Manipulation

All IRS traded on Tera Exchange will be cash-settled by a registered Derivatives Clearing Organization ("DCO") pursuant to the DCO's rules. As a general matter, IRS trade in extremely deep and liquid markets that are difficult to manipulate. According to the Bank for International Settlements, more than \$400 trillion in notional principal was outstanding in the IRS market at the end of 2012 (see BIS Quarterly Review, September 2013). In addition, the reference rates for the IRS are derived from reputable third-party sources, as described below:

LIBOR: LIBOR is currently administered by BBA Libor Ltd., and calculated by Thompson Reuters, both of which are regulated by the Financial Conduct Authority in the U.K. LIBOR is the average rate at which contributor banks perceive that they can obtain unsecured funding in the London interbank market for a given period and in a given currency. Recently, there have been significant steps taken to address concerns about the reliability of the LIBOR polling process, including the establishment of an Interim LIBOR Oversight Committee, enactment of regulations over LIBOR under U.K. law, approval of the upcoming transfer of the LIBOR administration process to NYSE Euronext Rates Administration Limited, as recommended by the Hogg Tendering Advisory Committee.

EURIBOR: Euribor is short for Euro Interbank Offered Rate. The Euribor rates are based on the interest rates at which a panel of 40 to 50 European banks borrow funds from one another. In the calculation, the highest and lowest 15 percent of all the quotes collected are eliminated. The remaining rates will be averaged and rounded to three decimal places. Euribor is determined and published at 11:00 am each day, Central European Time. Euribor-EBF is the administrator of the Euribor benchmarks and is responsible for the development and support of benchmark rates it governs. In addition Euribor-EBF supports other practical initiatives which foster the integration of the European financial market and improvement of liquidity, safety and transparency.

CDOR: The Canadian Dealer Offered Rate (CDOR) is the recognized benchmark index for Canadian bankers' acceptances (BAs) with a term to maturity of one year or less. It may be viewed generally as the rate at which a principal market-maker would fund a corporate loan without regard to the creditworthiness of the borrower. Determined daily from a survey of eight participants and publicly disseminated by Reuters, CDOR has, over time, been used increasingly in both money markets and derivative markets as a reference rate for futures contracts, forward rate agreements and swaps. Since 2003, the CDOR survey has been administered by (Thomson) Reuters. The Investment Industry Regulatory Organization of Canada ("IIROC") took steps to ensure that the process, which was initially manual, was automated in 2008. The survey is conducted at 10:00 a.m. each business day by Thomson Reuters, with the calculated average and all individual submissions quoted on the CDOR page of Reuters' Monitor Service by 10:15 a.m. on the same day. IIROC undertook a comprehensive review of the CDOR rate-setting process in 2012 and published various findings and recommendations in January 2013. See IIROC Notice 13-0010, January 10, 2013.

BBSW: The Australian Financial Markets Association ("AFMA") Bank Bill Swap Reference Rate ("BBSW") rate plays a prominent role in Australia's financial infrastructure. It finds extensive application in both lending transactions and interest rate derivative products and is critical for the good operation and stability of Australia's financial markets. BBSW is the trimmed average of mid-rates observed by 13 survey panellists at exactly 10:00 a.m. on a Business Day for AFMA Prime Bank paper that has a remaining maturity of between one and six months. Prime Bank paper comprises bank accepted bills (BABs) and negotiable certificates of deposit (NCDs) issued by banks that, having met the eligibility criteria and conditions, are designated AFMA 'Prime Banks'. Prime Banks are elected by the wider market on an annual basis and, as at January 2013, there are four Prime Banks. Paper issued by Prime Banks is traded on a homogeneous basis and is recognised as being of the highest quality with regard to liquidity, credit and consistency of relative yield

STIBOR: The Stockholm Interbank Offered Rate ("Stibor") is a reference rate that shows an average of the interest rates at which a number of banks active on the Swedish money market ("the Stibor banks") are willing to lend to one another without collateral at different maturities. Rules regarding governance and control of the Stibor rate-setting process are decided by the Board of the Swedish Bankers' Association and a Stibor Committee on behalf of the Board of the Swedish Bankers' Association.

CIBOR: The Copenhagen Interbank Offered Rate ("CIBOR") is the average interest rate at which term deposits are offered between prime banks in the Danish wholesale money market or interbank market. CIBOR is administered by the Danish Bankers Association.

NIBOR: The Norwegian Interbank Offered Rate ("NIBOR") is a collective term for Norwegian money market rates at different maturities. NIBOR is intended to reflect the interest rate level lenders require for unsecured money market lending in Norwegian currency ("NOK") with delivery in two days after trade. NIBOR is calculated as a simple average of interest rates published by the NIBOR panel banks for each maturity, after omitting low and high rates based on provisions laid down in the rules. The interest rates published by the panel banks reflect which interest rate the bank charges on lending in NOK to a leading bank that is active in the Norwegian money and foreign exchange markets. The rates are to be regarded as best possible estimates, not binding offers.

Core Principle 7 – Financial Integrity of Transactions

As with all transactions on TeraExchange, pursuant to CFTC Regulations and TeraExchange Rules all orders for IRS are subject to mandatory pre-trade credit checks to ensure that counterparties have sufficient credit limits in place to meet their financial obligations. See CFTC Regulation 1.73 and TeraExchange Rule 405. All IRS being certified for trading herein will be submitted for clearing at a registered DCO subject to the DCO's rules and specifications. See TeraExchange Rule 601. These pre-trade credit check and clearing requirements are designed to enhance the financial integrity of transactions in IRS and all other products traded on TeraExchange.