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May 9, 2018

**Submitted via CFTC Portal**

Division of Market Oversight  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**Re: ICAP Global Derivatives Limited – Regulation 40.6 Rule Certification – Amended Rulebook**

Ladies and Gentlemen:

Pursuant to Section 5c(c) of the Commodity Exchange Act, as amended (the "Act"), and Section 40.6(a) of the regulations of the Commodity Futures Trading Commission (the "Commission"), ICAP Global Derivatives Limited ("IGDL"), a registered swap execution facility, hereby notifies the Commission that it has amended its Rulebook as provided in Exhibit A.

A concise explanation and analysis of the amendments to the Rulebook and their compliance with applicable provisions of the Act and the Commission regulations thereunder is attached hereto as Exhibit A. A clean copy of the amended Rulebook is attached hereto as Exhibit B, and a copy of the Rulebook marked to show changes from the version last submitted to the Commission is attached hereto as Exhibit C.

The amendments to the Rulebook will become effective on May 23, 2018. IGDL certifies that the amendments comply with the requirements of the Act and the rules and regulations of the Commission promulgated thereunder. IGDL has reviewed the swap execution facility core principles ("Core Principles") as set forth in the Act and has determined that the amendments impact the Core Principles identified in Exhibit A.

IGDL is not aware of any substantive opposing views expressed with respect to this filing and certifies that, concurrent with this filing, a copy of this submission was posted on the IGDL website and may be accessed at: <http://www.icap.com/what-we-do/global-broking/sef.aspx>.

Division of Market Oversight  
Commodity Futures Trading Commission  
May 9, 2018

Please contact the undersigned at (201) 984-6956 or by email at [bddonnelly@tullettprebon.com](mailto:bddonnelly@tullettprebon.com) with any questions regarding this matter.

Very truly yours,

ICAP Global Derivatives Limited

By: 

Name: Brian D. Donnelly  
Title: Chief Compliance Officer  
Date: May 9, 2018

Enclosures

cc: Division of Market Oversight, Commodity Futures Trading Commission  
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Nancy Markowitz, CFTC Division of Market Oversight ([nmarkowitz@cftc.gov](mailto:nmarkowitz@cftc.gov))

## Exhibit A

### Explanation of Amended Rules

IGDL has amended its Rulebook as provided below. Capitalized terms used but not defined herein have the meanings assigned to them in the Rulebook.

<b>Section/Rule</b>	<b>Description of Revision</b>	<b>Reason and/or Supporting Rule or Core Principle</b>
Cover Page	Updated version number and effective date.	Conforming change
Table of Contents	Conformed to new page numbers.	Conforming change
Definition of “Traded Initiator”	Removed the definition of “Traded Initiator”, which term is not used in the amended Rulebook.	Conforming change
Definition of “Direct Electronic Access” or “DEA”; Rule 202(a)(2)(iii)	Replaced references to “orders”, an undefined term, with “Bids/Offers”, a defined term.	Clarifying change
Rules 801(1), 801(3) and 801(4)	Clarified quoting convention for outright trades.	Clarifying change; Core Principle 2; CFTC Regulation 37.201
Rule 901 – Appendix 1	Clarified that U.S. Dollar Interest Rate Derivatives offered for trading on i-Swap include combined strategies of USD interest rate swaps and of USD spreadovers.	Clarifying change; Core Principle 2; CFTC Regulation 37.201
Rule 901 – Appendix 2(b)(1)	Made non-substantive revisions to simplify language in Section 2(b)(1)(i) and (ii) and corrected Section 2(b)(1)(iii) to provide that CME/LCH.Clearnet Spreads are quoted in 1/400 basis point increments.	Clean-up and clarifying changes; Core Principle 2; CFTC Regulation 37.201
Rule 902(a) and (b)	Removed (i) size restriction for Initiations of Voice RFQs for Outright Spreadovers in increments of 1/8 of a basis point and (ii) concept of separate 1/8 and 1/4 RFQ Stacks, and made related conforming changes.	Core Principle 2; CFTC Regulation 37.201
Rule 902(d)	Revised to provide that Initiations of Voice RFQs for	Core Principle 2; CFTC

Section/Rule	Description of Revision	Reason and/or Supporting Rule or Core Principle
	Outright Spreadovers in 1/8 basis point increments will have fill and follow rights only if the Initiator traded the last best price in the most recent RFQ and indicates to the Execution Specialist that it wants to remain in the RFQ Stack.	Regulation 37.201
Rule 903 – Appendix 1	Clarified (i) that U.S. Dollar Interest Rate Swaps offered for trading on GTN include combined strategies of USD interest rate swaps and of USD spreadovers, and (ii) that U.S. Dollar Interest Rate Swap instruments listed on i-Swap are not listed on GTN during i-Swap hours.	Clarifying change; Core Principle 2; CFTC Regulation 37.201

Division of Market Oversight  
Commodity Futures Trading Commission  
May 9, 2018

**Exhibit B**

Amended Facility Rulebook

Clean Version



**ICAP GLOBAL DERIVATIVES LIMITED**

# **Facility Rulebook**

**Version 4.2**

May 23, 2018

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# FACILITY RULEBOOK

## TABLE OF CONTENTS

PAGE

<b>DEFINITIONS.....</b>	<b>1</b>
<b>GENERAL.....</b>	<b>10</b>
<b>CHAPTER 1.....</b>	<b>11</b>
<b>MARKET GOVERNANCE .....</b>	<b>11</b>
Rule 101 Board of Directors and Officers.....	11
Rule 102 Limitation of Liability .....	11
Rule 103 Confidentiality.....	12
Rule 104 Emergency Action .....	13
Rule 105 Suspension of Trading.....	16
Rule 106 Risk Controls for Trading .....	16
Rule 107 Conflicts of Interest.....	16
Rule 108 Market Data.....	17
Rule 109 Intellectual Property .....	18
<b>CHAPTER 2.....</b>	<b>20</b>
<b>TRADING PRIVILEGES .....</b>	<b>20</b>
Rule 201 Trading Privilege Holders.....	20
Rule 202 Authorised Traders and Authorised Trading Firms .....	22
Rule 203 Financial Integrity .....	25
Rule 204 Clearing.....	25
Rule 205 Application for and Grant of Trading Privileges.....	29
Rule 206 Participant and Customer Obligations; Suspension or Termination of Access.....	31
Rule 207 Customers.....	32
Rule 208 Recordkeeping .....	32
Rule 209 Communications of IGDL with Participants.....	34
Rule 210 Required Disclosures to IGDL.....	35
Rule 211 Dues, Fees and Expenses.....	36
Rule 212 Market Maker Programs .....	37
Rule 213 Independent Software Vendors.....	37
Rule 214 Withdrawal of Participant.....	38
<b>CHAPTER 3.....</b>	<b>39</b>
<b>TRADING PROCEDURES .....</b>	<b>39</b>
Rule 301 Trading Sessions.....	39
Rule 302 Information about, and access to, IGDL's Order Book .....	39
Rule 303 Algorithmic Trading.....	39
Rule 304 Required Transactions.....	40
Rule 305 Permitted Transactions.....	40
Rule 306 Execution Methods for Required Transactions .....	41
Rule 307 Work Up.....	43
Rule 308 Acceptable Bids and Offers .....	43
Rule 309 Block Trades .....	43
Rule 310 Reporting and Data Collection .....	45
Rule 311 Bid/Offer Cancellation.....	47
Rule 312 [Reserved].....	47
Rule 313 Enforceability of Transactions .....	47
Rule 314 Intermediated Transactions .....	48
Rule 315 Bunched Orders .....	49
Rule 316 IGDL Authority over Transactions .....	49
Rule 317 Reporting Counterparty .....	54
Rule 318 MiFID II Transaction Reporting .....	55
Rule 319 Bid/Offer to Trade Ratio.....	55
Rule 320 Trade Transparency .....	55

<b>CHAPTER 4</b>	57
TRADING STANDARDS	57
Rule 401    Fraudulent Statements and Acts	57
Rule 402    Abusive Trading Practices	57
Rule 403    Good Faith Bids/Offers and RFQs	57
Rule 404    Pre-Execution Discussions and Pre-Arranged Transactions	57
Rule 405    Manipulation and Price Distortion	58
Rule 406    Disruptive Trading Practices	58
Rule 407    General Offences	59
Rule 408    Position Limits and Position Accountability	59
<b>CHAPTER 5</b>	61
RULE ENFORCEMENT	61
Rule 501    Jurisdiction	61
Rule 502    Facility Market Regulation Staff Powers and Duties	61
Rule 503    The Review Panel	62
Rule 504    Notice of Charges	63
Rule 505    Answer; Request for Hearing; Failure to Answer or Deny Charges	63
Rule 506    Selection of Hearing Panel	64
Rule 507    Challenge to Members of the Hearing Panel	64
Rule 508    Hearing on Sanctions in the Event of Failure to Deny Charges; Failure to Request Hearing Deemed Acceptance of Sanctions	64
Rule 509    Settlement Prior to Commencement of Hearing	65
Rule 510    Hearing Procedures	65
Rule 511    Written Decision of Hearing Panel	67
Rule 512    Liability for Expenses	68
Rule 513    Effective Date of Sanctions	68
Rule 514    Summary Suspension	68
Rule 515    Extension of Time Limits	69
Rule 516    Summary Fines	69
<b>CHAPTER 6</b>	71
CONTRACTS TO BE TRADED	71
Rule 601    Listing Procedures	71
Rule 602    Swaps Not Readily Susceptible to Manipulation	71
<b>CHAPTER 7</b>	72
GOVERNING LAW, JURISDICTION AND DISPUTE RESOLUTION	72
Rule 701    Choice of Law	72
Rule 702    Disputes Among Trading Privilege Holders, Authorised Traders, Authorised Trading Firms and Customers	72
Rule 703    Disputes with IGDL	72
<b>CHAPTER 8</b>	73
CONTRACT SPECIFICATIONS	73
Rule 801    Interest Rate Swaps Products Descriptions	73
<b>CHAPTER 9</b>	97
SYSTEM PROTOCOLS	97
Rule 901    i-Swap System Protocol	97
Appendix 1 – Contracts Offered for Trading on i-Swap	103
Appendix 2 – Bid/Offer Types and i-Swap Configuration	104
Rule 902    Voice RFQ System Protocol	106
Rule 903    GTN System Protocol	111
Rule 904    Pre-Arranged Crossing System Protocol	116



## DEFINITIONS

Except where the context requires otherwise, the following terms shall have the following meanings when used in the Rules. Use of the singular shall include the plural and vice versa, unless the context requires otherwise.

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

**Affiliate** means, with respect to any person, any other person who controls, is controlled by or is under common control with such person.

**Affirm** means the process by which the counterparties to a Cleared Contract verify that they agree on the details of the transaction after execution on the Facility but prior to submission to the relevant DCO, which may be done by any means acceptable to the counterparties, including the use of an Affirmation Hub, and “**Affirmations**” shall be construed accordingly.

**Affirmation Hub** means a third-party service designated by IGD L to route Cleared Contracts to DCOs and which may provide Participants with the opportunity to Affirm the Cleared Contracts.

**Algo ID** means a unique identifier issued for each Algorithm used by a Participant in connection with the Facility.

**Algorithm** means a discrete series of steps for Algorithmic Trading, which is implemented using software, hardware or a combination of them.

**Algorithmic Trading** has the meaning given in Article 4(1)(39) of MiFID II.

**Answer** shall have the meaning set forth in Rule 505(a).

**API** shall have the meaning set forth in Rule 901(e)(1)(ii).

**Applicable Law** means, with respect to any person, any statute, law, regulation, rule or ordinance of any Governmental Authority applicable to such person, including but not limited to MiFID II, the FCA Handbook, the Act and Commission Regulations.

**Appropriate Minimum Block Size** shall have the meaning set forth in Rule 309(a).

**Authorised Algorithmic Trader** means an Authorised Trader who undertakes Algorithmic Trading on the Facility.

**Authorised Trader** means an individual designated as such by, and acting on behalf of, a Trading Privilege Holder to enter Bids/Offers, issue and respond to RFQs, submit Pre-Arranged Crosses, access a Trading Platform and execute transactions in Contracts.

**Authorised Trading Firm** means an entity designated as such by a Trading Privilege Holder to enter Bids/Offers, issue and respond to RFQs, submit Pre-Arranged Crosses, access a Trading Platform and execute transactions in Contracts either as an Intermediary for such Trading Privilege Holder or as a Customer with DEA granted by such Trading Privilege Holder.

**BASIC** shall have the meaning set forth in Rule 205(f).

**Bid/Offer** means a bid or offer entered into a Trading Platform operated by IGD L or submitted to the Facility in response to an RFQ.

**Block Trade** means a Swap transaction that is publicly reportable under Part 43 of the Commission Regulations that:

- (a) Involves a Swap that is listed on the Facility;
- (b) Occurs away from the Facility and is executed pursuant to Rule 309;
- (c) Has a notional or principal amount at or above the Appropriate Minimum Block Size; and
- (d) Is reported to the Facility as provided in Rule 309.

**Board** means the Board of Directors of IGDL.

**Breakage Agreement** means an agreement or any other arrangement between the parties that provides for the assessment of liability or payment of damages between the parties to a Cleared Contract in the event that the Cleared Contract is rejected from clearing.

**Business Day** means any day on which a Contract is available for trading on the Facility.

**Call Option** means an Option whereby (i) the purchaser has the right, but not the obligation, to buy an Underlying Interest, at the strike price specified; and (ii) the grantor has the obligation, upon exercise, to enter into an Underlying Interest for delivery in such Delivery Month, at such strike price.

**CF10** means the head of Compliance and Oversight (Controlled Function 10), or one duly authorised to act with the authority of the CF10.

**CFTC Package Transaction** means a transaction executed on the Facility or subject to the Rules involving two or more instruments: (i) that is executed between two or more parties that are Participants or Customers; (ii) that is priced or quoted as one economic transaction with simultaneous or near simultaneous execution of all components; (iii) that has at least one component that is a Swap that has been made available to trade pursuant to section 2(h)(8) of the Act; and (iv) where the execution of each component is contingent upon the execution of all other components.

**Chairman of the Board** means the chairman of the Board.

**Chief Compliance Officer** means the Chief Compliance Officer of IGDL, or one duly authorised to act with the authority of the Chief Compliance Officer.

**Chief Executive Officer** means the Chief Executive Officer of IGDL, or one duly authorised to act with the authority of such officer.

**Class** means, with respect to any Swap, a Contract covering the same Underlying Interest.

**Cleared Contract** means any Contract that is listed for clearing by IGDL.

**Clearing Firm** means a clearing member of a DCO that is authorised pursuant to the rules of such DCO to clear transactions in any or all Contracts.

**Clearing Firm Representation** shall have the meaning set forth in Rule 204(f).

**Cleared Treasury Security** means any U.S. Treasury Security cleared through the Fixed Income Clearing Corporation.

**CME** means Chicago Mercantile Exchange Inc.

**CME/LCH.Cleernet Spreads** shall have the meaning set forth in Rule 801(1).

**Commission** means the U.S. Commodity Futures Trading Commission or any successor regulatory body.

**Commission Regulations** means any rule, regulation, order, directive and any interpretation thereof promulgated by the Commission, as amended.

**Commodity** shall have the same meaning as in the Act.

**Commodity Interest** shall have the meaning set forth in Commission Regulation 1.3.

**Competent Authority** means the authority, designated by each relevant Member State of the European Union in accordance with Article 67 of MiFID II.

**Compliance Function** means the Chief Compliance Officer and CF10 together.

**Confirmation** shall have the same meaning as in Commission Regulation 45.1.

**Confidential Information** means all non-public information that is stated to be or that can reasonably be expected to be of a confidential or trade secret nature in any form obtained by a Participant from IGDL in accessing or using the Systems, including, but not limited to, any processes, or proprietary data, information or documents regarding the Systems, save to the extent that such information: (i) is already in the public domain at the time of disclosure; (ii) enters the public domain other than by a breach of any obligation of confidentiality; (iii) is required to be disclosed by reason of Applicable Law, provided that, where permitted by Applicable Law, prior notice of such disclosure shall be provided to IGDL as soon as practicable in order to permit IGDL to seek a protective order or take other appropriate action to safeguard the Confidential Information; or (iv) is permitted to be disclosed pursuant to the Rules.

**Contract** means any Swap listed for trading on the Facility.

**Covered CFTC Package Transaction** means a “MAT/New Issuance Bond Package Transaction,” “MAT/Futures Package Transactions,” “MAT/Non-MAT Uncleared Package Transaction,” a “MAT/Non-Swap Instruments Package Transaction,” and a “MAT/Non-CFTC Swap Package Transaction,” each as defined in NAL 17-55, expiring November 15, 2020.

**CRD** means Capital Requirements Directive (Directive 2013/36/EU).

**Customer** means any person (including another Trading Privilege Holder), or such person’s agent with the legal ability to direct trading on behalf of such person, that transacts on the Facility through a Participant acting as an Intermediary.

**Customer Type Indicator Codes** shall have the meaning set forth in Rule 208.

**DCO** means, with respect to any Swap, a derivatives clearing organisation authorised to clear such Swap.

**Deferral** means approval granted by a Competent Authority authorising deferred publication of Post-Trade Data as provided for under Article 11 of MiFIR.

**Delivery Month** means, with respect to any Contract, the month in which delivery of an Underlying Interest is to be made pursuant to the terms of such Contract.

**Derived Information** means Information that has been altered, enhanced, modified or from which derivative information has been created.

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

**Directed Voice RFQ** means a voice RFQ conducted in accordance with Rule 306(c)(2).

**Direct Electronic Access** or **DEA** means a Trading Privilege Holder (including an Intermediary) permitting a Customer to transmit Bids/Offers electronically to the Trading Privilege Holder's systems for onward transmission to a Trading Platform utilising the Trading Privilege Holder's trading identification.

**DTCC** means DTCC Data Repository (U.S.) LLC.

**Eligible Counterparty** has the meaning given in the FCA Handbook.

**Emergency** shall have the meaning set forth in Rule 104(a).

**Erroneously Cleared Transactions** shall have the meaning set forth in Rule 316(i).

**Error** shall have the meaning set forth in Rule 316(h).

**ESMA** means the European Securities and Markets Authority.

**Eurex** means Eurex Clearing AG.

**Expiration Day** means the day on which an Option expires.

**Execution Specialist** means any personnel of IGDL responsible for assisting Participants with entering Bids/Offers in the Order Book, issuing and responding to RFQs, executing and receiving reports of Block Trades and executing Pre-Arranged Crosses.

**Facility** means the venue provided by IGDL for the execution of Contracts, as set out in this Facility Rulebook.

**Facility Subject Person** means any person that has consented to the jurisdiction of the Facility and agreed to be bound by and comply with the Rules pursuant to Rule 201(e).

**FCA** means the Financial Conduct Authority.

**FICC Clearing Member** means a clearing member of the Fixed Income Clearing Corporation's Government Securities Division.

**FICC Clearing Member Representation** shall have the meaning set forth in Rule 204(j).

**Financial Entity** has the meaning set forth in Section 2(h)(7)(C) of the Act.

**Financial Instrument** means those instruments specified in Section C Annex I of MiFID II.

**Fine Notice** shall have the meaning set forth in Rule 516(b).

**Governance Policy** means the Governance Policy of IGDL attached as Annex 1 hereto.

**Governmental Authority** means any domestic or foreign government (or political subdivision), governmental or regulatory authority, agency, court, commission or other governmental or regulatory entity (including any self-regulatory association).

**Hearing Date** shall have the meaning set forth in Rule 506(a).

**Hearing Panel** shall have the meaning set forth in the Governance Policy.

**Hearing Panel Chairman** shall have the meaning set forth in Rule 506.

**Hearing Record** shall have the meaning set forth in Rule 510.

**Held Order** means a firm executable Bid/Offer placed for entry onto the Order Book.

**ID** shall have the meaning set forth in Rule 302(a).

**ICAP** means ICAP plc and its Affiliates.

**IGDL** means ICAP Global Derivatives Limited (Company Number: 03635229).

**IGDL Indemnified Party** shall have the meaning set forth in Rule 109(f).

**Implied Package Transaction** means a transaction executed on or subject to the Rules involving two or more instruments that is quoted as one economic transaction with simultaneous or near simultaneous execution of all components, but where the execution of each component is not contingent upon the execution of all other components and where any Participant or Customer may submit a Bid/Offer for less than all of the components of the transaction.

**Indemnified Party** shall have the meaning set forth in Rule 109(f).

**Indemnifying Party** shall have the meaning set forth in Rule 109(f).

**Information** shall have the meaning set forth in Rule 108(a).

**Intellectual Property Rights** means all right, title and interest in and to (i) trademarks, service marks, brand names and other indications of origin and the goodwill associated with the foregoing; (ii) inventions, patents, trade secrets, know-how, processes and systems; (iii) copyright and database rights; and (iv) any other intellectual property or similar proprietary rights in any jurisdiction, in each case whether registrable or not.

**Intermediary** means any person that enters Bids/Offers into a Trading Platform, issues and responds to RFQs, reports block trades or submits Pre-Arranged Crosses to the Facility on behalf of Customers, including without limitation, any futures commission merchant, introducing broker or commodity trading adviser registered with the Commission.

**Intermediated Transaction** means any transaction on the Facility conducted through an Intermediary.

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

**ISDA Reporting Party Rules** means the reporting party rules set forth in the document published by ISDA entitled "Dodd Frank Act – Swap Transaction Reporting Party Requirements" dated July 15, 2013, as set forth in Annex 2 attached hereto.

**JSCC** means Japan Securities Clearing Corporation.

**Last Trading Day** means, with respect to any Swap, the last day on which trading is permitted for such Swap in accordance with the Rules.

**LCH.Clearnet** means LCH.Clearnet, Ltd.

**Legal Entity Identifier** or **LEI** shall have the same meaning as in Commission Regulations.

**Losses** shall have the meaning set forth in Rule 102(a).

**Major Swap Participant** shall have the same meaning as in the Act and Commission Regulations.

**Managed Order** shall have the meaning set forth in Rule 306(c)(4).

**Market Regulation Staff** means the personnel designated by IGDL as members of the Market Regulation Staff, any agents of IGDL that assist in the implementation, surveillance, and enforcement of its rules and related obligations, and IGDL's Regulatory Services Provider.

**MiFID** means the Markets in Financial Instruments Directive 2004/39/EC.

**MiFID II** means Directive 2014/65/EU on markets in financial instruments.

**MiFID II Package Transaction** means a transaction which involves the execution of two or more component transactions in Financial Instruments and which is executed between two or more counterparties, where each component bears meaningful economic or financial risk which is related to all other components and where the execution of each component is simultaneous and contingent upon the execution of all other components.

**MiFIR** means Regulation (EU) No 600/2014 on markets in financial instruments.

**MTF** means multilateral trading facility, as defined in the FCA Handbook.

**NAL** means Commission No-Action Letter.

**NFA** means the National Futures Association.

**Non-Cleared Contract** means a Contract that is not a Cleared Contract.

**Non-Directed Voice RFQ** means a voice RFQ conducted in accordance with Rule 306(c)(1).

**Non-Reviewable Range** means the amounts that are above and below the fair market value for each Contract or Contract type, as set forth in Rule 316(f).

**Notice** shall have the meaning set forth in Rule 504(a).

**Notice of Contest** shall have the meaning set forth in Rule 516(c).

**OCO** shall have the meaning set forth in Section (e) of Appendix 2 to Rule 901.

**Option** means a Swap whereby one party grants to another the right, but not the obligation, to buy or sell a Commodity or other Underlying Interest.

**Order** means an instruction by a Customer to a Participant to execute a transaction on behalf of such Customer.

**Order Book** means a Trading Platform in which all Trading Privilege Holders have the ability to enter, observe and transact on multiple Bids/Offers.

**Package Transaction** means a transaction that is either a CFTC Package Transaction or a MiFID II Package Transaction.

**Participant** means any Trading Privilege Holder, Authorised Trader or Authorised Trading Firm.

**Participant Indemnified Party** shall have the meaning set forth in Rule 109(f).

**Participation Committee** shall have the meaning set forth in the Governance Policy.

**Permitted Transaction** means any transaction involving a Swap that is not subject to the trade execution requirement in section 2(h)(8) of the Act.

**person** means any individual, sole proprietorship, corporation, limited liability company, limited liability partnership, partnership, association, estate, trust, governmental agency, unincorporated organisation or any other legal entity.

**Physical Emergency** shall have the meaning set forth in Rule 104(e).

**Position Limit** means the maximum position, either net long or net short, in one Series or a combination of various Series of a particular Class that may be held or controlled by one person, or subject to aggregation with such person's position, as prescribed by IGDL, any Competent Authority and/or the Commission.

**Post-Trade Data** has the meaning given to it in Rule 320(b).

**Pre-Arranged Cross** means a Permitted Transaction pre-arranged pursuant to Rule 305(b).

**Pre-Trade Data** has the meaning given to it in Rule 320(a).

**Proceeding** shall have the meaning set forth in Rule 109(f).

**Proprietary Data and Personal Information** means data and information that separately discloses business transactions, market positions or trade secrets of a person with respect to that person, but excludes information in a Confirmation or Trade Communication that discloses the identity of another person.

**Public Director** means any person who qualifies as a "public director" within the meaning set forth in the Commission Regulations.

**Put Option** means an Option whereby (i) the purchaser has the right, but not the obligation, to sell an Underlying Interest at the strike price specified; and (ii) the grantor has the obligation, upon exercise, to buy an Underlying Interest at such strike price.

**Recipient** means a Participant who is a recipient of an RFQ.

**Record Keeping Obligation** means the obligation on IGDL, as set out in Article 25 MiFIR, to maintain for a period of five years relevant data relating to all Bids/Offers which are advertised through IGDL, along with relevant data relating to transactions (as referred to in MiFID II).

**Regulatory Agency** means any Governmental Authority, including the FCA, the Commission and the U.S. Securities and Exchange Commission, the NFA and any other SRO, and any organisation, whether domestic or foreign, granted authority under statutory or regulatory provisions to regulate its own activities and the activities of its members, not including IGDL.

**Regulatory Oversight Committee** shall have the meaning set forth in the Governance Policy.

**Regulatory Services Provider** means an outside organisation which provides regulatory services to IGDL pursuant to an agreement.

**Rejected Leg** shall have the meaning set forth in Rule 316(i).

**Rejected Transactions** shall have the meaning set forth in Rule 316(i).



**Related Parties** shall have the meaning set forth in Rule 108(a).

**Request for Quote** or **RFQ** means a request by one Participant to at least such minimum number of Participants as may be required by Commission Regulations from time to time for a market quote that shall constitute a Bid/Offer.

**Required Transaction** means any transaction involving a Swap that is subject to the trade execution requirement in section 2(h)(8) of the Act.

**Respondent** shall have the meaning set forth in Rule 504(a).

**Review Panel** shall have the meaning set forth in the Governance Policy.

**Risk-Based Limits** means the risk-based limits established by a Clearing Firm in accordance with Commission Regulation 1.73.

**Rule** or **Rules** means the rules, resolutions, interpretations, statements of policy, decisions, directives and orders of the Facility (including this Rulebook).

**Secretary** means the individual appointed by the Board from time to time to serve as secretary of IGDL.

**SEF** means swap execution facility, as defined in the Act.

**Series** means all Contracts of the same Class having identical terms.

**SIFMA** shall have the meaning set forth in Rule 901(d)(2).

**SRO** means self-regulatory organisation.

**Swap** shall have the same meaning as in the Act and Commission Regulations. Swap Data Repository or SDR shall have the same meaning as in the Act.

**Swap Dealer** shall have the same meaning as in the Act and Commission Regulations.

**Systems** means the Trading Platforms, including various proprietary and third party software, firmware, hardware, keypads and supporting documentation to which Participants are granted access by IGDL.

**System Protocol** means the terms from time to time in force upon which a Participant may access a specific Trading Platform, including any supplemental written guidelines provided by IGDL to the Participant, as amended from time to time. The System Protocols shall be posted on the Facility's website. In the event of any inconsistency between the provisions of any System Protocol and the Rules, the terms of the System Protocol shall prevail.

**Terms Incorporated by Reference** shall have the meaning set forth in Rule 313(c).

**TP ICAP** means TP ICAP plc (Company Number: 05807599).

**Trade Communication** shall have the meaning set forth in Rule 313(c).

**Trading Hours** means the hours specified in Rule 801 or otherwise in this Facility Rulebook for the trading of Swaps on the Facility.

**Trading Platform** means any of the separate electronic central limit order books and other systems administered by or on behalf of IGDL for the trading of Contracts pursuant to specific System Protocols for each such system.



**Trading Privilege Holder** means an individual or entity with Trading Privileges on the Facility granted pursuant to Rule 201 (including an Intermediary), but does not include an Authorised Trading Firm or Authorised Trader.

**Trading Privileges** means permission from IGDL given to any Trading Privilege Holder in accordance with Rule 201 to access the Facility, or to any Authorised Trading Firm or Authorised Trader in accordance with Rule 202 to access the Facility.

**Trading Session** means, with respect to any Contract, the period of hours on any Business Day during which such Contract is available for trading, as specified in the Rules governing such Contract.

**Transaction Report** means the report of a transaction which is required to be submitted to a Competent Authority pursuant to Article 26 of MiFIR.

**Transparency Waiver** means a waiver granted to IGDL by a Competent Authority, as provided for under Article 9 of MiFIR.

**Underlying Interest** means the interest which is the subject of a Swap.

**Untraded Initiator** shall have the meaning set forth in Rule 902(d)(2)(i)B.

**U.S. Dollar Swap Spread** means a CFTC Package Transaction in which each of the Swap components has been made available to trade by IGDL pursuant to section 2(h)(8) of the Act and all other components are U.S. Treasury Securities.

**U.S. Treasury Security** means a bond, note, bill or other evidence of indebtedness issued by the United States Treasury.

**Violation** means a violation of any of the Rules.

## GENERAL

### Regulatory Status

#### *United Kingdom and the EEA*

ICAP Global Derivatives Limited (FRN 191757) is regulated by the FCA and is authorised, among other things, to:

- arrange (bring about) deals in investments;
- deal in investments as agent;
- make arrangements with a view to transactions in investments; and
- operate a MTF (as set in the relevant System Protocol).

IGDL has passporting rights under MiFID in relation to certain of its permissions.

#### *United States of America*

IGDL is registered as a SEF with the Commission.

### Compliance Oversight

The Chief Compliance Officer and the Head of Compliance and Oversight (CF10), both appointed by the Board, assist IGDL in meeting its regulatory obligations, as set out by the Commission and the FCA respectively.

References in this Facility Rulebook and any other related document to the Compliance Function is intended to mean, for Commission related considerations, the Chief Compliance Officer and, for FCA related considerations, the CF10. To the extent any of the activities concern both the Commission and FCA, the Chief Compliance Officer and the CF10 will cooperate to ensure compliance with the respective regulations.

## CHAPTER 1

### MARKET GOVERNANCE

#### **Rule 101      Board of Directors and Officers**

(a) *Management.* The Board manages, operates and sets policies, including the Governance Policy, for IGDL and the Facility. The Board has the power to appoint such officers of IGDL as it may deem necessary or appropriate from time to time.

(b) *Governance Policy.* The Governance Policy shall be deemed to be part of the Rules, and shall be deemed to be incorporated herein, to the same extent and with the same force and effect as if set forth herein in their entirety.

#### **Rule 102      Limitation of Liability**

(a) TO THE EXTENT PERMITTED BY APPLICABLE LAW, AND EXCEPT FOR PRIVATE RIGHTS OF ACTION UNDER SECTION 22(B) OF THE ACT OR IN INSTANCES WHERE AN ICAP PARTY (AS DEFINED BELOW) HAS BEEN FINALLY ADJUDICATED TO HAVE ENGAGED IN NEGLIGENCE, WILFUL DEFAULT OR FRAUD, IGDL (INCLUDING ITS RESPECTIVE SUBSIDIARIES AND AFFILIATES) AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS AND LICENSORS (EACH, AN “**ICAP PARTY**”), SHALL NOT BE LIABLE TO ANY PERSON FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES (INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF USE, AND DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES) (“**LOSSES**”) IN CONTRACT, TORT, OR OTHERWISE AND WHETHER THE CLAIM IS BROUGHT DIRECTLY OR AS A THIRD PARTY CLAIM, ARISING FROM:

- (1) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION, TERMINATION, OR ANY OTHER CAUSE, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF THE SYSTEMS AND SERVICES OF IGDL OR ANY ICAP PARTY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS AND SERVICES, INCLUDING WITHOUT LIMITATION ELECTRONIC ORDER ENTRY/DELIVERY, TRADING THROUGH ANY ELECTRONIC MEANS, ELECTRONIC COMMUNICATION OF MARKET DATA OR INFORMATION, WORKSTATIONS USED BY PARTICIPANTS, PRICE REPORTING SYSTEMS AND ANY AND ALL TERMINALS, COMMUNICATIONS NETWORKS, CENTRAL COMPUTERS, SOFTWARE, HARDWARE, FIRMWARE AND PRINTERS RELATING THERETO; OR
- (2) ANY FAILURE OR MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION OR TERMINATION, OR ANY OTHER CAUSE, OF ANY SYSTEM OR SERVICE OF IGDL OR ANY ICAP PARTY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, CAUSED BY ANY THIRD PARTIES INCLUDING, BUT NOT LIMITED TO, INDEPENDENT SOFTWARE VENDORS AND NETWORK PROVIDERS; OR
- (3) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY IGDL OR ANY ICAP PARTY OR ANY OF IGDL’S OR ICAP PARTY’S SYSTEMS, SERVICES OR FACILITIES; EXCEPT FOR INCORRECT ORDER STATUS; OR
- (4) ANY UNAUTHORISED ACCESS TO OR UNAUTHORISED USE OF ANY OF IGDL’S OR ICAP PARTY’S SYSTEMS, SERVICES OR FACILITIES BY ANY PERSON.

(b) NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS (INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR USE) ARE PROVIDED BY IGDL OR ANY ICAP PARTY, THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS, OR LICENSORS RELATING TO ANY SYSTEMS OR SERVICES OF IGDL OR ICAP PARTY OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING A TRADING PLATFORM, WHICH ARE PROVIDED "AS IS" TO PARTICIPANTS. NEITHER IGDL NOR ICAP MAKE ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED THAT ANY SYSTEMS OR SERVICES OF IGDL OR ICAP (INCLUDING EACH OF THEIR RESPECTIVE SUBSIDIARIES AND AFFILIATES) OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING A TRADING PLATFORM, WILL MEET A PARTICIPANT'S REQUIREMENTS, HAVE UNINTERRUPTED OR ERROR-FREE OPERATION, BE AVAILABLE DURING ANY SPECIFIED BUSINESS HOURS (WHETHER ADVERTISED OR NOT) OR OPERATE IN CONJUNCTION WITH OTHER SOFTWARE.

(c) ANY DISPUTE ARISING OUT OF THE USE OF SYSTEMS OR SERVICES OF IGDL OR ANY ICAP PARTY OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES IN WHICH IGDL OR AN ICAP PARTY IS A PARTY MUST BE BROUGHT WITHIN ONE YEAR FROM THE TIME THAT A CAUSE OF ACTION HAS ACCRUED. ANY SUCH DISPUTE MAY ONLY BE LITIGATED SUBJECT TO THE RULES OF THIS RULEBOOK AND WILL BE GOVERNED BY THE LAWS SET OUT IN THIS RULEBOOK.

(d) EXCEPT IN INSTANCES WHERE AN ICAP PARTY HAS BEEN FINALLY ADJUDICATED TO HAVE ENGAGED IN NEGLIGENCE, WILLFUL DEFAULT OR FRAUD, IN NO EVENT SHALL THE ICAP PARTIES' TOTAL COMBINED AGGREGATE LIABILITY FOR ALL CLAIMS ARISING OUT OF ANY NEGLIGENCE, FAILURES, MALFUNCTIONS, FAULTS IN DELIVERY, DELAYS, OMISSIONS, SUSPENSIONS, INACCURACIES, INTERRUPTIONS, TERMINATIONS, ORDER STATUS ERRORS OR ANY OTHER CAUSES, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF IGDL'S OR AN ICAP PARTY'S SYSTEMS OR SERVICES, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS AND SERVICES, OR THE NEGLIGENCE OF IGDL OR AN ICAP PARTY STAFF, EXCEED \$50,000 FOR ALL LOSSES FROM ALL CAUSES SUFFERED BY ALL PERSONS ON A SINGLE DAY; \$200,000 FOR ALL LOSSES SUFFERED BY ALL PERSONS FROM ALL CAUSES IN A SINGLE CALENDAR MONTH; AND \$500,000 FOR ALL LOSSES FROM ALL CAUSES SUFFERED BY ALL PERSONS IN A SINGLE CALENDAR YEAR.

(e) A CLAIM AGAINST IGDL OR AN ICAP PARTY, ARISING OUT OF ANY FAILURE OR MALFUNCTION SHALL ONLY BE ALLOWED IF SUCH CLAIM IS BROUGHT IN ACCORDANCE WITH THIS RULE.

(f) NOTWITHSTANDING THE FOREGOING, THE LIMITATION OF LIABILITY PURSUANT TO THIS RULE 102 IS LIMITED TO CLAIMS ARISING OUT OF IGDL'S AND AN ICAP PARTY'S OPERATION OF THE FACILITY AND/OR PROVISION OF SERVICES TO IGDL.

### **Rule 103      Confidentiality**

(a) IGDL shall not, and shall cause its Affiliates not to, use for business or marketing purposes any Proprietary Data or Personal Information it or any of its Affiliates collects or receives, from or on behalf of any person, for the purpose of fulfilling IGDL's regulatory obligations, unless the person who provided such data or information provides prior written consent to IGDL's use of such data or information for such purposes. In furtherance of Applicable Law, IGDL may share such data and information with its Affiliates, the Commission, the FCA, one or more SEFs, SDRs, DCOs or Designated Contract Markets registered with the Commission, and, to the extent permitted by Applicable Law, other Governmental Authorities, including those in countries outside the U.S. and U.K. IGDL may, upon request of a Trading Privilege Holder, provide a list of current Trading Privilege Holders on a confidential basis. The receiving Trading Privilege Holder shall not disclose the contents of the list without the prior consent of IGDL. Proprietary

Data and Personal Information shall not include aggregated price and volume information not identified with a specific Participant or Customer, and IGDL may use such aggregated information for business and marketing purposes.

- (b) No IGDL employee shall trade, directly or indirectly, in any:
- (1) Contract;
  - (2) Commodity Interest related to a Contract;
  - (3) Commodity Interest traded on designated contract markets or SEFs or cleared by DCOs if the employee has access to material, non-public information concerning such Commodity Interest; or
  - (4) Commodity Interest traded on or cleared by a linked exchange if the employee has access to material, non-public information concerning such Commodity Interest.
- (c) No IGDL Affiliate, member of the Board or any committee established by the Board or by or pursuant to the Rules of the Facility, or any officer or other employee or consultant of IGDL, shall, either during or after service with IGDL:
- (1) 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 obtained through special access related to the performance of such person's official duties; or
  - (2) absent prior written consent of IGDL, use, directly or indirectly, information that is deemed to be non-public information, or disclose non-public information to others, except (i) to others within IGDL, IGDL's Affiliates or to outside advisers thereof or other service providers for IGDL, provided that such advisors and service providers are subject to confidentiality obligations, and that, in each case, such disclosure is necessary for the performance of Facility-related duties by the individual or entity, (ii) if required by a Regulatory Agency, or (iii) if compelled to do so by valid legal process, provided that the individual or entity notifies IGDL in advance thereof to the extent permitted.
- (d) Subject to Rule 103(a), IGDL shall not, except as reasonably necessary to operate any Trading Platform, to fulfil its obligations under this Rulebook or to comply with Applicable Law or any request of the Commission or the FCA, without the prior written consent of a Trading Privilege Holder in each instance, (i) use in advertising, publicity, marketing or other promotional materials, the name, trade name, trademark, trade device, service mark or symbol of such Trading Privilege Holder or any of its Affiliates, or (ii) represent that any product or any service provided by IGDL has been approved or endorsed by such Trading Privilege Holder or any of its Affiliates.
- (e) For purposes of this Rule 103, the terms "**employee**", "**material information**" and "**non-public information**" have the meanings ascribed to them in Commission Regulation § 1.59.

#### **Rule 104      Emergency Action**

- (a) *Definitions.* As used in this section:

The term "**Emergency**" shall mean any occurrence or circumstance which, in the opinion of IGDL, requires immediate action and threatens or may threaten such things as the fair and orderly trading in, or the liquidation of, or delivery pursuant to, any Contracts on the Facility, including any manipulative or attempted manipulative activity; any actual, attempted, or threatened corner, squeeze, congestion, or undue concentration of positions; any circumstances which may materially affect the performance of Contracts traded on the Facility, including failure of the payment system or the bankruptcy or insolvency of any

Participant; any action taken by any Governmental Authority, or any other board of trade, swap execution facility, market or facility which may have a direct impact on trading on the Facility and any other circumstance which may have a severe, adverse effect upon the functioning of the Facility.

(b) Emergency action may be taken by the following:

- (1) By the Board in the case of any Emergency;
- (2) By any two members of the Board in the case of any Emergency where it is impracticable in the opinion of the Chairman of the Board or in his or her absence, any two (2) members of the Board, to call a meeting of the Board to deal with the Emergency; or
- (3) By any committee of IGDL pursuant to powers conferred on said committee under the Rules or by the Board.

(c) *Vote Required*

The vote required of the Board or committee authorised to take any Emergency action hereunder shall be:

- (1) In the case of action by the Board, the affirmative vote of a majority of the members of the Board present and voting at a meeting at which there is a quorum; or
- (2) In the case of action by a committee, the affirmative vote of two (2) or more persons constituting not less than a majority of the members of said committee present and voting at a meeting at which there is a quorum.

The consent in writing to any Emergency action of all members of the Board or of a committee, as applicable, shall be sufficient to take such Emergency action without a meeting. A member of the Board or of a committee shall be deemed present or in attendance at a meeting if such a person participates in the meeting by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time.

(d) *Action which may be taken*

- (1) In the event of an Emergency, IGDL may, subject to Part 40 of the Commission Regulations under the Act, place into immediate effect a Rule which may provide for, or may authorise IGDL, or any committee, to undertake actions which, in the opinion of IGDL are necessary or appropriate to meet the Emergency, including, but not limited to, such actions as:
  - (i) Extending or shortening the expiration date for trading in Contracts;
  - (ii) Extending the time of delivery under or expiration of Contracts;
  - (iii) Extending, limiting or changing hours of Trading Sessions;
  - (iv) Imposing or modifying price limits;
  - (v) Imposing or modifying Position Limits;
  - (vi) Imposing or modifying intraday market restrictions;
  - (vii) Ordering the liquidation or transfer of open positions in any Contract;
  - (viii) Ordering the establishment of a settlement price;

- (ix) Suspending trading or curtailing trading in any Contract;
  - (x) Cancel any Bid/Offer;
  - (xi) Altering any Contract's settlement terms or conditions prior to execution and adjusting or cancelling any executed transaction pursuant to Rule 316; and
  - (xii) Modifying or suspending any provision of the Rules.
- (2) In the event of an Emergency when a quorum of the Board is not available, all trading on the Facility may be suspended by an affirmative vote of a majority of the Directors present, or by action of one Director if only one Director is present, for such period of time as in their or his or her judgment is necessary. In the event of an Emergency which prevents normal attendance at a meeting of the Board, when no Director is present, any authorised officer of IGDL shall have authority to order suspension of trading on the Facility for such period of time as in his or her judgment is necessary. Any action taken under this paragraph (b) shall be subject to review and modification by the Board.
- (3) Where the above actions result in a suspension of trading in any instrument, the suspension shall be implemented in accordance with the requirements on circuit breakers set out in MiFID II, including the ESMA Guidelines on Calibration of circuit breakers and publication of trading halts under MiFID II.
- (4) Whenever any action is taken under this Rule 104 pursuant to which trading is suspended or other changes in procedure are made, all matters relating to notices, deliveries and other obligations may be suspended or deferred in such manner as the Board or committee, as the case may be, may determine.
- (5) IGDL may be required to take an Emergency action when directed by the FCA or the Commission. If a Contract is traded both on the Facility and on one or more other swap execution facilities, any Emergency action to liquidate or transfer of open positions in any Contract will be made in consultation with the Commission or Commission staff.
- (e) *Physical Emergencies*
- (1) In the event the physical or electronic functions of the Facility or IGDL are, or are threatened to be, severely and adversely affected by a physical emergency, such as fire or other casualty, bomb threat, substantial inclement weather, power failure, communication or transportation breakdown, computer malfunction, screen-based Trading Platform break-down, malfunction of plumbing, heating, ventilation and air conditioning systems, backlog or delay in clearing or in the processing of data related to clearing Cleared Contracts (a "**Physical Emergency**"), the Chairman of the Board, or in his or her absence the Chief Executive Officer, or in both of their absences any other authorised officer, may take any action which, in the opinion of such officer, is necessary or appropriate to deal with the Physical Emergency. Such action shall be taken in accordance with IGDL's business continuity plan and in cooperation with the IGDL security operations team.
- (2) Actions taken may include suspending trading in any one or more Contracts, delaying the opening of trading in any one or more Contracts, extending the Last Trading Day and/or the time of trading.
- (3) In the event a designated officer has ordered suspension of trading, the Chairman of the Board or the Chief Executive Officer, or in their absence any other authorised officer may order restoration of trading on the Facility, or may remove other restrictions so imposed, if such officer determines that the Physical Emergency has sufficiently abated to permit the



physical functions of IGDL or the Facility to continue in an orderly manner. IGDL will implement any such action with the intention of resuming trading within or close to two hours following the disruptive incident.

(f) IGDL will promptly report any Emergency action taken under this Rule 104 to the Commission and the FCA and explain the decision-making process, the reasons for the exercise of emergency authority and how any conflicts of interest were addressed. Any emergency Rule or Rule amendment shall be filed with the Commission in accordance with Part 40 of the Commission Regulations under the Act.

(g) In exercising its authority under this Rule 104, IGDL shall, in its reasonable discretion, and where appropriate, permitted by Applicable Law and not precluded by exigent circumstances, consult and coordinate with DCOs, other swap execution facilities, boards of trade, relevant Participants, and other parties in considering what actions to take hereunder.

#### **Rule 105      Suspension of Trading**

In addition to suspensions pursuant to Rule 104 in the event of an Emergency, the Board may, in its discretion, by an affirmative vote of a majority of the Directors present at a meeting at which there is a quorum, close the Facility, suspend or constrain trading in any one or more Contracts on such days or portions of days as will, in its judgment, serve to promote the best interest of IGDL.

Where the Board exercises its powers under this Rule 105, the Board shall take into account the liquidity of the Contracts, the nature of the market model and the types of Participant trading such Contracts. The Board will take into account, where relevant, reference prices which reflect the volatility behavior of the instrument concerned in a reliable and consistent way and, where appropriate, should have the ability to refer to external references. Decisions to implement a suspension of trading will be taken in accordance with a pre-defined methodology, taking into account the factors set out in the ESMA Guidelines on Calibration of circuit breakers and publication of trading halts under MiFID II.

The Board shall also consider whether the actions described in this Rule 105 are likely to cause significant disruption to the orderliness of trading on IGDL.

Following implementation of a suspension, IGDL will immediately publish the fact that a trading halt has been activated, the type of trading halt, the trading phase in which it was triggered, any extension to the halt and the end of the halt.

IGDL will promptly report any action taken under this Rule 105 to the Commission and the FCA.

#### **Rule 106      Risk Controls for Trading**

The Regulatory Oversight Committee may impose controls to reduce the potential risk of market disruption, including but not limited to, market restrictions that pause or halt trading in specified market conditions.

#### **Rule 107      Conflicts of Interest**

(a) TP ICAP's Conflict of Interest Management Policy sets out the arrangements that enable IGDL to prevent, identify clearly and manage the potential adverse consequences for the operation of the Facility, or for Participants, of any conflict of interest between the interest of the Facility or IGDL and the sound functioning of the Facility. TP ICAP's Conflicts of Interest Management Policy is published on its website and can be accessed through the following URL: <http://www.icap.com/~media/Files/I/ICAP-Corp-V3/pdfs/November%202017/Conflicts-of-Interest-Management-Policy.PDF>.

(b) In addition, IGDL will minimize conflicts of interest in its decision-making process in accordance with the conflicts of interest procedures set forth in the Governance Policy.



**Rule 108      Market Data**

(a) Subject to Rule 103, and each Participant's and Customer's rights in its own Proprietary Data and Personal Information, IGDL owns all rights, title and interest in and to all intellectual property and other proprietary rights (including all copyright, database rights, trademarks and trade secrets, or similar proprietary rights in any jurisdiction whether or not registrable) in and to any data, analytics, research or other information (including without limitation Bids/Offers, RFQs, Pre-Arranged Crosses, the contents of Confirmations and Trade Communications, such Confirmations and Trade Communications themselves, prices and volumes of transactions) contained in, displayed on, generated by or derived from the Facility and the Trading Platforms (collectively the "**Information**"). IGDL shall not decompile or reverse engineer any of a Participant's or Customer's Proprietary Data and Personal Information for the purpose of ascertaining such Participant's or Customer's trading strategies, except to the extent reasonably necessary for IGDL's operations, to perform its surveillance and monitoring functions or to otherwise comply with Applicable Law. Subject to each Participant's and Customer's rights in its own Proprietary Data and Personal Information, each Participant and Customer (i) agrees to keep the Information confidential and cause each of its employees, Affiliates, Authorised Trading Firms, Customers, agents, consultants, independent software vendors and other persons affiliated with any of the foregoing, as applicable (collectively "**Related Parties**"), to keep the Information confidential, and (ii) agrees not to, and shall cause its applicable Related Parties not to, sell, lease, license, transfer, provide or otherwise make available to any third party any form of access to or use of any of the Information.

(b) Subject to paragraph (c) of this Rule 108, each Participant and Customer agrees that it shall not, and shall cause its Related Parties not to, license, sublicense, transfer, redistribute, resell, alter, enhance, make derivative works of, download to computer or reverse engineer all or any part of the Information (other than such Participant's or Customer's Proprietary Data and Personal Information).

(c) Notwithstanding paragraph (b) of this Rule 108:

- (1) Solely (x) for use in connection with a Trading Privilege Holder's own trading activity (and not, for the avoidance of doubt, for use by a Trading Privilege Holder's sales, risk management (except for use by such Trading Privilege Holder's compliance and other risk departments for regulatory purposes), research, wealth management or asset management departments/functions) or (y) to the extent necessary for a Trading Privilege Holder's information technology department to perform transaction-related support functions for such Trading Privilege Holder, Trading Privilege Holders that:
  - (i) pay the monthly TPH API Restricted Usage Minimum Fee, as described in IGDL's Trade Execution Fee Card, as amended from time to time, shall be entitled to (x) download Information to a computer and/or (y) create Derived Information; and
  - (ii) pay the monthly TPH API Full Usage Minimum Fee, as described in IGDL's Trade Execution Fee Card, shall be entitled to (x) download Information to a computer, (y) create Derived Information and/or (z) redistribute Derived Information (and only Derived Information).
- (2) Customers that are Authorised Trading Firms for which a Trading Privilege Holder has provided DEA may have access to Information through such Trading Privilege Holder in connection with such Customer's trading activity.

(d) IGDL shall bear no liability for any Derived Information, and each Trading Privilege Holder shall defend, indemnify and hold harmless each SEF Indemnified Party (as defined in Rule 109) from and against any Losses to which any SEF Indemnified Party may become subject, insofar as such Losses arise out of or in connection with, or are based upon any Proceeding against a SEF Indemnified Party that arises out of or relates to any Derived Information created by or on behalf of such Trading Privilege Holder or any of its Related Parties.

## Rule 109 Intellectual Property

(a) The Systems are the exclusive Intellectual Property of IGDL or its affiliates or licensors. Participants have no access to the Systems and no rights with respect to the Systems, except as expressly granted by IGDL. Subject to any required approvals from any applicable Regulatory Agency, IGDL shall have the right to modify at any time a System's functionality, configuration, appearance, content and the Swaps made available for trading via a System.

(b) Upon granting Trading Privileges to a Participant, IGDL grants to that Participant a revocable, non-exclusive, non-transferable license to access and use the Systems in accordance with the Rules for the sole purpose of (i) entering into Swaps via the Systems, and (ii) receiving and transmitting information generated by or made available through the Systems from time to time. Such license shall terminate when the Participant's Trading Privileges terminate.

### (c) *Intellectual Property Rights*

- (1) By becoming a Participant, each Participant acknowledges and agrees that the Intellectual Property Rights in the Systems are a valuable asset of IGDL or its affiliates or licensors or their respective successors. Each Participant shall protect and safeguard the Intellectual Property Rights in and to the Systems by using the same degree of care that the Participant generally uses to protect its own Intellectual Property Rights and business assets, but in any event with no less than a reasonable degree of care.
- (2) Each Participant shall promptly notify IGDL upon becoming aware of any infringement or misappropriation of any Intellectual Property Rights of IGDL or its affiliates or licensors. Each Participant shall comply with all reasonable requests made by IGDL (at IGDL's reasonable expense) to protect and enforce the Intellectual Property Rights of IGDL or its affiliates or licensors in the Systems.

### (d) *Restrictions*

- (1) Subject to Rule 202, a Participant shall not sell, lease, license, transfer, provide or otherwise make available to any third party (including an affiliate of Participant), any form of access to or use of the System.
- (2) A Participant shall not alter, enhance, make derivative works of, download to computer, decompile, disassemble or reverse engineer all or any part of the Systems except solely to the extent (i) expressly required by Applicable Law or permitted by the Rules, or (ii) necessary in direct connection with support functions related to transactions on or subject to the Rules.

(e) Notwithstanding Rule 102, IGDL represents and warrants that it owns or is licensed all Intellectual Property Rights in or to the Systems.

### (f) *Indemnities*

- (1) IGDL shall defend, indemnify and hold harmless each Participant and its officers, directors, employees and agents (each a **"Participant Indemnified Party"**) from and against all Losses as a result of any third party claim or proceeding of any nature (**"Proceeding"**) against a Participant Indemnified Party determining that the Systems (other than the EBS NDF System, which includes but is not limited to the technology known as EBS Dealing Service and Brokernet), or the use thereof by the Participant Indemnified Party as authorized hereunder, violates any Intellectual Property Rights of any third party provided that such Losses do not result from (i) any Participant Indemnified Party's fraud, gross

negligence or willful misconduct; (ii) violation of Applicable Law by the Participant Indemnified Party; or (iii) the Participant's breach of the Rules.

- (2) Each Participant shall defend, indemnify and hold harmless IGDL and each ICAP Party (each an "**IGDL Indemnified Party**") from and against any Losses to which any IGDL Indemnified Party may become subject, insofar as such Losses arise out of or in connection with, or are based upon any Proceeding against an IGDL Indemnified Party that arises out of or relates to any access, use or misuse of the Systems by the Participant or by any person accessing the Systems using the Participant's ID provided that such Losses do not result from (i) an IGDL Indemnified Party's fraud, gross negligence or willful misconduct; (ii) violation of Applicable Law by the IGDL Indemnified Party; or (iii) the IGDL Indemnified Party's breach of the Rules.
- (3) If a Proceeding is commenced against a party entitled to indemnification under this Rule 109 (the "**Indemnified Party**"), notice shall be given to the party obligated to provide such indemnification (the "**Indemnifying Party**") as soon as reasonably practicable. The Indemnifying Party shall be entitled to take control of the Proceeding and any settlement of it, and the Indemnified Party shall give the Indemnifying Party, at the Indemnifying Party's reasonable cost, all reasonable assistance in relation to the Proceeding.
- (4) Notwithstanding anything to the contrary contained in Rule 102 or a System Protocol, no limitation or exclusion of liability shall apply with respect to any direct losses or claims based on confidentiality, or to IGDL's intellectual property infringement indemnification obligations set forth in this Rule 109.

(g) *Confidentiality*

Each Participant shall keep confidential all Confidential Information of IGDL or IGDL's affiliates or licensors, both during the term and after termination of the license granted by this Rule 109. Each Participant may disclose Confidential Information to its professional advisers but otherwise may only disclose Confidential Information to those of its employees and representatives who need to know such Confidential Information for the purposes of exercising or performing the rights and obligations of Participant under the Rules and have been informed of the confidential nature of the Confidential Information divulged. No Participant will disclose Confidential Information to any third party except as follows: (i) with the consent of IGDL; (ii) as necessary to a DCO of which such Participant is a member or in connection with the clearing of a Swap; (iii) subject to appropriate confidentiality requirements no less stringent than the confidentiality provisions hereunder, to any person providing services to such party relating to transactions on or subject to the Rules; or (iv) to IGDL's Regulatory Services Provider.

(h) Each Participant shall maintain commercially available virus checking software to protect itself and the Systems from viruses, notify IGDL immediately of any defect in the System or any unauthorized access or change to the System of which the Participant becomes aware and comply with any security measures and procedures for authentication required by IGDL from time to time.

## CHAPTER 2

### TRADING PRIVILEGES

#### **Rule 201      Trading Privilege Holders**

##### **(a)      *Trading Privileges***

- (1) Subject to the requirements and procedures set forth in this Chapter 2, Trading Privileges will be granted on an impartial basis to all applicants from time to time approved by IGD L as eligible to be Trading Privilege Holders, subject to any limitations or restrictions from time to time imposed by IGD L. Trading Privileges are non-transferable (except under certain limited circumstances which must be approved by IGD L), non-assignable and may not be sold or leased. Circumstances under which Trading Privileges may be transferred, subject to IGD L approval, include, for example, transfers due to corporate reorganisations. Each Trading Privilege Holder will have the right to access the Facility (including, subject to the applicable System Protocol, any Trading Platform) including the right to:
  - (i) place Bids/Offers, RFQs and Pre-Arranged Crosses for each of its proprietary accounts;
  - (ii) where permitted under this Rulebook and by Applicable Law, place Bids/Offers, RFQs and Pre-Arranged Crosses for the accounts of such Customers as an Intermediary; and
  - (iii) appoint other persons to act on its behalf as an Authorised Trader or Authorised Trading Firm pursuant to Rule 202, including providing DEA to a Customer.
- (2) By virtue of obtaining Trading Privileges, a Trading Privilege Holder will not obtain any equity or other interest in IGD L or the Facility, including voting rights or rights to receive any dividends or other distributions, whether arising from a dissolution, merger or consolidation involving IGD L, the Facility or otherwise.
- (3) In granting Trading Privileges, IGD L may impose such restrictions or limitations as it may deem necessary or appropriate, and in accordance with Applicable Law. IGD L shall apply such restrictions or limitations to applicants in an impartial, non-discriminatory manner, consistent with the Act, Commission Regulations and FCA rules thereunder. IGD L will deny the grant of Trading Privileges where an applicant has failed to meet any requirements for such grant.

##### **(b)      *Financial Requirements***

- (1) Any person that wishes to have Trading Privileges must have sufficient resources to guarantee the adequate settlement of transactions pursuant to Rule 204, and must meet the other financial and related reporting requirements set forth in this Rule 201.
- (2) Each Trading Privilege Holder must provide a signed written or electronic representation, prior to being granted access to the Facility, that it qualifies as an “eligible contract participant” as defined in the Act upon initial application for Trading Privileges.
- (3) Each Trading Privilege Holder shall, no less frequently than annually, provide IGD L either with (i) its annual financial report that it provides to the Commission or (ii) a written or electronic representation providing that such Trading Privilege Holder has been, and continues to be as of such date, an “eligible contract participant” as defined in the Act.

- (4) Each Trading Privilege Holder must notify IGDL's Compliance Function immediately upon becoming aware that it fails to satisfy the minimum financial requirements applicable to it.
  - (5) Unless and until a Trading Privilege Holder is able to demonstrate to IGDL that it is in compliance with the minimum financial requirements applicable to it, such Trading Privilege Holder may not engage in any transactions subject to the Rules of the Facility, except for the purpose of closing open positions that were opened on the Facility.
- (c) *Fitness Standards*
- (1) IGDL may deny the grant of Trading Privileges, or may prevent a person from becoming an Authorised Trader or Authorised Trading Firm of a Trading Privilege Holder, if one or more of the following applies to such person:
    - (i) it is unable satisfactorily to demonstrate a capacity to adhere to all applicable Rules of the Facility or any Regulatory Agency, Rules of any DCO to which the Trading Privilege Holder submits Cleared Contracts for clearing, Commission Regulations and SRO regulations, including those concerning recordkeeping, reporting, financial requirements and trading procedures;
    - (ii) it would bring IGDL or the Facility into disrepute; or
    - (iii) it is otherwise not fit and proper to be a Trading Privilege Holder, Intermediary, Authorised Trader or Authorised Trading Firm.
  - (2) IGDL may determine not to permit a Trading Privilege Holder or any Authorised Trader or Authorised Trading Firm of a Trading Privilege Holder to keep its, his or her Trading Privileges or maintain his or her association with a Trading Privilege Holder, as the case may be, if such Trading Privilege Holder, Authorised Trader or Authorised Trading Firm:
    - (i) fails to meet any of the qualification requirements for Trading Privileges or Authorised Trader or Authorised Trading Firm status after such Trading Privileges or Authorised Trader or Authorised Trading Firm status has been approved;
    - (ii) fails to comply with any limitation placed by IGDL on such Trading Privileges or Authorised Trader or Authorised Trading Firm status; or
    - (iii) commits a material Violation.
  - (3) IGDL may deny the grant of Trading Privileges, or may prevent a person from becoming an Authorised Trader or Authorised Trading Firm, if they do not have a sufficient level of trading ability and competence and experience, or adequate organisational arrangements.
  - (4) Any decision made by IGDL pursuant to this Rule 201 will be made on a non-discriminatory basis, consistent with any Applicable Law, and must be consistent with both the provisions of this Rule 201 and the Act and Commission Regulations and FCA rules thereunder.
- (d) IGDL may (i) deny the grant of Trading Privileges, (ii) prevent a person from becoming an Intermediary or Authorised Trader or Authorised Trading Firm, and (iii) determine not to permit a Trading Privilege Holder or any Intermediary or Authorised Trader or Authorised Trading Firm to keep its, his or her Trading Privileges or maintain his, her or its association with a Trading Privilege Holder, as the case may be, if such Trading Privilege Holder, Intermediary, Authorised Trader or Authorised Trading Firm causes or would cause IGDL to be in violation of Applicable Law.

(e) *Consent to Facility Rules*

Prior to obtaining access to the Facility and each time a Participant or Customer initiates or executes a transaction on the Facility, directly or through an Intermediary, each Participant and each Customer shall be deemed to have expressly consented to the jurisdiction of the Facility and agreed to be bound by and comply with the Rules. At the time any Clearing Firm provides a Clearing Firm Representation, each such Clearing Firm shall expressly consent to the jurisdiction of the Facility and agree to be bound by and comply with the Rules.

**Rule 202      Authorised Traders and Authorised Trading Firms**

(a) Each Trading Privilege Holder may from time to time permit one or more persons to enter Bids/Offers, issue and respond to RFQs, submit Pre-Arranged Crosses, access a Trading Platform and effect transactions in Contracts on the Facility. Such authority may be granted to one or more Authorised Traders.

(1) Authorised Traders

- (i) Each Trading Privilege Holder which is trading for its own account as a principal may permit one or more individuals as Authorised Traders to enter Bids/Offers and RFQs and Pre-Arranged Crosses on its behalf. In such case, the Trading Privilege Holder shall be principal to any resulting transactions made on its behalf by such Authorised Traders or to one or more Authorised Trading Firms.
- (ii) Each Trading Privilege Holder which is an Intermediary trading for the accounts of Customers may permit one or more individuals as Authorised Traders to enter Bids/Offers and RFQs and Pre-Arranged Crosses on its behalf as an Intermediary for such Customers. In such cases, the Trading Privilege Holder has responsibility for all actions and failures to act of such Authorised Traders, but the Customer on whose behalf each transaction is made shall be the principal to any transactions made on its behalf by such Authorised Traders.
- (iii) Each Trading Privilege Holder which is an Intermediary trading for the accounts of Customers that are natural persons may provide such a Customer with DEA to the Facility by permitting the Customer to become an Authorised Trader to enter Bids/Offers and RFQs on behalf of the Customer. In such case, the Customer shall be the principal to any transactions entered into as an Authorised Trader. As provided for in section (b)(3) below, IGDL may grant or deny DEA to a Customer in its sole discretion.
- (iv) The Trading Privilege Holder shall be responsible to IGDL for acting with reasonable care in granting Authorised Trader status. In addition, where the Trading Privilege Holder provides an Authorised Trader with DEA to the Facility, the Trading Privilege Holder shall retain responsibility for Bids/Offers and trades executed by such Authorised Trader on the Facility.

(2) Authorised Trading Firms

- (i) Each Trading Privilege Holder which is an Intermediary trading for the accounts of Customers that are entities may provide such a Customer with DEA to the Facility by permitting the Customer to become an Authorised Trading Firm and by permitting one or more individuals associated with the Authorised Trading Firm to become Authorised Traders to enter Bids/Offers and RFQs on behalf of the Customer. In such case, the Customer on whose behalf each transaction is made shall be the principal to any transactions made on its behalf by such Authorised



Trading Firm through the Authorised Traders. As provided for in section (b)(3) below, IGDL may grant or deny DEA to a Customer in its sole discretion.

(ii) **[NOT USED]**

(iii) The Trading Privilege Holder shall be responsible to IGDL for acting with reasonable care in granting Authorised Trading Firm status. In addition, where the Trading Privilege Holder provides an Authorised Trading Firm with DEA to the Facility, the Trading Privilege Holder shall retain responsibility for Bids/Offers and trades executed by such Authorised Trading Firm on the Facility.

(iv) Each Trading Privilege Holder will obtain a signed written or electronic representation, prior to being granted access to the Facility, that each of its Authorised Trading Firms continues to qualify as an “eligible contract participant” as defined in the Act and provide such representation to IGDL and shall notify the SEF if any Authorized Trading Firm no longer qualifies as an “eligible contract participant”.

(b) *IGDL Approval*

- (1) No person may act as an Authorised Trader or Authorised Trading Firm before being approved to do so by IGDL, which IGDL will do on an impartial basis.
- (2) Each prospective Authorised Trader and Authorised Trading Firm, or the Trading Privilege Holder on their behalf, will, prior to being permitted by IGDL to act as an Authorised Trader or Authorised Trading Firm, as the case may be, submit an application in the form required by IGDL and will satisfy such requirements as may be prescribed by IGDL from time to time.
- (3) Each prospective Authorised Trading Firm, or the Trading Privilege Holder on its behalf, must provide a written or electronic representation, prior to being granted access to the Facility, that the Authorised Trading Firm qualifies as (x) an “eligible contract participant” as defined in the Act, and (y) an Eligible Counterparty, and that it has all registrations, licenses and consents required by its constituent documents and Applicable Law to transact in Contracts. The foregoing representation may be provided directly to IGDL by the Authorised Trading Firm in a form provided by IGDL or, alternatively, the Trading Privilege Holder may provide IGDL evidence satisfactory to IGDL that the Authorised Trading Firm has provided such consents, agreements and representations to the Trading Privilege Holder.
- (4) DEA to the Facility by an Authorised Trader or an Authorised Trading Firm shall be granted or denied in the sole discretion of IGDL. IGDL will notify a Trading Privilege Holder of its approval or disapproval of the designation of an Authorised Trader or Authorised Trading Firm for DEA. IGDL may, in its sole discretion, revoke or suspend the designation of an Authorised Trader or Authorised Trading Firm for DEA, and shall notify the Trading Privilege Holder of such action in accordance with procedures established by IGDL.

(c) *Ability to provide DEA*

- (1) A Trading Privilege Holder or Authorised Trading Firm may provide DEA to the Facility where that Trading Privilege Holder or Authorised Trading Firm is classified as:
  - (i) an investment firm authorised under the MiFID regime;
  - (ii) a credit institution authorised under the CRD regime;

- (iii) a firm that would be a MiFID investment firm if it had its head office in the European Economic Area; or
    - (iv) a third country firm that is otherwise permitted to provide investment services in the UK (i.e. pursuant to the MiFIR Article 46 and 47 regime or pursuant to the UK national regulatory regime).
  - (2) Before a Trading Privilege Holder or Authorised Trading Firm is able to provide DEA to the Facility, it must conduct a due diligence assessment of any Customer to whom it proposes to provide DEA to the Facility prior to seeking approval from IGDL in accordance with Rule 202(b) above. The due diligence assessment shall, at a minimum, cover:
    - (i) the governance and ownership structure of the prospective Customer;
    - (ii) the types of strategies to be undertaken by the prospective Customer;
    - (iii) the operational set-up, the systems, the pre-trade and post-trade controls and the real time monitoring of the prospective Customer;
    - (iv) where the prospective Customer will be using third-party trading software as part of the DEA, ensuring that the software includes pre-trade controls as required by Applicable Law;
    - (v) the responsibilities within the prospective Customer for dealing with actions and errors;
    - (vi) the historical trading pattern and behavior of the prospective Customer;
    - (vii) the level of expected trading and order volume of the prospective Customer;
    - (viii) the ability of the prospective Customer to meet its financial obligations to the Trading Privilege Holder or Authorised Trading Firm; and
    - (ix) the disciplinary history of the prospective Customer.
  - (3) A Trading Privilege Holder or Authorised Trading Firm allowing sub-delegation of DEA must ensure that a prospective DEA client, before granting that client access, has a due diligence framework in place that is at least equivalent to the one described above.
  - (4) Trading Privilege Holders and Authorised Trading Firms that provide DEA to Authorised Traders or Authorised Trading Firms are required to review their due diligence assessment processes annually.
- (d) *Responsibilities to IGDL*
- (1) Each Trading Privilege Holder shall notify IGDL in writing if its relationship with an Authorised Trader or Authorised Trading Firm has been terminated, and such Trading Privilege Holder may at any time revoke any authorisation granted by it to any Authorised Trader or Authorised Trading Firm by providing written notice of such revocation to IGDL.
  - (2) By permitting any of its Authorised Traders and/or Authorised Trading Firm to access and use the Facility (including any Trading Platform) from any jurisdiction or to act as an Intermediary for trades on behalf of Customers located in any jurisdiction, each Trading Privilege Holder represents and warrants that each such access to or use of the Facility, or action as an Intermediary, does not violate any law applicable to the Trading Privilege



Holder, the Authorised Trader, the Authorised Trading Firm or, to such Trading Privilege Holder's knowledge, IGDL.

(e) *Intermediation*

- (1) A Participant may not act as an Intermediary for any other entity or person, unless the Trading Privilege Holder does so in accordance with Applicable Law.
- (2) A Trading Privilege Holder may not transact as an Intermediary for any Customer unless the Trading Privilege Holder has submitted a signed representation to IGDL that each of its Customers is an "eligible contract participant" as defined in the Act and as an Eligible Counterparty.

**Rule 203 Financial Integrity**

(a) Each Trading Privilege Holder, Authorised Trading Firm and Customer must be an "eligible contract participant" as defined in the Act and an Eligible Counterparty (i) prior to obtaining access to the Facility, and (ii) at the time that such person enters into each transaction on the Facility or subject to the Rules.

(b) For Cleared Contracts:

- (1) each Trading Privilege Holder or Authorised Trading Firm transacting on the Facility as a principal is required to demonstrate to IGDL, with appropriate documentary evidence as required by IGDL from time to time, that such Trading Privilege Holder or Authorised Trading Firm is a Clearing Firm or that it has clearing arrangements in place with a Clearing Firm, including having the Clearing Firm Representation required by Rule 204(f); and
- (2) each Trading Privilege Holder acting as an Intermediary shall confirm that each of its Customers has clearing arrangements in place with a Clearing Firm and obtain from its Customers any documentary evidence as required by IGDL from time to time to that effect, including any Clearing Firm Representation required by Rule 204(f). The Trading Privilege Holder shall provide such documentary evidence to IGDL.

(c) For Contracts listed on the Facility as bilateral Contracts, each Trading Privilege Holder, Authorised Trading Firm or Customer that enters into such Contracts as a principal must undergo such credit checks and provide such credit information as the Facility may require from time to time.

**Rule 204 Clearing**

(a) All Contracts executed on the Facility that are subject to mandatory clearing under Section 2(h) of the Act must be cleared through a DCO by a Clearing Firm. Any other Contracts executed on the Facility may be cleared at the discretion of the parties to such transaction; provided that such Contracts are able to be cleared through a DCO by a Clearing Firm. After being submitted to and accepted by the relevant DCO, each Cleared Contract will be subject to the rules, policies and procedures of such DCO.

(b) Pre-Execution Credit Check / Risk Screening.

- (1) In advance of submitting each Bid/Offer or Pre-Arranged Cross to the Facility for any Cleared Contract, each Trading Privilege Holder or Authorised Trading Firm shall identify the Clearing Firm to which any resulting transaction will be submitted for clearing at the relevant DCO and:
  - (i) if acting as principal, shall ensure that it has sufficient credit with such Clearing Firm for the resulting transaction and that the resulting transaction satisfies such Clearing Firm's Risk-Based Limits; and

- (ii) if acting as an Intermediary, other than with respect to DEA, shall confirm that its Customer has sufficient credit with the Customer's Clearing Firm for the resulting transaction and that the resulting transaction satisfies such Clearing Firm's Risk-Based Limits.

In the event that there is insufficient credit or the transaction does not satisfy a Clearing Firm's Risk-Based Limits, the Trading Privilege Holder or Authorised Trading Firm may not submit such Bid/Offer or Pre-Arranged Cross to the Facility.

- (2) Each Clearing Firm that provides a Clearing Firm Representation for a Participant or Customer may notify IGDL of the Risk-Based Limits it has established for such Participant or Customer, and such Risk-Based Limits shall become effective upon acknowledgment of receipt by IGDL. Any change to such Risk-Based Limits shall become effective only upon acknowledgment of receipt by IGDL.
- (c) A Clearing Firm that seeks to effect transactions on the Facility for its own account or the account of any Customer must be a Trading Privilege Holder.
- (d) IGDL may share information with any DCO that would assist such DCO in evaluating and monitoring a Clearing Firm's compliance with these criteria. A Clearing Firm agrees to cooperate with IGDL and each relevant DCO in any such monitoring.
- (e) Clearing Firms shall clear Cleared Contracts in accordance with all applicable Rules and DCO rules.
- (f) *Clearing Firm Representation*

- (1) Each Trading Privilege Holder or Authorised Trading Firm that is not a Clearing Firm and is transacting in Cleared Contracts on the Facility as a principal shall obtain a representation from a Clearing Firm, in form and substance satisfactory to, and approved by, IGDL (a "**Clearing Firm Representation**"). Under such representation, the Clearing Firm must accept for clearing all Cleared Contracts of each Trading Privilege Holder or Authorised Trading Firm for which it clears Cleared Contracts, subject to any Risk-Based Limits that are in effect pursuant to Rule 204(b)(2). Where a Trading Privilege Holder or Authorised Trading Firm uses the services of multiple Clearing Firms, a Clearing Firm shall be responsible only to the extent that it has been designated by such Trading Privilege Holder or Authorised Trading Firm to clear a particular Cleared Contract.
- (2) Each Trading Privilege Holder acting as Intermediary shall obtain from the Customer a Clearing Firm Representation from a Clearing Firm pursuant to which the Clearing Firm accepts for clearing all transactions in Cleared Contracts entered into by the Customer, subject to any Risk-Based Limits that are in effect pursuant to Rule 204(b)(2). Where a Customer uses the services of multiple Clearing Firms, a Clearing Firm shall be responsible only to the extent that it has been designated by such Customer to clear a particular Cleared Contract.
- (3) Every Contract that is subject to a Clearing Firm Representation and results from a Bid/Offer or Pre-Arranged Cross that is within any Risk-Based Limits that are in effect pursuant to Rule 204(b)(2) is deemed accepted for clearing by the Clearing Firm upon execution.
- (4) A Clearing Firm may at any time (but on prior written notice to IGDL) revoke any Clearing Firm Representation made by it to a Trading Privilege Holder, Authorised Trading Firm or Customer (as applicable) in accordance with paragraph (1) and/or (2) above, by providing prior written notice of such revocation to IGDL. The Clearing Firm Representation will

remain in effect for all Contracts for which Bids/Offers or Pre-Arranged Cross were submitted to a Trading Platform prior to IGDL's acknowledgment of the revocation, which IGDL shall undertake to effectuate as promptly as practicable.

- (5) Each Trading Privilege Holder, Authorised Trading Firm or, if applicable, Customer must assist its Clearing Firm and the DCO in the clearing of its Cleared Contracts.
- (6) Upon notice that a Clearing Firm has revoked any authorisation granted and Clearing Firm Representation made by it to a Trading Privilege Holder, Authorised Trading Firm or Customer pursuant to this Rule 204(f), the right of such Trading Privilege Holder, Authorised Trading Firm or Customer (as applicable) to enter into Cleared Contracts will be automatically terminated, and such Trading Privilege Holder, Authorised Trading Firm or Customer must obtain another Clearing Firm Representation from a Clearing Firm before the Trading Privilege Holder's, Authorised Trading Firm's or Customer's right to access to trade Cleared Contracts via the Facility will be reinstated.
- (g) A DCO may be given access to the Facility for the purpose of obtaining any information required by the DCO to clear contracts, including, without limitation, real-time data regarding Bids/Offers, Pre-Arranged Crosses and the execution of transactions. IGDL may impose such restrictions on a DCO's access that it determines, in its sole discretion, are necessary and appropriate.
- (h) *Failure to Clear*
  - (1) Subject to a Clearing Firm's obligation to accept for clearing all Contracts resulting from Bids/Offers or Pre-Arranged Crosses that satisfy the Risk-Based Limits in effect for a Participant or Customer, any Cleared Contract, including one leg of a Package Transaction, that is rejected for clearing by a Clearing Firm or DCO for any reason, including an error by IGDL in permitting a Bid/Offer or Pre-Arranged Cross to be made that did not satisfy the Risk-Based Limits in effect at the time the Bid/Offer or Pre-Arranged Cross was made, shall be void *ab initio* and will be cancelled by IGDL. For the avoidance of doubt, any component leg of a Package Transaction that was accepted for clearing will not be affected by the rejection of another leg of the same Package Transaction.
  - (2) Any Contract, including any component leg of a Package Transaction, that was executed on the Facility without the intent to be cleared, but later determined by the parties to the transaction to be cleared, will not be void if rejected for clearing by a DCO to which the Contract or component leg of the Package Transaction was submitted.
  - (3) In the event a Cleared Contract, including one leg of a Package Transaction, is cancelled by IGDL pursuant to this Rule 204(h), IGDL will report such cancellation to the relevant SDR pursuant to Part 43 of the Commission Regulations.
  - (4) Any transaction cancelled under this Rule 204(h) (except for transactions rejected by a DCO for credit reasons) may be re-executed pursuant to the procedures set forth in Rule 316(i).
- (i) *Submission of Cleared Contracts to DCOs*
  - (1) IGDL shall route each Cleared Contract executed on the Facility and accepted for clearing by a Clearing Firm to the DCO identified pursuant to Rule 208(e) as soon as technologically practicable after execution, and in no event later than ten (10) minutes after execution. IGDL may do so either by submitting the Cleared Contract directly to the DCO or by routing the Cleared Contract through an Affirmation Hub.

- (2) Cleared Contracts that are routed through an Affirmation Hub shall be routed in accordance with the following procedures:
    - (i) All Cleared Contracts executed as Pre-Arranged Crosses, via Voice RFQ or on the Order Book with the assistance of an Execution Specialist, must be Affirmed by Participants or Customers, as applicable, as soon as technologically practicable after execution, and in no event later than ten (10) minutes after execution; and
    - (ii) All other Cleared Contracts shall be automatically submitted by the Affirmation Hub to the relevant DCO as soon as technologically practicable after receipt from IGDL, without Participants or Customers being provided the opportunity to Affirm.
  - (3) Failure by a Participant or Customer to Affirm a Cleared Contract routed through an Affirmation Hub within the ten (10) minute time frame required by this Rule 204(i) shall be a Violation; provided that:
    - (i) such failure shall be a Violation only by the Participant(s) or Customer(s), as applicable, that failed to Affirm the Cleared Contract in accordance with this Rule; and
    - (ii) no such failure shall be a Violation where the failure was substantially the result of, as determined in IGDL's discretion, any errors or delays caused by IGDL or any Execution Specialist.
  - (4) The Compliance Function or a designated member of the Market Regulation Staff shall, on a monthly basis, review the previous month's Affirmations by Participants and Customers for compliance with this Rule 204(i). Notwithstanding such regular monthly reviews, the Compliance Function or any member of the Market Regulation Staff may investigate possible Violations of this Rule 204(i) at any time upon becoming aware of such possible Violation. Investigations of possible Violations of this Rule 204(i) shall be conducted in accordance with Rule 502, including that the Compliance Function may determine to impose summary fines in accordance with Rule 516. The Compliance Function or a designated member of the Market Regulation Staff shall review each possible Violation of this Rule 204(i) in light of all the facts and circumstances, including whether any errors or delays were caused by IGDL or any Execution Specialist.
- (j) *FICC Clearing Member Representation*
- (1) Each Trading Privilege Holder that is not a FICC Clearing Member and is transacting in the Swap component of a U.S. Dollar Swap Spread on the Facility as a principal shall provide evidence, in form and substance satisfactory to, and approved by, the Facility that a FICC Clearing Member will accept for clearing all U.S. Treasury Security components of a U.S. Dollar Swap Spread executed on the Facility prior to such time as the Facility acknowledges withdrawal of such obligation pursuant to Rule 204(j)(3) (a "**FICC Clearing Member Representation**").
  - (2) Each Trading Privilege Holder acting as Intermediary shall obtain from the Customer evidence of a FICC Clearing Member Representation with respect to all U.S. Treasury Security components of a U.S. Dollar Swap Spread executed on the Facility for such Customer and submit such evidence to the Facility in form and substance satisfactory to, and approved by, the Facility.
  - (3) A Trading Privilege Holder, on its own behalf or on behalf of its Customer, as the case may be, may at any time withdraw any FICC Clearing Member Representation upon prior written

notice of such withdrawal to the Facility and acknowledgement of such withdrawal by the Facility.

- (4) Each Trading Privilege Holder or, if applicable, Customer must assist its FICC Clearing Member and FICC in the clearing of its Cleared Treasury Securities.
- (5) Upon the withdrawal of a FICC Clearing Member Representation by a Trading Privilege Holder pursuant to Rule 204(j)(3), the right of such Trading Privilege Holder or its Customer (as applicable) to enter into the Swap component of U.S. Dollar Swap Spreads will be automatically terminated, and such Trading Privilege Holder (on its own behalf, or on behalf of its Customer, as the case may be) must provide new evidence of a FICC Clearing Member Representation from a FICC Clearing Member before the Trading Privilege Holder's or Customer's right to enter into the Swap component of U.S. Dollar Swap Spreads via the Facility will be reinstated.
- (6) Each Participant or, where a transaction is on behalf of a Customer, the relevant Customer, is obligated to settle all U.S. Treasury Security components of a U.S. Dollar Swap Spread where the Swap component is traded on the Facility. Any failure to settle such U.S. Treasury component shall be a Violation; provided that, in the event FICC rejects such U.S. Treasury Security for clearing due to operational error beyond the control of the relevant Participant or Customer, the failure to settle such U.S. Treasury component shall not be a Violation.

(k) *Breakage Agreements Prohibited.* Participants and Customers are prohibited from requiring a Breakage Agreement from any other Participant or Customer as a condition of trading with that other Participant or Customer.

## **Rule 205      Application for and Grant of Trading Privileges**

(a) *Application Requirement.* Each applicant for Trading Privileges will submit an application to IGDL in a form and manner prescribed by IGDL. Each applicant will promptly update the application materials if any of the information provided therein becomes inaccurate or incomplete after the date of submission and prior to any approval of the application. IGDL will act upon, and approve or disapprove, any such application without unreasonable delay.

(b) Upon submission of an application and satisfaction of the applicable requirements and procedures set forth in this Chapter 2, and approval by IGDL, a person applying for Trading Privileges will be granted Trading Privileges. If the application process is not completed by the applicant within six months of submission of an application and payment of any applicable fee, the application will be deemed to be withdrawn.

(c) Any applicant who has been denied Trading Privileges or Authorised Trader or Authorised Trading Firm status with a Trading Privilege Holder, and any Trading Privilege Holder or Authorised Trader or Authorised Trading Firm of a Trading Privilege Holder who is not permitted to keep its, his or her Trading Privileges or maintain his or her status as an Authorised Trader or Authorised Trading Firm may request an appeal of IGDL's decision pursuant to the procedures set forth in Rule 205(e). No determination of IGDL to discontinue a person's Trading Privileges or Authorised Trader or Authorised Trading Firm status will take effect until the review procedures hereunder have been exhausted or the time for review has expired.

(d) Any applicant to become a Trading Privilege Holder who has been denied Trading Privileges pursuant to this Rule 205 will not be eligible for re-application during the six months immediately following such denial.

(e) Appeal of Denial of Trading Privileges or Suspension or Termination of Access

- (1) If IGDL, pursuant to this Rule, denies an application for Trading Privileges or association with a Trading Privilege Holder as an Authorised Trader or Authorised Trading Firm, or determines not to permit a person to keep its Trading Privileges or maintain its association as an Authorised Trader or Authorised Trading Firm, or suspends or revokes a Participant's or Customer's access to the Facility pursuant to Rule 206(a) or (e), then, in any such case, the affected applicant, Trading Privilege Holder, Authorised Trader Authorised Trading Firm, Participant or Customer, as the case may be, within seven days after receiving written notice of such decision, may request in writing that IGDL provide the reasons therefor in writing. Within 14 days of receiving any such written request, IGDL will provide the applicant, Trading Privilege Holder, Authorised Trader, Authorised Trading Firm, Participant or Customer, as the case may be, with such reasons in writing. Within 14 days of receiving IGDL's written response, the applicant, Trading Privilege Holder, Authorised Trader, Authorised Trading Firm, Participant or Customer, as the case may be, may request, in writing, that the Participation Committee reconsider IGDL's initial decision and may provide any written representations or other information that the applicant, Trading Privilege Holder, Authorised Trader, Authorised Trading Firm, Participant or Customer, as the case may be, believes is relevant to the reconsideration.
- (2) Within 28 days of receiving either a written request for reconsideration or written representations or information from the applicant, Trading Privilege Holder, Authorised Trader, Authorised Trading Firm, Participant or Customer, as the case may be, or a statement from such person that no such representation or information is to be made or supplied, the Participation Committee will either confirm, reverse or modify the initial decision and will promptly notify the applicant, Trading Privilege Holder, Authorised Trader, Authorised Trading Firm, Participant or Customer, as the case may be, accordingly. The Participation Committee may in its discretion schedule a hearing or establish any other process that it believes is necessary and appropriate to consider the request for reconsideration. Any decision by the Participation Committee pursuant to this subparagraph (2) constitutes the final action of IGDL with respect to the matter in question and is not subject to appeal. Any action that may be taken by the Participation Committee under this Rule 205(e) or (f) may be taken by the Board if no Participation Committee has been established.

(f) Effective Date of Denial of Trading Privileges or Suspension or Termination of Access

- (1) If IGDL, pursuant to this Rule, makes a final determination to deny an application for Trading Privileges or association with a Trading Privilege Holder as an Authorized Trader or Authorized Trading Firm, or determines not to permit a person to keep its Trading Privileges or maintain its association as an Authorized Trader or Authorized Trading Firm, or suspends or revokes a Participant's or Customer's access to IGDL pursuant to Rule 206(a) or (e), then the Participation Committee shall provide written notice within thirty (30) days of its determination to the applicant, Participant or Customer, as applicable. The written notice must include:
  - (i) the name of the applicant, Participant or Customer;
  - (ii) a statement of the Participation Committee's reasons for the denial of Trading Privileges, suspension or revocation of access to IGDL, including a listing of any Rules the Participation Committee determined were Violated and whether the Violation resulted in any financial harm to Customers;
  - (iii) a statement of the conclusions and findings of the Participation Committee with respect to each Violation, or, in the event of a settlement, a statement specifying the alleged Violations;



- (iv) the terms of the denial of Trading Privileges, suspension or revocation of access to IGDL;
  - (v) the date on which the determination was made and the effective date of the determination; and
  - (vi) a statement informing the applicant, Participant or Customer that the denial of Trading Privileges, suspension or revocation of access to IGDL may be appealed to the Commission pursuant to Part 9 of the Commission Regulations.
- (2) IGDL shall also provide the written notice to the NFA through the NFA's Background Affiliation Status Information Center ("**BASIC**"), or deliver the written notice to NFA to be input into BASIC.
  - (3) Any decision by IGDL to deny Trading Privileges pursuant to this Rule 205 or to suspend or revoke access to IGDL pursuant to Rule 206(a) or (e) shall be the final decision of IGDL and shall become effective in accordance with the timeline set forth in Rule 513(b).
  - (4) If IGDL denies Trading Privileges pursuant to this Rule 205 or suspends or revokes access to the SEF pursuant to Rule 206(a) or (e), it must publicly publish the information contained in the written notice pursuant to Rule 205(f)(1).

#### **Rule 206      Participant and Customer Obligations; Suspension or Termination of Access**

(a) Each Participant and Customer must comply with these Rules, applicable provisions of the Act, and relevant Commission Regulations and FCA rules. Each Participant and Customer must also cooperate promptly and fully with IGDL, its agents, its Regulatory Services Provider, and/or a Regulatory Agency in any investigation, call for information, inquiry, audit, examination, or proceeding. Such cooperation shall include a duty to provide supplemental verbal or other information if the Participant or Customer learns that a previous response is incomplete or incorrect in any material respect. Additionally, each Trading Privilege Holder must update its email address promptly after any change and update all other material information provided in its application for Trading Privileges within five days after that information has changed. If any Participant or Customer fails to satisfy these obligations, IGDL may revoke or suspend the Participant's or Customer's access to the Facility in full or in part.

(b) Each Participant and Customer consents to allow IGDL to provide all information IGDL has about the Participant or Customer, including the Participant's or Customer's trading activity, to the Regulatory Services Provider, the Commission or any other Regulatory Agency, law enforcement authority, or judicial tribunal, including (as may be required by information sharing agreements or other contractual, regulatory, or legal provisions) foreign regulatory or self-regulatory bodies, law enforcement authorities, judicial tribunals and any other service provider to IGDL solely in connection with the service provider's performance of services to IGDL and subject to the service provider's agreeing to maintain such information as confidential, including that such service provider shall not:

- (1) use such information for any purpose other than in connection with providing services to the Facility (including that it may not otherwise use such information for its own business or marketing purposes), unless specifically required in order to fulfill such service provider's regulatory obligations; or
- (2) disclose such information to any other person, except (i) to its employees or Affiliates, provided that the employees or Affiliates are subject to confidentiality obligations at least as stringent as those applicable to the service provider, and that, in each case, such disclosure is necessary for the performance of services to the Facility by the service provider, or (ii) if compelled to do so by valid legal or regulatory process, provided that the service provider notifies IGDL in advance thereof to the extent permitted.

(c) Each Participant is required to review the “Notices” section of IGDL’s website to make itself aware of material changes to these Rules or other notices that may affect their rights and obligations as a Participant.

(d) Each Trading Privilege Holder must diligently supervise all activities of the Trading Privilege Holder’s employees and/or agents, including all Authorised Traders and Authorised Trading Firms relating to transactions effected on the Facility. Any Violation by any employee of a Trading Privilege Holder, including an Authorised Trader or Authorised Trading Firm, shall constitute a Violation by such Trading Privilege Holder.

(e) IGDL may revoke or suspend a Participant’s access to the Facility in full or in part if the Participant acts as an Intermediary on behalf of a Customer and such Customer maintains a position in any Contract that, when considered in light of the other positions maintained by the Participant through which such Customer accesses the Facility, and any other factors that IGDL reasonably deems relevant, IGDL reasonably believes could jeopardise the financial safety of such Participant or any of such Participant’s other Customers. In making this determination, IGDL may consider any relevant factors, including, as applicable, (i) the positions maintained by such Participant, such Participant’s Authorised Traders, Authorised Trading Firms and other Customers, (ii) financial information provided by such Participant; and (iii) in consultation and coordination with the relevant DCOs, the level of margin maintained by such Participant at such Participant’s Clearing Firm.

(f) Each Trading Privilege Holder which is a Swap Dealer or Major Swap Participant and enters into or facilitates a Swap that is subject to mandatory clearing under Section 2(h) of the Act shall be responsible for compliance with the mandatory trading requirement under Section 2(h)(8) of the Act.

#### **Rule 207      Customers**

(a) No Participant shall act as an Intermediary unless the Trading Privilege Holder has entered into an agreement with the Customer that provides that the Customer agrees that all Contracts shall be governed by the Rules, the Act and the Commission Regulations and FCA rules, insofar as they are applicable to that Contract, although no such agreement shall be required by these Rules when the Customer of a Trading Privilege Holder is another Trading Privilege Holder.

(b) Where a Customer and Intermediary are both Trading Privilege Holders, the Customer shall provide IGDL with such notice of the relationship as IGDL may require from time to time.

(c) Each Customer shall be the principal to all executed transactions resulting from any Bids/Offeres or Pre-Arranged Crosses entered on behalf of the Customer. Where a Participant is acting as an Intermediary on behalf of a Customer, the Participant shall have no liability, whether or not the identity of the Customer has been disclosed, in respect of any transactions executed on behalf of a Customer, to any other party, including any other Participant or the Customer of any other Participant.

(d) Except to the extent that IGDL sends Confirmations of Contracts directly to the relevant Customer, each such Customer authorises IGDL to send Confirmations of Contracts entered into through an Intermediary to the Intermediary and authorises such Intermediary to accept such Confirmations on behalf of the Customer.

#### **Rule 208      Recordkeeping**

(a) Each Participant and Customer must prepare and keep current all books, ledgers and other similar records required to be kept by it pursuant to Applicable Law and the Rules of the Facility.

(b) Each Participant and Customer shall keep records of the Swaps it trades on or subject to the Rules, and of its trading in each index, instrument or commodity underlying such Swaps, as well as of its trading of other derivatives that are based on any such index, instrument or commodity. These records shall include



records of purchases, sales, ownership, production, processing and use of such Swaps, indices, instruments, commodities and derivatives, and may be in the form customarily generated in accordance with sound commercial practices in the relevant markets.

(c) Each Participant and Customer must keep all books and records required to be kept by it pursuant to the Rules for a period of five years from the date on which they are first prepared, unless otherwise provided in the Rules or required by Applicable Law. Such books and records must be readily accessible during the first two years of such five-year period. During such five- year period, all such books and records must, where Applicable Law requires it, be made available for inspection by, and copies thereof must be delivered to IGDL, IGDL's Regulatory Services Provider, the Commission, the U.S. Department of Justice, the FCA, any other European Union regulatory agency governing a Participant and/or Customer and the authorised representatives of the foregoing, upon request.

(d) All Bids/Offers submitted to the Facility and all transactions executed through the Facility are subject to the Record Keeping Obligation under MiFID II. Each Participant submitting Bids/Offers must provide with the Bid/Offer all data required to enable IGDL to meet its obligations pursuant to the Record Keeping Obligation. Participants shall respond promptly to requests by the IGDL to complete, update or correct data.

(e) In addition, the following information must be provided to IGDL by each Participant prior to entering a Bid/Offer or Pre-Arranged Cross with respect to any Swap traded on the Facility:

- Authorised Trader ID
- Trading Privilege Holder ID
- Swap
- Series, if applicable
- DCO where Swap is to be cleared
- Price
- Quantity
- Side of the Bid/Offer
- Customer Type Indicator Code (defined below)
- Trading account and other relevant account information, including Clearing Firm
- LEI of the Participant placing the Bid/Offer or initiating the RFQ
- For Intermediated Transactions, the LEI of the Customer
- Yes/no indication of whether the Participant or Customer is a Swap Dealer for that Swap
- Yes/no indication of whether the Participant or Customer is a Major Swap Participant
- Yes/no indication of whether the Participant or Customer is a Financial Entity
- Yes/no indication of whether the Participant or Customer is a U.S. person as defined by the Commission;

- For Cleared Contracts, confirmation of the availability of credit at the Clearing Firm to which any resulting transaction will be submitted for clearing at the relevant DCO;
- Any information required by the applicable System Protocol; and
- If the Swap will be allocated:
  - an indication that the Swap will be allocated;
  - the LEI of the Account Manager;
  - if the Swap is a pre-execution allocated Swap, the account and LEI for each Customer that will receive allocations;
  - an indication of whether the Swap is a post-execution allocation Swap; and
  - if the Swap is a post-execution allocation Swap, the unique Swap identifier of the original transaction between the reporting counterparty and the agent.

For purposes of this Rule 208, the “**Customer Type Indicator Codes**” are as follows:

**CTI 1** – Bid/Offer for the proprietary account of a Trading Privilege Holder that is a natural person.

**CTI 2** – Bid/Offer for the proprietary account of a Trading Privilege Holder that is not a natural person.

**CTI 3** – Bid/Offer which an individual Trading Privilege Holder or Authorised Trader executes for the proprietary account of another Trading Privilege Holder or for an account which the other Trading Privilege Holder controls or has an ownership or financial interest in.

**CTI 4** – Any Bid/Offer not meeting the definition of CTI 1, 2 or 3, including those entered on behalf of Customers.

(f) The Rules regarding the recordkeeping obligations set forth in this Rule 208 shall be promulgated to achieve the purposes and requirements of Applicable Law. While IGD L will have sole discretion, subject to Applicable Law, to determine such Rules, IGD L will take into consideration in doing so comparable requirements applicable to Participants.

## **Rule 209      Communications of IGD L with Participants**

### **(a)      *Written Notices***

IGD L will publish a notice with respect to each addition to, modification of, or clarification of the Rules, or of any action taken to implement any Rule, in a form and manner that is reasonably designed to enable each Trading Privilege Holder 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; provided that any failure of IGD L to so publish a notice will not affect the effectiveness of the addition or modification in question. Each Trading Privilege Holder will provide its respective Authorised Traders, Authorised Trading Firms and Customers with copies of any such notice. For purposes of publication in accordance with the first sentence of this Rule 209(a), it will be sufficient (without limiting the discretion of IGD L as to any other reasonable means of communication) if a notice is (a) sent to each Trading Privilege Holder by mail, recognised courier service, facsimile or electronic mail (including by means of a hyperlink included in an electronic mail message), to the address, facsimile number or electronic mail address (as applicable) provided by such Trading Privilege Holder for such purpose or (b) published on the Facility’s website. Each Trading Privilege Holder, on its own behalf, and on behalf of its Authorised

Traders, Authorised Trading Firms and Customers, as applicable, must monitor the Facility's website for any notices published under this Rule 209(a).

**(b) *Recording of Communications***

IGDL and Trading Privilege Holders may record conversations and retain copies of electronic communications between officers, employees or agents of IGDL, on the one hand, and Trading Privilege Holders (including their Affiliates), Authorised Traders, Authorised Trading Firms or Customers, on the other hand. Any such recordings or other records may be retained by IGDL or such Trading Privilege Holder, as the case may be, in such manner and for such periods of time as IGDL, or such Trading Privilege Holder, as the case may be, may deem necessary or appropriate.

**Rule 210      Required Disclosures to IGDL**

Each Trading Privilege Holder must promptly notify IGDL in writing upon becoming aware:

(a) that the Trading Privilege Holder, any of the Trading Privilege Holder's officers or any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms has been the subject of a material sanction, penalty or other adverse action by any Regulatory Agency which is related to transactions in Swaps, futures, options on futures, securities, commodities, or Swaps-related banking;

(b) that the Trading Privilege Holder, any of the Trading Privilege Holder's officers or any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms has been convicted of, pled guilty or no contest to, or entered in a plea agreement of a material nature in any domestic, foreign or military court which involves:

- (1) embezzlement, theft, extortion, fraud, fraudulent conversion, forgery, counterfeiting, false pretences, bribery, gambling, racketeering, or misappropriation of funds, securities or properties; or
- (2) any transaction in or advice concerning Swaps, futures, options on futures, securities, commodities, or Swaps-related banking;

(c) that the Trading Privilege Holder, any of the Trading Privilege Holder's officers or any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms is subject to material regulatory proceedings before any Regulatory Agency which are related to transactions in Swaps, futures, options on futures, securities, commodities, or Swaps-related banking;

(d) that the Trading Privilege Holder, any of the Trading Privilege Holder's officers or any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms have been denied or withdrawn any application for registration or license submitted to any Regulatory Agency, and of any material revocation, suspension or conditioning of any registration or license granted by any Regulatory Agency, which in each case is related to transactions in Swaps, futures, options on futures, securities, commodities, or Swaps-related banking;

(e) that any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms have:

- (1) had their status as an Authorised Trader or Authorised Trading Firm permanently revoked by the Trading Privilege Holder, whether due to employment termination, termination of status as a Customer or otherwise; or
- (2) had their access to the Facility temporarily revoked by the Trading Privilege Holder;

- (f) of any material change:
  - (1) in any information contained in the Trading Privilege Holder's membership application, or in an Authorised Trader's or Authorised Trading Firm's application pursuant to Rule 202, including a Trading Privilege Holder's, Authorised Trading Firm's or Customer's status as an "eligible contract participant" or an Eligible Counterparty; or
  - (2) to an Authorized Trader's or Authorized Trading Firm's signed representation to IGDL that each of its Customers is an "eligible contract participant" pursuant to Rule 202(e)(2);
- (g) of any withdrawal from membership by the Trading Privilege Holder, any of the Trading Privilege Holder's officers or any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms, in any SRO, designated contract market, DCO or swap execution facility;
- (h) of any damage to, or failure or inadequacy of, the systems, facilities or equipment used to effect transactions or perform financial obligations under or in connection with Contracts of the Trading Privilege Holder or any of its Authorised Traders or Authorised Trading Firms;
- (i) of any change in the location of the principal office of the Trading Privilege Holder or any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms;
- (j) of any failure to maintain segregated funds as required by the Commission when the Trading Privilege Holder is a futures commission merchant registered with the Commission;
- (k) of becoming subject to early warning reporting under Commission Regulation 1.12; and
- (l) of becoming the subject of a bankruptcy proceeding or being unable to meet any financial obligation as it becomes due.

#### **Rule 211      Dues, Fees and Expenses**

- (a) Subject to the rest of this Rule 211, the Board has the sole power to set the payment dates and amounts of any dues, assessments or fees to be levied on Trading Privilege Holders, which dues, assessments or fees will be payable to IGDL on the terms set out in the relevant invoice.
- (b) Fees will be the same for Trading Privilege Holders receiving the same access to, or services from, the Facility. IGDL may, from time to time, establish different fee structures for different categories of Trading Privilege Holders based on non-discriminatory, measurable and objective criteria, applied impartially in a fair and nondiscriminatory manner, relating to: (i) the total volume traded, the numbers of trades or cumulated trading fees; (ii) the services or packages of services provided; (iii) the scope or field of use demanded; or (d) the provision of liquidity in accordance with Article 48(2) of Directive 2014/65/EU or in a capacity of being a market maker as defined in Article 4(1)(7) of Directive 2014/65/EU.
- (c) If a Trading Privilege Holder fails to pay when due any IGDL dues, assessments or fees levied on such Trading Privilege Holder, and such payment obligation remains unsatisfied thirty (30) days after its due date, IGDL may suspend, revoke, limit, condition, restrict or qualify the Trading Privileges of such Trading Privilege Holder as it deems necessary or appropriate.
- (d) IGDL's fee schedule will be made available to Participants upon request. By accessing the Facility, Participants agree to be bound by the fee schedule in effect at the time the applicable Facility services are rendered.

## **Rule 212      Market Maker Programs**

IGDL may from time to time adopt, pursuant to Part 40 of the Commission Regulations, one or more programs under which one or more Trading Privilege Holders or others may be approved and designated as market makers with respect to one or more Contracts in order to provide liquidity and orderliness in the market or markets for such Contract or Contracts. Any such program may provide for any or all of the following:

- (a) qualifications, including any minimum net capital requirements, that any such market maker must satisfy;
- (b) the procedure by which Trading Privilege Holders or others may seek and receive designation as market holders;
- (c) the obligations of such market makers, including any applicable minimum bid and offer commitments;
- (d) the benefits accruing to such market makers, including priority in the execution of transactions effected by Trading Privilege Holders or others as approved by IGDL in their capacity as market makers, reduced transaction fees or the receipt of compensatory payments from IGDL;
- (e) the requirement that such designated market makers agree to abide by the Rules and are subject to the jurisdiction of the Facility; and
- (f) any pre-trade transparency requirements that may apply to the best Bid/Offer prices and volumes of any such market makers.

## **Rule 213      Independent Software Vendors**

IGDL shall provide impartial access to independent software vendors who enter into a development and maintenance agreement with IGDL (an “**ISV Development and Maintenance Agreement**”). Fees will be comparable for independent software vendors receiving comparable access to, or services from, IGDL. Each independent software vendor that enters into an ISV Development and Maintenance Agreement must satisfy the following criteria, which IGDL shall apply in a fair and nondiscriminatory manner:

- (a) If required to be registered in any capacity under Applicable Law, it has duly registered in such capacity and such registration is in effect and has not lapsed or been revoked, suspended or withdrawn;
- (b) It complies with the applicable technical access standards, system compatibility requirements, security protocols and technical specifications for connection to IGDL’s electronic systems as may be specified by IGDL from time to time;
- (c) It must ensure that each person that uses the independent software vendors to access the Facility is either a Participant or a Customer of a Participant authorised as such in accordance with these Rules;
- (d) It may provide data obtained from the Facility solely to such Participants or Customers of Participants in connection with their actual and proposed trading activity in Contracts and similar contracts, and shall not provide such data to any other swap execution facility, security-based swap execution facility, designated contract market, national securities exchange or other trading facility or system without the prior written consent of IGDL;
- (e) In the case of any RFQ or Bid/Offer submitted to IGDL through an independent software vendor, the independent software vendor will provide sufficient detail to identify the Participant (and, in the case of a Customer transaction, the Customer) as required by IGDL; and

(f) It satisfies such other impartial and transparent criteria as IGDL may specify from time to time, subject to Applicable Law.

#### **Rule 214      Withdrawal of Participant**

(a) To withdraw from the Facility, a Participant must notify IGDL in writing, following such procedures as may be established by IGDL.

(b) IGDL may, in its reasonable discretion, refuse to accept a Participant's withdrawal request or may postpone the effective date of withdrawal of a Participant if IGDL considers it necessary for the protection of the Participant's Customers, other Participants or otherwise in the interests of IGDL.

(c) Based on the information provided to, and other information gathered by, IGDL regarding a Participant's withdrawal request, IGDL will determine whether to: (i) accept the withdrawal request; (ii) postpone the effective date of the withdrawal; or (iii) impose any terms or conditions before or after the effective date of withdrawal.

(d) If IGDL refuses to accept a Participant's withdrawal request or postpones the effective date of withdrawal of a Participant, IGDL may waive the obligation to pay some or all of the fees, costs and charges that IGDL would have imposed during the period after the date on which the requested withdrawal would have otherwise taken effect.

(e) When IGDL accepts the withdrawal of a Participant, all rights and privileges of such Participant terminate (including the Trading Privileges and ability to access a Trading Platform). The accepted withdrawal of a Participant shall not affect the rights of IGDL under the Rules or relieve the former Participant of its obligations with respect to previously executed transactions (including any contractual obligations relating to any Contracts entered into by such Participant, or the payment of any fees, costs, or charges incurred prior to such withdrawal). Notwithstanding the accepted withdrawal of a Participant, the withdrawn Participant remains subject to the jurisdiction of the Facility for acts done and omissions made while a Participant, and must cooperate in any proceeding under Chapter 5 as if such withdrawal had not taken place.

(f) Upon delivery of a withdrawal notice:

- (1) Participant shall promptly notify its Authorised Traders and Authorised Trading Firms that they may no longer access the Facility on behalf of Participant, and Participant shall with reasonable diligence, to the extent practicable, terminate electronic access of its Authorised Traders and Authorised Trading Firms to the Facility; and
- (2) IGDL shall suspend Participant's access to the Facility, promptly notify its relevant personnel that Participant and its Authorised Trading Firms may no longer access the Facility on behalf of Participant, and with reasonable diligence, to the extent practicable, terminate electronic access of Participant's Authorised Traders to the Facility.

## **CHAPTER 3**

### **TRADING PROCEDURES**

#### **Rule 301      Trading Sessions**

Except as otherwise provided in these Rules or determined by the Board, transactions in any Contract will only be executed during the Trading Session for such Contract. IGDL may from time to time modify its regular Trading Session and establish Trading Sessions, in addition to the regular Trading Sessions, as it deems appropriate.

#### **Rule 302      Information about, and access to, IGDL's Order Book**

(a) Each Authorised Trader and each Trading Privilege Holder that is an individual will receive a user identification ("ID") and password. As a Trading Privilege Holder or Authorised Trader, such person will be able to access IGDL's Order Book, which functions as an electronic central limit order book and provides the highest priority to Bids/Offeres with the best price, for trading in the Swap asset classes or sub-products approved for such Trading Privilege Holder or Authorised Trader, enter and accept Bids/Offeres, and otherwise access information regarding, or perform functions for, such person's account using its ID and password.

(b) For account security and audit trail purposes, each Trading Privilege Holder and Authorised Trader agrees that IGDL may maintain logs of the IP address used to log on to any Order Book.

(c) Each Trading Privilege Holder will be responsible for protecting from improper disclosure its ID and password, and the IDs and passwords of its Authorised Traders. In addition, a Trading Privilege Holder may not knowingly or negligently permit any person not authorised by IGDL and by the Trading Privilege Holder to use the ID and password to access the Order Book. Each Trading Privilege Holder is required to immediately notify IGDL if it knows, or has reason to believe, that its ID and/or password, or the ID and/or password of any Authorised Trader have been disclosed to any person not authorised by IGDL and the Trading Privilege Holder to use such ID and/or password.

(d) Except as otherwise provided in Rule 102.

(1) each Trading Privilege Holder will be liable for all costs and any losses that it may incur from transactions executed on the Facility by any person, authorised or not, using its ID and password or the ID and/or password of any of its Authorised Traders; and

(2) IGDL will not be responsible in any way for unauthorised transactions for a Trading Privilege Holder's account.

(e) Each Trading Privilege Holder is responsible for contracting with a network provider through which it will access the Facility and for having a backup service provider if the Trading Privilege Holder deems it necessary. Each Trading Privilege Holder is also responsible for maintaining a network connection speed adequate for its needs. IGDL will not be responsible in any way for any Bids/Offeres delayed or transactions missed or not executed in a timely fashion because of failure of the Trading Privilege Holder's Internet service provider or slowness of its network connection speed. No communication from a Trading Privilege Holder will be deemed to have been received by IGDL until that communication is logged by the Order Book server.

#### **Rule 303      Algorithmic Trading**

(a) Trading Privilege Holders, Authorised Traders and Authorised Trading Firms wishing to engage in Algorithmic Trading must ensure that Algorithmic Trading is controlled and organised in accordance with



the requirements of MiFID II, and that their Algorithmic Trading is monitored by them to prevent disorderly trading on IGDL.

(b) Trading Privilege Holders, Authorised Traders and Authorised Trading Firms wishing to engage in Algorithmic Trading must, prior to the deployment or any substantial update of any trading Algorithm:

- (1) undertake conformance testing to the standards prescribed under MiFID II;
- (2) provide a certification to IGDL that the Algorithms employed by the Trading Privilege Holder, Authorised Trader or Authorised Trading Firm have been tested to avoid contributing to, or creating, disorderly trading conditions and explain the means used for such testing; and
- (3) ensure that IGDL has assigned a unique Algo ID to the Algorithm.

(c) All Algorithmic Trading should be identified by the Trading Privilege Holder, Authorised Trader or Authorised Trading Firm as such and must be routed to the Facility via trading permissions attributed to an Authorised Algorithmic Trader.

#### **Rule 304 Required Transactions**

(a) No Participant shall execute a Required Transaction on the Facility other than via the Facility's Order Book or Request for Quote procedures, unless such transaction is a Block Trade, in which case it shall be executed in accordance with Rule 309.

(b) Upon execution of a Required Transaction on the Facility, IGDL will report the transaction to the SDR as soon as technologically practicable after execution in accordance with Rule 310.

(c) *CFTC Package Transactions.* In accordance with NAL 17-55, expiring November 15, 2020, a Participant may execute a Swap component of a Covered CFTC Package Transaction through any method of execution offered by the Facility, notwithstanding that execution of such Swap component would otherwise be a Required Transaction.

#### **Rule 305 Permitted Transactions**

(a) Participants may enter Bids/Offers for Permitted Transactions directly into the Facility's Order Book for that Contract.

(b) Participants may submit to an Execution Specialist for execution Permitted Transactions negotiated and agreed to outside the Facility's Order Book, at prices mutually agreed, with regard to Contracts that have been designated by IGDL for such purpose (each such transaction a "**Pre-Arranged Cross**"). Pre-Arranged Crosses that are submitted to an Execution Specialist for execution must be submitted by the seller, unless otherwise agreed to by the parties; however, in the case of an Intermediated Transaction, the Participant acting as the Intermediary shall have the obligation to submit the Pre-Arranged Cross to the Execution Specialist. The Participant submitting the Pre-Arranged Cross to the Execution Specialist must provide the information required by Rule 208(d) and (e).

(c) An Execution Specialist may facilitate the negotiation and execution of a Pre-Arranged Cross by two Participants only as follows: upon request of a Participant, the Execution Specialist may, without using any Trading Platform, Order Book or RFQ procedure, contact one or more other Participants to determine interest in a Pre-Arranged Cross.

(d) Upon execution of the Permitted Transaction on the Facility, IGDL will report the transaction to the SDR as soon as technologically practicable after execution in accordance with Rule 310.



(e) Each Participant that is party to, or Intermediary in, a Pre-Arranged Cross executed pursuant to section (b) of this Rule 305 must record the following details of the transaction: the Contract (including the Delivery Month) to which such transaction relates; the number of Contracts traded; the price of execution or premium; the identity of the counterparty; and, if applicable, details regarding the Customer for which the transaction was executed, as well as, if applicable, the Underlying Interest and whether the transaction involved a put or a call and the strike price. Upon request by IGDL, such Participant must produce satisfactory evidence, including the transaction information referred to in the preceding sentence that the transaction meets the requirements set forth in this Rule.

### **Rule 306      Execution Methods for Required Transactions**

#### **(a)      *Execution through the Order Book***

- (1) A Participant may enter Bids/Offer to transact in Contracts by electronic transmission over a network or through an Execution Specialist. If a Participant submits a Bid/Offer to the Order Book through an Execution Specialist, the Execution Specialist shall provide the Participant with a confirmation that the Bid/Offer was entered into the Order Book as soon as possible after such entry. Neither the Order Book nor an Execution Specialist will disclose the identities of Participants submitting Bids/Offer prior to the execution of a transaction through the Order Book.
- (2) A Participant will enter a Bid/Offer to transact in one or more Contracts by indicating to the Facility in the manner required by a Trading Platform or the Execution Specialist the information required by Rule 208(e).
- (3) The Participant will be responsible for any and all Bid/Offer entries it posts on the Facility. Posted Bids/Offer are subject to acceptance by other Participants.
- (4) The Order Book will keep an electronic record of all Bids/Offer to transact in Contracts, and all executed transactions.
- (5) The records kept by IGDL will include all of the Bid/Offer terms identified in this Rule 306 as well as the date and time that the transaction was executed.
- (6) The Order Book will provide Participants with the ability to post firm Bids/Offer on a centralised electronic screen that is accessible to all Participants with access to the Order Book. Each Participant may then choose to transact on the basis of a firm Bid/Offer by entering a Bid/Offer which accepts the firm Bid/Offer.
- (7) For a Participant who has the ability to accept a Bid/Offer it submits on behalf of a Customer or to execute Bids/Offer from two Customers against each other, or for two Participants who desire to execute offsetting Bids/Offer as a result of pre-execution discussions, the Participant or Participants must allow at least a 15 second delay between the entry of those two Bids/Offer, such that one side of the potential transaction is disclosed and made available to other Participants for at least 15 seconds (or such other time as IGDL may publish for particular contracts) before the second side of the potential transaction, whether for the Participant's own account or for Participant's Customer, is submitted for execution. Participants and Customers may engage in pre-execution discussions with regard to such Bids/Offer in accordance with Rule 404(c).

#### **(b)      [NOT USED]**

(c) *Voice Request for Quote Systems.* Participants may initiate either a Non-Directed Voice RFQ or a Directed Voice RFQ by contacting an Execution Specialist. If the Participant does not specify that it wishes the RFQ to go to less than all Participants, the Execution Specialist shall direct the RFQ to all Participants.

- (1) Non-Directed Voice RFQ.
  - (i) The Execution Specialist will transmit the RFQ to all other Participants, and all other Participants may respond.
  - (ii) Prior to execution the Execution Specialist will not disclose the identities of Participants who transmit or respond to a Non-Directed Voice RFQ.
- (2) Directed Voice RFQ.
  - (i) The Execution Specialist will transmit the RFQ to no less than three (3) Recipients, to which all such Recipients may respond.
  - (ii) A Participant that requests an Execution Specialist to send an RFQ to fewer than all Participants may not request that an Execution Specialist send any RFQ to another Participant that is affiliated with or controlled by the RFQ requester or to two more Participants that are affiliated with or controlled by each other. An Execution Specialist that sends an RFQ to fewer than all Participants, after consideration of reasonably available information, may not knowingly send an RFQ on behalf of the requesting Participant to another Participant that is affiliated with or controlled by the RFQ requester, or to two or more Participants that are affiliated with or controlled by each other. For purposes of this Rule 306(c), "control" includes but is not limited to the grant of trading discretion by one Participant to another.
  - (iii) The identity of a Directed Voice RFQ requester shall be disclosed to the Recipients upon transmittal of any Directed Voice RFQ and the identities of the Recipients that provide responses shall be disclosed to the RFQ requestor at the time of such responses.
  - (iv) A Participant may elect to not receive Directed Voice RFQs upon written notice to the Facility.
- (3) With respect to both Non-Directed Voice RFQs and Directed Voice RFQs:
  - (i) Together with the first response from any Recipient, the Execution Specialist will communicate to the requesting Participant any firm resting Bid/Offer for the Swap indicated in the RFQ that is posted in the Order Book together with any responses to the RFQ from the Recipients.
  - (ii) Responses to RFQs must be in the form of a Bid/Offer. The RFQ requestor may accept such RFQ response by submitting a corresponding Bid/Offer.
  - (iii) An Execution Specialist will act in accordance with a Participant's instructions, the Rules and Applicable Law.
- (4) Managed Orders. With respect to Non-Directed Voice RFQs only:
  - (i) Unless otherwise instructed by a Recipient, an unfilled Bid/Offer provided in response to an RFQ shall be entered into the Order Book by an Execution Specialist on behalf of a Participant ("**Managed Orders**").
  - (ii) Execution Specialists shall cancel a Managed Order if:

- A. The Participant instructs the Execution Specialist to cancel the Managed Order;
  - B. The Participant is filled in the same instrument in an RFQ and the Managed Order is filled prior to the Execution Specialist cancelling the order; or
  - C. Time has passed and market conditions have changed sufficiently since the entry of the Managed Order such that the Managed Order should be cancelled. The following conditions must be met before a Managed Order is cancelled in the Order Book:
    - (aa) The Managed Order must be exposed to the Order Book for at least 15 seconds; and
    - (bb) A material change in the equilibrium price of the particular instrument has occurred as identified by any of the following:
      - i. New Bids/Offer, initiations of Voice RFQs, or responses to Voice RFQs indicating one or more Participants are willing to trade at a worse price; or
      - ii. The instrument's mid-rate has moved through the Managed Order's price; or
      - iii. A material economic market event has occurred, including, but not limited to, U.S. Department of Labor's Bureau of Labor Statistics Economic News Releases, Federal Reserve announcements, or natural or man-made disasters.
- (iii) Failure of an Execution Specialist to cancel a Managed Order pursuant to Rule 306(c)(4)(ii) prior to it being filled in whole or in part shall be considered an error of the Facility that may be cancelled pursuant to Rule 316(a).

#### **Rule 307      Work Up**

Work-up sessions in Required Transactions are permitted in both electronic trading and RFQ, subject to the System Protocol for the Trading Platform for each product. Work-up transactions do not qualify as a Block Trade even if a Participant's transactions as part of the work-up session has a notional or principal amount at or above the Appropriate Minimum Block Size applicable to such Swap.

#### **Rule 308      Acceptable Bids and Offers**

- (a) The Bid/Offer types shall be as specified in the appropriate System Protocol.
- (b) A Participant submitting a Held Order for less than the Appropriate Minimum Block Size for execution on the Facility shall submit such a Held Order directly to the Order Book or, if submitted to the Facility through an Execution Specialist, such Execution Specialist shall submit such a Held Order directly to the Order Book.

#### **Rule 309      Block Trades**

Participants must enter into uncleared Block Trades away from the Facility, i.e. outside a Trading Platform, System, Order Book, RFQ procedure or Prearranged Cross procedure under Rule 305(b). Participants

may enter into Block Trades in Cleared Contracts in accordance with Rule 309(f). All Block Trades must be executed at prices mutually agreed, with regard to Contracts that have been designated by IGDL for such purpose, subject to the following conditions:

(a) The Block Trade must be for at least such minimum number of Contracts as will from time to time be specified by IGDL (the “**Appropriate Minimum Block Size**”). Except as may otherwise be permitted by Commission Regulation 43.6(h)(6), Participants shall not aggregate Contracts of different Participants or Customers to achieve the Appropriate Minimum Block Size. Furthermore, each Swap leg of a Package Transaction must achieve the Appropriate Minimum Block Size independently of each other Swap leg of the Package Transaction. The current Appropriate Minimum Block Sizes are posted on the “Regulation” section of the IGDL website.

(b) When negotiating or executing a Block Trade, a Participant must ensure that the price quoted for a Block Trade represents a fair and reasonable price. The price at which a Block Trade is executed must be fair and reasonable in light of (i) the size of such Block Trade, (ii) the prices and sizes of other transactions in the same Contract at the relevant time, (iii) the prices and sizes of transactions in other relevant markets at the relevant time, and (iv) the circumstances of the parties to such Block Trade.

(c) Block Trades that are not Cleared Contracts must be reported to the Facility by the seller, unless otherwise agreed to by the parties, as soon as technologically practicable after execution, and in no event later than ten (10) minutes after execution, by contacting an Execution Specialist; however, in the case of an Intermediated Transaction, the Participant acting as the Intermediary shall have the obligation to report the Block Trade to the Facility as soon as technologically practicable after execution. The Participant reporting the Block Trade to the Facility must explicitly state to the Execution Specialist that the parties are electing to have the Block Trade treated as such, must state the time of execution to the nearest second and must provide the information required by Rule 208(e).

(d) IGDL will review the information submitted by the Participants for a Block Trade that is not a Cleared Contract and will post the transaction to a Trading Platform if the details are complete and accurate in accordance with this Rule. IGDL will report the transaction to the SDR as soon as technologically practicable after execution in accordance with Rule 310 and will identify the Block Trade as such in the report. IGDL will not disclose any detail of a Block Trade that is not a Cleared Contract prior to the public dissemination of the Block Trade by the SDR.

(e) Each Participant that is party to, or Intermediary for, a Block Trade that is not a Cleared Contract must record the following details of the transaction: the Contract (including the Delivery Month) to which such transaction relates; the number of Contracts traded; the price of execution or premium; the time of execution; the identity of the counterparty; and, if applicable, details regarding the Customer for which the transaction was executed, as well as, if applicable, the Underlying Interest and whether the transaction involved a put or a call and the strike price. Upon request by IGDL, such Participant must produce satisfactory evidence, including the information referred to in the preceding sentence that the transaction meets the requirements set forth in this Rule.

(f) In accordance with NAL 17-60, expiring November 15, 2020, a Participant may execute a Block Trade that is a Cleared Contract either (i) via the Facility’s voice RFQ procedures in Rule 306(c), with the exception that there shall be no minimum number of required Participants to whom an RFQ must be sent, or (ii) as a Pre-Arranged Cross in accordance with the procedures in Rule 305, notwithstanding that the execution of the Block Trade does not occur away from the Facility’s trading system. Each Block Trade executed pursuant to this Rule 309(f) must involve Contracts listed by the Facility, be executed pursuant to the Rules and meet the Appropriate Minimum Block Size. The Facility will report each Block Trade transaction to the SDR as soon as technologically practicable after execution in accordance with Rule 310. The Facility will not disclose any detail of such a Block Trade prior to the public dissemination of the Block Trade by the SDR.

(g) Each counterparty to a Block Trade must be an “eligible contract participant” as defined in the Act.

(h) Each Intermediary entering into a Block Trade on behalf of a Customer (or in the case of an Authorised Trader acting as an Intermediary, its Trading Privilege Holder's Customer) must have received a written instruction or consent to do so from the Customer prior to the execution of the Block Trade. The written instruction or consent must be specific as to Block Trades but may be included in a power of attorney or similar document in which the Customer provides the Intermediary with discretionary trading authority to direct the trading in the Customer's account.

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

(j) Nothing in this Rule 309 shall prohibit a Participant from executing a transaction via the Order Book, vRFQ procedures or as a Pre-Arranged Cross that exceeds the Appropriate Minimum Block Size. Such transactions will not receive treatment as Block Trades and will not be afforded a reporting time delay under Part 43 of the Commission Regulations.

### **Rule 310      Reporting and Data Collection**

(a) In furtherance of Applicable Law, IGD L will capture and retain all transaction data, so as to be able to reconstruct all transactions within a reasonable period of time and to provide evidence of any Violations.

(b) In furtherance of Applicable Law, IGD L will retain records for all transactions executed on the Facility. This includes all Bids/Offer s, RFQs and Pre-Arranged Crosses, whether accepted, unaccepted, cancelled or modified, and all acceptances of such transactions.

(c) In furtherance of Applicable Law, IGD L shall maintain an electronic transaction history database, which includes a history of all Bids/Offer s and transactions, and also includes: (i) all data that are input into the trade entry system; (ii) the categories of Participant or Customer for which each transaction is executed, including whether the Participant or Customer executed the transaction for its own account; (iii) timing and sequencing data adequate to reconstruct trading; and (iv) subject to Rule 310(h), identification of each Participant or Customer to which fills are allocated.

(d) IGD L will use the electronic transaction history database to reconstruct trading and identify possible Violations. In furtherance of Applicable Law, IGD L will conduct an annual review of compliance by all Participants and Customers that are responsible for, or in control of, the creation of audit trail records with its audit trail and recordkeeping requirements and will identify Participants and Customers that may have failed to comply with such requirements. Such Participants and Customers will be subject to investigation by the Market Regulation Staff for possible disciplinary action. The annual review must include, but is not limited to, reviews of randomly-selected samples of front end audit trail data for order routing systems; a review of the process by which user identifications are assigned and user identification records are maintained; a review of usage patterns associated with user identifications to monitor for violations of user identification Rules; and reviews of account numbers and Customer Type Indicator Codes in transaction records to test for accuracy and improper use.

(e) All such information will be maintained by IGD L in a manner that protects it from unauthorised alteration, as well as from accidental erasure or other loss.

(f) IGD L will publish trading information as required by:

- (1) Core Principle 9, Commission Regulation § 37.901 and Part 16 of the Commission Regulations; and
- (2) FCA rules and MAR 5.8 and 5.9 (see also Rule 320).

(g) *Reporting to SDRs.*

- (1) IGDL will report all transactions in Contracts executed on the Facility or pursuant to the Rules to an SDR of IGDL's choice as soon as technologically practicable after the execution of such transaction. IGDL will report such transactions as set forth below:
  - (i) Cleared Contracts, including all Swap legs of a Package Transaction, in all asset classes: IGDL reports to DTCC;
  - (ii) Non-Cleared Contracts, including all Swap legs of a Package Transaction, in all asset classes: IGDL reports to DTCC.

With respect to Cleared Contracts, all Cleared Contracts are currently cleared by LCH.Clearnet, CME, Eurex or JSCC and will be reported to DTCC. With respect to Non-Cleared Contracts, the Facility reports all such transactions to DTCC.

- (2) As soon as technologically practicable after the execution of a Contract, IGDL will report to both counterparties, and to the DCO, if any, that will clear the Contract: (i) the identity of the SDR to which the Contract was reported; and (ii) the Contract's unique Swap identifier.
- (3) All real-time data required by Part 43 of the Commission Regulations and all creation data, including primary economic terms and confirmation data, required by Part 45 of the Commission Regulations will be reported to the relevant SDR as provided for under Part 43 and Part 45 of the Commission Regulations.
- (4) IGDL will disseminate swap transaction and pricing data relating to Contracts to Participants no earlier than the transmittal of such information to the relevant registered SDR.
- (5) After becoming aware of or being notified of any errors or omissions in the transaction or pricing data set forth in a Confirmation by a Participant pursuant to Rule 313, the Facility shall then promptly submit corrected data to the relevant SDR.
- (6) Neither the Facility nor any Participant may submit or agree to submit a cancellation or correction for the purposes of re-reporting Swap transaction and pricing data in order to gain or extend a delay in public dissemination of accurate Swap transaction or pricing data or to otherwise evade the reporting requirements of Part 43 of the Commission Regulations.

(h) *Post Trade Allocations.*

- (1) In reliance on NAL 17-54, expiring November 15, 2020, IGDL will not capture post-trade allocations in its audit trail data or conduct associated audit trail reviews of post-trade allocations.
- (2) Each Participant and Customer shall provide IGDL post-trade allocation information to the SEF upon the request of IGDL.
- (3) During the course of any trade practice surveillance or market surveillance investigation into any trading activity involving post-trade allocations, upon the request of the Commission or otherwise, IGDL shall ascertain whether a post-trade allocation was made. Upon determining that such an allocation was made, IGDL shall request, obtain and review the post-trade allocation information as part of its investigation.



**Rule 311 Bid/Offer Cancellation**

(a) A Participant can submit instructions to either cancel or modify a Bid/Offer which that Participant has placed on the Facility if that Bid/Offer has not yet been accepted. Upon receipt of instructions to cancel a Bid/Offer that has not been executed, a Trading Platform will withdraw the Bid/Offer and confirm the cancellation of the Bid/Offer. If a Participant modifies a Bid/Offer that has not been executed, IGDL will treat the modified Bid/Offer as a new Bid/Offer.

(b) IGDL will attempt to cancel or modify an existing Bid/Offer after a Participant enters a cancellation or modification instruction. However, the Bid/Offer may be executed before IGDL is able to cancel or modify it. If a Bid/Offer has been filled in whole or in part, a Participant may modify or cancel only that portion of the Bid/Offer (if any) that has not been executed. Once cancelled by IGDL, a Bid/Offer will not be executed.

(c) Upon suspension or revocation of a Participant's trading privileges by IGDL, any unaccepted Bid/Offer on the Facility for such Participant shall be cancelled by IGDL.

**Rule 312 [Reserved]****Rule 313 Enforceability of Transactions****(a) Settlement**

- (1) Each Participant or, where a transaction is on behalf of a Customer, the relevant Customer, is obligated to settle all transactions executed, pursuant to the Rules in this Chapter 3.
- (2) A transaction executed on the Facility or subject to the Rules shall not be void, voidable, subject to rescission, otherwise invalidated or rendered unenforceable as a result of:
  - (i) a violation by the Facility of Section 5h of the Act or Part 37 of the Commission Regulations;
  - (ii) any Commission 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
  - (iii) any other proceeding the effect of which is to: (A) alter or supplement a specific term or condition or trading rule or procedures; or (B) require the Facility to adopt a specific term or condition, trading rule or procedure, or to take or refrain from taking a specific action.

(b) *Issuance of Facility Confirmations for Cleared Contracts.* Participants and Customers are obligated to submit for clearing all Contracts so required by the Act, Commission Regulations and any other applicable law. For Cleared Contracts, IGDL will provide the Trading Privilege Holder a Confirmation of all the terms of each transaction executed on the Facility at the time of execution; provided that where a Trading Privilege Holder is a Customer in an Intermediated Transaction, the confirmation will be provided to the Intermediary in accordance with Rule 314(c). The Confirmation provided by IGDL for Cleared Contracts will be the final legally binding confirmation of the terms of any transaction executed on the Facility and will supersede any conflicting confirmation or agreement provided to, or between, as applicable, Participants and Customers, regardless of when such other confirmation is provided.

**(c) Issuance of Facility Confirmations for Uncleared Transactions**

- (1) The economic terms specific to the transaction agreed by each Participant and/or Customer on the Facility with respect to an uncleared transaction shall be reflected by the Facility in a written communication (the "**Trade Communication**") issued to each

applicable Participant and/or Customer at the time of execution of the uncleared transaction. The Trade Communication, together with the documents and agreements (including, without limitation, ISDA master agreements, other master agreements, terms supplements, master confirmation agreements, and incorporated industry definitions) governing such transaction existing at the time of such commitment to which each Participant and/or Customer are party (the “**Terms Incorporated by Reference**”) shall, taken together, for purposes of Commission Regulation 37.6(b), comprise all of the terms of such transaction and serve as the Confirmation of such transaction.

- (2) In satisfaction of the obligations imposed on IGDL under Commission Regulation 37.6(b),  
(i) each Trade Communication is deemed to incorporate the Terms Incorporated by Reference set forth in this Rule 313(c) upon issuance of the Trade Communication,  
(ii) each Participant and Customer hereby agrees that the provisions of Rule 313(c)(3) shall govern any conflicting terms, and (iii) the resulting Confirmation takes place at the time of execution of, and contains all the terms of, the transaction.
- (3) In the event of any conflict between (x) the Trade Communication and (y) the Terms Incorporated by Reference, the Trade Communication shall prevail to the extent of any inconsistency and each Trade Communication shall state the same.
- (4) In accordance with NAL 17-17, expiring on the effective date of revised Commission regulations governing SEF confirmation procedures, upon the request of IGDL, each Participant and Customer shall provide copies of the Terms Incorporated by Reference to IGDL.
- (5) In accordance with NAL 17-17, expiring on the effective date of revised Commission regulations governing SEF confirmation procedures, upon the request of the Commission, IGDL shall request the Terms Incorporated by Reference from the relevant Participant or Customer and shall provide such Terms Incorporated by Reference to the Commission as soon as possible after receipt from the Participant or Customer.
- (6) *Review of Confirmations.* Each Participant shall review the contents of each Confirmation issued to it pursuant to this Rule 313 and shall promptly report any errors or omissions in the transaction or pricing data therein to the counterparty to the Contract. Each Participant that is the reporting counterparty for such Contract, as determined pursuant to Rule 317, shall report all such errors or omissions to the Facility as soon as technologically practicable after becoming aware of the errors or omissions.

#### **Rule 314      Intermediated Transactions**

(a) Subject to Rule 306, Participants who are Intermediaries shall immediately enter into a Trading Platform all executable Orders received by telephone from their Customers, and shall immediately submit all RFQs and Pre-Arranged Crosses to an Execution Specialist. If an Order, RFQ or Pre-Arranged Cross cannot be immediately entered into a Trading Platform or submitted to an Execution Specialist, as applicable, an electronic record which includes the account identifier that relates to the account owner, time of receipt, and terms of the Order, RFQ or Pre-Arranged Cross must immediately be created, and the Order, RFQ or Pre-Arranged Cross must be entered into a Trading Platform or submitted to an Execution Specialist as soon as practicable.

(b) *Priority of execution.* Non-discretionary executable Customer Orders received by a Participant who is an Intermediary shall be entered into Facility in the sequence received. Non-discretionary Orders that cannot be immediately entered must be entered when the Orders become executable, in the sequence in which the Orders were received.



(c) IGDL shall provide all Confirmations of Intermediated Transactions to the Intermediary upon execution of the transaction. Except to the extent that IGDL sends Confirmations of Contracts directly to the relevant Customer, any Participant that transacts as an Intermediary for any Customer shall be responsible for ensuring that such Customers receive all Confirmations of Contracts entered into on behalf of such Customers as soon as technologically practicable after receipt of the Confirmation from IGDL.

#### **Rule 315 Bunched Orders**

Bunched Orders must be allocated and recorded in accordance with Commission Regulation 1.35(b)(5) and the NFA's Interpretive Notice related to Compliance Rule 2-10. Bunched Orders may be entered using a designation for a group of accounts or suspense account number; provided, however that:

- (1) the Bid/Offer or Pre-Arranged Cross is being placed by a Participant who is, or is acting on behalf of, an account manager for multiple accounts eligible for post execution allocation; or
- (2) a written, pre-determined allocation scheme that defines the group of accounts has been provided to the Clearing Firm accepting or clearing the Bid/Offer or Pre-Arranged Cross prior to the time that such Bid/Offer or Pre-Arranged Cross is entered.

#### **Rule 316 IGDL Authority over Transactions**

##### **(a) *IGDL Authority Regarding Cancellations, Price Adjustments and New or Offsetting Transactions***

IGDL has authority to cancel any transaction or adjust the price of any transaction executed on the Facility, or to execute or require the execution of a new or offsetting transaction: (i) when IGDL determines in its sole discretion such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of a Trading Platform or by system defects; (ii) at any time IGDL determines, in its sole discretion, that allowing a transaction to stand as executed may have a material adverse effect on the integrity of the market; or (iii) in accordance with Rule 204(h), Rule 316(c), Rule 316(d), Rule 316(h), or Rule 316(i). All decisions of IGDL regarding IGDL's cancellation of transactions or the adjustment of transaction prices and the execution of new or offsetting transactions shall be final, subject to Rule 316(d).

##### **(b) *Determination to Review a Transaction's Price***

- (1) IGDL may determine to review a transaction's price based on its independent analysis of market activity or upon a Participant's request. A Participant's request for review must be made (i) for an uncleared Pre-Arranged Cross, within one (1) Business Day of the execution of such transaction and (ii) for any other transaction executed on the Facility, within 5 minutes of the execution of such transaction. In the absence of a timely request for review, IGDL may determine whether or not a transaction will be subject to review in its sole discretion. Notwithstanding the foregoing, subject to Applicable Law, IGDL may, in its sole discretion, amend the terms of, or cancel, any transaction that the parties, together with the DCO, as applicable, mutually agree to amend or cancel, even if such amendment or cancellation is not submitted to IGDL within the applicable review period specified above.
- (2) As a condition to IGDL's reviewing a transaction's price pursuant to a timely Participant request made in accordance with Rule 316(b)(1) above, the requesting Participant shall use good faith efforts to promptly consult with its counterparty and the applicable DCO (if any) such that the parties can mutually agree to amend or cancel the transaction. In the absence of a good faith effort to consult, IGDL may determine whether or not a transaction will be subject to review in its sole discretion.

- (3) If IGDL determines to review a transaction's price, it will promptly issue an alert to all Participants via a Trading Platform or electronic mail indicating that the transaction is under review.

(c) *Review of a Transaction's Price*

- (1) In reviewing a transaction's price, IGDL will first determine whether the price of the transaction is in the Non-Reviewable Range.
- (2) In applying the Non-Reviewable Range, IGDL shall determine the fair value (mid-market) price for the Swap at the time the transaction under review occurred. IGDL may consider any relevant information, including, but not limited to, the last transaction price of the Swap or a better Bid/Offer, a more recent price for a different maturity date, the price of the same or related Swap established in another venue or another market, the market conditions at the time of the transaction, the theoretical value of an Option based on the most recent implied volatility and responses to an RFQ.
- (3) If IGDL determines that the price of a transaction is inside the Non-Reviewable Range, IGDL will issue an alert indicating that the transaction shall stand as executed.
- (4) If IGDL determines that the price of a transaction is outside the Non-Reviewable Range, IGDL shall have the right, in its sole discretion, to cancel or adjust the price of such transaction.
- (5) The method of adjustment or cancellation of any Cleared Contract that is adjusted or cancelled pursuant to Rule 316(c)(4) shall be the method provided for by the rules and procedures of the relevant DCO.

(d) *Alternative Resolution by Agreement of Parties for Transactions Reviewed for Price*

- (1) With the approval of IGDL, parties to a transaction that is under review for price or that has had its price adjusted may instead, together with the DCO, as applicable, mutually agree to cancel or otherwise adjust the price of the transaction.
- (2) With the approval of IGDL, parties to a transaction that is cancelled may instead, together with the DCO, as applicable, mutually agree to adjust the price of such transaction to a price within the Non-Reviewable Range.
- (3) Subject to sections (d)(1) and (d)(2), parties to a transaction that is cancelled or that has had its price adjusted may mutually agree to a cash adjustment.
- (4) Any cancellation or adjustment made pursuant to sections (d)(1), (d)(2) or (d)(3) must be reported to the Facility by the parties within one (1) Business Day and the parties must maintain a record of such adjustment.

(e) *Liability for Losses Resulting from Cancellations or Price Adjustments*

- (1) A party that through error or mistake enters a Bid/Offer, RFQ or Pre-Arranged Cross that results in a cancellation or price adjustment shall be responsible for demonstrated claims of realised losses incurred by persons whose transaction prices were cancelled or adjusted; provided, however, that a claimant shall not be entitled to compensation for losses incurred as a result of the claimant's failure to take reasonable actions to mitigate the loss.

- (2) A claim for a loss pursuant to this Rule 316 must be submitted to the Facility within one (1) Business Day of the event giving rise to the claim. IGDL will reject any claim that is not filed in a timely manner and such decision shall be final. Eligible claims shall be forwarded by IGDL to the party responsible for the Bid/Offer, RFQ or Pre-Arranged Cross that resulted in a cancellation or a price adjustment of a transaction and the Participant through which the transaction was submitted to the Facility. Such party, or Participant on behalf of such party, shall, within ten (10) Business Days of receipt of the claim, admit or deny responsibility in whole or in part. Failure to respond to the claim within ten (10) Business Days shall be deemed a denial of liability.
  - (3) To the extent that liability is admitted, payment shall be made within ten (10) Business Days. Unless otherwise agreed upon in writing by the parties, failure to make the payment within ten (10) Business Days shall be deemed a denial of liability for the purposes of this Rule 316. A copy of any such written agreement must be provided to IGDL.
  - (4) To the extent that liability is denied, the party making the claim may submit the claim for arbitration pursuant to Rule 702. Such claims must be submitted to IGDL within ten (10) Business Days of the date the party was issued notification that liability was denied.
- (f) The Non-Reviewable Range for all Swaps listed on the Facility is less than +/- 0.75 basis point.
- (g) *Records of Cancellations and Price Adjustments*
  - (1) Cancelled transactions and any prices that have been adjusted shall be cancelled in IGDL's official records.
  - (2) Transactions that have had their price adjusted shall be reflected in IGDL's official records at the adjusted price.
- (h) *Review of Transactions for Errors*
  - (1) If a Participant, Customer or Clearing Firm believes that any transaction in one or more Contracts was executed, cleared or rejected for clearing as a result of an Error, as defined in Rule 316(h)(3), such person may request review of the transaction.
  - (2) Upon receipt of a request for review of a transaction, or if IGDL determines on its own initiative to conduct such a review, IGDL will review its records to determine if an Error occurred.
  - (3) IGDL may cancel or adjust the transaction, or execute or require the execution of a new or offsetting Cleared Contract under the procedures of Rule 316(i), as appropriate, if the review described in this Rule 316 reveals that:
    - (i) a Trading Platform or an Execution Specialist made a material mistake or that a mistake occurred as a result of a malfunction in a Trading Platform or by human error;
    - (ii) a Bid/Offer or RFQ or Pre-Arranged Cross was incorrectly displayed and/or executed and/or reported;
    - (iii) a Trading Platform, an Execution Specialist, Participant or Customer made a clerical or operating error or omission that caused a transaction to be rejected from clearing and void *ab initio*; or

- (iv) a Clearing Firm or DCO rejected a leg of a Package Transaction for clearing because of the sequencing of submission for clearing of the legs of the applicable Package Transaction (each of the foregoing, an “**Error**”).
- (4) If the review described in this Rule 316 reveals that no Error occurred, IGDL will inform any person who requested the review that IGDL has determined that the transaction was properly handled, the evidence supporting that determination, and that a cancellation, adjustment or a new or offsetting transaction under Rule 316(i) will not be made.
- (5) IGDL will document in writing all requests for review of transactions received by IGDL, or any review on its own initiative, the time and manner in which IGDL reviewed its electronic audit trail in response to the request or review on its own initiative, the outcome of that review, and the action or actions taken by IGDL in response to that review.
- (6) If a transaction is reviewable for price under Rule 316(b), the procedures of this Rule 316(h) shall not apply.
- (i) *Procedures for Correcting Errors*
  - (1) The procedures of this Rule 316(i) are in accordance with NAL 17-27, expiring on the effective date of revised Commission regulations governing swaps with clerical and operational errors executed on a swap execution facility, and are limited to:
    - (i) A Cleared Contract that was rejected for clearing and void *ab initio* because of a clerical or operational error or omission by IGDL, a Participant or a Customer (each, a “**Rejected Transaction**”),
    - (ii) A leg of a Package Transaction that was rejected for clearing because of the sequencing of submission for clearing of the legs of the applicable Package Transaction and only for such rejected leg (each, a “**Rejected Leg**”), and
    - (iii) A Cleared Contract that is carried on a DCO’s books as a result of a clerical or operational error or omission by IGDL, a Participant or a Customer that was not identified until after the Cleared Contract had been cleared (each, an “**Erroneously Cleared Transaction**”),

in each case where the Facility has affirmatively determined that the transaction or a term thereof resulted from an Error.
  - (2) For Rejected Transactions and Rejected Legs, if a Participant, Customer or Clearing Firm believes that a transaction qualifies as a Rejected Transaction or a Rejected Leg, such Participant, Customer or Clearing Firm shall request review of the transaction pursuant to Rule 316(h).
    - (i) Upon completion of the review of the transaction pursuant to Rule 316(h), if IGDL determines that an Error resulted in a Rejected Transaction or a Rejected Leg and:
      - A. If IGDL is able to determine how to correct the Error, IGDL shall execute a new Cleared Contract with the same terms as the Rejected Transaction or Rejected Leg, other than the Error, without obtaining consent of the Participant that submitted the Rejected Transaction or Rejected Leg or the Customer on whose behalf such transaction was submitted. The new Cleared Contract must be submitted by an Execution Specialist as a Pre-Arranged Cross, and such Pre-Arranged Cross shall be subject to pre-execution credit check and risk screening pursuant to Rule 204(b).

- B. If IGDL is unable to determine how to correct the Error, IGDL shall consult with the Clearing Firms for the Rejected Transaction or Rejected Leg and the Participants and Customers involved in such transaction, as necessary, and the Clearing Firms for such transactions may, with the consent of each respective Customer or Participant, agree to a new Cleared Contract with the same terms as the rejected Cleared Contract, other than the Error. Such Customer or Participant consent may not be obtained in advance, and must be sought and obtained by each Clearing Firm on a case-by-case basis, after the Cleared Contract has been rejected. If there is such agreement and consent, the new Cleared Contract must be submitted by the Participant specified in Rule 305(b) as a Pre-Arranged Cross pursuant to the procedure in Rule 305(b), and such Pre-Arranged Cross shall be subject to pre-execution credit check and risk screening pursuant to Rule 204(b).
  - (ii) Upon execution of such Pre-Arranged Cross by IGDL to replace a Rejected Transaction or Rejected Leg, IGDL shall submit the transaction to the DCO for clearing as quickly as technologically practicable, but in any case no later than 60 minutes from the issuance of the notice of rejection by the DCO to the Clearing Firms.
  - (iii) If the new Cleared Contract resulting from such Pre-Arranged Cross is rejected from clearing, it is void *ab initio* and no additional new Cleared Contract will be permitted to be submitted under the procedure in this Rule 316(i)(2).
  - (iv) IGDL shall report Swap transaction data to the relevant SDR pursuant to Rule 310(f) for a new Cleared Contract that clears with the same terms as the Rejected Transaction or Rejected Leg, as applicable, other than the Error, including: a Part 43 cancellation for the original transaction, a Part 45 termination indicating the original transaction is void *ab initio*, and swap transaction data pursuant to Parts 43 and 45 for the new Cleared Contract. Such data shall reference the original cancelled trade, indicate that it has been reported pursuant to the procedures described in this Rule 316(i)(2) and link the original cancelled trade to the new trade for reporting to the relevant SDR under Part 43 and Part 45 of the Commission Regulations.
  - (v) The procedures in this Rule 316(i)(2) are not available for Rejected Legs of Package Transactions that are rejected for clearing by a Clearing Firm or DCO because the Package Transaction as a whole failed to satisfy the applicable Risk-Based Limits.
- (3) For Erroneously Cleared Transactions, if a Participant, Customer or Clearing Firm believes that a Cleared Contract is carried on the books of a DCO as a result of an Error, such Participant, Customer or Clearing Firm may request review of the transaction pursuant to Rule 316(h).
- (i) Upon completion of the review of the transaction pursuant to Rule 316(h), if IGDL determines that an Error resulted in an Erroneously Cleared Transaction and:
    - A. If IGDL is able to determine how to correct the Error, IGDL shall execute a Cleared Contract that offsets the Erroneously Cleared Transaction carried on the books of the relevant DCO through the same Clearing Firms that cleared the Erroneously Cleared Transaction and IGDL shall execute a new Cleared Contract with the same terms as the Erroneously Cleared Transaction, other than the Error, in each case without obtaining consent of the Participant that submitted the Erroneously Cleared Transaction or

the Customer on whose behalf such transaction was submitted; provided that, where an Erroneously Cleared Transaction did not satisfy the Risk-Based Limits of a Participant's Clearing Firm, IGDL shall obtain the consent of the relevant Clearing Firm prior to executing such offsetting Cleared Contract. The new Cleared Contract must be submitted by an Execution Specialist as a Pre-Arranged Cross, and such Pre-Arranged Cross shall be subject to pre-execution credit check and risk screening pursuant to Rule 204(b).

B. If IGDL is unable to determine how to correct the Error, IGDL shall consult with the Clearing Firms for Erroneously Cleared Transactions and the Participants and Customers involved in such transaction, as necessary, and the relevant Customer or Participant may agree to execute a Cleared Contract that offsets the Erroneously Cleared Transaction carried on the books of the relevant DCO through the same Clearing Firms that cleared the Erroneously Cleared Transaction and to execute to a new Cleared Contract with the same terms as the rejected Cleared Contract, other than the Error. The new Cleared Contracts must be submitted by the Participant specified in Rule 305(b) as Pre-Arranged Crosses pursuant to the procedure in Rule 305(b), and such Pre-Arranged Crosses shall be subject to pre-execution credit check and risk screening pursuant to Rule 204(b).

(ii) Upon execution of such Pre-Arranged Crosses by IGDL to offset an Erroneously Cleared Transaction and to enter into a new Cleared Contract, IGDL shall submit the transactions to the DCO for clearing as quickly as technologically practicable, but in any case no later than three days after the Erroneously Cleared Transaction was executed.

(4) For the avoidance of doubt, the procedures of this Rule 316(i) are not applicable to any transaction rejected by a DCO for credit reasons.

### **Rule 317      Reporting Counterparty**

(a) For each Contract executed on or subject to the Rules, IGDL shall report all required data to an SDR in accordance with Rule 310, and shall include in such creation data the identification of the reporting counterparty. The reporting counterparty will be determined by IGDL, if possible, in accordance with Commission Regulation 45.8(a) – (f) and in the event the counterparties to the Contract are of the same hierarchy level, the ISDA Reporting Party Rules, the relevant portion of which is attached to this Facility Rulebook as Annex 2, and identify to the counterparties which is the reporting counterparty. If IGDL is unable to determine the reporting counterparty in accordance with Commission Regulation 45.8(a) - (f) and the ISDA Reporting Party Rules, IGDL will identify the buyer of the Contract as the reporting counterparty in the creation data. By executing the Contract on the Facility, the counterparties agree to the use of the ISDA Reporting Party Rules and where necessary, the identification of the buyer as reporting counterparty, and waive the opportunity to agree separately upon a reporting counterparty and to receive notice from IGDL, as provided in Commission Regulation 45.8(d) and 45.8(f).

(b) **[NOT USED]**

(c) For each Contract executed on or subject to the Rules, the reporting counterparty and/or the relevant DCO is responsible for reporting continuation data to the SDR to which the creation data for the Contract was first reported in accordance with Commission Regulations 45.4 and 45.10.



### **Rule 318 MiFID II Transaction Reporting**

- (a) Participants are responsible for satisfying their own requirements with respect to submission of Transaction Reports as required by Applicable Law.
- (b) If a Participant is not required by Applicable Law to submit a Transaction Report, but IGD L as the operator of the Facility is required to submit such a report in respect of a transaction to which the Participant is a party, then the Participant must provide all information required to be reported by IGD L pursuant to MiFIR to complete and submit such report on a timely basis and ensure that such information is accurate, current and complete.

### **Rule 319 Bid/Offer to Trade Ratio**

Participants must ensure that their ratio of Bids/Offers to executed trades remains at all times within parameters published from time to time on the IGD L website.

### **Rule 320 Trade Transparency**

- (a) Pre-trade Transparency
- (1) Where required under Applicable Law, IGD L will make public, on a continuous basis during Trading Hours, details of Bids/Offers, including current bid and offer prices and the depth of trading interest at those prices which are advertised in relation to MiFID-regulated financial instruments ("**Pre-Trade Data**"). IGD L may seek to obtain and apply a Transparency Waiver from publication of all or part of such Pre-Trade Data. Where IGD L has been granted a Transparency Waiver, IGD L will be exempted from the requirements to publish Pre-Trade Data to the extent provided for by the applicable Transparency Waiver. Details of applicable Transparency Waivers are available on request.
- (b) Post-trade Transparency
- (1) Where required under Applicable Law, IGD L will make public, as close to real-time as technically possible, the price, volume and time of transactions executed on the Facility ("**Post-Trade Data**").
- (2) IGD L may seek to obtain and apply a Deferral from publication of all or part of such Post-Trade Data. Where IGD L has been granted a Deferral, or a Deferral applies general to market operators and firms operating a trading venue, IGD L may effect deferred publication of Post-Trade Data to the extent provided for by the applicable Deferral. Details of applicable arrangements for deferred publication of Post-Trade Data are available on request.
- (3) If a component of a MiFID II Package Transaction is executed or registered on an execution venue other than the Facility, the component may be subject to publication requirements for Pre-Trade Data and/or Post-Trade Data at the execution venue where the component is executed or registered. Those requirements may be different than those applicable to components executed on or registered by IGD L.
- (c) Publishing Pre-Trade Data and Post-Trade Data
- (1) Pre-Trade Data and Post-Trade Data will be made available to the public separately.
- (2) IGD L or an Affiliate of it may make Pre-Trade Data and Post-Trade Data available to the public on a reasonable commercial basis. However, Pre-Trade Data and Post-Trade Data will be made available to the public free of charge 15 minutes after initial publication.

(d) Market Data and Information

- (1) IGD L may make market data and other anonymised information regarding Bids/Offer s (including prices and amounts), transactions and any other matters it may deem appropriate available to Participants and other persons at such times and in such manner (whether through IGD L, a ticker, financial information services or otherwise) as it may determine from time to time.
- (2) All market data or other information that IGD L or any service provider provides to the Participant in connection with its use of IGD L is proprietary to IGD L (or the service provider, as applicable).
- (3) Participants are not permitted to retransmit, redistribute or otherwise disclose such data or information to any third party, including without limitation in aggregated format, or to incorporate it into a benchmark, without IGD L's (or, as applicable, the relevant service provider's) prior agreement, except as required by Applicable Law.

(e) Participant Status

- (1) For the purposes of record keeping and reporting, IGD L may treat each Participant as dealing on own account and the Authorised Trader submitting a Bid/Offer as the investment decision maker with respect to that Bid/Offer, unless expressly notified otherwise by the Participant.



## CHAPTER 4

### TRADING STANDARDS

#### **Rule 401      Fraudulent Statements and Acts**

- (a) No Participant or Customer shall make or attempt to make any untrue or misleading statement of a material fact or to omit to state a material fact necessary in order to make the statements made not untrue or misleading, in connection with or related to any transaction on or other activity related to IGDL or the Facility.
- (b) No Participant or Customer may engage in or attempt to engage in any fraudulent act, or engage in or attempt to engage in any manipulative device, scheme or artifice to cheat, defraud or deceive, in connection with or related to any transaction on or other activity related to IGDL or the Facility.

#### **Rule 402      Abusive Trading Practices**

- (a) No Participant or Customer shall create fictitious or wash transactions on the Facility or execute any Bid/Offer for a fictitious or wash transaction with knowledge of its nature.
- (b) No Participant or Customer shall engage in trading on the Facility or subject to the Rules for the purpose of passing money or transferring equity from one account to another.
- (c) No Participant trading as an Intermediary on behalf of a Customer shall engage in trading ahead of a Customer Order, trading against a Customer Order without the Customer's consent, front running a Customer Order, accommodation trading or improper cross trading.

#### **Rule 403      Good Faith Bids/Offers and RFQs**

- (a) A Participant or Customer shall not knowingly enter, or cause to be entered, a Bid/Offer or RFQ into the Facility other than in good faith for the purpose of executing bona fide transactions.
- (b) A Participant or Customer shall not knowingly enter, or cause to be entered, a Bid/Offer or RFQ unless such Participant or Customer has sufficient funds to provide the required collateral for the related Contract should the Contract be executed.

#### **Rule 404      Pre-Execution Discussions and Pre-Arranged Transactions**

No Participant or Customer shall prearrange or pre-negotiate or non-competitively execute any transaction on the Facility except as follows:

- (a) Block Trades are not subject to this prohibition.
- (b) Permitted Transactions executed pursuant to Rule 305 are not subject to this prohibition.
- (c) Participants and Customers may engage in pre-execution discussions with regard to transactions executed on the Facility in accordance with Rule 306(a)(7); provided, however, that:
  - (1) A party may not engage in pre-execution communications with other market participants on behalf of another party unless the party for whose benefit the transaction is being made has previously consented to permit such communications.
  - (2) Parties to pre-execution communications shall not:
    - (i) disclose to a non-party the details of such communications; or

- (ii) enter a Bid/Offer to take advantage of information conveyed during such communications except in accordance with this Rule.
- (3) Notwithstanding paragraph (c)(2) of this Rule, a party may disclose or use such communications if such disclosure or use is authorised in writing by the counterparty, or is necessary:
  - (i) for the effective execution of any Swap for or with the counterparty;
  - (ii) to hedge or mitigate any exposure created by such Swap; or
  - (iii) to comply with a request of the Commission, the U.S. Department of Justice, any self-regulatory organisation, or an applicable prudential regulator, including but not limited to the FCA, or as otherwise required by law.
- (d) Where a transaction is executed pursuant to Rule 316(i), communications concerning such transaction shall not be considered pre-execution communications prohibited by this Rule 404.

#### **Rule 405      Manipulation and Price Distortion**

- (a) Any manipulation or attempted manipulation of the price of any Contract is prohibited.
- (b) Bids/Offers entered into a Trading Platform or Pre-Arranged Crosses submitted to an Execution Specialist for the purpose of upsetting the equilibrium of the market in any Contract or creating a condition in which prices do not or will not reflect fair market values are prohibited and it shall also be prohibited for any Participant or Customer to make or assist in entering any such Bid/Offer or Pre-Arranged Cross with knowledge of the purpose thereof or, with such knowledge, to assist in carrying out any plan or scheme for the entering of any such Bid/Offer or Pre-Arranged Cross.
- (c) Any other manipulative and disruptive behaviour not otherwise prohibited by the Rules is prohibited to the extent prohibited by the Act or Commission Regulations, including but not limited to Sections 6(c)(1) and (3), 9(a)(2), 4c(a)(5)(A) and (C) of the Act and Commission Regulations 180.1(a) and 180.2.

#### **Rule 406      Disruptive Trading Practices**

- (a) No Participant or Customer shall enter or cause to be entered any Bid/Offer or other message with the intent to:
  - (1) mislead other Participants;
  - (2) overload, delay, or disrupt the Order Book or any other systems of the Facility or other Participants; and
  - (3) disrupt the orderly conduct of trading or the fair execution of transactions.
- (b) No Participant or Customer shall engage in any trading, practice or conduct on the Facility or subject to the Rules that (1) violates Bids/Offers; (2) demonstrates intentional or reckless disregard for the orderly execution of transactions during the closing period; (3) is, is of the character of, or is commonly known to the trade as, “spoofing” (entering a Bid/Offer with the intent to cancel the Bid/Offer before execution); or (4) is any other manipulative or disruptive trading practice prohibited by the Act or Commission Regulations.

**Rule 407      General Offences**

It will be an offence for a Participant or Customer to:

- (a) violate any Rule regulating the conduct or business of a Participant or Customer or any agreement made with IGDL;
- (b) engage in any act detrimental to IGDL's operations or self-regulatory function or IGDL's ability to enforce its Rules or is detrimental to the interest or welfare of the Facility;
- (c) fail to observe the proper standards of conduct expected of market participants;
- (d) engage in any conduct which tends to impair the dignity or good name of the Facility;
- (e) engage in conduct inconsistent with just and equitable principles of trade;
- (f) engage in dishonourable or uncommercial conduct;
- (g) aid or abet the commission of any Violation by another person;
- (h) fail to supervise its employees or agents in the conduct of the Participant's or Customer's business related to the Facility; and
- (i) engage in conduct in violation of Applicable Law or the rules of any DCO which clears a Cleared Contract in connection with or related to any transaction on or other activity related to the Facility.

**Rule 408      Position Limits and Position Accountability**

- (a) To reduce the potential threat of market manipulation or congestion, the Facility shall adopt for each Contract, as is necessary and appropriate, Position Limits or position accountability levels for speculators.
- (b) IGDL hereby adopts the Commission's Position Limits for any Contract for which the Commission has adopted a Position Limit. In no event will IGDL set its Position Limits at a level higher than the Commission's Position Limits.
- (c) For Permitted Transactions, IGDL may set and enforce position accountability levels or send the Commission a list of the Permitted Transactions transacted on the Facility.
- (d) All Participants and Customers must comply with all IGDL and Commission requirements regarding Position Limits or position accountability levels.
- (e) Each Participant required to file any report, statement, form or other information with the Commission pursuant to Commission Regulations concerning a Position Limit on any Contract or commodity underlying a Contract must simultaneously file a copy of such report, statement, form or other information with IGDL. Such information shall include, for Participants who are Intermediaries, information concerning the Customers for which transactions are made on the Facility.
- (f) Any Participant or Customer who exceeds an IGDL or Commission Position Limit by entering into a transaction on the Facility shall be deemed in Violation. In addition, any Participant or Customer entering bids or offers, if accepted, which would cause that Participant or Customer to exceed the applicable IGDL or Commission Position Limit, shall be in Violation.
- (g) Without limiting any provision of these Rules, IGDL shall have the authority to obtain from any Participant or Customer, on request, information with respect to all positions of such Participant or Customer

in Contracts which are equivalent, for purposes of IGDL or Commission Position Limits, to those transacted in by the Participant on the Facility.

## **CHAPTER 5**

### **RULE ENFORCEMENT**

#### **Rule 501 Jurisdiction**

(a) IGDL shall have the authority to initiate and conduct investigations, and prosecute Violations committed by Facility Subject Persons, and to impose sanctions for such Violations as provided in these Rules.

(b) Each Participant and Clearing Firm, upon becoming a Participant or Clearing Firm and thereafter upon any change of address shall file with IGDL a written notice designating an address for receiving service of documents. If a Participant or Clearing Firm fails to designate such an address, service by mail to its address on file with IGDL shall be good service, and delivery thereof shall be deemed to have occurred as of the date of such mailing.

#### **Rule 502 Facility Market Regulation Staff Powers and Duties**

(a) It shall be the duty of the Compliance Function to enforce these Rules, and shall have the authority to inspect the books and records of all Facility Subject Persons and the authority to require any Facility Subject Person to appear before it to answer questions regarding matters being investigated by the Market Regulation Staff. The Compliance Function may also delegate such authority to Market Regulation Staff who shall consist of personnel of IGDL, and such other Regulatory Services Providers as IGDL may hire on a contract basis. The Compliance Function shall ensure that surveillance systems are established to monitor trading to prevent manipulation and price distortion. Such monitoring may be done by the Market Regulation Staff or a third party provider, and shall include real time monitoring and the ability to conduct comprehensive and accurate transaction reconstructions.

(b) The Market Regulation Staff shall conduct investigations of possible Violations, prepare written reports respecting such investigations, furnish such reports to the Review Panel and conduct the prosecution of such Violations. An investigation must be commenced upon receipt of a request from any Regulatory Agency, its staff or receipt of information (such as data produced by automated surveillance systems) by IGDL that in the judgment of the Market Regulation Staff indicates a reasonable basis for finding that a Violation may have occurred or will occur. Absent mitigating factors, each investigation will be completed no later than 12 months after the investigation is opened. Mitigating factors include the complexity of the investigation, the number of firms 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 analysed by Market Regulation Staff.

(c) If, in any case, the Compliance Function or another member of the Market Regulation Staff, designated for this purpose by the Compliance Function, concludes that there is a reasonable basis for finding a Violation, he or she shall (i) present an investigation report concerning the matter to the Review Panel or (ii), in the case of Violations subject to Rule 516, proceed in accordance with Rule 516. The investigation report must include the reason the investigation was initiated; a summary of the complaint, if any; the relevant facts; Market Regulation Staff's analysis and conclusions; and a recommendation as to whether disciplinary action should be pursued. The report may also include the Facility Subject Person's disciplinary history at the Facility, including copies of any warning letters. The Market Regulation Staff may issue a warning letter, including for minor transgressions. However, no more than one warning letter may be issued to the same person found to have committed the same Violation more than once in a rolling 12-month period.

(d) If, in any case, the Compliance Function or another member of the Market Regulation Staff, designated for this purpose by the Compliance Function, concludes that no reasonable basis exists for finding a Violation, he or she must prepare a written investigation report including the reason the investigation was initiated; a summary of the complaint, if any; the relevant facts; and Market Regulation

Staff's analysis and conclusions. The Compliance Function or another member of the Market Regulation Staff may issue a warning letter in any case where it is concluded that no reasonable basis exists for finding a Violation, without limitation on the number of warning letters issued to a person.

(e) Before presenting an investigation report to the Review Panel, the Market Regulation Staff may, in its sole discretion, inform the prospective Respondent that it intends to submit the matter to the Review Panel, and at such time the proposed Respondent may submit an offer of settlement to the Hearing Panel, in accordance with the procedures of Rule 509, prior to presentation of the investigation report to the Review Panel.

(f) IGDL has contracted with NFA to act as Regulatory Services Provider to provide certain regulatory services to IGDL, including reviews of the Facility's audit trail information for potential Violations. IGDL will retain ultimate decision-making authority with respect to any regulatory services to be provided by NFA.

(g) IGDL or its Regulatory Services Provider shall have the right with such prior reasonable advance notice as is practicable under the circumstances (unless in furtherance of regulatory purposes in which case without prior notice to Facility Subject Persons), in connection with determining whether all Rules are being, will be, or have been complied with by the Facility Subject Person, to: (i) inspect systems, equipment and software of any kind operated by the Facility Subject Person in connection with accessing, and the Facility Subject Person's transacting on, the Facility, wherever located; (ii) access, either physically or electronically, the systems, equipment, software, 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/or (iii) copy or reproduce any data to which IGDL has access under this Rule. Each Facility Subject Person shall provide the Regulatory Services Provider with the same access to its books and records and offices as it is required to provide to IGDL under the Rules and Applicable Law.

### **Rule 503      The Review Panel**

(a) The Review Panel shall have the power to direct that an investigation of any suspected Violation be conducted by the Market Regulation Staff, and shall hear any matter referred to it by the Market Regulation Staff regarding a suspected Violation.

(b) The Review Panel shall be appointed by the Board, and shall be comprised of five persons, including at least two Participants and at least two non-Participants. In the case where the subject of the investigation is a Clearing Firm, at least one member of the Review Panel shall be a Clearing Firm. The Board shall appoint as chairman (the "**Review Panel Chairman**") of the Review Panel a person who would not be disqualified from serving as a "Public Director" as defined in Commission Regulations. Three panel members shall constitute a quorum for any action, so long as they are in attendance at the time of the relevant action. The Review Panel may not include any members of the Market Regulation Staff, any person involved in adjudicating any other stage of the same Proceeding, or any person with a history of disciplinary offenses that would be disqualifying under Commission Regulation § 1.63(c). The Review Panel shall include at least one member that is not a member of IGDL whenever the Review Panel is: (i) acting with respect to a disciplinary action in which the Respondent is a member of the Board, the Review Panel or the Hearing Panel; or (ii) when the suspected Violation involves manipulation (or attempted manipulation) of the price of a Contract or conduct which directly results in financial harm to a non-member of IGDL. The Review Panel shall include sufficient different membership interests so as to ensure fairness and to prevent special treatment or preference for any person.

(c) All information, records, and documents provided to the Review Panel, and all related records and documents shall be treated as confidential and shall not be disclosed, except as necessary to further an IGDL investigation or as required by Applicable Law.

(d) Upon receipt of an investigation report, the Review Panel shall promptly review the report and, within thirty (30) days of receipt, take one of the following actions:

- (1) If the Review Panel determines that additional investigation or evidence is needed, it shall promptly direct the Market Regulation Staff to conduct further investigation;
  - (2) If the Review Panel determines that no reasonable basis exists for finding a Violation or that prosecution is otherwise unwarranted, it may direct that no further action be taken. Such determination must be in writing and must include a written statement setting forth the facts and analysis supporting the decision; or
  - (3) If the Review Panel determines that a reasonable basis exists for finding a Violation and adjudication is warranted, it must direct that the Facility Subject Person alleged to have committed the Violation be served with a notice of charges as set forth in Rule 504.
- (e) If the Review Panel determines that there may have been a Violation but that no adjudication is warranted, the Review Panel may issue a warning letter to the Facility Subject Person informing it that there may have been a Violation and that such continued activity may result in disciplinary sanctions. Where a Violation is determined to have occurred, no more than one warning letter for the same potential Violation may be issued to the same person during a rolling 12 month period.

#### **Rule 504 Notice of Charges**

(a) If the Review Panel determines that a reasonable basis exists for finding a Violation and adjudication is warranted, the Compliance Function shall serve a notice of charges (a “**Notice**”) on the Facility Subject Person alleged to have been responsible for the Violation (such Facility Subject Person, the “**Respondent**”). Such Notice shall state:

- (1) the acts, practices or conduct with which the Respondent is charged;
- (2) the Rules allegedly violated and how such acts, practices or conduct constitute a Violation of such Rules;
- (3) that the Respondent is entitled, upon written request filed with IGDL, within twenty (20) days of service of the Notice, to a formal hearing on the charges;
- (4) that the failure of the Respondent to request a hearing within twenty (20) days of service of the Notice, except for good cause shown, shall be deemed a waiver of its right to a hearing;
- (5) that the failure of the Respondent to file an Answer (as defined in Rule 505) with the Market Regulation Staff within twenty (20) days of service of the Notice shall be deemed an admission of all of the acts, practices or conduct alleged in the Notice; and
- (6) that the failure of the Respondent to expressly deny a particular charge contained in the Notice shall be deemed an admission of such acts, practices or conduct.

(b) A Respondent shall have the right to be represented by legal counsel or any other representative of its choosing in all succeeding stages of the disciplinary process, except by any member of the Board, Review Panel or Hearing Panel, any employee of IGDL or any person substantially related to the underlying investigation, such as a material witness or Respondent.

#### **Rule 505 Answer; Request for Hearing; Failure to Answer or Deny Charges**

(a) The Respondent shall serve on the Compliance Function a written answer (an “**Answer**”) to the Notice and a written request for a hearing on the charges within thirty (30) days of the date of service of the Notice. The Answer must include a statement that the Respondent admits, denies, or does not have and



is unable to obtain sufficient information to deny each allegation. A statement of lack of sufficient information shall have the effect of a denial of the allegation.

(b) The Respondent's failure to file an Answer within such thirty (30) day period shall be deemed an admission of all allegations contained in the Notice.

(c) The Respondent's failure to expressly deny a particular charge contained in the Notice shall be deemed an admission of such acts, practices or conduct.

(d) The Respondent's failure to request a hearing within such thirty (30) day period, absent good cause shown, shall be deemed a waiver of Respondent's right to a hearing.

#### **Rule 506 Selection of Hearing Panel**

(a) Formal hearings on any Notice shall be conducted by the Hearing Panel selected by the Board. The Hearing Panel shall include at least two Participants and at least two non-Participants. In the case where any Respondent is a Clearing Firm, at least one member of the Hearing Panel shall be a Clearing Firm. The Board shall also select, as chairman of the Hearing Panel ("**Hearing Panel Chairman**"), a person who would not be disqualified from serving as a "Public Director" as defined in Commission Regulations. The Hearing Panel Chairman, in his or her sole discretion, shall set a date for the hearing (the "**Hearing Date**"). The Hearing Panel may not include any members of the Market Regulation Staff, any person involved in adjudicating any other stage of the same Proceeding, or any person with a history of disciplinary offenses that would be disqualifying under Commission Regulation § 1.63(c). The Hearing Panel shall include at least one member that is not a member of IGD L whenever the Hearing Panel is: (i) acting with respect to a disciplinary action in which the Respondent is a member of the Board, the Review Panel or the Hearing Panel; or (ii) when the suspected violation involves manipulation (or attempted manipulation) of the price of a Contract or conduct which directly results in financial harm to a non-member of IGD L. The Hearing Panel shall include sufficient different membership interests so as to ensure fairness and to prevent special treatment or preference for any person.

(b) The Hearing Panel Chairman shall notify the Market Regulation Staff and the Respondent of the Hearing Date and the names of the members of the Hearing Panel at least fifteen (15) days prior to the Hearing Date.

(c) No member of the Hearing Panel shall hear a case in which that member has a direct financial, personal or other interest in the matter under consideration.

#### **Rule 507 Challenge to Members of the Hearing Panel**

Within ten (10) days after service on the Respondent of notice of the Hearing Date and names of the members of the Hearing Panel, the Respondent may challenge, in writing, the inclusion of any member of the Hearing Panel for cause, including without limitation, if the member has a direct financial, personal or other interest in the matter under consideration. The merits of such challenge shall be finally decided by the Regulatory Oversight Committee. If said written challenge is not received within such ten (10) day period, absent good cause shown, any such right to challenge is deemed waived.

#### **Rule 508 Hearing on Sanctions in the Event of Failure to Deny Charges; Failure to Request Hearing Deemed Acceptance of Sanctions**

In the event the Respondent fails to file an Answer or admits or fails to deny the charge of a Violation contained in the Notice, the Hearing Panel shall find the Respondent guilty of each such Violation and may impose a sanction for each such Violation subject to the limitations set forth in Rule 511(b)(7). The Hearing Panel shall promptly notify the Respondent of any such sanction and of the Respondent's right to a hearing on the sanction within the period of time which shall be stated in the notice, after the imposition of such

sanction. Failure to request a hearing on the sanction in a timely manner, absent good cause shown, shall be deemed to be acceptance of the sanction.

#### **Rule 509 Settlement Prior to Commencement of Hearing**

(a) Prior to the commencement of the hearing, the Hearing Panel may accept a written offer of settlement from the Respondent, whereby the Respondent, without either admitting or denying any Violations, may agree to:

- (1) a cease and desist order;
- (2) a fine for each Violation plus the monetary value of any benefit received as a result of the Violation (provided that in no case shall any fine exceed \$100,000 per Violation);
- (3) restitution of any counterparty harm; and/or
- (4) revocation or suspension of Trading Privileges or Customer or Clearing Firm status of the Respondent.

(b) If the Hearing Panel accepts an offer of settlement, it must issue a written decision specifying each Violation it has reason to believe was committed, including the basis for the Hearing Panel's conclusions. The sanctions must include full counterparty restitution where counterparty harm is demonstrated, except where the amount of restitution or to whom it should be provided cannot be reasonably determined. If an offer of settlement is accepted without the support of the Market Regulation Staff, the decision must adequately support the Hearing Panel's acceptance of the settlement. Where applicable, the decision must include a statement that the Respondent has accepted the sanctions imposed without either admitting or denying any Violations. Any sanctions imposed pursuant to an offer of settlement must take into account the Respondent's disciplinary history.

(c) The Respondent may withdraw an offer of settlement at any time before final acceptance by the Hearing Panel. If an offer is withdrawn after submission, or is rejected by the Hearing Panel, the Respondent may not be deemed to have made any admissions by reason of the offer of settlement and may not be otherwise prejudiced by having submitted the offer of settlement.

#### **Rule 510 Hearing Procedures**

(a) In every instance where a Respondent has requested a hearing on a charge that is denied, or on a sanction set by the Hearing Panel pursuant to Rule 508, the Respondent will have the opportunity for a hearing in accordance with the procedures of this Rule.

(b) The Hearing Panel shall determine the procedures to be followed in any hearing before it, except that the following shall apply in every case:

- (1) The hearing must be fair and must be promptly convened after reasonable notice to the Respondent.
- (2) The prosecution shall be conducted by the Market Regulation Staff.
- (3) The Respondent shall be allowed to appear personally at the hearing, and to be represented by legal counsel or any other representative of its choosing and, either personally or through such representative, to present witnesses and documentary evidence and to cross-examine witnesses.
- (4) The Market Regulation Staff and the Respondent shall deliver to each other a statement listing the witnesses expected to be called and the documents expected to be introduced

into evidence, together with copies of such documents, by ten (10) days' prior notice to the hearing or as the Hearing Panel may reasonably specify. Unless the Hearing Panel, in its discretion, waives compliance with this requirement, no witness may testify and no documentary evidence may be introduced into evidence unless listed in and, in the case of documents, furnished with such statement. On written request, the Market Regulation Staff shall provide the Respondent with access to all books, documents or other tangible evidence in the possession or under the control of IGDL which are to be relied upon by the Market Regulation Staff or which are relevant to the charges; provided, however, that protected attorney work product, attorney-client communications and investigative work product, including the investigation report, are neither discoverable by a Respondent nor subject to review by a Respondent as part of the investigation file.

- (5) IGDL shall require that persons within its jurisdiction who are called as witnesses participate in the hearing and produce evidence, and will make reasonable efforts to secure the presence of all other persons called as witnesses whose testimony would be relevant. Failure by a Facility Subject Person to so participate and produce evidence when requested by IGDL shall be a Violation.
- (6) No formal rules of evidence shall apply, and the Hearing Panel shall be free to accept or reject any and all evidence it considers proper, but the hearing may not be so informal as to deny a fair hearing.
- (7) Neither the Market Regulation Staff, the Respondent, any witnesses testifying before the Hearing Panel nor any other person within the Facility's jurisdiction shall engage in conduct that may impede the progress of a hearing or the fair and just resolution of the subject matter thereof, and any such conduct may itself constitute a Violation.
- (8) Ex parte contacts by any of the parties with members of the Hearing Panel shall not be permitted.
- (9) A substantially verbatim record capable of being accurately transcribed shall be made of the Proceeding, provided, however, that such record need not be transcribed, unless the transcript is requested by the Respondent or an applicable regulator, or unless the decision is appealed to the Commission or reviewed by the Commission on its own motion. In all other instances, a summary record of the hearing is permitted.
- (10) The cost of transcribing the record of the hearing must be borne by a Respondent who requests the transcript, or whose application for Commission review of the disciplinary action has been granted. In all other instances, the cost of transcribing the record will be borne by IGDL.
- (11) The Notice, the Answer, any stenographic transcript of the hearing, the documentary evidence and any other material presented to the Hearing Panel by either party with notice to the other shall constitute the record of the hearing (the "**Hearing Record**").
- (12) The burden of proof shall be on the prosecution to prove a Violation by a preponderance of the evidence. A finding of a Violation shall be made by majority vote based on the Hearing Panel's decision as to the weight of the evidence contained in the Hearing Record.
- (13) All sanctions imposed by the Hearing Panel must be commensurate with the Violations committed and must be clearly sufficient to deter additional similar Violations by the Respondent and similar Violations by other Facility Subject Persons. All sanctions must take into account the Respondent's disciplinary history. In the event of demonstrated counterparty harm, any sanctions must include full counterparty restitution, except where

the amount of restitution or to whom it should be provided cannot be reasonably determined.

#### **Rule 511      Written Decision of Hearing Panel**

(a) Promptly following a hearing conducted in accordance with Chapter 5 of the Rules, the Hearing Panel shall render a written decision based upon the weight of evidence in the Hearing Record and must provide a copy to the Respondent within thirty (30) days of such decision.

(b) The written decision shall include:

- (1) the name of the Respondent;
- (2) a summary of the charges alleged in the Notice;
- (3) a summary of the Answer;
- (4) a summary of the evidence produced at the hearing or, where appropriate, incorporation by reference of the investigation report;
- (5) a statement of the findings and conclusions of the Hearing Panel 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, or in the event of a settlement, a statement specifying the alleged Violations;
- (6) an indication of each specific Rule that the Respondent was found to have violated and whether the Violation resulted in any financial harm to Customers;
- (7) an order stating any sanctions imposed, including the basis for the sanctions, any terms of the sanctions, the date the determination to impose sanctions was made and the effective date of such sanctions; the sanctions that may be imposed on the Respondent shall be one or more of the following:
  - (i) a cease and desist order;
  - (ii) a fine for each Violation plus the monetary value of any benefit received as a result of the Violation (provided that in no case shall any fine exceed \$100,000 per Violation);
  - (iii) restitution of counterparty harm, except where the amount of restitution or to whom it should be provided cannot be reasonably determined; and/or
  - (iv) the issuance of a suspension or revocation of Trading Privileges or Customer or Clearing Firm status of the Respondent; and
- (8) a statement informing the respondent that the imposition of sanctions may be appealed to the Commission pursuant to Part 9 of the Commission Regulations.

(c) The Hearing Panel shall take into consideration the Respondent's disciplinary history prior to imposing any disciplinary sanctions.

(d) IGDG shall also provide the written decision to the NFA through BASIC, or deliver the written decision to the NFA to be input into BASIC.

(e) If IGDL suspends or revokes the Trading Privileges or Customer or Clearing Firm status of the Respondent, it must publicly publish the information contained in the written notice pursuant to Rule 511(b).

#### **Rule 512 Liability for Expenses**

Any Respondent that, after notice and opportunity for hearing, has been found to have committed a Violation may, in the discretion of the Hearing Panel appointed in the matter, be required to pay to IGDL an amount equal to any and all reasonable and documented out-of-pocket expenses incurred by IGDL in connection with the prosecution of such Violations, in addition to any fine or other monetary sanction which may be imposed upon such Respondent by virtue of the Violations found by the Hearing Panel.

#### **Rule 513 Effective Date of Sanctions**

(a) If a Respondent submits an offer of a settlement to the Hearing Panel, any sanction included as a part of such settlement shall become final and effective on the date that the Hearing Panel approves such settlement, or on such other date as is specified in the decision.

(b) Subject to Rule 513(c) and (d), any decision (including any sanctions) by a Hearing Panel pursuant to this Chapter 5 or the Participation Committee pursuant to Rule 205 shall be the final decision of IGDL and shall become effective fifteen (15) days, or such longer time as the Hearing Panel or Participation Committee may specify, after a copy of the written decision of the Hearing Panel or Participation Committee has been served on the Respondent, applicant, Participant or Customer as applicable.

(c) In any case where a Respondent, applicant, Participant or Customer has consented to the action taken and to the timing of its effectiveness, the Hearing Panel or Participation Committee may cause the decision involving any disciplinary action (including any sanctions) to become effective prior to the fifteen (15) day period.

(d) Any decision (including any sanctions) by a Hearing Panel or the Participation Committee may become effective prior to the time set forth in Rule 513(b) if:

- (1) IGDL reasonably believes, and so states in its written decision, that immediate action is necessary pursuant to Rule 514;
- (2) IGDL determines and so states in its written decision, that the actions of a SEF Subject Person have impeded the progress of a disciplinary hearing; or
- (3) IGDL determines a SEF Subject Person has violated Rules relating to timely submission of accurate records required for clearing or verifying each day's transactions or other similar activities.

(e) If a decision is to become effective earlier than the time set forth in Rule 513(b) pursuant to Rule 513(c) or Rule 513(d), IGDL shall notify the Respondent, applicant, Participant or Customer in writing stating the reasons for the determination.

(f) Any fine or other monetary sanction imposed by a Hearing Panel shall be due and payable on the effective date of the decision imposing such fine or sanction, or on such later date as the Hearing Panel may specify.

#### **Rule 514 Summary Suspension**

(a) A Facility Subject Person (as identified by Market Regulation Staff in an investigation or by a Trading Privilege Holder acting as an Intermediary for such Facility Subject Person) may be summarily and immediately suspended from trading on the Facility, upon a written determination based on a reasonable

belief, by the Chairman of the Regulatory Oversight Committee that such immediate action is necessary to protect the best interest of the market place.

(b) The Facility Subject Person against whom such summary action is taken shall be served with a notice of the action either before the action is taken or at the earliest possible opportunity thereafter. The notice shall state the action taken, the reasons for the action, the effective date and time, and the duration of the action.

(c) The Facility Subject Person may as soon as practicable, upon written request, have a hearing before the Hearing Panel pursuant to the procedures of Rule 510.

(d) Promptly following the hearing, the Hearing Panel shall render a written decision based upon the weight of the evidence in the record and shall provide a copy to the Facility Subject Person. The decision shall include a description of the summary action taken, the reasons for the summary action, a summary of the evidence produced at the hearing, a statement of findings and conclusions, a determination that the summary action should be affirmed, modified or reversed, a declaration of any action to be taken pursuant to the determination, and the effective date and duration of the action.

#### **Rule 515      Extension of Time Limits**

Any time limit provided for in Rule 504, Rule 505, Rule 506, Rule 507, Rule 508, or Rule 510 may be extended by mutual consent of the Respondent and the Market Regulation Staff, or by the Hearing Panel Chairman.

#### **Rule 516      Summary Fines**

(a) Notwithstanding any other provision of this Chapter 5, the Compliance Function or its designee shall have the authority to impose summary fines on Participants and Customers without the need for any formal disciplinary procedures with respect to Violations of any Rule listed in Rule 516(e). A Participant that is an Intermediary may be held responsible for a Violation by its Customer. Investigations of possible Violations of such a Rule shall be conducted in accordance with Rule 502, but otherwise actions taken pursuant to this Rule 516 shall be made in accordance with the procedures set forth herein rather than the procedures set forth in the remainder of this Chapter 5. The authority to impose a summary fine under this Rule 516 does not prevent the Compliance Function from submitting a Violation of any rule listed in Rule 516(e) to the Review Panel in accordance with the formal disciplinary procedures of this Chapter 5.

(b) The Compliance Function or its designee shall give written notice to each Participant and Customer subject to any summary fine imposed pursuant to this Rule 516. The written notice ("**Fine Notice**") shall set forth: (i) the provision of the Rules allegedly Violated; (ii) the act or omission constituting each such Violation; (iii) the fine imposed for each Violation; and (iv) the date by which such fine becomes final and must be paid or contested as provided below, which date shall be not less than 30 days after the date the Fine Notice was provided to the Participant or Customer.

(c) Any Participant or Customer against whom a summary fine is imposed pursuant to this Rule 516 may contest the imposition of such fine by serving on the Compliance Function a written answer to the Fine Notice. Such answer ("**Notice of Contest**") must: (i) state that the Participant or Customer contests the imposition of the fine; (ii) acknowledges that the alleged Violation will be referred to the Review Panel; and (iii) be submitted to the Compliance Function on or before the date specified in the Fine Notice. Upon submission of a Notice of Contest the matter shall become subject to review by the Review Panel in accordance with the formal disciplinary procedures set forth in the remainder of this Chapter 5 and shall no longer be subject to this Rule 516.

(d) For purposes of imposing fines pursuant to this Rule 516, the Compliance Function shall review all the facts and circumstances prior to determining whether a Violation occurred and may aggregate individual Violations and treat such Violations as a single offense.

(e) The Compliance Function shall set the amount of any fine imposed pursuant to this Rule 516, with the maximum aggregate fine for Violations of the same Rule, or subsection thereof, imposed by the Compliance Function not to exceed \$7,000 on an annual basis. If, in any case, the Compliance Function or another member of the Market Regulation Staff, designated for this purpose by the Compliance Function, concludes that there is a reasonable basis for finding an additional Violation, he or she shall present an investigation report concerning the matter to the Review Panel in accordance with Rule 502, which shall proceed in accordance with Rule 503. The following schedule lists the recommended actions that the Compliance Function may impose:

Rule Violation	Action Taken Per each Violation in a Rolling 12-month period			
	First Violation	Second Violation	Third Violation	Fourth Violation
Rule 204(i)	Warning Letter	\$2,000	\$5,000	Referral to Review Panel for formal disciplinary procedures.



## **CHAPTER 6**

### **CONTRACTS TO BE TRADED**

#### **Rule 601      Listing Procedures**

Any Trading Privilege Holder may propose to IGD L the listing of a Swap on the Facility by submitting a listing application to IGD L. The Chief Executive Officer shall have authority subject to complying with Rule 602 and to objectively justifiable commercial criteria, to submit the contract to the Commission, either with a request for prior approval, or with a self-certification.

#### **Rule 602      Swaps Not Readily Susceptible to Manipulation**

Before the Chief Executive Officer submits a Swap to the Commission for prior approval or with a self-certification, the Chief Compliance Officer shall determine that the Swap is not readily susceptible to manipulation, and shall submit to the Commission the following information required by Appendix C to Part 38 of Commission Regulations to show that the Swap complies with Core Principle 3:

- (a) For cash-settled Swaps, documentation demonstrating that the settlement price index is a reliable indicator of market values and conditions, is highly regarded by industry/market agents, and is publicly available on a timely basis.
- (b) Where an independent, private-sector third party calculates the referenced price index, verification that the third party utilises business practices that minimise the opportunity or incentive to manipulate the cash settlement prices included in the index.
- (c) Where IGD L generates the cash settlement prices included in the index, information demonstrating that the calculation procedures safeguard against potential attempts to artificially influence the price, and a description of how the calculation procedures eliminate or reduce the impact of potentially unrepresentative data.
- (d) Appropriate speculative limits to prevent manipulation.
- (e) Procedures for intraday market restrictions that pause or halt trading in the event of extraordinary price moves that may result in distorted prices.

## **CHAPTER 7**

### **GOVERNING LAW, JURISDICTION AND DISPUTE RESOLUTION**

#### **Rule 701      Choice of Law**

The laws of England and Wales, without regard to its conflict of laws principles, will govern this Rulebook and all disputes arising out of or related to IGDL, the Facility or any transaction on the Facility.

#### **Rule 702      Disputes Among Trading Privilege Holders, Authorised Traders, Authorised Trading Firms and Customers**

All disputes between and among Facility Subject Persons that arise out of or relate to IGDL or the Facility or any transaction that was made or attempted to be made on the Facility shall be resolved exclusively in the courts of England and Wales, save for in the following circumstance:

- (1) if all parties to the dispute are members or associates of the NFA, the dispute will be resolved in NFA Member Arbitration; or
- (2) if all parties separately agree to another forum, the dispute will be resolved in the other forum.

#### **Rule 703      Disputes with IGDL**

(a) Subject to Rule 102, all disputes between and among IGDL on the one hand, and Facility Subject Persons on the other hand, that arise out of or relate to the Facility, or any transaction that was made or attempted to be made on the Facility, shall be resolved exclusively in the courts of England and Wales. Suit on any such dispute must be brought within one year from the time the cause of action has accrued.

(b) Any current or former Facility Subject Person who does not substantially prevail in a lawsuit or any other type of legal proceeding instituted in a court of law or otherwise against IGDL or any of its officers, directors, committee members, volunteers, employees or agents, shall pay to IGDL any and all reasonable expenses and disbursements, including reasonable attorneys' fees, incurred by IGDL to defend such lawsuit or proceeding.

## CHAPTER 8

### CONTRACT SPECIFICATIONS

#### **Rule 801      Interest Rate Swaps Products Descriptions**

##### ***Trading Hours***

Unless otherwise indicated in a Swap's specifications, the trading hours for all Swaps governed by this Rule 801 are as follows:

- o Order Book:
  - 1:30 a.m. – 5:30 p.m. Eastern Time, Monday to Friday (i-Swap)
  - 5:30 p.m. – 1:30 a.m. Eastern Time, Monday to Friday (GTN)
  - 3:00 p.m. Sunday – 1:30 a.m. Monday, Eastern Time (GTN)
- o Voice RFQ: 24 Hours, Monday to Friday.
- o All Pre-Arranged Crosses: 24 Hours, Monday to Friday.

##### ***Products — Rule 801:***

- (1) Fixed for Floating IRS
- (2) Basis Swaps
- (3) Forward Rate Agreements (FRA)
- (4) Overnight Index Swaps (OIS)
- (5) Interest Rate Options
  - (a) Swap Options
  - (b) Inflation Swaps
  - (c) Inflation Rate Options
  - (d) Exotic Options and Swaps

## Product Specifications

### Rule 801(1) — Fixed for Floating IRS

A Fixed for Floating IRS is an Interest Rate Swap for which settlement is in the form of periodic fixed interest payments and a stream of periodic floating interest payments based on an interest rate over a term to maturity. The interest rate payments are exchanged for a specified period based on a notional amount.

Currencies
USD
EUR
GBP

### Specifications

#### Trading Conventions

- o Buyer (Payer) pays fixed interest rate and receives floating interest rate.
- o Seller (Receiver) receives fixed interest rate and pays floating interest rate.

#### Upfront Payment Dates:

- o USD – T+1 through maturity
- o EUR – T+1 through maturity
- o GBP – T+1 through maturity

#### Settlement Convention:

- o USD – T+2
- o EUR – T+2
- o GBP – T+2

#### Swap Leg Conventions

- o The terms of Fixed versus Floating Interest Rate Swaps are based on a number of combinations of the criteria below.
  - Fixed Leg
    - Payment Frequency
      - o Monthly, Quarterly, Semi-Annually, or Annually
    - Day Count Convention
      - o 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA
    - Holiday Calendar
      - o Applied in accordance for the country currency denoted for the instrument
    - Business Day Convention
      - o Modified following with adjustment to period end dates. Business days in this convention must be valid business days for the countries denoted by the currency (EUTA, GBLO, USNY). If not, it will be the next day that is a business day on both calendars.
    - Fixed Rate
      - o The traded interest rate yield or basis points on Trade Date
  - Floating Leg
    - Reset Frequency
      - o Monthly, Quarterly, Semi-Annual
    - Day Count Convention
      - o 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA
    - Holiday Calendar
      - o Applied in accordance for the country currency denoted for the instrument

- Business Day Convention
  - Modified Following with adjustment to period end dates. Business days in this convention must be valid business days for the countries denoted by the currency (EUTA, GBLO, USNY). If not, it will be the next day that is a business day on both calendars.
- Fixed Rate
  - The traded interest rate yield or basis points on Trade Date
- Interest Rate Benchmark
  - EUR-EURIBOR-Reuters, EUR-EURIBOR-Telerate(incoming), GBP-LIBOR-BBA, USD-LIBOR-BBA.
- Leg Computation Convention: none, flat, straight or spread exclusive.

#### Trade Date

- The date on which the parties enter into the Swap transaction.

#### Effective Date

- The first date from which fixed and floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.

#### Trade Start Type

- Spot Starting
  - A swap whose Effective Date is 2 business days from the Trade Date (T+2).
- Forward Starting
  - A swap whose Effective Date is anything after the Effective Date for a Spot Starting swap.
- Same Day Starting
  - A swap whose Effective Date is the same as the Trade Date (T+0).

#### Maturity Date

- The final date until which Fixed and Floating amounts accrue. The Maturity Date may also be referred to as the Termination Date or End Date.

#### Tenor

- The duration of time from the Effective Date to the Maturity Date. Tenors of any duration greater than 0 years to 50 years.
- Listed Tenors, also known as On-the-Run, are whole calendar year Spot Starting Contracts with a Tenor of 1 through 51 years.
- Other Tenors, also known as Off-the-Run, means any partial year Tenor (Months, Weeks, Days).

#### Roll Day Convention

- The date used for determining all fixed and floating Reset Dates. Roll Days define the beginning and end of Fixed and Floating interest accrual periods.
- For On-the-Run Contracts, the Roll Day is the same date of the month as the Effective Date. For Off-the-Run Contracts, it can be any date of the month, subject to the provisions of the Business Day Convention. Roll Day marks the start of a new interest accrual period, and is the date on which a Reset Rate takes effect.

#### Floating Reset Dates

- Dates utilized to determine the Floating Rate amounts for each interest accrual period during the Tenor of the contract. Except in the case of a Stub Period, the Reset Date is aligned with the floating rate frequency as determined.

#### First Period Fixing Date

- o For Spot Starting swaps, the Interest Rate for the first interest period is fixed on the Trade Date, for both Floating and Fixed Rates.
- o For Forward Starting swaps, the Fixed Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the first floating payment date, taking into account agreed non-working days.

#### Stub Period Rate

- o For swaps with partial year Tenors, an interest period that is shorter than the standard underlying Floating index interest periods may occur between the Effective Date and the first or last Roll Date (known as a Stub Period). In these cases, the Interest Rate for such Stub Period is determined using linear interpolation based on the two index rates that surround the Stub Period this can be applied either at the start or end of that period: Front or Back.

#### Trade Types

- o The Platform may support the following trade types:
  - Outrights
    - An Outright swap is where one party is the payer of the fixed rate and receiver of the floating rate and the other party is the receiver of the fixed rate and payer of the floating rate.
  - Spreads or Switches
    - A spread or a switch is the simultaneous purchase and sale of:
      - o two different Tenors of the yield curve (e.g. 2 year by 10 year), or
      - o two identical swaps cleared at different DCOs (e.g. CME/LCH.Clearnet) ("**CME/LCH.Clearnet Spreads**").
  - Butterflies
    - Butterflies are the simultaneous purchase(s) and sale(s) of three different Tenors of the yield curve (e.g. 2 year by 5 year by 10 year).

#### Contract Size

- o Minimum notional size is dependent on currency and Tenor.

#### Quoting Convention

- o Outrights
  - The interest rate yield is quoted in increments of a minimum of .000025 (1/40th of a basis point).
- o Spreads and Butterflies (other than CME/LCH.Clearnet Spreads) will be quoted in basis points dependent in multiples of the increments of the underlying Outrights.
- o CME/LCH.Clearnet Spreads will be quoted as described in Chapter 9.

#### Final Settlement Price

- o Multiple payments take place during the term of the swap. Settlement price used for the periodic exchange of fixed and floating payments is based on the following factors:
  - Fixed Leg
    - Payment amount on the fixed leg is based on the traded price and notional amounts of the swap on Trade Date. Payment timing on the fixed leg is based on the Payment Frequency, Day Count Convention, Business Day Convention, and Roll Day.
  - Floating Leg
    - Payment on the floating leg is based on the Interest Rate and notional amounts of the swap. Payments on the floating leg are based on the Payment Frequency, Day Count Convention, Business Day Convention, Roll Day Convention, Spread (if any), Floating Rate Day Count Fraction and Floating Reset Dates.

#### Additional Payments/Fees

- o None.

Clearing

- o Contracts are eligible to be cleared at CME, LCH.Clearnet, Eurex and JSCC.



## Rule 801(2) — Basis Swaps

A Basis Swap is an Interest Rate Swap for which settlement is in the form of periodic floating interest payments and periodic floating interest payments based on interest rate benchmarks over a term to maturity. The interest rate payments are exchanged for a specified period based on a notional amount.

Currencies
USD
EUR
GBP

## Specifications

### Trading Conventions

- o Buyer (Payer) pays floating interest rate plus/minus a spread and receives floating interest rate.
- o Seller (Receiver) receives floating interest rate plus/minus a spread and pays floating interest rate.

### Supported Basis Combinations

- o 1M EURIBOR vs 3M EURIBOR
- o 1M EURIBOR vs 6M EURIBOR
- o 3M EURIBOR vs 6M EURIBOR
- o 1M GBP-LIBOR vs 3M GBP-LIBOR
- o 1M GBP-LIBOR vs 6M GBP-LIBOR
- o 3M GBP-LIBOR vs 6M GBP-LIBOR
- o 1M USD-LIBOR vs Federal Funds H.15
- o 3M USD-LIBOR vs Federal Funds H.15
- o 6M USD-LIBOR vs Federal Funds H.15
- o 1M USD-LIBOR vs 3M USD-LIBOR
- o 1M USD-LIBOR vs 6M USD-LIBOR
- o 3M USD-LIBOR vs 6M USD-LIBOR

### Upfront Payment Dates:

- o USD – T+1 through maturity
- o EUR – T+1 through maturity
- o GBP – T+1 through maturity

### Settlement Convention:

- o USD – T+1
- o EUR – T+1
- o GBP – T+1

### Swap Leg Conventions

- o The terms of Floating vs. Floating Interest Rate Swaps are based on a number of combinations of the criteria below.
  - Floating Leg 1
    - Payment Frequency
      - o Monthly, Quarterly, Semi-Annually, or Annually
    - Day Count Convention
      - o 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA
    - Holiday Calendar
      - o Applied in accordance for the country currency denoted for the instrument
    - Business Day Convention
      - o Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the calendars (EUTA, GBLO, USNY). If not, it will be the next day that is a business day on both calendars.

- Floating Rate
  - The floating interest rate yield or basis points on Trade Date
- Floating Leg 2
  - Reset Frequency
    - Monthly, Quarterly, Semi-Annual or Annually
  - Day Count Convention
    - 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA
  - Holiday Calendar
    - Applied in accordance for the country currency denoted for the instrument
  - Business Day Convention
    - Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both calendars (EUTA, GBLO, USNY). If not, it will be the next day that is a business day on calendars.
  - Interest Rate Benchmark
    - EUR-EURIBOR-Reuters, EUR-EURIBOR-Telerate (incoming), GBP-LIBOR-BBA, USD-LIBOR-BBA.

#### Trade Date

- The date on which the parties enter into the Swap transaction.

#### Effective Date

- The first date from which floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.

#### Trade Start Type

- Spot Starting
  - A swap whose Effective Date is 2 business days from the Trade Date (T+2).
- Forward Starting
  - A swap whose Effective Date is anything after the Effective Date for a Spot Starting swap.
- Same Day Starting
  - A swap whose Effective Date is the same as the Trade Date (T+0).

#### Maturity Date

- The final date until which Floating amounts accrue. The Maturity Date may also be referred to as the Termination Date or End Date.

#### Tenor

- The duration of time from the Effective Date to the Maturity Date. The Exchange will support Tenors of any duration greater than 0 years to 50 years.
- Listed Tenors, also referred to as On-the-Run, means whole year Spot Starting or Same Day Starting Instruments with a Tenor of 1 through 15, 20, 25, 30, 35, 40, 45 and 50 years.
- Other Tenors means any whole year Tenors other than the Listed Tenors and any partial year Tenor.

#### Roll Day Convention

- The date used for determining all fixed and floating Reset Dates. Roll Days define the beginning and end of Floating interest accrual periods.
- For On-the-Run Instruments, the Roll Day is the same date of the month as the Effective Date. For Off-the-Run Instruments, it can be any date of the month, subject to the provisions of the Business Day Convention. Roll Day marks the start of a new interest accrual period, and is the date on which a Reset Rate takes effect.
  - Note: Subject to good business days – as with all instruments, will never roll forward to the following month.

#### Floating Reset Dates

- o Dates utilized to determine the Floating Rate amounts for each interest accrual period during the Tenor of the Instrument. Except in the case of a Stub Period, the Reset Date is 2 business days (USD, EUR) or zero business days (GBP) prior to the Roll Date for that interest accrual period.

#### First Period Fixing Date

- o For Spot Starting and Same Day Starting swaps, the Interest Rate for the first interest period is fixed on the Trade Date, for both Floating Rates.
- o For Forward Starting swaps, the Floating Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the Effective Date.

#### Stub Period Rate

- o For swaps with partial year Tenors, an interest period that is shorter than the standard underlying Floating index interest periods may occur between the Effective Date and the first or last Roll Date (known as a Stub Period). In these cases, the Interest Rate for such Stub Period is determined using linear interpolation based on the two index rates that surround the Stub Period this can be applied either at the start or end of that period: Front or Back.

#### Trade Types

- o The Platform may support the following trade types:
  - Outrights
    - An Outright swap is where one party is the payer of the floating rate 1 plus/minus a spread and receiver of the floating rate 2 and the other party is the receiver of the floating rate 1 plus/minus a spread and payer of the floating rate 2.
  - Spreads or Switches
    - A spread or a switch is the simultaneous purchase and sale of two different Tenors of the yield curve (e.g. 2 year by 10 year).
  - Butterflies
    - Butterflies are the simultaneous purchase(s) and sale(s) of three different Tenors of the yield curve (e.g. 2 year by 5 year by 10 year).

#### Instrument Minimum and Incremental Size

- o Minimum notional size is dependent on currency and Tenor.
- o Block Trades
  - Minimum notional size as stated by the Commission and increments dependent on currency and Tenor.

#### Quoting Convention

- o Outrights are quoted in interest rate yield in a minimum 1/10th of a basis point increments.
- o Spreads and Butterflies are quoted in interest rate yield differential in minimum 1/10th basis point increments.

#### Final Settlement Price

- o Multiple payments take place during the term of the swap. Settlement price is based on the following factors, which must be specified by the parties:
  - Interest rate, interest rate benchmark, notional amounts of the swap, Payment Frequency, Day Count Convention, Business Day Convention, Roll Day Convention, Spread (if any), Floating Rate Day Count Fraction and Floating Reset Dates.

#### Additional Payments/Fees

- o None.

#### Clearing

- o Contracts are eligible to be cleared at CME, LCH.Clearnet, Eurex and JSCC.

Block Trades must occur outside the Order Book and in a quantity that meets or exceeds Appropriate Minimum Block Sizes set by the Commission.

### Rule 801(3) — Forward Rate Agreement (FRA)

A Forward Rate Agreement is an Interest Rate Swap for which settlement is in the form of one fixed interest payment and one floating interest payment based on an interest rate benchmark to be paid or received on an obligation beginning at a future start date. The interest rate payments are exchanged based on a notional amount.

Currencies
USD
EUR
GBP

### Specifications

#### Trading Conventions

- o Buyer (Payer) pays fixed interest rate and receives floating interest rate.
- o Seller (Receiver) receives fixed interest rate and pays floating interest rate.

#### Upfront Payment Dates:

- o USD – T+1 through maturity
- o EUR – T+1 through maturity
- o GBP – T+1 through maturity

#### Settlement Convention:

- o USD – T+1
- o EUR – T+1
- o GBP – T+1

#### Swap Leg Conventions

- o The terms of FRAs are based on a number of combinations of the criteria below.
  - Fixed Leg
    - Payment Frequency
      - o Once
    - Day Count Convention
      - o 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA
    - Holiday Calendar
      - o Applied in accordance with the country relating to the currency of the instrument
    - Business Day Convention
      - o Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the holiday calendars of that country (EUTA, GBLO, USNY). If not, it will be the next day that is a business day on both calendars.
    - Fixed Rate
      - o The traded interest rate yield or basis points on Trade Date
  - Floating Leg
    - Reset Frequency
      - o Once
    - Day Count Convention
      - o 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA
    - Holiday Calendar
      - o Applied in accordance with the country relating to the currency of the instrument
    - Business Day Convention
      - o Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the calendars for each country (EUTA, GBLO, USNY). If not, it will be

the next day that is a business day on both respective country holiday calendars.

- Interest Rate Benchmark
  - EUR-EURIBOR-Reuters, EUR-EURIBOR-Telerate (incoming), GBP-LIBOR-BBA, USD-LIBOR-BBA

#### Trade Date

- The date on which the parties enter into the Swap transaction.

#### Effective Date

- The first date from which fixed and floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.

#### Maturity Date

- The final date until which Fixed and Floating amounts accrue. The Maturity Date may also be referred to as the Termination Date or End Date. The maturity range is 3 days to 3 years, subject to the maximum Tenor listed below.

#### Tenor

- The duration of time from the Effective Date to the Maturity Date Tenors will be support for any duration greater than 0 month to 12 months.
- Listed Tenors, also referred to as On-the-Run, means whole year Spot Starting or Same Day Starting Instruments with a Tenor of an integer number of months.
- Other Tenors means any Tenors other than the Listed Tenors.

#### Floating Reset Dates

- Dates utilized to determine the Floating Rate amount for the interest accrual period during the Tenor of the Instrument. Except in the case of a Stub Period, the Reset Date is adjusted business days dependent on the currency prior to the Roll Date for that interest accrual period.

#### First Period Fixing Date

- The Fixed Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the Effective Date.

#### Trade Types

- The Platform may support the following trade types:
  - Outrights
    - An Outright swap is where one party is the payer of the fixed rate and receiver of the floating rate and the other party is the receiver of the fixed rate and payer of the floating rate.
  - Spreads or Switches
    - A spread or a switch is the simultaneous purchase and sale of two different Tenors of the yield curve (e.g. 3x6 by 9x12).

#### Instrument Minimum and Incremental Size.

- Minimum notional size is dependent on currency and Tenor.
- Block Trades. Minimum notional size as stated by the Commission and increments Dependent on currency and Tenor.

#### Quoting Convention

- Outrights are quoted in interest rate yield in minimum of .000025 increments (1/40th of a basis point).
- Spreads/Switches will be quoted in basis points dependent in multiples of the increments of the underlying Outrights.

#### Last Trading Day

- Spot Starting
  - Close of business on Trade Date.
- Forward Starting

- Close of business three business days prior to the Effective Date of the swap.

**Final Settlement Price**

- o Multiple payments take place during the term of the swap. Settlement price is based on the following factors, which must be specified by the parties:
  - Interest rate, interest rate benchmark, notional amounts of the swap, Payment Frequency, Day Count Convention, Business Day Convention, Roll Day Convention, Spread (if any), Floating Rate Day Count Fraction, Floating Reset Dates, Discount Rate, Discount Rate Day Count Fraction and FRA Discounting/FRA Yield Discounting.

**Additional Payments/Fees**

- o None.

**Clearing**

- o Contracts are eligible to be cleared at CME, LCH.Clearnet, Eurex and JSCC.

Block Trades must occur outside the Order Book and in a quantity that meets or exceeds Appropriate Minimum Block Sizes set by the Commission.



## Rule 801(4) — Overnight Index Swaps (OIS)

Contract Specification	Details
Product Description	An Overnight Index Swap is an interest rate swap for which settlement is in the form of periodic fixed interest payments and periodic floating interest payments based on an overnight rate being exchanged for a fixed interest rate over a term to maturity. The interest rate payments are exchanged for a specified period based on a notional amount.
Currencies	The interest rate cash flows are net settled in the following major currencies on fixing date: USD EUR GBP
Trading Conventions	<ul style="list-style-type: none"> <li>• Buyer (Payer) pays fixed interest rate and receives floating interest rate.</li> <li>• Seller (Receiver) receives fixed interest rate and pays floating interest rate.</li> </ul>
Upfront Payment Dates	<ul style="list-style-type: none"> <li>• USD – T+1 through maturity</li> <li>• EUR – T+1 through maturity</li> <li>• GBP – T+1 through maturity</li> </ul>
Settlement Convention	<ul style="list-style-type: none"> <li>• USD – T+1</li> <li>• EUR – T+1</li> <li>• GBP – T+1</li> </ul>
Swap Leg Conventions	<p>The terms of Fixed vs. Floating Interest Rate Swaps are based on a number of combinations of the criteria below.</p> <ul style="list-style-type: none"> <li>• Fixed Leg <ul style="list-style-type: none"> <li>o Payment Frequency <ul style="list-style-type: none"> <li>▪ At Maturity Date, Annually, semi-annual, Quarterly, or monthly.</li> </ul> </li> <li>o Day Count Convention <ul style="list-style-type: none"> <li>▪ 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA</li> </ul> </li> <li>o Holiday Calendar <ul style="list-style-type: none"> <li>▪ Applied in accordance for the country currency denoted for the instrument</li> </ul> </li> <li>o Business Day Convention <ul style="list-style-type: none"> <li>▪ Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the calendars (EUTA, GBLO, USNY). If not, it will be the next day that is a business day on both calendars.</li> </ul> </li> <li>o Leg Pay Date Offset: <ul style="list-style-type: none"> <li>▪ USD – 2D</li> <li>▪ EUR – 1D</li> <li>▪ GBP – 0D</li> </ul> </li> <li>o Fixed Rate <ul style="list-style-type: none"> <li>▪ The traded interest rate yield or basis points on Trade Date</li> </ul> </li> </ul> </li> <li>• Floating Leg <ul style="list-style-type: none"> <li>o Reset Frequency</li> </ul> </li> </ul>

Contract Specification	Details
	<ul style="list-style-type: none"> <li>▪ Daily</li> <li>o Day Count Convention <ul style="list-style-type: none"> <li>▪ 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA</li> </ul> </li> <li>o Holiday Calendar <ul style="list-style-type: none"> <li>▪ Applied in accordance for the country currency denoted for the instrument</li> </ul> </li> <li>o Business Day Convention <ul style="list-style-type: none"> <li>▪ Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both calendars (EUTA, GBLO, USNY). If not, it will be the next day that is a business day on both calendars.</li> </ul> </li> <li>o Leg Pay Date Offset: <ul style="list-style-type: none"> <li>▪ USD – 2D</li> <li>▪ EUR – 1D</li> <li>▪ GBP – 0D</li> </ul> </li> <li>o Overnight Rate <ul style="list-style-type: none"> <li>▪ EUR-EONIA-OIS-COMPOUND, GBP-WMBA-SONIA-COMPOUND, USD-Federal Funds-H.15-OIS-COMPOUND</li> </ul> </li> </ul>
Trade Date	The date on which the parties enter into the Swap transaction.
Effective Date	The first date from which fixed and floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.
Trade Start Type	<ul style="list-style-type: none"> <li>• Spot Starting <ul style="list-style-type: none"> <li>o A swap whose Effective Date is 2 business days from the Trade Date (T+2).</li> </ul> </li> <li>• Forward Starting <ul style="list-style-type: none"> <li>o A swap whose Effective Date is anything after the Effective Date for a Spot Starting swap.</li> </ul> </li> <li>• Same Day Starting <ul style="list-style-type: none"> <li>o A swap whose Effective Date is the Trade Date (T+0).</li> </ul> </li> <li>• Day +1 Starting <ul style="list-style-type: none"> <li>o A swap whose Effective Date is the Trade Date (T+1).</li> </ul> </li> </ul>
Maturity Date	The final date until which Fixed and Floating amounts accrue. The Maturity Date may also be referred to as the Termination Date or End Date.
Tenor	<p>The duration of time from the Effective Date to the Maturity Date. The Exchange will support Tenors of any duration greater than 0 years to 30 years.</p> <ul style="list-style-type: none"> <li>• Listed Tenors, also referred to as On-the-Run, means whole year Spot Starting or Same Day Starting Instruments with a Tenor of 1 through 15, 20, 25, and 30 years.</li> <li>• Other Tenors means any whole year Tenors other than the Listed Tenors and any partial year Tenor.</li> </ul>
Roll Day Convention	The date used for determining all fixed and floating Reset Dates. Roll Days define the beginning and end of Fixed and Floating interest accrual periods.

Contract Specification	Details
	<ul style="list-style-type: none"> <li>For On-the-Run Instruments, the Roll Day is the same date of the month as the Effective Date. For Off-the-Run Instruments, it can be any date of the month, subject to the provisions of the Business Day Convention. Roll Day marks the start of a new interest accrual period, and is the date on which a Reset Rate takes effect.</li> </ul>
Floating Reset Dates	<p>Dates utilized to determine the Floating Rate amounts for each interest accrual period during the Tenor of the Instrument. Except in the case of a Stub Period, the Reset Date is adjusted business days dependent on the currency prior to the Roll Date for that interest accrual period.</p>
First Period Fixing Date.	<ul style="list-style-type: none"> <li>For Spot Starting and Same Day Starting swaps, the Interest Rate for the first interest period is fixed on the Trade Date, for both Floating and Fixed Rates.</li> <li>For Forward Starting swaps, the Fixed Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the Effective Date.</li> </ul>
Stub Period Rate	<p>For swaps with partial year Tenors, an interest period that is shorter than the standard underlying Floating index interest periods may occur between the Effective Date and the first or last Roll Date (known as a Stub Period). In these cases, the Interest Rate for such Stub Period is determined using linear interpolation based on the two index rates that surround the Stub Period this can be applied either at the start or end of that period: Front or Back.</p>
Trade Types	<p>The Platform may support the following trade types:</p> <ul style="list-style-type: none"> <li>Outrights <ul style="list-style-type: none"> <li>An Outright swap is where one party is the payer of the fixed rate and receiver of the floating rate and the other party is the receiver of the fixed rate and payer of the floating rate.</li> </ul> </li> <li>Spreads or Switches <ul style="list-style-type: none"> <li>A spread or a switch is the simultaneous purchase and sale of two different Tenors of the yield curve (e.g. 2 year by 10 year).</li> </ul> </li> <li>Butterflies <ul style="list-style-type: none"> <li>Butterflies are the simultaneous purchase(s) and sale(s) of three different Tenors of the yield curve (e.g. 2 year by 5 year by 10 year).</li> </ul> </li> </ul>
Instrument Minimum and Incremental Size.	<ul style="list-style-type: none"> <li>Minimum notional size is dependent on currency and Tenor.</li> <li>Block Trades <ul style="list-style-type: none"> <li>Minimum notional size as stated by the Commission and increments dependent on currency and Tenor.</li> </ul> </li> </ul>
Quoting Convention	<ul style="list-style-type: none"> <li>Outrights are quoted in interest rate yield in minimum of .000025 increments (1/40th of a basis point).</li> <li>Spreads and Butterflies will be quoted in basis points dependent in multiples of the increments of the underlying Outrights.</li> </ul>
Last Trading Day	<ul style="list-style-type: none"> <li>Spot Starting <ul style="list-style-type: none"> <li>Close of business on Trade Date.</li> </ul> </li> <li>Forward Starting</li> </ul>

Contract Specification	Details
	<ul style="list-style-type: none"> <li>o Close of business three business days prior to the Effective Date of the swap.</li> </ul>
Additional Payments/Fees	<ul style="list-style-type: none"> <li>• None.</li> </ul>
Clearing	<ul style="list-style-type: none"> <li>• Contracts are eligible to be cleared at CME, LCH, Clearnet, Eurex and JSCC.</li> </ul>
Block Trades	<ul style="list-style-type: none"> <li>• Block Trades must occur outside the Order Book and in a quantity that meets or exceeds Appropriate Minimum Block Sizes set by the Commission.</li> </ul>

## Rule 801(5) — Interest Rate Options

Interest Rate Options contracts cover the following product areas:

- Interest Rate Options
- Swaptions
- Inflation Swaps
- Inflation Rate Options
- Exotic Options and Swaps

Currencies	
Interest Rate Options	
USD	
EUR	
GBP	
Swaptions	
USD	
EUR	
GBP	
Inflation Swaps	
EUR	
GBP	
Inflation Rate Options	
USD	
EUR	
GBP	
Exotic Options and Swaps	
USD	
EUR	
GBP	

## Specifications

Option Type

- o Interest Rate Swaption
  - Type
    - Payer – A buyer of a payer Swaption has the option to pay the underlying swap at the agreed price
    - Receiver – A buyer of a receiver Swaption has the option to receive the underlying swap at the agreed price
  - Term – The future length of the swap
  - Exercise – The date at which the option can be exercised on
  - Underlying Swap
    - Fixed Leg
      - o Fixed Interest rate
    - Floating Leg
      - o Underlying benchmark
    - Optional knockout clause
- o Interest Rate Options
  - Type
    - Cap – The buyer of a Cap option receives the payments at the end of each period in which the underlying interest rate exceeds an agreed strike price
    - Floor – The buyer of a Floor option receives the payments at the end of each period in which the underlying interest rate is below an agreed strike price
  - Underlying Interest Rate
    - Single Underlying Rate – Single underlying interest rate as listed in the Interest Rate benchmarks

- Spread – Spread between 2 underlying interest rates as listed in the interest rate benchmarks
- Strike
- Expiry Date
- Convention
  - Payment Frequency
    - Monthly
    - Quarterly
    - Bi-Annually
    - Annually
  - Payment rate
    - Digital
    - Linear
- Payment currency
- Optional no call period – must be an agreed number of calendar days
- Option premium
- Optional reset period – must be an agreed number of calendar days
- Start Type
  - Immediate
  - Forward
- o Exotic Options and Swaps
  - Type
    - Buyer – The buyer of the swap receives a series of payments in relation to one agreed swap leg (leg 1) and makes a series of payments based on another agreed swap leg (leg 2)
    - Seller – The seller of the swap makes a series of payments in relation to one agreed swap leg (leg 1) and receives a series of payments based on another agreed swap leg (leg 2)
  - Tenor
  - Leg 1
    - Rate type
      - Fixed – agreed spread
      - Floating
        - Single Underlying Rate – Single underlying interest rate as listed in the Interest Rate benchmarks
        - Spread – Spread between 2 underlying interest rates as listed in the interest rate benchmarks
    - Currency
    - Optional agreed spread
    - Optional agreed rate range
    - Optional cap
    - Optional floor
  - Leg 2
    - Rate type
      - Fixed – agreed spread
      - Floating – Floating
        - Single Underlying Rate – Single underlying interest rate as listed in the Interest Rate benchmarks
        - Spread – Spread between 2 underlying interest rates as listed in the interest rate benchmarks
    - Currency
    - Optional agreed spread
    - Optional agreed rate range
    - Optional cap
    - Optional floor

- Optional reset period – must be an agreed number of calendar days
- Optional break clause
- Optional correlation factor – This will be a mathematical formula on which the payout of the trade will be based. This formula will be agreed at the time of trade.
- Start Type
  - Immediate
  - Forward
- Optional coupon
- Optional lockout period
- o Inflation Swap
  - Inflation Swap – The buyer of an inflation swap pays a fixed interest rate and receives the agreed floating inflation rate
    - Tenor
    - Fixed Rate (Traded Price)
    - Inflation Rate benchmark – this can be any inflation benchmark that settles in the listed currencies
    - Optional forward start
- o Inflation Option
  - Types
    - Cap – The buyer of a cap option receives the right to receive a payment should the rate of the agreed underlying index rise above a certain level
    - Floor – The seller of a floor option receives the right to receive a payment should the rate of the agreed underlying index fall below a certain level
  - Tenor
  - Exercise Type
    - American
    - European
    - Bermudan
  - Premium (Traded Price x agreed notional)
  - Premium Type
    - Spot
    - Annuity
    - Forward

#### Payment Frequency

- o Interest Rate Swaptions – the payment frequency will be an agreed, valid, calendar integer
- o Interest Rate Options – the payment frequency will be an agreed, valid, calendar integer
- o Exotic Options and Swaps – the payment frequency will be an agreed, valid, calendar integer
- o Inflation Swaps – the payment frequency will be an agreed, valid, calendar integer
- o Inflation Rate Options – the payment frequency will be an agreed, valid, calendar integer

#### Day Count Convention

- o Interest Rate Swaptions
  - 30/360
  - Act/360
  - Act/365
  - 360/360
  - 30E/360
  - AFI/365
  - ACT/366
  - ACT/ACT
- o Interest Rate Options
  - ACT/360
  - ACT/365
  - 360/360
  - 30/360



- 30E/360
- AFI/365
- ACT/366
- ACT/ACT

o Exotic Options and Swaps

- ACT/360
- ACT/365
- 360/360
- 30/360
- 30E/360
- AFI/365
- ACT/366
- ACT/ACT

o Inflation Swaps

- ACT/360
- ACT/365
- 360/360
- 30/360
- 30E/360
- AFI/365
- ACT/3613
- ACT/ACT

## Holiday Calendar Conventions

o Interest Rate Swaptions

- ABU DHABI
- SYDNEY
- TORONTO
- PRAGUE
- COPENHAGEN
- HONG KONG
- BUDAPEST
- LONDON
- TEL AVIV
- JAFFA
- TOKYO
- WELLINGTON
- SEOUL
- BANGKOK
- TARGET
- WARSAW
- MOSCOW
- RIYADH
- SINGAPORE
- ISTANBUL
- NEW YORK
- OSLO
- STOCKHOLM
- JOHNNESBURG
- KUALA LUMPUR

o Interest Rate Options

- ABU DHABI
- SYDNEY
- TORONTO
- PRAGUE
- COPENHAGEN

- HONG KONG
- BUDAPEST
- LONDON
- TEL AVIV
- JAFFA
- TOKYO
- WELLINGTON
- SEOUL
- BANGKOK
- TARGET
- WARSAW
- MOSCOW
- RIYADH
- SINGAPORE
- ISTANBUL
- NEW YORK
- OSLO
- STOCKHOLM
- JOHNNESBURG
- KUALA LUMPUR
- o Exotic Options and Swaps
  - ABU DHABI
  - SYDNEY
  - TORONTO
  - PRAGUE
  - COPENHAGEN
  - HONG KONG
  - BUDAPEST
  - LONDON
  - TEL AVIV
  - JAFFA
  - TOKYO
  - WELLINGTON
  - SEOUL
  - BANGKOK
  - TARGET
  - WARSAW
  - MOSCOW
  - RIYADH
  - SINGAPORE
  - ISTANBUL
  - NEW YORK
  - OSLO
  - STOCKHOLM
  - JOHNNESBURG
  - KUALA LUMPUR
- o Inflation Swaps
  - NEW YORK
  - LONDON
  - EUROPE
  - Australia
- o Inflation Rate Options
  - NEW YORK
  - LONDON
  - EUROPE

#### Business Day Conventions

- o Interest Rate Swaptions
  - Modified
  - Modified Following
- o Interest Rate Options
  - Modified
  - Modified Following
- o Exotic Options and Swaps
  - Modified
  - Modified Following
- o Inflation Swaps
  - Modified
  - Modified Following
- o Inflation Rate Options
  - Modified
  - Modified Following

#### Effective Date

- o Interest Rate Swaptions – The effective date will be a valid business day
- o Interest Rate Options – The effective date will be a valid business day
- o Exotic Options and Swap – The effective date will be a valid business day
- o Inflation Swaps – The effective date will be a valid business day
- o Inflation Rate Options – The effective date will be a valid business day

#### Maturity Date

- o Interest Rate Swaptions – The maturity date will be a valid calendar day
- o Interest Rate Options – The maturity date will be a valid calendar day
- o Exotic Options and Swaps – The maturity date will be a valid calendar day
- o Inflation Swaps – effective date + tenor of swap
- o Inflation Rate Options – Not applicable

#### Tenors

- o Interest Rate Swaptions 0 – 100 years inclusive
- o Interest Rate Options – 0 – 100 years inclusive
- o Exotic options and swaps – 0 – 100 years inclusive
- o Inflation Swap – 0 – 100 years inclusive
- o Inflation Rate Options 0 – 100 years inclusive

#### Roll Dates

- o Interest Rate Swaptions
  - Calendar dates
  - End of month
  - IMM Dates
- o Interest Rate Options
  - Calendar dates
  - End of month
  - IMM Dates
- o Exotic Options and Swaps
  - Calendar dates
  - End of month
  - IMM Dates
  - None
- o Inflation Swaps – 0 – 50 years inclusive
- o Inflation Rate Options – 0 – 50 years inclusive

#### Fixing Dates

- o Interest Rate Swaptions – The fixing date will be a valid business day
- o Interest Rate Options – The fixing date will be a valid business day

- o Exotic Options and Swaps – The fixing date will be a valid business day
- o Inflation Swaps – The fixing date(s) will be a valid calendar day
- o Inflation Options – The fixing date(s) will be a valid calendar day

#### Settlement

- o Interest Rate Swaptions
  - Swaptions will be settled by either
    - Cash
    - Delivery of the swap
    - Part Cash; Part Delivery
  - The settlement date(s) will be valid business days
- o Interest Rate Options
  - All options contracts are cash settled
  - The settlement date(s) will be valid business days
- o Exotic Options and Swaps
  - Contracts will be settled by either
    - Cash
    - Delivery of the swap
    - Part Cash; Part Delivery
  - The settlement date(s) will be valid business days
- o Inflation Swaps – Are cash settled in line with the payment frequency
- o Inflation Rate Options – Are cash settled in line with the payment frequency

#### Contract Size

- o Minimum and Incremental Sizes
  - Interest Rate Swaptions
    - The minimum size for a Swaption is 1,000 of the agreed currency of the trade
    - There is no minimum incremental size for a Swaption
  - Interest Rate Options
    - The minimum size for an option is 1,000 of the currency of the underlying index of the trade
    - There is no minimum incremental size for an option
  - Exotic Options and Swaps
    - The minimum size for an instrument in this category is 1,000 units of the currency of the underlying index of the trade
    - There is no minimum incremental size for instruments in this category
  - Inflation Swaps
    - The minimum size for an instrument in this category is 1,000 units of the currency of the underlying index of the trade
    - There is no minimum incremental size for instruments in this category
  - Inflation Rate Options
    - The minimum size for an instrument in this category is 1,000 units of the currency of the underlying index of the trade
    - There is no minimum incremental size for instruments in this category
- o Accreting Size – Any product can be traded on
  - An accreting basis
  - A non-accreting basis

#### Quoting Convention

- o Interest Rate Swaptions are all quoted in basis points
- o Interest Rate Options are all quoted in basis points
- o Exotic Options and Swaps are all quoted in basis points
- o Inflation Swaps are all quoted in basis points
- o Inflation Options are all quoted in basis points

#### Benchmark Interest Rates

- o Contracts will be limited to all or a subset of the following underlying benchmark indices:

- EBOR
- BBR
- CDOR
- LIBOR
- PRIBOR
- CIBOR
- CIBOR2
- HIBOR
- BUBOR
- TELBOR01
- WIBOR
- MOSPRIME
- SAIBOR
- TRILIBOR
- NIBOR
- STIBOR JIBAR
- EURIBOR
- ISDAFIX
- ICAP Listed Interest Rates Swaps

#### Minimum and Incremental Price

- o Interest Rate Swaptions
  - There is no minimum price
  - There is no minimum incremental price
- o Interest Rate Options
  - There is no minimum price
  - There is no minimum incremental price
- o Exotic Options and Swaps
  - There is no minimum price
  - There is no minimum incremental price
- o Inflation Swaps
  - There is no minimum price
  - There is no minimum incremental price
- o Inflation Options
  - There is no minimum price
  - There is no minimum incremental price

#### Reporting

- o All Interest Rate Options trades are reported in accordance with NFA and SDR requirements

#### Clearing

- o Interest Rate Options traded on IGDL are not cleared.

## CHAPTER 9

### SYSTEM PROTOCOLS

#### Rule 901      i-Swap System Protocol

#### Glossary

<b>Access Details</b>	The non-transferable, confidential personal user identifiers and all passwords issued by IGDL to each Authorised Trader.
<b>Aggressive Order</b>	A Held Order entered onto the System with the expectation of executing against resting Bids/Offer on the opposite side of the market at the same price as the Aggressive Order.
<b>Authorised Trader Desk</b>	A group of Authorised Traders sharing a common set of Contracts trading permissions. Orders are shared at desk level and Authorised Traders can only belong to one desk.
<b>Erroneous Orders</b>	Any Bid/Offer which does not meet the requirements set out in this i-Swap System Protocol.
<b>i-Swap</b>	An Order Book offered by IGDL for trading certain Swaps.
<b>Leave Order</b>	A Bid/Offer that will stack along with any other Bid/Offer on the same side of the market.
<b>Participant Managed Order</b>	A Bid/Offer that will replace any other Bid/Offer input by a Participant on the same side of the market.
<b>Participant Clearing Officers</b>	An officer of the Participant who is authorized to allocate clearing limits for the Participant.
<b>Passive Order</b>	A Held Order that is a resting Bid or Offer.
<b>System</b>	i-Swap.
<b>System Supervisor</b>	The market support team of i-Swap.
<b>Trading Engine</b>	The System matching engine.

(a) **General Rules**

- (1) This i-Swap System Protocol is part of the Facility Rulebook. In the event of a conflict between this i-Swap System Protocol and the Facility Rulebook, this i-Swap System Protocol shall take precedence. All capitalized terms not otherwise defined in this i-Swap System Protocol shall have the meanings ascribed to them in the Facility Rulebook.
- (2) The System offers an electronic central limit order book for certain Interest Rate Swaps listed by IGDL. IGDL may at any time expand or alter the Swaps offered for trading on the System pursuant to Commission Regulations.
- (3) An electronic Bid/Offer is a Held Order and must be displayed on the System. All Held Orders may be entered directly onto the System, by an Execution Specialist, or an Intermediary.
  - (i) Held Orders may be Passive Orders or Aggressive Orders.
  - (ii) Held Orders must have a direction, price and size, Held Orders may additionally carry a reserve amount of hidden size which will be considered as Held Order size by the system but not displayed to the market.
  - (iii) The System is auto-matching and therefore locked markets (i.e where a Held Order is entered equal to the top of book Held Order on the opposite side of the market) are not permitted (unless other considerations such as size prevent the equal priced Held Orders from matching or self-trading block is enabled).
  - (iv) IGDL will set a minimum Held Order size, which will be communicated to Participants.
  - (v) Participants have the ability to edit or remove the Held Orders entered into the System by them.
    - A. If a Participant's edit affects a change in price, the Held Order will be re-inserted to the System with a new price/time priority.
    - B. If a Participant's edit affects a decrease in Held Order size, the Held Order will be modified in its place in the existing price/time priority queue.
    - C. If a Participant's edit affects an increase in Held Order size:
      - (aa) A regular Held Order will be modified in the existing price/time priority queue.
      - (bb) A Participant Managed Order will insert the size increase as a second segment in existing price/time priority, however the initial size will retain its place in the System.
  - (vi) Held Order edits, including total removal, may be input on a bid-by-bid or offer-by-offer basis or group-by-group or at the side of market basis. Additionally, Participants may remove all Held Orders submitted by them simultaneously. Such removed Held Orders may be reactivated by the Participant.
  - (vii) All Held Orders in the System shall be pre-trade anonymous. Execution Specialists are prohibited from disclosing the name of an execution party to any other market Participant prior to execution. Following execution, the Execution



Specialist shall disclose the names of the counterparties to the transaction to each other.

**(b) Participation**

- (1) In addition to the requirements set forth elsewhere in the Facility Rulebook, Participants must meet the following eligibility criteria:
  - (i) Participant has in place adequate measures and arrangements to prevent the submission of Erroneous Orders to the System.
- (2) Participant's Authorised Traders will be deemed eligible to trade all Swaps offered for trading on the System unless the Participant specifies otherwise.

**(c) Access Method**

- (1) Participant is responsible for acquiring and operating the technical equipment and software necessary for gaining access to the System.

**(d) Trading Calendar and Hours of Operation**

- (1) Participant shall not enter Bids/Offer into the System outside of the hours of operation of the System as stated by IGD. Any such Bids/Offer will be invalid and any resultant trades treated as error trades.
- (2) The trading hours for the System are 7:30 London Local Time to AM - 5:30 PM New York Local Time. The System is open for trading any day other than a Saturday, Sunday or any day which is a US public holiday as determined by The Securities Industry and Financial Markets Association ("SIFMA") or such other days as otherwise determined and notified by IGD. On any day which is a public holiday in the United Kingdom as determined by SIFMA, the System will open at 6:30 am New York Local Time.

**(e) Orders**

**(1) Registration of Orders**

- (i) Each Bid/Offer must specify the Bid/Offer duration and whether it is a Participant Managed Order or a Leave Order.
- (ii) Participants may enter Bids/Offer directly into the System through its Authorised Traders via the System front-end application (Global Front End), or entered automatically into the System via an automated order generator, or manually via Participant front-end applications through the System application programming interface ("API").
- (iii) Once a Participant is admitted to the SEF to trade Contracts, all Bids/Offer in respect of that Contract will be visible to the Participant, subject to the restrictions outlined in Appendix 2 to this i-Swap System Protocol.
- (iv) All Bids/Offer that are visible to the Participant will be displayed on an anonymous basis to other Participants. Following execution of a transaction, the names of the counterparties to the transaction are disclosed to each other.

**(2) The SEF Execution Specialist – entered Bids/Offers**

- (i) SEF Execution Specialist-entered Bids/Offers are matched according to the same rules as all other Bids/Offers on the System.
- (ii) Participants may register Bids/Offers by telephoning a SEF Execution Specialist. The SEF Execution Specialist shall enter any Bid/Offer into the System in time priority as soon as reasonably practicable after the Bid/Offer is received.
- (iii) The SEF Execution Specialist shall not amend or action any Bids/Offers on the System entered by an Authorised Trader unless instructed by the Participant.
- (iv) Execution Specialists are prohibited from disclosing the name of a party to any other market Participant prior to execution of a transaction. Following execution, the Execution Specialist shall disclose the names of the counterparties to the transaction to each other.

**(f) System Functionality**

**(1) Bids/Offers**

- (i) All Bids/Offers are automatically matched in price/time priority, subject to the Fill and Follow functionality set forth below.
- (ii) All Participants are treated equally, and Bids/Offers are always matched at the price limit of the submitted Bid/Offer, or better.
- (iii) All Bids/Offers are firm. Incoming Bids/Offers are always matched at the best available price.
- (iv) Spread and butterfly Bids/Offers will imply into outright markets and vice versa. Chains of implied Bids/Offers can be matched to any chain length.

**(2) Bid/Offer Types & Conditions**

- (i) The System supports limit Bids/Offers only.
- (ii) Details of Bid/Order types, conditions, duration and management are found in Appendix 2 to this i-Swap System Protocol.

**(3) Fill and Follow Functionality**

- (i) Fill and Follow Rights
  - A. A Participant may enter a new Bid/Offer or modify an existing Bid/Offer to price at or below the trade price, and will receive Bid/Offer stack prioritization for that Bid/Offer at that price point over all existing Bids/Offers including existing Fill and Follow Bids/Offers.
  - B. A Participant will qualify for Fill and Follow rights if
    - (aa) the Participant recently executed a transaction; and,
    - (bb) the Bid/Offer's size meets or exceeds the Voice RFQ Market Size as specified in Appendix A to this Chapter 9; and,

- (cc) the new Bid/Offer is placed or modified within 30 seconds for Spread-over outrights and within 7 seconds for all other Contracts.

- C. All Participants are eligible for the Fill and Follow rights. Participants will be stacked in accordance with their initial priority when multiple Participants take advantage of the rights.

(ii) **Best Bid/Offer (BBO) and Follow Rights**

- A. A Participant may modify the existing Bid/Offer to a less aggressive price, and will receive Bid/Offer stack prioritization for that Bid/Offer at that price point over all existing Bids/Offers including existing Fill and Follow Bids/Offers.

- B. A participant will qualify for BBO and Follow Rights if

- (aa) the Participant places a Bid/Offer in the system at a new best Bid/Offer price level; and,

- (bb) the Bid/Offer's size meets or exceeds the Voice RFQ Market Size as specified in Appendix A to this Chapter 9; and,

- (cc) the Bid/Offer is resting at that price level for a minimum of 60 seconds.

- C. Only the Participant who first put a Bid/Offer at a new price level is eligible for BBO and Follow Rights.

(4) **Restrictions on Orders Entered into the System; Non-Reviewable Range**

- (i) The System includes as a risk control a price deviation limit which restricts Participants from entering: (A) bids that are 3bps higher than an i-Swap Order Book determined mid-price; and (B) offers that are 3bps lower than an i-Swap Order Book determined mid-price.
- (ii) The System includes as a risk control a size limit which restricts Participants from entering Bids/Offers for more than a given size. The size limit is the lesser of \$10 billion one year equivalent or any lesser limit with which the System is configured by a Participant to constrain its own activity.
- (iii) IGD L has established a Non-Reviewable Range in order to establish which transactions IGD L will review pursuant to Rule 316. The Non-Reviewable Range, which is set forth in Rule 316(f), is narrower than the price deviation limit.
- (iv) The System provides Participants with a self-trading block functionality to prevent a single counterparty from buying and selling the same swap in the same transaction.

(5) **Indicative Price Functionality**

- (i) In the absence of prices derived from Bids/Offers, the System will display an indicative price for certain Contracts via Participant front-end applications through the System API.

- (ii) The indicative price will be generated by adding or subtracting 1 basis point to or from the relevant mid-market price generated by the ICAP Analytics Group. Such mid-market prices are derived from the ICAP analytics system for the USD Swap curve. The USD swap curve will be generated using:
  - A. US benchmark Treasury prices/yields;
  - B. Reuters Capital Markets 19901 market spreadovers;
  - C. IMM 3M USD futures contract prices from CME; and
  - D. Prices for voice market curve spreads and butterflies.
- (iii) Indicative prices are displayed to all Participants without a quantity or owner. Indicative prices will no longer be displayed as soon as a market price is established by an actionable Bid/Offer (e.g., Participant entered, Execution Specialist entered or implied) even if that Bid/Offer price is worse than the indicative price.

## **Appendix 1 – Contracts Offered for Trading on i-Swap**

### **U.S. Dollar Interest Rate Derivatives**

- USD Interest Rate Swaps (Semi-bond, Annual, IMM) and combined strategies
- USD spreadovers and combined strategies

## Appendix 2 – Bid/Offer Types and i-Swap Configuration

### (a) Implied orders

- (1) The System uses Bids/Offers in the System to imply prices in related Contracts. Single line Contracts in combination can imply switches and/or butterflies.
- (2) Switches and butterflies in combination can imply other switches and/or single line Contracts.
- (3) Implied Bids/Offers will only be generated if they can meet the minimum size of the Contract being implied. Implied Bids/Offers need not comply with incremental size settings.
- (4) Implied Bids/Offers will be consistent with the tick structure of the Contract being implied.
- (5) An implied price generated by the System follows time / price priority logic used for Participant-entered Bids/Offers.
- (6) A top of market implied Bid/Offer will be shown (for Global Front End users) in the top of market line with a chevron (^).

### (b) Tick structure

- (1) The convention is as follows:
  - (i) Instruments quoted as a rate rather than a spread to another rate are quoted in 1/8 basis point increments (i.e. 1.01%, 1.01125%, 1.0125%, 1.01375%, 1.0150%).
  - (ii) Instruments quoted as a spread to another rate, including the rate of another leg to the transaction, are quoted in 1/4 basis point increments for outright (i.e. 12.00, 12.25, 12.50, 12.75, 13.00) and in 1/8 basis point increments for rate curves and butterflies (other than CME/LCH.Clearnet Spreads) (i.e. 12.00, 12.125, 12.25, 12.375, 12.50).
  - (iii) CME/LCH.Clearnet Spreads (outright, curves and butterflies) are quoted in 1/400 basis point increments (i.e. 1.80, 1.8025, 1.805).

### (c) Stacked Order Book

- (1) The System supports a stacked Order Book. If there are multiple Bids/Offers at the same price point on one side (e.g. 5 orders for 100m each) then when aggregated for the full 500, each Bid/Offer on the passive side will trade. All Participants on the System will see full depth of market on all instruments.

### (d) Broker access to Participant entered Bids/Offers

- (1) The SEF Execution Specialist will not have the ability to amend or cancel individual Participant-entered Bids/Offers unless instructed by Participant. The SEF Execution Specialist will be able to “Cancel All” Bids/Offers entered directly into the System by a specific Participant in the event a Participant is unable to do it by itself.

### (e) One-Cancels-Other Bids/Offers (“OCO”)

- (i) OCO is available via the API and the Global Front End.

- (ii) Participants have the ability to submit up to eight OCO Bids/Offers, all flagged as contingent upon each other. Upon a full trade of any of these Bids/Offers, all other Bids/Offers belonging to this OCO set will immediately be removed from the market. Upon a partial trade, a pro-rata size reduction is applied to other Bids/Offers in the set.

(f) **Other Bid/Offer Types**

(1) General Order Types:

- (i) Fill and Store
- (ii) Fill and Kill
- (iii) Fill or Kill

(2) Time attributes:

- (i) Good Till Day
- (ii) Good Till Time
- (iii) Good Till Duration
- (iv) Immediate

(3) Other attributes:

- (i) Minimum Size
- (ii) All-or-Nothing
- (iii) Iceberg



## Rule 902      Voice RFQ System Protocol

### Definitions

**Indication of Interest** means a price provided by a Voice RFQ Participant at the beginning start of the trading day that is not the initiation of an RFQ or a Bid/Offer.

**Initiator** means a Participant that begins an RFQ by contacting an Execution Specialist.

**Initiation** means an RFQ that is submitted by a Participant to an Execution Specialist.

**Interest Stack** means the order of Indications of Interest received from Participants at the start of the trading day in price, time priority.

**Tranche** means the market Voice RFQ size listed in Appendix A to this Chapter 9.

**Responder** means a Recipient of an Initiator's RFQ who subsequently provides a Bid/Offer to the Execution Specialist in response.

**Response** means a Bid/Offer provided by a Responder to an Execution Specialist.

**RFQ Stack** means the order of RFQ Initiations and Responses that are received in price, time priority.

**Outright Spreadover** means a Package Transaction that has only two components: (i) a Swap component; and (ii) a U.S. Treasury Security component.

**Voice RFQ** or **vRFQ** means a RFQ that is submitted in accordance with the procedures in Rule 306(c). All RFQs are considered Non-Directed unless otherwise instructed by the Participant (Participants may request Directed RFQs).

**Voice RFQ Participant** means a Participant that on a particular trading day is in the Interest Stack or the RFQ Stack.

All capitalized terms not otherwise defined in this Voice RFQ System Protocol shall have the meanings ascribed to them in the Facility Rulebook.

### Trading Hours

vRFQ market operates 24 hours a day, Monday through Friday.

### Contracts Offered for Trading

All Required USD, GBP and EUR denominated Interest Rate Swap products.

### Required Interest Rate Swap vRFQ System Protocol

(a) **General Provisions.** In cases where an Initiator or Responder does not provide a notional size in the Initiation or Response, the Execution Specialist will assume the instrument's Voice RFQ market size for the specific tenor or for butterflies and strategies as listed in Appendix A to this Chapter 9 for butterflies and strategies. Voice RFQ market sizes may change from time to time at the discretion of IGDL and upon notice to Participants. All Initiations and Responses must be made via IGDL's recorded telephone lines or electronic instant messaging communications.

- (1) All Initiations and Responses, except in the case of Voice RFQs initiated pursuant to Rule 306(c)(2), are pre-trade anonymous. Participants to a transaction resulting from a

Voice RFQ will be disclosed only to the counterparties by the Execution Specialists after the execution of the transaction.

- (2) Intermediaries initiating a Voice RFQ or responding to a Voice RFQ on behalf of a Customer must provide the Execution Specialist with the identity of the Customer.
- (3) Except as provided in Rule 902(b) below, increments for Voice RFQs are the same as those set forth in section (b) of Appendix 2 to Rule 901.

(b) **RFQs for Outright Spreadovers**

- (1) Initiations of Outright Spreadovers may be in increments of 1/8 of a basis point.
- (2) Responses to an Initiation for an Outright Spreadover in a 1/8 of a basis point increment include any resting Bid/Offer in the Order Book.

(c) **Interest Stack**

- (1) Upon the start of the trading day, Execution Specialists may canvass the market for Indications of Interest from Participants which may be used to identify potential Voice RFQ Initiators and Responders.
  - (i) Indications of Interest are announced to other Execution Specialists and maintained manually in an Interest Stack.
  - (ii) The order of the Interest Stack is based on price, time priority.
- (2) Upon request by a Participant, an Execution Specialist may provide current Indications of Interest by stating the best prices among the Indications of Interest on the bid and offer side of the market for that instrument.

(d) **RFQ Stack**

- (1) The RFQ Stack begins at the start of the first Voice RFQ of the trading day.
- (2) Voice RFQ Initiations will be maintained in price, time priority per instrument.
  - (i) Except as provided in Rule 902(d)(2)(iii) below with respect to Initiations of Outright Spreadovers in 1/8 basis point increments (which are not also 1/4 basis point increments), Initiators will be placed at the top of an RFQ Stack if:
    - A. the Initiator traded the last best price in the most recent RFQ and indicates to the Execution Specialist that it wants to remain in the RFQ Stack; or
    - B. the Initiator initiates a new Voice RFQ that is better than any other current RFQ and any current Order Book price and that new Voice RFQ is available to the market for a minimum of 30 seconds without trading ("**Untraded Initiator**").
  - (ii) Responses to Voice RFQs may become new Initiations upon request of the Responder. Such new Initiations will be placed in the RFQ Stack.
  - (iii) Initiations of Outright Spreadovers in 1/8 basis point increments (which are not also 1/4 basis point increments) will be placed at the top of the RFQ Stack only if the Initiator traded the last best price in the most recent RFQ and indicates to the

Execution Specialist that it wants to remain in the RFQ Stack; Untraded Initiators of Outright Spreadovers in 1/8 basis point increments (which are not also 1/4 basis point increments) will not have any rights to be placed at the top of the RFQ Stack.

(e) **Voice RFQ Initiation**

- (1) An Initiator may initiate a Voice RFQ by contacting an Execution Specialist.
- (2) Initiation of a Voice RFQ begins when the Initiator identifies the desired instrument and can include the direction, price, and/or size. RFQs that are initiated by an Intermediary must also provide the Customer identity to the Execution Specialist (this is not disclosed in a Non-Directed RFQ).
  - (i) If requested by a Participant, an Execution Specialist may assist a Participant in arriving at an initiation price by referencing the last transaction rate, indicating the mid-price of the current RFQs, referencing the prices of correlated tenors, and referencing recent transactions from other SEFs posted by the SDR.
  - (ii) A SEF Execution Specialist shall not amend, enter or cancel any Initiation unless instructed by the Participant. Participants may instruct Execution Specialists to amend, enter or cancel any Initiation by contacting the Execution Specialist via IGDL's recorded telephone lines or electronic instant messaging communications.
- (3) Initiations are entered into the Facility's internal Voice RFQ tool.
  - (i) When required, pre-trade limit checks must be conducted prior to entry of the Initiation details into the Voice RFQ tool and prior to announcement of the details to other Execution Specialists.
- (4) The Execution Specialist must announce the details of the Voice RFQ to other Execution Specialists who in turn contact all Voice RFQ Participants in a Non-Directed Voice RFQ unless the Voice RFQ Participant has requested that initiations of a certain contract, size, or price be withheld.
- (5) Indications of Interest in the Interest Stack will be used as potential responses after the Initiation has been announced to the vRFQ Participants.
- (6) Initiations in the RFQ Stack on the opposite side of a new Voice RFQ will receive priority in Responding to all Initiations subsequent to the first Voice RFQ of the trading day. Such priority expires after approximately 5 seconds.
  - (i) Prices in the Order Book at or better than the Initiation price will be included in the RFQ Stack of potential Responders.

(f) **Voice RFQ Responses**

- (1) Responders must provide the Execution Specialist the price and size of the Bid/Offer if above or below the assumed market size as described in Rule 902 within approximately 5 seconds of communication of the Initiation.
  - (i) Bids/Offers are provided by the Execution Specialist to the Initiator in price, time priority.
    - A. Along with the first response, any resting Bids/Offers in the Order Book must be communicated to the Initiator.

- B. Only the price is communicated to the Initiator unless otherwise instructed by the Responder.
    - (ii) A SEF Execution Specialist shall not amend, enter or cancel any Response unless instructed by the Participant. Participants may instruct Execution Specialists to amend, enter or cancel any Response by contacting the Execution Specialist via IGDL's recorded telephone lines or electronic instant messaging communications.
  - (2) The Initiator has approximately 5 seconds to accept or reject each Response provided upon communication of such Response.
- (g) **Acceptance of Bid/Offer**
- (1) If, prior to the expiration of the time period described in Rule 902(f)(2), the Initiator accepts a Bid/Offer, the details of the Bid/Offer are entered into the internal Voice RFQ tool.
    - (i) If required, a pre-trade limit check will be conducted on the Response prior to entry into the vRFQ Tool and Execution.
  - (2) The trade will be immediately reported to the SDR. Execution Specialists may not disclose the details of a transaction until the trade is sent to the SDR. Execution Specialists shall not disclose the identities of the counterparties to a trade to any other Participant at any time.
  - (3) If there is only one Initiator and one Responder at the chosen price, that Initiator and Responder may trade the entire amount provided by the Responder (see Rule 902(f)(1)).
  - (4) *Stack Rules.* If there are multiple Participants on either side of the market interested in trading at the chosen price, the initial transaction between Initiator and Responder may be for the double the Voice RFQ market size as listed in Appendix A to this Chapter 9. Each other Participant in the RFQ Stack will be eligible for a transaction at the Voice RFQ market size as listed in Appendix A in accordance with this Rule 902(g)(4) and Rule 902(d).
    - (i) If the Responder does not provide a size but post-execution of the market size indicates a desire to continue trading beyond the Tranche size (where the Initiator's interest has been exhausted), the Responder may initiate a new RFQ that is announced to the market. The announcement of the new Voice RFQ ends the initial Voice RFQ.
    - (ii) Unless the Responder indicates a desire to continue trading an additional amount beyond the initial Tranche as described in Rule 902(g)(4)(i), the order of the RFQ Stack will be followed with the Execution Specialist confirming that each Participant remains interested in trading at that price. A Responder may indicate a desire to continue trading by communicating a desire to "pay on" or "sell on" to the Execution Specialist. The Execution Specialist will then announce to the market that the Participant has indicated a desire to continue trading at that level.
    - (iii) The Initiator of the Voice RFQ receives priority to trade one more Tranche(s) offered by the Responder at the top of the RFQ stack. Subsequent trades in the work-up will be in individual Tranches through the voice RFQ stack until interest at that price level is exhausted.
    - (iv) Any Order Book Bid/Offer incorporated in the RFQ Stack in time priority will be filled in its entirety before another Responder is offered a Tranche.

- (v) All trades are entered into the vRFQ tool, with the exception of those executed on the Order Book, and reported to the SDR.
- (vi) If there is any remaining unfilled interest, that Participant can request that the Execution Specialist initiate a new Voice RFQ and enter the Initiation into the RFQ Stack.

(h) **Rejection of a Bid/Offer**

- (1) If after the expiration of the time period described in Rule 902(f)(2), there is no acceptance from the Initiator or Responses are rejected, the Responses can, with the agreement of the Responder, become an Initiation of a Voice RFQ and be announced to the market.
- (2) If there are no remaining Initiations, then the Interest Stack is used as a guide to the potential market prices.
- (3) Counter requests by the Initiator are considered rejections of the Responses and new RFQ Initiations.

## Rule 903 GTN System Protocol

### Glossary

<b>Access Details</b>	The non-transferable, confidential personal user identifiers and all passwords issued by IGDL to each Authorised Trader.
<b>Authorised Trader Desk</b>	A group of Authorised Traders belonging to a single desk and sharing a common set of Contracts trading permissions. Orders are received at the common desk and serviced by the Authorised Traders belonging to such desk. Authorised Traders can only belong to one desk.
<b>Erroneous Bids/Offers</b>	Any Bid/Offer which does not meet the requirements set out in this System Protocol.
<b>GTN</b>	An Order Book offered by IGDL for trading certain Swaps.
<b>System</b>	GTN
<b>System Supervisor</b>	The market support team of GTN.
<b>Trading Engine</b>	The System matching engine.

#### (a) General Rules

- (1) This GTN System Protocol is part of the Facility Rulebook. In the event of a conflict between this GTN System Protocol and the Facility Rulebook, this System Protocol shall take precedence. All capitalised terms not otherwise defined in this System Protocol shall have the meanings ascribed to them in the Facility Rulebook.
- (2) The System offers an electronic central limit order book for certain Swaps listed for trading by the Facility, as specified in Appendix 1 hereto. IGDL may at any time expand or alter the Swaps offered for trading on the System pursuant to Commission Regulations.
- (3) The System shall disclose the identities of the Participant to the counterparty after the trade has been executed.

#### (b) Participation

- (1) In addition to the requirements set forth elsewhere in the Facility Rulebook, Participants must meet the following eligibility criteria:
  - (i) Participant has in place adequate measures and arrangements to prevent the submission of Erroneous Bids/Offers to the System.
- (2) Participant's Authorised Traders will be deemed eligible to trade all Swaps offered for trading on the System unless the Participant specifies otherwise.

#### (c) Access Method

- (1) Participant shall call or email IGDL SEF Execution Specialists to access the GTN order book at the following:
  - (i) Email should be addressed to [SEFExecution.Specialists@us.icap.com](mailto:SEFExecution.Specialists@us.icap.com);
  - (ii) Calls should be addressed to +1 (212) 341-9113.

(d) **Trading Calendar and Hours of Operation**

- (1) Participant shall not enter Bids/Offers into the System outside of the hours of operation of the System as stated by IGD. Any such Bids/Offers will be invalid and any resultant trades treated as Error trades.
- (2) For Contracts that are not also available to trade via i-Swap, the trading hours for the System are Sunday 3:00 PM EST to Friday 5:30 PM EST. The System is closed for trading on holidays determined and notified by IGD.
- (3) For Contracts that are also available to trade via i-Swap, the trading hours for the System are 5:30 PM New York Local Time – 2:30 AM London Local Time. The System is open for trading any day other than a Friday, Saturday or any holiday determined and notified by IGD. The System opens at 3:00 PM EST on Sundays.

(e) **Orders – Registration of Orders**

- (1) Each Bid/Offer must specify the Bid/Offer duration.
- (2) Participants may enter Bids/Offers by telephoning or emailing a SEF Execution Specialist. The SEF Execution Specialist shall enter any Bid/Offer into the System in time priority as soon as reasonably practicable after the Bid/Offer is received.
- (3) The SEF Execution Specialist shall not amend, enter or cancel any Bids/Offers on the System unless instructed by the Participant. Participants may instruct Execution Specialists to amend, enter or cancel any Bid/Offer by contacting the Execution Specialist via IGD's recorded telephone lines or email.
- (4) Once a Participant is admitted to the SEF to trade Contracts, all Bids/Offers in respect of Contracts available to trade via the System will be made visible to the Participant, subject to the restrictions outlined in Appendix 2. All Bids/Offers that are visible to the Participant will be displayed on an anonymous basis to other Participants.
- (5) If a Bid/Offer is resting at the System's close, a SEF Execution Specialist will cancel the Bid/Offer.
- (6) Participants must provide their existing counterparty credit relationships to a SEF Execution Specialist for an uncleared instrument prior to registration of a Bid/Offer.

(f) **System Functionality**

- (1) Bids/Offers
  - (i) All Bids/Offers are automatically matched according to price/time priority.
  - (ii) Bids/Offers are always matched at the price limit of the submitted Bid/Offer, or better.
  - (iii) All Bids/Offers are firm. Incoming Bids/Offers are always matched at the best available price.
- (2) Bid/Offer Types & Conditions
  - (i) The System supports limit Bids/Offers only.

- (ii) Details of Bid/Order types, conditions, duration and management are found in Appendix 2 to this System Protocol.



## **Appendix 1**

### **Contracts Offered for Trading on GTN**

#### **U.S. Dollar Interest Rate Swaps**

- USD Interest Rate Swaps (Semi-bond, Annual, IMM) (and combined strategies) and USD spreadover instruments (and combined strategies), provided that any such instruments which are listed on i-Swap are not listed on GTN during i-Swap hours.

#### **GBP Interest Rate Swaps**

#### **Euro Interest Rate Swaps**

## Appendix 2

### Bid/Offer Types and GTN Configuration

(a) **Stacked Order Book:**

- (1) The System supports a stacked Order Book. If there are multiple Bids/Offers at the same price point on one side (e.g., 5 orders for 100m each) then when aggressed for the full amount (e.g., 500), each Bid/Offer on the passive side will trade.

(b) **Other Bid/Offer Types**

- (1) Time attributes:
  - (i) Good Till Cancel

## Rule 904 Pre-Arranged Crossing System Protocol

### Glossary

<b>Access Details</b>	The non-transferable, confidential personal user identifiers and all passwords issued by the SEF to each Authorized Trader.
<b>Erroneous Bids/Offers</b>	Any Bid/Offer which does not meet the requirements set out in this System Protocol.
<b>System</b>	Pre-Arranged Crossing platform
<b>System Supervisor</b>	The market support team of the System.

#### (a) General Rules

- (1) This Pre-Arranged Crossing System Protocol is part of the Facility Rulebook. In the event of a conflict between this System Protocol and the Facility Rulebook, this System Protocol shall take precedence. All capitalized terms not otherwise defined in this System Protocol shall have the meanings ascribed to them in the Facility Rulebook.
- (2) The System offers a Pre-Arranged Cross platform for all Permitted Transactions listed by the Facility. IGDL may at any time expand or alter the Contracts offered for trading on the System pursuant to Commission Regulations.

#### (b) Participation

- (1) In addition to the requirements set forth elsewhere in the Facility Rulebook, Participants must meet the following eligibility criteria:
  - (i) Participant has in place adequate measures and arrangements to prevent the submission of Erroneous Bids/Offers to the System.
- (2) All of a Participant's Authorized Traders will be deemed eligible to trade all Contracts offered for trading on the System unless the Participant specifies otherwise.

#### (c) Access Method

- (1) Participant shall call or email Execution Specialists to access the Pre-Arranged Cross platform via IGDL's recorded telephone lines or email at the following:
  - (i) Email should be addressed to [SEFExecution.Specialists@us.icap.com](mailto:SEFExecution.Specialists@us.icap.com);
  - (ii) Calls should be addressed to +1 (212) 341-9113.
- (2) Electronic access to the System by Participants is also available upon request and will be granted on an impartial basis.

#### (d) Trading Calendar and Hours of Operation

- (1) No Execution Specialist or Participant (if such Participant has been granted direct electronic access to the System) shall enter Bids/Offers into the System outside of the hours of operation of the System as set forth below. Any such Bids/Offers will be Erroneous Bids/Offers and any resultant trades treated as error trades.

- (2) The trading hours for the System are Sunday 3:00 PM ET to Friday 5:30 PM ET. The System is closed for trading on holidays determined and on such other days as notified by the SEF.


(e) **Orders – Registration of Orders**

- (1) Participants may enter Bids/Offer via the Access Methods set forth above. The SEF Execution Specialist shall enter any Bid/Offer into the System in time priority as soon as reasonably practicable after the Bid/Offer is received.
- (2) The SEF Execution Specialist shall not amend, enter or cancel any Bids/Offer on the System unless instructed by the Participant. Participants may instruct Execution Specialists to amend, enter or cancel any Bid/Offer by contacting the Execution Specialist via IGDL's recorded telephone lines or email.
- (3) Once a Participant is admitted to the SEF to trade Contracts, all Bids/Offer in respect of Contracts available to trade via the System will be made visible to the Participant. However, Participants may customize their screen to limit the Bids/Offer they view to only those Contracts they have selected. All Bids/Offer that are visible to the Participant will be displayed on an anonymous basis to other Participants

(f) **System Functionality**

- (1) Bids/Offer
  - (i) All Bids/Offer are matched once both orders have been inputted into the System.

## Appendix A to Chapter 9

	<p>ICAP Global Derivatives Limited</p> <p>Appendix A - Voice RFQ and Order Book Size</p>	
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I. Voice RFQ			
Market Size			
All Contracts other than Butterflies		Butterflies Only	
Tenor	USD (m)	Tenor	USD (m)
1y	NA	1y	500
2y	200	2y	250
3y	150	3y	150
4y	100	4y	100
5y	100	5y	100
6y	85	6y	85
7y	75	7y	75
8y	75	8y	75
9y	50	9y	50
10y	50	10y	50
12y	50	12y	50
15y	50	15y	50
20y	50	20y	50
25y	25	25y	25
30y	25	30y	25
		Note: Tenor for a Butterfly is determined by subtracting the first leg from the second leg of the Butterfly (i.e. the first wing from the body).	
Minimum Sizes			
All Instruments			
Instruments are set to a minimum of \$5m including each leg of an instrument.			

II. Order Book	
Minimum Sizes	
Outrights and Spread-Overs	
USD instruments are set to the weighted value of \$200m 1 year equivalent notional.	
Strategies	
Spreads and Switches are set to the far leg's outright level.	
Butterflies are set the same as two times body's outright level.	
Certain Strategies with a leg that is below 5m have their minimum size adjusted to ensure no leg is below this amount.	

## ANNEX 1

### Governance Policy

The policies set out below will apply to ICAP Global Derivatives Limited (the “**Company**”). The Governance Policy is not intended to supersede or interpret any Applicable Law. It does not purport to be a comprehensive governance framework for the Company and should be read in conjunction with the Company’s Articles of Association and Company’s Facility Rulebook (the “**Facility Rulebook**”).

#### 1 Glossary

Defined terms unless otherwise defined in this Governance Policy have the meaning given to them in the Facility Rulebook.

<b>Applicable Law</b>	means, with respect to any person, any statute, law, regulation, rule or ordinance of any Governmental Authority applicable to such person (as defined in the Facility Rulebook), including but not limited to MiFID II, the FCA Handbook, the Act and Commission Regulations
<b>Articles of Association</b>	means the Company's Articles of Association
<b>Board</b>	means the Company's board of directors
<b>Chief Compliance Officer</b>	means the Company's Chief Compliance Officer
<b>Commission</b>	means the US Commodity Futures Trading Commission
<b>Commission Regulations</b>	means any rule, regulation, order, directive and any interpretation thereof promulgated by the Commission, as amended
<b>Emergency</b>	has the meaning ascribed to it in the Facility Rulebook
<b>Facility</b>	means the venue provided by the Company for the execution of Contracts, as set out in the Facility Rulebook
<b>FCA</b>	means the UK Financial Conduct Authority
<b>Hearing Panel</b>	has the meaning set out in this Governance Policy
<b>Nomination Committee</b>	has the meaning set out in this Governance Policy
<b>Participation Committee</b>	has the meaning set out in this Governance Policy
<b>Public Directors</b>	means any person who qualifies as a “public director” within the meaning set forth in the Commission Regulations
<b>Public Panelist</b>	has the meaning set out in this Governance Policy
<b>Respondent</b>	means any person who is charged with a Violation, as set out in the Facility Rulebook
<b>Regulatory Oversight Committee</b>	has the meaning set out in this Governance Policy
<b>Review Panel</b>	has the meaning set out in this Governance Policy
<b>Trading Privilege Holders</b>	means an individual or entity with Trading Privileges on the Facility granted pursuant to Rule 201 of the Facility Rulebook (including an Intermediary), but does not include an Authorised Trader

## **1. OVERVIEW**

The Board has the power by itself or through agents, and is authorized and empowered on behalf and in the name of the Company, to perform all acts and enter into other undertakings that it may in its discretion deem necessary or advisable in order to promote the sound and efficient operation of the Facility (except such as otherwise required by Applicable Law), including, but not limited to, the following:

- (a) ensuring that the Company complies with all statutory, regulatory and self-regulatory responsibilities under Applicable Law;
- (b) reviewing, approving and monitoring major strategic, financial and business activities, the Company's budget and the Company's financial performance;
- (c) evaluating risks and opportunities facing the Company and proposing options for addressing such issues;
- (d) overseeing and reviewing recommendations from the Company's committees and the Chief Compliance Officer; and
- (e) having the sole power to set the payment dates and amounts of any dues, assessments or fees to be levied on Trading Privilege Holders.

1.2 The Board, (or committee thereof or other delegated body) acting in accordance with the Articles of Association, may from time to time cause the Company to enter into such agreements with domestic or foreign self-regulatory associations, other associations, boards of trade and their respective regulators providing for the exchange of information and other forms of mutual assistance for financial surveillance, routine audits, market surveillance, investigative, enforcement and other regulatory purposes as the Board may consider necessary or appropriate or as Applicable Law may require.

1.3 Each director is expected to comply with all Applicable Law and Company policies, and promote compliance by the Company and all of its employees. The Board will discharge its responsibilities and exercise its authority in a manner, consistent with applicable legal and regulatory requirements that promotes the sound and efficient operation of the Company and its swap execution activities.

## **2. COMPOSITION**

2.1 The Board will consist of no less than three, and up to twelve, directors appointed in accordance with the Articles of Association. At such time as determined in the discretion of the Board (or at and for such other time as may otherwise be required by Applicable Law), at least thirty-five (35%) percent, but no less than two, of the directors will be Public Directors. This paragraph shall take effect from the date that the Company receives approval from the Commission as being registered as a SEF.

2.2 The identities of all directors will be published on the Company's website and will be available to the public.

## **3. QUALIFICATIONS**

3.1 In order to fulfil their responsibilities, directors (including any Public Directors) will be selected based on their experience, qualifications, attributes and skills and the understanding that their

leadership will play an integral role in fulfilling the Company's business objectives and legal obligations.

3.2 Each director shall be familiar with, and comply with, to the extent applicable, the provisions contained in the Company's Facility Rulebook.

3.3 Each director, including each Public Director, shall be of sufficiently good reputation and have sufficient expertise in the Facility's scope or intended scope of financial services (including any ancillary services valuable for the Facility to fulfill its core mission). No director will have a history of disciplinary offenses that would be disqualifying under Applicable law, including Commission Regulation § 1.63(c). At least twenty percent of the Directors must be persons who meet the criteria of Commission Regulation § 1.64(b)(1).

#### 4. **CONFLICTS OF INTEREST**

4.1 Each director is required to act in the best interests of the Company and to refrain from any conduct that would be, or gives the appearance of being, a conflict of interest.

4.2 No director, member of any committee or oversight panel, or officer or other person authorized to exercise authority on behalf of the Company will knowingly participate in such body's deliberations or voting, including in any inquiry, investigation or any disciplinary proceeding, suspension, Emergency or other executive action (each, an "**Executive Proceeding**") if such person has a conflict of interest between such person's position acting on behalf of the Company and such person's personal interests (each, an "**Interested Person**"), unless deliberations are permitted by section 4.6. Material conflicts of interest include, but are not limited to, instances where an Interested Person (A) is a named party in interest in an Executive Proceeding, (B) is an employer, employee or fellow employee of a named party in interest or potential named party in interest in an Executive Proceeding, (C) has any other significant, ongoing business relationship with a named party in interest or potential named party in interest in an Executive Proceeding, excluding relationships limited to executing transactions opposite each other or to clearing transactions through the same clearing members, (D) has a family relationship with a named party in interest or potential named party in interest in an Executive Proceeding (each of (A) through (D) being a "**Relationship Conflict of Interest**") or (E) has a direct and substantial financial interest in the result of the deliberations or vote of any Executive Proceeding based upon either Facility or non-Facility positions (a "**Financial Conflict of Interest**"). For purposes of this subparagraph, a "family relationship" exists between a named party in interest or potential named party in interest in an Executive Proceeding and a potential Interested Person if one person is the other's spouse (including a domestic partner or partner in a civil union), co-habitator, former spouse, parent, stepparent, child or other legal dependent, sibling, stepbrother, stepsister, grandparent, grandchild, uncle, aunt, nephew, niece or in-law.

4.3 Prior to the consideration of any matter or significant action that will be considered by the Board or a committee of the Board in an Executive Proceeding, each potential Interested Person must disclose the existence of any potential conflict of interest, including any potential Relationship Conflict of Interest and/or Financial Conflict of Interest, to the Chairman of the Board or the chairman of the relevant committee and may choose to abstain and recuse himself or herself from the deliberations and voting. The potential Interested Person is encouraged to consult with the Company's Secretary and any necessary internal or external advisors in advance of the topic being discussed or voted upon.



- 4.4 If disclosure of a potential conflict of interest is required pursuant to section 4.3, a potential Interested Person must disclose all information required under Applicable Law in relation to any conflict of interest, including:
- (a) In the case of any potential Relationship Conflict of Interest, such disclosure must include the specific type of Relationship Conflict of Interest based on the categories (A) through (D) in section 4.2; and/or
  - (b) In the case of any potential Financial Conflict of Interest, such disclosure must include the financial interest and related position information (including information regarding positions held by such person, positions held by individuals of such person's family and positions held by a firm with which such person is affiliated) that is known to such person with respect to any particular month or months that are under consideration, and any other positions which the deliberating body reasonably expects could be affected by the significant action, including but not limited to:
    - (A) gross positions held in such person's personal accounts or "controlled accounts," as defined in Commission Regulation § 1.3(j);
    - (B) gross positions held in proprietary accounts, as defined in Commission Regulation § 1.17(b)(3), at such person's affiliated firm;
    - (C) gross positions held in accounts in which such person is a principal, as defined in Commission Regulation § 3.1(a);
    - (D) net positions held in Customer accounts, as defined in Commission Regulation § 1.17(b)(2), at such person's affiliated firm; and
    - (E) any other types of positions, held in such person's personal accounts or the proprietary accounts of such person's affiliated firm, that the Company reasonably expects could be affected by the significant action.
  - (C) Notwithstanding subsection (b), in the case of a potential Financial Conflict of Interest, no such disclosure is required by a potential Interested Person if such person chooses to abstain from deliberations and voting on the relevant Executive Proceeding.
- 4.5 If a potential Interested Person who discloses a potential material conflict of interest does not choose to abstain and recuse himself or herself from deliberations and voting in any Executive Proceeding, the directors, or committee or oversight panel, as applicable, will determine whether such person is an Interested Person prohibited from participation in the Executive Proceeding. Such determination will be made by a majority vote made in accordance with the procedures in the Articles of Association governing decision-making by directors and will be based upon a review of:
- (a) the information provided by such potential Interested Person pursuant to section 4.4;
  - (b) any other source of information that is held by or reasonably available to the Company;
  - (c) in the case of a Financial Conflict of Interest, the most recent large trader reports and clearing records available to the Company; and
  - (d) any Applicable Law.

- 4.6 With respect to Financial Conflicts of Interest only, and save for where Applicable Law prohibits it, any person determined to be an Interested Person who would otherwise be required to abstain from deliberations and voting pursuant to this section, may participate in deliberations, but not in voting, if the Board, or committee or oversight panel, as applicable, determines by a majority vote (excluding all relevant Interested Persons) made in accordance with the procedures in the Articles of Association governing decision-making by directors that such participation would be consistent with the public interest after considering the following factors :
- (a) whether such Interested Person's participation in the deliberations is necessary to achieve a quorum;
  - (b) whether the Interested Person has unique or special expertise, knowledge or experience in the matter being considered; and
  - (c) the position information which is the basis for the Interested Person's Financial Conflict of Interest.
- 4.7 All Public Directors will be prohibited from having "material relationships", as defined from time to time in the Commission Regulations (a "**Material Relationship**") with the Company which reasonably could affect the independent judgment or decision-making of such director. Material Relationships are currently defined to include the following:
- (a) the director, or an immediate family member of the director, may not be an officer or employee of the Company or its affiliate;
  - (b) the director, or an immediate family member of the director, may not be a Member (as defined in Section 1a(34) of the Commodity Exchange Act and any regulation promulgated thereunder) of the Company, or a director, officer or employee of a Company Member;
  - (c) the director, or an immediate family member of the director, may not be an officer of another entity, which entity has a compensation committee (or similar body) on which any officer of the Company serves; and
  - (d) the director, or an immediate family member of the director, or an entity with which the director or such immediate family member is a partner, an officer, an employee or a director, may not receive more than \$100,000 in combined annual payments for legal, accounting, or consulting services from the Company, any affiliate thereof, any Member of the Company or any affiliate of such Member.
- 4.8 Notwithstanding the foregoing, (a) compensation for services as a director of the Company or as a director of an affiliate of the Company shall not count toward the \$100,000 threshold specified in clause (d) of the definition of Material Relationship, nor shall compensation for services rendered by such individual prior to becoming a director of the Company, so long as such compensation is or was in no way contingent, conditioned or revocable; and (b) a Public Director may also serve as a director of an affiliate of the Company if he or she otherwise meets the requirements set forth in clauses (a) through (d) of the definition of Material Relationship.
- 4.9 Each of the preceding disqualifying circumstances is subject to a one-year look back. Public Directors will have an affirmative duty to investigate from time to time, and promptly disclose, the existence and nature of any such Material Relationships to the Board. The Board must make such findings of any material relationship upon the nomination or appointment of the proposed Public

Director and as often as necessary in light of all circumstances relevant to such director, but in no case less than annually.

5. **RESIGNATION**

Any director or member of a committee may resign at any time by written notice to the Chairman or Secretary; provided that each such person shall in good faith provide the Chairman or Secretary such prior notice as may be reasonably necessary for the Board to identify and appoint a qualified person to fill the resulting vacancy. Such resignation shall be made in writing, and, unless specifically contingent upon its acceptance, shall take effect at the date or as of the effective date specified therein, and if no time be specified, at the time of its receipt by the Chairman or Secretary. The acceptance of a resignation shall not be necessary to make it effective. To the extent that any vacancy results in the number of Public Directors falling below the number required by the Articles of Association the Board shall act as expeditiously as reasonably practicable to appoint one or more Public Directors as may be required.

6. **VACANCIES**

If the office of any director, member of a committee or other officer becomes vacant by reason of death, resignation or for any other reason, a qualified individual will be appointed in accordance with the Articles of Association (without a proposal from the Nomination Committee), who shall hold office for the unexpired term and until his or her successor shall be duly chosen. Within 30 days after such an appointment, the Chief Compliance Officer shall submit to the Commission a list of the Directors, the membership interests they represent and how the composition of the Board of Directors otherwise meets the requirements of Commission Regulation 1.64(b) and the Company's implementing standards and procedures.

7. **COMPENSATION**

Compensation awarded to Public Directors and other nonexecutive directors shall not be linked to the Company's business performance.

8. **CERTIFICATION AND COMPLIANCE**

8.1 Each prospective director and director shall, before taking office, acknowledge his or her receipt and understanding of this Governance Policy, as well as upon any publication of a revised Governance Policy or amendment thereto. In addition, (i) upon request from the Company, the director shall certify that the qualification information he/she provided to the Company before being elected as a director has not changed materially, and (ii) from time to time the director shall provide an updated statement of qualification information that reflects any material changes.

8.2 Directors are required to report suspected violations of the Governance Policy or of any Applicable Law, rule or regulation by any director to the Board, the Regulatory Oversight Committee or the Chief Compliance Officer (who will subsequently relay any such suspected violations to the Board or the Regulatory Oversight Committee, unless such reported violation is proven incorrect after a prompt initial review of its merits). The Board or the Regulatory Oversight Committee, as applicable, shall determine whether to conduct an investigation and what appropriate action should be taken. Directors may consult with the Company's General Counsel if there is any doubt as to whether a particular transaction or course of conduct complies with or is subject to the Governance Policy.

9. **SELF-REVIEW**

- 9.1 The Board shall review its performance and that of its individual directors on an annual basis. The Board, or a committee delegated such responsibility, shall establish criteria for the Board's evaluation, shall conduct the evaluation in accordance with such criteria, and shall make recommendations to improve deficiencies.
- 9.2 The Board shall make Public Director findings (including but not limited to determinations as to such Public Directors' Material Relationships) as often as necessary in light of all circumstances relevant to each Public Director, but in no case less than annually.

10. **COMMITTEES**

**Nomination Committee**

- 10.1 At such time as determined in the discretion of the directors (or at such other time as may otherwise be required by Applicable Law), the directors shall establish a Nomination Committee. The Nomination Committee shall be a Standing Committee of the Board, and shall be composed of at least fifty-one percent (51%) Public Directors. Each member of the Nomination Committee shall serve 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 Nomination Committee or as a Public Director, as applicable. A member of the Nomination Committee may serve for multiple terms. The chair of the Nomination Committee shall be a Public Director. The Nomination Committee shall: (i) identify individuals qualified to serve as directors, consistent with criteria specified by the directors and any composition requirements that Applicable Law requires and (ii) nominate individuals for designation as directors, whose appointment will be carried out in accordance with the Articles of Association.

**Participation Committee**

- 10.2 At such time as determined in the discretion of the directors (or at such other time as may otherwise be required by Applicable Law), the directors shall establish a Participation Committee. The Participation Committee shall be a Standing Committee of the Board, and shall be composed of at least thirty-five percent (35%) Public Directors. Each member of the Participation Committee shall serve 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 Participation Committee or as a Public Director, as applicable. A member of the Participation Committee may serve for multiple terms.
- 10.3 The Participation Committee shall: (i) determine the standards and requirements for initial and continuing participation eligibility; (ii) review appeals of staff denials of membership or participation applications; and (iii) approve rules that would result in different categories or classes of Participants receiving disparate access to the services offered by the Company. The Participation Committee shall not uphold any staff denial if the relevant application meets the standards and requirements that the Participant Committee sets forth from time to time, and the Participation Committee shall not restrict access or impose burdens on access to the Facility in a discriminatory manner, within each category or class of Members or Participants or between similarly situated categories or classes of Members or Participants.

**Regulatory Oversight Committee**

- 10.4 The Regulatory Oversight Committee shall be a Standing Committee of directors.

- 10.5 The Regulatory Oversight Committee shall be composed of those directors designated by the Board from time to time; provided, however, that at such time as is determined in the discretion of the Board (or at and for such other times as may be required by Applicable Law) the Regulatory Oversight Committee shall consist of only Public Directors.
- 10.6 The Regulatory Oversight Committee members and Regulatory Oversight Committee Chairman shall be appointed by the Chairman of the Board, subject to the approval of the Board, at a meeting of the Board. Each appointee will serve until the due appointment of his or her successor or his or her resignation or removal as a member of the Regulatory Oversight Committee or as a Public Director, with or without cause, by a majority vote of the Board. A member of the Regulatory Oversight Committee may serve for multiple terms.
- 10.7 Each member of the Regulatory Oversight Committee shall serve 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 Public Director. A member of the Regulatory Oversight Committee may serve for multiple terms.
- 10.8 The Regulatory Oversight Committee shall meet at least four times each year and at such other times as it deems necessary to fulfil its responsibilities. The Committee may meet in joint session with any other committee of the Board from time to time to discuss areas of common interest and significant matters.
- 10.9 The Regulatory Oversight Committee shall report regularly to the Board with respect to its activities and make recommendations to the Board it may deem necessary or advisable for the orderly conduct of its business. Minutes of its meetings shall be maintained on behalf of the Regulatory Oversight Committee and approved by the Regulatory Oversight Committee.
- 10.10 Unless the Board provides otherwise the Regulatory Oversight Committee can make, alter or repeal rules for the conduct of its business. In the absence of such rules, each meeting of the Regulatory Oversight Committee shall be called, notice of each such meeting be given or waived and the business of the Regulatory Oversight Committee conducted or its action taken as nearly as may be in the same manner as is provided in the Articles of Association with respect to the meetings or for conduct of business or the taking of actions by the Board.
- 10.11 The Regulatory Oversight Committee shall:
- (a) monitor the Facility's self-regulatory program for sufficiency, effectiveness, and independence;
  - (b) oversee all facets of the Facility's self-regulatory program, including trade practice, market surveillance, audits, examinations and other regulatory responsibilities with respect to Participants, and the conduct of investigations;
  - (c) review the size and allocation of the Facility's regulatory budget and resources; and the number, hiring and termination, and compensation of regulatory personnel;
  - (d) review the performance of the Chief Compliance Officer, and make recommendations with respect to such performance to the directors;
  - (e) review all regulatory proposals prior to implementation and advise the directors as to whether and how such changes may impact regulation

- (f) recommend changes to the Facility's self-regulatory program that would ensure fair, vigorous, and effective regulation;
- (g) prepare an annual report to the directors and the Commission assessing the self-regulatory program of the Facility and including a description of the program, the expenses of the program, the staffing and structure of the program, a catalogue of investigations and disciplinary actions taken during the year, and a review of the performance of the Review Panel, Hearing Panel, and Chief Compliance Officer; and
- (h) perform such other duties as the directors may delegate to it from time to time. In addition, the Regulatory Oversight Committee may impose controls on the Facility to reduce the potential risk of market disruption, including but not limited to market restrictions that pause or halt trading in specified market conditions.

### **Disciplinary Panels**

- 10.12 At such time as determined in the discretion of the Board (or at such other time as may otherwise be required by Applicable Law), the Board shall appoint a Review Panel, which shall consist of no less than five (5) panelists. In the discretion of the Board or if required by Applicable Law, the Review Panel shall also include at least one person who would not be disqualified from serving as a Public Director under the Commission Regulations (the "**Public Panelist**"). Such Public Panelist shall serve as the chair of the Review Panel; provided, that to the extent that the Review Panel is not then required to include a Public Panelist, then the chair of the Review Panel shall be appointed by the Board. No Participant shall be permitted to participate in deliberations or voting on any matter in which the Participant has a financial interest.
- 10.13 The Review Panel shall have the power to direct that an investigation of any suspected Violation be conducted. In any case where the Review Panel concludes, by majority vote, that a Violation may have occurred, the relevant Participant shall be advised of that fact and the matter shall be referred to the Hearing Panel, pursuant to the procedures detailed in Chapter Five of the Company's Facility Rulebook.

### **Hearing Panel**

- 10.14 At such time as determined in the discretion of the Board (or at such other time as may otherwise be required by Applicable Law), the Board shall appoint a Hearing Panel, which shall consist of no less than five (5) panelists. In the discretion of the Board or if required by Applicable Law, the Hearing Panel shall include at least one person who is a Public Panelist. Such Public Panelist shall serve as the chair of the Hearing Panel; provided, that to the extent that the Hearing Panel is not then required to include a Public Panelist, then the chair of the Hearing Panel shall be appointed by the Board.
- 10.15 No Participant shall be permitted to participate in deliberations or voting on any matter in which the Participant has a financial interest. Within ten (10) days of being notified of the appointment of a Hearing Panel, a Respondent (as defined in Chapter Five of the Company's Facility Rulebook) may seek to disqualify any individual named to the Hearing Panel on account of a conflict of interest or other reasonable grounds, by serving written notice to the appropriate staff of the Company and providing a copy thereof to the chair of the Hearing Panel. By not filing a timely request for disqualification, the Respondent will be deemed to have waived any objection to the composition of the Hearing Panel. The appropriate staff of the Company will decide the merits of any request for disqualification within his or her sole discretion and such decision will not be subject



to appeal. The Hearing Panel shall conduct the formal hearings on Violations referred to it by the Review Panel, pursuant to the procedures detailed in Chapter Five of the Company's Facility Rulebook.

- 10.16 In designating the members of a Review Panel or Hearing Panel, the directors shall endeavour to appoint a panel that is not dominated or subject to disproportionate influence by any group or class of Participants. The Board shall consider the objection of any Participant who believes this objective is not satisfied, and the Board shall determine whether a change is necessary or advisable to meet this objective.

**11. COMPLIANCE FUNCTION**

- 11.1 The directors shall appoint and approve the Chief Compliance Officer of the Company, who shall be the Chief Compliance Officer of the Company. The Chief Compliance Officer shall not serve as general counsel of the Company, or as a member of the Company's legal department, and may not be disqualified from registration pursuant to sections 8a(2) or 8a(3) of the Act. The Board shall approve the compensation of the Chief Compliance Officer and shall meet with the Chief Compliance Officer at least annually (which meeting may occur in person or by telephone). The Chief Compliance Officer shall also meet with the Regulatory Oversight Committee at least quarterly. The appointment of the Chief Compliance Officer and the amount of the Chief Compliance Officer's compensation shall require the approval of a majority of the directors. In addition the Board will register with the FCA a Head of Compliance Oversight (CF10 -Controlled Function 10). Compliance with SEF Core Principles will be overseen by the Chief Compliance Officer appointed by the Board, Compliance with FCA Part IV obligations will be overseen by Head of Compliance Oversight. References in this documents and any other related document to the Compliance Function is intended to mean, for Commission related considerations, the CCO and, for FCA Part IV related considerations, the CF10. To the extent any of the activities concern both the Commission and FCA, the CCO and the CF10 will co-operate to ensure compliance with the respective regulations.

- 11.2 The Compliance Function shall have the following duties, which list shall not be deemed exhaustive:
- (a) oversee and review the Facility's compliance with section 5h of the Act and any related rules adopted by the Commission;
  - (b) oversee and review compliance with the FCA Handbook and all requirements of a Part IV authorized firm;
  - (c) oversee and review compliance with the rules and regulations of any other regulatory body to which the Facility and/or the Company is subject;
  - (d) in consultation with the Board, resolve any conflicts of interest that may arise;
  - (e) establish and administer written policies and procedures reasonably designed to prevent violation of Applicable Law;
  - (f) establish procedures for the remediation of noncompliance issues identified by the Compliance Function through a compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint;

- (g) establish and follow appropriate procedures for handling, management response, remediation, retesting, and closing of noncompliance issues;
  - (h) establish a compliance manual designed to promote compliance with Applicable Law and administer a written code of ethics designed to prevent ethical violations and to promote honesty and ethical conduct;
  - (i) supervise the Company's self-regulatory program with respect to trade practice surveillance, market surveillance, real-time market monitoring, compliance with audit trail requirements, enforcement and disciplinary proceedings, audits, examinations and other regulatory responsibilities with respect to Participants (including ensuring compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements);
  - (j) supervise the effectiveness and sufficiency of any regulatory services provided to the Company by the NFA or any other registered futures association or other registered entity; and
  - (k) prepare and file any the annual compliance reports required by Commission Regulation 37.1500(d) as well as any other compliance reports that are required by Applicable Law. The Chief Compliance Officer shall also prepare and file any reports required by Section 6 after the appointment of a new Director.
- 11.3 The Compliance Function shall have supervisory authority over all staff acting in furtherance of the Compliance Function's obligations as determined by the relevant regulatory regime.
- 11.4 Removal of the Chief Compliance Officer shall require the approval of a majority of the directors. The directors shall immediately appoint an interim Chief Compliance Officer and shall appoint a permanent Chief Compliance Officer as soon as reasonably practicable thereafter. Where necessary, the Company shall make all notifications required under Applicable Law in relation to any such appointment and termination, including that the Company shall notify the Commission of within (2) business days of (i) the departure of the Chief Compliance Officer and explain the reasons for the departure and (ii) the appointing of any new interim or permanent Chief Compliance Officer.
- 11.5 The Company shall notify the FCA immediately following the removal of the CF10. The Board shall immediately appoint an interim CF10.

## 12. **FINANCIAL RESOURCES**

The Company must maintain adequate financial operational, and managerial resources to discharge each responsibility of the Company. The Company shall maintain financial resources as required by Applicable Law, including Commission Regulations 37.1300-1307.



## ANNEX 2 Reporting Counterparty Rules

### Relevant Portions of Reporting Counterparty Rules

(a) The ISDA Reporting Party Rules are set forth below by asset class:

(1) Credit:

- (i) Where both parties are the same hierarchy level (e.g., Major Swap Participant vs. Major Swap Participant, Swap Dealer vs. Swap Dealer, or non-Swap Dealer/Major Swap Participant vs. non-Swap Dealer/Major Swap Participant), the reporting counterparty is the floating rate payer (a/k/a 'seller'). For swaptions, the reporting counterparty is the floating rate payer of the underlying swap.
- (ii) For real time reporting of step-in novations, the reporting counterparty should be determined between the transferor and transferee based on the above and the position of the transferee. So, if both parties are of the same classification and the transferee is the seller (floating rate payer) in the novated transaction, the transferee is the reporting counterparty. If the transferee is the buyer (fixed rate payer), then the transferor is the reporting counterparty.
- (iii) For novated transactions, the reporting counterparty should be reassessed between the transferee and remaining party based on the above.

(2) Rates:

(i) Product Attribute Determination:

Reporting Counterparty Tiebreaker Logic - Rates		
Trade Type	Explanation	Reporting Counterparty
Cap/ Floor	When a single Fixed Rate Payer exists	Fixed Rate Payer. Otherwise, Reverse ASCII sort, first LEI/Entity ID
Debt Option	All	Option Buyer
Exotic	All	Reverse ASCII sort, first LEI/Entity ID
FRA	All	Fixed Rate Payer
IRS Basis	All	Reverse ASCII sort, first LEI/Entity ID
IRS Fix-Fix	All	Reverse ASCII sort, first LEI/Entity ID
IRS Fix-Float	All	Fixed Rate Payer
IRSwap: Inflation	When a single Fixed Rate Payer exists	Fixed Rate Payer. Otherwise, Reverse ASCII sort, first LEI/Entity ID
IRSwap: OIS	All	Fixed Rate Payer
Swaption	All	Option Buyer
XCCY Basis	All	Reverse ASCII sort, first LEI/Entity ID
XCCY Fix-Fix	All	Reverse ASCII sort, first LEI/Entity ID
XCCY Fix-Float	All	Fixed Rate Payer

- (ii) Tiebreaker Logic. When the participant identifier tiebreaker is invoked the following processes will be used:
  - A. Determining identifiers. When an entity has multiple entity identifiers ("IDs"), the following hierarchy will be used to determine which entity ID to use in the reporting counterparty determination logic: LEI/CiCi is used before DTCC GTR ID which is used before an AVOX ID which is used before any other identifier.
  - B. Identifier Tiebreaker Logic Scenarios:

- i. When both firms must have an LEI/CiCi then rank based on the two LEI/CiCis.
- ii. When one firm has an LEI/CiCi and the other firm has a DTCC ID but does not have an LEI then rank based on the comparison of the LEI/CiCi to the DTCC ID.
- iii. When one firm has an LEI/CiCi and the other firm has an AVOX ID but does not have an LEI then rank based on the comparison of the LEI/CiCi to the AVOX ID
- iv. When neither firm has an LEI/CiCi and both firms have a DTCC ID then rank based on the two DTCC IDs.
- v. When neither firm has an LEI/CiCi and one firm has a DTCC ID and the other firm has only an AVOX ID then rank based on the comparison of the DTCC ID to the AVOX ID.
- vi. A firm will be the reporting counterparty when that firm has a DTCC ID or LEI/CiCi and the other has neither an LEI/CiCi nor a DTCC ID nor an AVOX ID. Please note that in all cases the reporting counterparty will have a DTCC ID and by extension will have an LEI/CiCi.

(iii) Determining sort order of identifiers:

- i. LEI/CiCi, DTCC GTR IDs, and AVOX IDs are comprised of characters from the following set {0-9, A-Z}.
- ii. For avoidance of doubt, before comparing IDs convert all IDs to UPPER CASE only.
- iii. For comparison basis the sort order will be reverse ASCII sort order. For avoidance of doubt the following are sort order of precedence:
- iv. Z, Y, X, W, V, U, T, S, R, Q, P, O, N, M, L, K, J, I, H, G, F, E, D, C, B, A, 9, 8, 7, 6, 5, 4, 3, 2, 1, 0.

(iv) When comparing two IDs the reporting counterparty will be the firm with the first ID in the list when sorted in reverse ASCII sort order.

(3) Equity: Where both parties are the same hierarchy level, the reporting counterparty will be the:

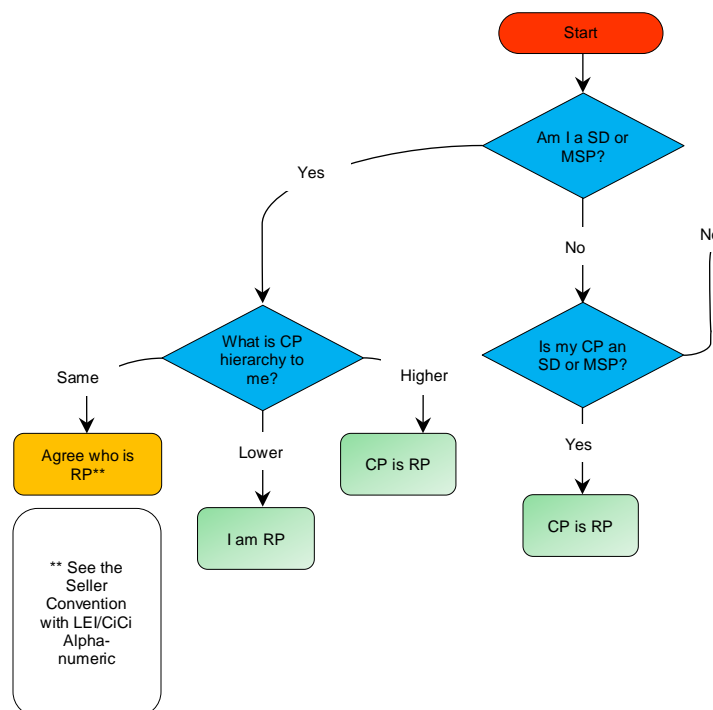
- (i) Seller of performance on any product in the current version of the OTC Derivatives Products Taxonomies published by ISDA, which is attached as Attachment 2 to this Annex 1 (the "Taxonomy").
- (ii) Seller of product on all other (exotic) products in the Taxonomy.
- (iii) If seller cannot be identified the fall back would be for the parties to agree amongst themselves.

- (iv) For portfolio swaps agreements the seller will remain the seller regardless of the underlying's performance.
- (4) Commodity:
  - (i) It is recognized within the commodities industry that different SDRs are currently proposing differing rules in determining the reporting counterparty. The methodology detailed below is the industry preferred and agreed way of working, as signed-off by the GTRfC Commodities Industry WG.
  - (ii) Where both parties are of the same hierarchy level, reporting counterparty status may be determined by reference to the convention which is attached as Attachment 1 to this Annex 1. This convention requires the parties to apply a seller convention if the executed trade is one of the three trade types enumerated (which have no ambiguity concerning which party is the selling party) and designates the seller as reporting counterparty. If the trade to be executed is not one of the three specified trade types then the convention defaults to an alpha process the LEI/CiCi's of the two parties should be resolved into an ASCii sorting tool with the LEI/Entity which comes first/top in the resulting list then designated as reporting counterparty.
  - (iii) Use of this convention can only be relied upon when both parties to the transaction are committed to use it. Where one side is not signed up to the convention it should not be used and the parties should revert to an alternative methodology to determine reporting counterparty in compliance with the rules.
- (5) FX:

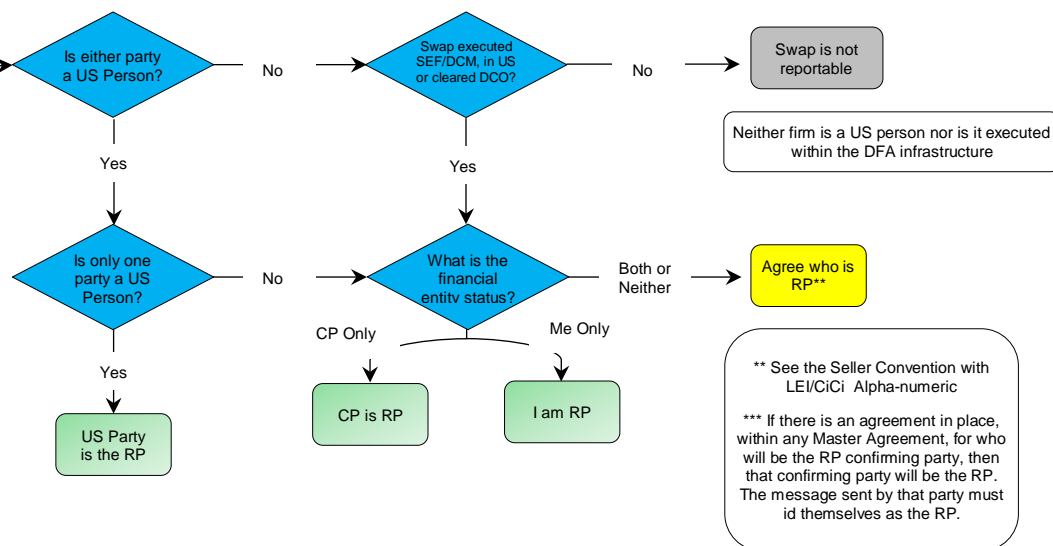
The FX reporting counterparty rules have been defined by the GFMA Global FX Division's Market Architecture Group (September 2012). The publication entitled "Determining the Reporting Party under Dodd-Frank in the Foreign Exchange Market" sets out some suggested rules that participants may wish to consider for determining the reporting counterparty within a relevant hierarchy level, as well as setting out suggestions in respect of specific hierarchy cases not covered by the Commission Regulations.

## Attachment 1 (Commodities)

### At least one SD/MSP (Source: GTR):



### Non-SD/MSP vs. Non-SD/MSP (Source: GTR):



Trade Type	Explanation	Reporting Party
<b>Fixed Floating Swap</b>	Seller of the fixed leg = Reporting Party	Fixed leg seller (Receiver of Cash on the fixed leg)
<b>Option</b>	Receiver of premium payment or Option writer	Seller
<b>Swaption</b>	Receiver of premium payment or Swaption writer	Seller
<b>Option strategies (Collars, Corridors, Multi Leg)</b>	Premium receiver is the Seller = Reporting Party	Premium receiver
	If no premium, to go to alpha convention	Go to alpha convention
<b>For trade types not listed above:</b>		
Seller Convention with Alpha	Any trades that fall outside of that list will have the alpha-numeric ASCII convention applied based on the LEI/CiCi. The LEI/CiCi selected as the RP will be the LEI/CiCi at the top of that sort order. As an example, ASCII is the same sort logic that Microsoft Excel applies.	

**Attachment 2**

**ISDA OTC Derivatives Products Taxonomies (UPI) (Updated 9 January 2015)**

Change Log

#	Former Version	Change Version	Tab	Old Ref #	New Ref #	Asset Class	Base Product	Sub-Product	Transaction Type	Details of change
1	2012-03-01	2012-10-22	Introduction							Publication date updated
2	2012-03-01	2012-10-22	Credit Full Taxonomy		37	Credit	Single Name	Muni	StandardUS Municipal Full Faith And Credit	New addition
3	2012-03-01	2012-10-22	Credit Full Taxonomy		38	Credit	Single Name	Muni	StandardUS Municipal General Fund	New addition
4	2012-03-01	2012-10-22	Credit Full Taxonomy		39	Credit	Single Name	Muni	StandardUS Municipal Revenue	New addition
5	2012-03-01	2012-10-22	Credit Full Taxonomy	55		Credit	Single Name	ABS	CMB	Removed
6	2012-03-01	2012-10-22	Credit Full Taxonomy	56		Credit	Single Name	ABS	European CMB	Removed
7	2012-03-01	2012-10-22	Credit Full Taxonomy	57		Credit	Single Name	ABS	European RMB	Removed
8	2012-03-01	2012-10-22	Credit Full Taxonomy	58		Credit	Single Name	ABS	RMB	Removed
9	2012-03-01	2012-10-22	Credit Full Taxonomy		58	Credit	Single Name	ABS	MBS	New addition
10	2012-03-01	2012-10-22	Credit Full Taxonomy		59	Credit	Single Name	ABS	European MBS	New addition
11	2012-03-01	2012-10-22	Credit Full Taxonomy	59		Credit	Index Tranche	CDX	CDX Emerging Markets Diversified Tranche	Removed
12	2012-03-01	2012-10-22	Credit Full Taxonomy		67	Credit	Index Tranche	MCDX	MCDX Tranche	New addition
13	2012-03-01	2012-10-22	Credit Full Taxonomy		107	Credit	Swaps	MCDX	MCDX Swap	New addition
14	2012-03-01	2012-10-22	Credit Full Taxonomy		113	Credit	Exotic	Structured CDS	Index Contingent CDS	New addition
15	2012-03-01	2012-10-22	Credit Full Taxonomy	112		Credit	Exotic	Structured CDS	Long Term Bespoke	Removed
16	2012-03-01	2012-10-22	Credit Full Taxonomy	113		Credit	Exotic	Structured CDS	Standard Terms Bespoke	Removed
17	2012-03-01	2012-10-22	Credit Full Taxonomy		112	Credit	Exotic	Structured CDS	Bespoke Tranche	New addition
18	2012-03-01	2012-10-22	Equity Taxonomy Full		34	Equity	Other			New addition
19	2012-10-22	2014-09-22	Introduction							Publication date updated
20	2012-10-22	2014-09-22	Credit Taxonomy			Credit				New addition: Index of SP
21	2012-10-22	2014-09-22	Credit Full Taxonomy		100	Credit	Index	SP		New addition
22	2014-09-22	2014-10-22	Introduction							Publication date updated
23	2014-09-22	2014-10-22	Interest Rate Taxonomy			Rates	Forward	Debt		New addition
24	2014-09-22	2014-10-22	Interest Rate Full Taxonomy	n/a	13	Rates	Forward	Debt		New addition
25	2014-09-22	2014-10-22	Interest Rate Full Taxonomy	13	14	Rates	Exotic			Change of numbering to retain Interest Exotic in last position of taxonomy
26	2014-10-22	2014-12-23	Introduction							Publication date updated
27	2014-10-22	2014-12-23	Credit Taxonomy			Credit	Total Return Swap Index	IBOX		New addition
28	2014-10-22	2014-12-23	Credit Full Taxonomy		102	Credit	Total Return Swap Index	IBOX		New addition



The following spreadsheet contains the most recent ISDA OTC Derivatives Taxonomies for Credit, Interest Rate, Commodity, Foreign Exchange and Equity.

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Publication of this version: 9 January 2015

### Credit Taxonomy

Base Product	Index	Total Return Swap	Total Return Swap Index	Index Tranche	Exotic	Single Name	Swaptions
Sub-product	CDX		iBoxx	CDX	Corporate ref ob only	ABS	CDX
	LCDX			LCDX	Structured CDS	Corporate	Corporate
	MCDX			CDX Structured Tranche	Other	Loans	iTraxx
	iTraxx			iTraxx		Muni	Muni
	ABX			iTraxx Structured Tranche		Recovery CDS	Sovereign
	CMBX			ABX		Sovereign	MCDX
	IOS			MCDX			
	MBX						
	PO						
	PrimeX						
	TRX						
	SP						

For Transaction types 'under' sub-products- see CDS Full Taxonomy

The 'Other' sub-product under the Exotic base product represents any transaction type that does not fall into existing base/sub-product/transaction types



### Credit Taxonomy

#	Asset Class	Base Product	Sub-Product	Transaction Type
1	Credit	Single Name	ABS	CDS on CDO
2	Credit	Single Name	Corporate	Asia Corporate
3	Credit	Single Name	Corporate	Australia Corporate
4	Credit	Single Name	Corporate	Emerging European Corporate
5	Credit	Single Name	Corporate	Emerging European Corporate LPN
6	Credit	Single Name	Corporate	European Corporate
7	Credit	Single Name	Corporate	Japan Corporate
8	Credit	Single Name	Corporate	Latin America Corporate
9	Credit	Single Name	Corporate	Latin America Corporate Bond
10	Credit	Single Name	Corporate	Latin America Corporate Bond Or Loan
11	Credit	Single Name	Corporate	New Zealand Corporate
12	Credit	Single Name	Corporate	North American Corporate
13	Credit	Single Name	Corporate	Singapore Corporate
14	Credit	Single Name	Corporate	Standard Asia Corporate
15	Credit	Single Name	Corporate	Standard Australia Corporate
16	Credit	Single Name	Corporate	Standard Emerging European Corporate
17	Credit	Single Name	Corporate	Standard Emerging European Corporate LPN
18	Credit	Single Name	Corporate	Standard Japan Corporate
19	Credit	Single Name	Corporate	Standard Latin America Corporate Bond
20	Credit	Single Name	Corporate	Standard Latin America Corporate Bond Or Loan
21	Credit	Single Name	Corporate	Standard New Zealand Corporate
22	Credit	Single Name	Corporate	Standard North American Corporate
23	Credit	Single Name	Corporate	Standard Singapore Corporate
24	Credit	Single Name	Corporate	Standard Subordinated European Insurance Corporate
25	Credit	Single Name	Corporate	Standard Sukuk Corporate
26	Credit	Single Name	Corporate	Subordinated European Insurance Corporate
27	Credit	Single Name	Corporate	Sukuk Corporate
28	Credit	Single Name	Corporate	Standard European Corporate
29	Credit	Single Name	Recovery CDS	Fixed Recovery Swaps
30	Credit	Single Name	Recovery CDS	Recovery Locks
31	Credit	Single Name	Loans	ELCDS
32	Credit	Single Name	Loans	LCDS
33	Credit	Single Name	Loans	Standard LCDS Bullet
34	Credit	Single Name	Muni	US Municipal Full Faith And Credit
35	Credit	Single Name	Muni	US Municipal General Fund
36	Credit	Single Name	Muni	US Municipal Revenue
37	Credit	Single Name	Muni	Standard US Municipal Full Faith And Credit
38	Credit	Single Name	Muni	Standard US Municipal General Fund
39	Credit	Single Name	Muni	Standard US Municipal Revenue
40	Credit	Single Name	Sovereign	Asia Sovereign
41	Credit	Single Name	Sovereign	Australia Sovereign
42	Credit	Single Name	Sovereign	Emerging European And Middle Eastern Sovereign
43	Credit	Single Name	Sovereign	Japan Sovereign
44	Credit	Single Name	Sovereign	Latin America Sovereign
45	Credit	Single Name	Sovereign	New Zealand Sovereign
46	Credit	Single Name	Sovereign	Singapore Sovereign
47	Credit	Single Name	Sovereign	Standard Asia Sovereign
48	Credit	Single Name	Sovereign	Standard Australia Sovereign
49	Credit	Single Name	Sovereign	Standard Emerging European And Middle Eastern Sovereign
50	Credit	Single Name	Sovereign	Standard Japan Sovereign
51	Credit	Single Name	Sovereign	Standard Latin America Sovereign
52	Credit	Single Name	Sovereign	Standard New Zealand Sovereign
53	Credit	Single Name	Sovereign	Standard Singapore Sovereign
54	Credit	Single Name	Sovereign	Standard Sukuk Sovereign
55	Credit	Single Name	Sovereign	Standard Western European Sovereign
56	Credit	Single Name	Sovereign	Sukuk Sovereign
57	Credit	Single Name	Sovereign	Western European Sovereign

### Credit Taxonomy

#	Asset Class	Base Product	Sub-Product	Transaction Type
58	Credit	Single Name	ABX	MBS
59	Credit	Single Name	ABX	European MBS
60	Credit	Index Tranche	CDX	CDX Tranche HY
61	Credit	Index Tranche	CDX	CDX Tranche IG
62	Credit	Index Tranche	CDX	CDX Tranche XO
63	Credit	Index Tranche	CDX	Standard CDX Tranche HY
64	Credit	Index Tranche	CDX	Standard CDX Tranche IG
65	Credit	Index Tranche	LCDX	LCDX Tranche
66	Credit	Index Tranche	LCDX	Standard LCDX Bullet Tranche
67	Credit	Index Tranche	MCDX	MCDX Tranche
68	Credit	Index Tranche	CDX Structured Tranche	CDX Blended Tranche
69	Credit	Index Tranche	CDX Structured Tranche	CDX Risky Zero Tranche
70	Credit	Index Tranche	iTraxx	iTraxx Asia Ex Japan Tranche
71	Credit	Index Tranche	iTraxx	iTraxx Australia Tranche
72	Credit	Index Tranche	iTraxx	iTraxx Europe Tranche
73	Credit	Index Tranche	iTraxx	iTraxx Japan Tranche
74	Credit	Index Tranche	iTraxx	Standard iTraxx Europe Tranche
75	Credit	Index Tranche	iTraxx Structured Tranche	iTraxx Blended Tranche
76	Credit	Index Tranche	iTraxx Structured Tranche	iTraxx Risky Zero Tranche
77	Credit	Index Tranche	ABX	ABX Tranche
78	Credit	Index	CDX	CDX HY
79	Credit	Index	CDX	CDX IG
80	Credit	Index	CDX	CDX XO
81	Credit	Index	CDX	CDX Emerging Markets
82	Credit	Index	CDX	CDX Emerging Markets Diversified
83	Credit	Index	LCDX	LCDX
84	Credit	Index	LCDX	Standard LCDX Bullet
85	Credit	Index	MCDX	MCDX
86	Credit	Index	iTraxx	iTraxx Asia Ex Japan
87	Credit	Index	iTraxx	iTraxx Australia
88	Credit	Index	iTraxx	iTraxx Europe
89	Credit	Index	iTraxx	iTraxx Japan
90	Credit	Index	iTraxx	iTraxx Lev X
91	Credit	Index	iTraxx	iTraxx Sov X
92	Credit	Index	iTraxx	iTraxx SDI
93	Credit	Index	ABX	ABX HE
94	Credit	Index	CMBX	CMBX
95	Credit	Index	IOS	IOS
96	Credit	Index	MBX	MBX
97	Credit	Index	PO	PO
98	Credit	Index	PrimeX	PrimeX
99	Credit	Index	TRX	TRX
100	Credit	Index	SP	
101	Credit	Total Return Swap		
102	Credit	Total Return Swap Index	iBoxx	
103	Credit	Swaptions	iTraxx	iTraxx Asia Ex Japan Swaption
104	Credit	Swaptions	iTraxx	iTraxx Australia Swaption
105	Credit	Swaptions	iTraxx	iTraxx Japan Swaption
106	Credit	Swaptions	iTraxx	iTraxx Sov X Swaption
107	Credit	Swaptions	Muni	CDS Swaption
108	Credit	Swaptions	CDX	CDX Swaption
109	Credit	Swaptions	MCDX	MCDX Swaption
110	Credit	Swaptions	iTraxx	iTraxx Europe Swaption
111	Credit	Swaptions	Sovereign	CDS Swaption
112	Credit	Swaptions	Corporate	CDS Swaption
113	Credit	Exotic	Corporate	Ref ob only
114	Credit	Exotic	Structured CDS	Contingent CDS
115	Credit	Exotic	Structured CDS	Index Contingent CDS
116	Credit	Exotic	Structured CDS	First to Default Nth to Default
117	Credit	Exotic	Structured CDS	Bespoke Tranche
118	Credit	Exotic	Other	

For Transaction types 'under' sub-products- see CDS Full Taxonomy

The 'Other' sub-product under the Exotic base product represents any transaction type that does not fall into existing base/sub-

### Interest Rate Taxonomy

Base Product	IR Swap	FRA	Cap Floor	Cross Currency	Option	Forward
Sub-product	Fixed Float			Basis	Debt Option	Debt
	Fixed Fixed			Fixed Float	Swaption	
	Basis			Fixed Fixed		
	Inflation					
	OIS					

Basis swaps are considered Float/Float

### Interest Rate Taxonomy

#	Asset Class	Base Product	Sub-Product
1	Interest Rate	IR Swap	Fixed Float
2	Interest Rate	IR Swap	Fixed Fixed
3	Interest Rate	IR Swap	Basis
4	Interest Rate	IR Swap	Inflation
5	Interest Rate	IR Swap	OIS
6	Interest Rate	FRA	
7	Interest Rate	CapFloor	
8	Interest Rate	Cross Currency	Basis
9	Interest Rate	Cross Currency	Fixed Float
10	Interest Rate	Cross Currency	Fixed Fixed
11	Interest Rate	Option	Debt Option
12	Interest Rate	Option	Swaption
13	Interest Rate	Forward	Debt
14	Interest Rate	Exotic	

Basis swaps are considered Float/Float

Commodity Taxonomy

Base Product	Metals	Energy	Index	Agriculture	Environmental	Freight	Multi-Commodity Exotic
<u>Sub-product</u> Transaction Type Settlement Type	<u>Precious</u> <u>Spot fwd</u> Physical <u>Swap</u> Cash <u>Option</u> Cash Physical <u>Loan Lease</u> Cash Physical Exotic	<u>Oil</u> <u>Spot fwd</u> Physical <u>Swap</u> Cash <u>Option</u> Cash Physical <u>Loan Lease</u> Cash Physical Exotic	<u>Swap</u> Cash <u>Option</u> Cash Exotic	<u>Grains / Oilseeds</u> <u>Spot fwd</u> Physical <u>Swap</u> Cash <u>Option</u> Cash Physical <u>Loan Lease</u> Cash Physical Exotic	<u>Weather</u> <u>Swap</u> Cash <u>Option</u> Cash <u>Loan Lease</u> Cash Exotic <u>Emissions</u> <u>Spot fwd</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Loan Lease</u> Cash Physical Exotic	<u>Spot fwd</u> Physical <u>Swap</u> Cash <u>Option</u> Cash Physical <u>Loan Lease</u> Cash Physical Exotic	
	<u>Non-precious</u> <u>Spot fwd</u> Physical <u>Swap</u> Cash <u>Option</u> Cash Physical <u>Loan Lease</u> Cash Physical Exotic	<u>Nat Gas</u> <u>Spot fwd</u> Physical <u>Swap</u> Cash <u>Option</u> Cash Physical <u>Natural Gas Transport</u> <u>Loan Lease</u> Cash Physical Exotic		<u>Dairy</u> <u>Spot fwd</u> Physical <u>Swap</u> Cash <u>Option</u> Cash Physical <u>Loan Lease</u> Cash Physical Exotic			
		<u>Coal</u> <u>Spot fwd</u> Physical <u>Swap</u> Cash <u>Option</u> Cash Physical <u>Loan Lease</u> Cash Physical Exotic		<u>Livestock</u> <u>Spot fwd</u> Physical <u>Swap</u> Cash <u>Option</u> Cash Physical <u>Loan Lease</u> Cash Physical Exotic			
		<u>Flare</u> <u>Spot fwd</u> Physical <u>Swap</u> Cash <u>Option</u> Cash Physical <u>Loan Lease</u> Cash Physical Exotic		<u>Forestry</u> <u>Spot fwd</u> Physical <u>Swap</u> Cash <u>Option</u> Cash Physical <u>Loan Lease</u> Cash Physical Exotic			
		<u>Inter Energy</u> <u>Spot fwd</u> Physical <u>Swap</u> Cash <u>Option</u> Cash Physical <u>Loan Lease</u> Cash Physical Exotic		<u>Softs</u> <u>Spot fwd</u> Physical <u>Swap</u> Cash <u>Option</u> Cash Physical <u>Loan Lease</u> Cash Physical Exotic			

-Commodity derivatives distinguishes its businesses by the products more so than by the instruments. There are nuances specific to the products based on how they trade, their units of measure, and confirm standardization to name a few.

-Quarterly Trend Reporting to regulators is broken down into buckets of Energy, Metals and Other. This is consistent with monthly metrics Reporting to the Federal Reserve. Volumes with Counterparts vs Cleared, percentage of business electronically eligible vs electronically confirmed, and vendor adoption for electronic matching are all areas where there are significant differences between the products.

### Commodity Taxonomy

#	Asset Class	Base Product	Sub-Product	Transaction Type	Settlement Type
1	Commodity	Metals	Precious	Spot Fwd	Physical
2	Commodity	Metals	Precious	Swap	Cash
3	Commodity	Metals	Precious	Option	Cash
4	Commodity	Metals	Precious	Option	Physical
5	Commodity	Metals	Precious	Loan Lease	Cash
6	Commodity	Metals	Precious	Loan Lease	Physical
7	Commodity	Metals	Precious	Exotic	
8	Commodity	Metals	Non Precious	Spot Fwd	Physical
9	Commodity	Metals	Non Precious	Swap	Cash
10	Commodity	Metals	Non Precious	Option	Cash
11	Commodity	Metals	Non Precious	Option	Physical
12	Commodity	Metals	Non Precious	Loan Lease	Cash
13	Commodity	Metals	Non Precious	Loan Lease	Physical
14	Commodity	Metals	Non Precious	Exotic	
15	Commodity	Energy	Oil	Spot Fwd	Physical
16	Commodity	Energy	Oil	Swap	Cash
17	Commodity	Energy	Oil	Option	Cash
18	Commodity	Energy	Oil	Option	Physical
19	Commodity	Energy	Oil	Loan Lease	Cash
20	Commodity	Energy	Oil	Loan Lease	Physical
21	Commodity	Energy	Oil	Exotic	
22	Commodity	Energy	Nat Gas	Spot Fwd	Physical
23	Commodity	Energy	Nat Gas	Swap	Cash
24	Commodity	Energy	Nat Gas	Option	Cash
25	Commodity	Energy	Nat Gas	Option	Physical
26	Commodity	Energy	Nat Gas	Transport	
27	Commodity	Energy	Nat Gas	Loan Lease	Cash
28	Commodity	Energy	Nat Gas	Loan Lease	Physical
29	Commodity	Energy	Nat Gas	Exotic	
30	Commodity	Energy	Coal	Spot Fwd	Physical
31	Commodity	Energy	Coal	Swap	Cash
32	Commodity	Energy	Coal	Option	Cash
33	Commodity	Energy	Coal	Option	Physical
34	Commodity	Energy	Coal	Loan Lease	Cash
35	Commodity	Energy	Coal	Loan Lease	Physical
36	Commodity	Energy	Coal	Exotic	
37	Commodity	Energy	Elec	Spot Fwd	Physical
38	Commodity	Energy	Elec	Swap	Cash
39	Commodity	Energy	Elec	Option	Cash
40	Commodity	Energy	Elec	Option	Physical
41	Commodity	Energy	Elec	Transmission	
42	Commodity	Energy	Elec	Loan Lease	Cash
43	Commodity	Energy	Elec	Loan Lease	Physical
44	Commodity	Energy	Elec	Exotic	
45	Commodity	Energy	Inter Energy	Spot Fwd	Physical
46	Commodity	Energy	Inter Energy	Swap	Cash
47	Commodity	Energy	Inter Energy	Option	Cash
48	Commodity	Energy	Inter Energy	Option	Physical
49	Commodity	Energy	Inter Energy	Loan Lease	Cash
50	Commodity	Energy	Inter Energy	Loan Lease	Physical
51	Commodity	Energy	Inter Energy	Exotic	
52	Commodity	Index		Swap	Cash
53	Commodity	Index		Option	Cash
54	Commodity	Index		Exotic	
55	Commodity	Agricultural	Grains Oil Seeds	Spot Fwd	Physical
56	Commodity	Agricultural	Grains Oil Seeds	Swap	Cash
57	Commodity	Agricultural	Grains Oil Seeds	Option	Cash
58	Commodity	Agricultural	Grains Oil Seeds	Option	Physical
59	Commodity	Agricultural	Grains Oil Seeds	Loan Lease	Cash
60	Commodity	Agricultural	Grains Oil Seeds	Loan Lease	Physical
61	Commodity	Agricultural	Grains Oil Seeds	Exotic	
62	Commodity	Agricultural	Dairy	Spot Fwd	Physical
63	Commodity	Agricultural	Dairy	Swap	Cash
64	Commodity	Agricultural	Dairy	Option	Cash
65	Commodity	Agricultural	Dairy	Option	Physical
66	Commodity	Agricultural	Dairy	Loan Lease	Cash
67	Commodity	Agricultural	Dairy	Loan Lease	Physical
68	Commodity	Agricultural	Dairy	Exotic	
69	Commodity	Agricultural	Livestock	Spot Fwd	Physical
70	Commodity	Agricultural	Livestock	Swap	Cash

#### Commodity Taxonomy

#	Asset Class	Base Product	Sub-Product	Transaction Type	Settlement Type
71	Commodity	Agricultural	Livestock	Option	Cash
72	Commodity	Agricultural	Livestock	Option	Physical
73	Commodity	Agricultural	Livestock	Loan Lease	Cash
74	Commodity	Agricultural	Livestock	Loan Lease	Physical
75	Commodity	Agricultural	Livestock	Exotic	
76	Commodity	Agricultural	Forestry	Spot Fwd	Physical
77	Commodity	Agricultural	Forestry	Swap	Cash
78	Commodity	Agricultural	Forestry	Option	Cash
79	Commodity	Agricultural	Forestry	Option	Physical
80	Commodity	Agricultural	Forestry	Loan Lease	Cash
81	Commodity	Agricultural	Forestry	Loan Lease	Physical
82	Commodity	Agricultural	Forestry	Exotic	
83	Commodity	Agricultural	Softs	Spot Fwd	Physical
84	Commodity	Agricultural	Softs	Swap	Cash
85	Commodity	Agricultural	Softs	Option	Cash
86	Commodity	Agricultural	Softs	Option	Physical
87	Commodity	Agricultural	Softs	Loan Lease	Cash
88	Commodity	Agricultural	Softs	Loan Lease	Physical
89	Commodity	Agricultural	Softs	Exotic	
90	Commodity	Environmental	Weather	Swap	Cash
91	Commodity	Environmental	Weather	Option	Cash
92	Commodity	Environmental	Weather	Loan Lease	Cash
93	Commodity	Environmental	Weather	Exotic	
94	Commodity	Environmental	Emissions	Spot Fwd	Physical
95	Commodity	Environmental	Emissions	Swap	Cash
96	Commodity	Environmental	Emissions	Option	Cash
97	Commodity	Environmental	Emissions	Option	Physical
98	Commodity	Environmental	Emissions	Loan Lease	Cash
99	Commodity	Environmental	Emissions	Loan Lease	Physical
100	Commodity	Environmental	Emissions	Exotic	
101	Commodity	Freight		Spot Fwd	Physical
102	Commodity	Freight		Swap	Cash
103	Commodity	Freight		Option	Cash
104	Commodity	Freight		Option	Physical
105	Commodity	Freight		Loan Lease	Cash
106	Commodity	Freight		Loan Lease	Physical
107	Commodity	Freight		Exotic	
108	Commodity	Multi Commodity Exotic			

-Commodity derivatives distinguishes its businesses by the products more so than by the instruments. There are nuances specific to the products based on how they trade, their units of measure, and confirm standardization to name a few.

-Quarterly Trend Reporting to regulators is broken down into buckets of Energy, Metals and Other. This is consistent with monthly metric Reporting to the Federal Reserve. Volumes with counterparts vs Cleared, percentage of business electronically eligible vs electronically confirmed, and vendor adoption for electronic matching are all areas where there are significant differences between the products.

-For the first phase of the Commodity Trade Repository commitment it was decided that financial oil would be a good product to initiate the Repository. Later phases would bring in other products of increasing complexity. This further bolsters the argument that the Commodity Dealers and Non-Dealers look at the business from a product as opposed to an instrument perspective.

### Foreign Exchange Taxonomy

Base Product	Spot	NDF	NDO	Forward	Vanilla Option	Simple Exotic	Complex Exotic
Sub-product						Barrier	
						Digital	

NDO: Only European Style Options are NDO and not any other FX Options which are settled in a non-deliverable currency

Vanilla Option: European and American Style would be classified as Vanilla - without any feature like Forward Starting Strike or Performance payout.

The Digital sub-product is synonymous with Binary



#### Foreign Exchange Taxonomy

#	Asset Class	Base Product	Sub-Product
1	Foreign Exchange	Spot	
2	Foreign Exchange	NDF	
3	Foreign Exchange	NDO	
4	Foreign Exchange	Forward	
5	Foreign Exchange	Vanilla Option	
6	Foreign Exchange	Simple Exotic	Barrier
7	Foreign Exchange	Simple Exotic	Digital
8	Foreign Exchange	Complex Exotic	

NDO: Only European Style Options are NDO and not any other FX Options which are settled in a non-deliverable currency

Vanilla Option: European and American Style would be classified as Vanilla - without any feature like Forward Starting Strike or Performance payout.

The Digital sub-product is synonymous with Binary

### Equity Taxonomy

Sub Product	Base Product				
	Swap	Portfolio Swap	Contract For Difference	Option	Forward
Price Return Basic Performance	Single Name	Single Name	Single Name	Single Name	Single Name
	Single Index	Single Index	Single Index	Single Index	Single Index
	Basket	Basket	Basket	Basket	Basket
Parameter Return Dividend	Single Name			Single Name	
	Single Index			Single Index	
	Basket			Basket	
Parameter Return Variance	Single Name			Single Name	
	Single Index			Single Index	
	Basket			Basket	
Parameter Return Volatility	Single Name			Single Name	
	Single Index			Single Index	
	Basket			Basket	

The Price Return Basic Performance Sub-product includes instruments such as vanilla options, 1-Delta, EFS, TRS etc

The Other Sub-product includes structured and exotic

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### Equity Taxonomy

#	Asset Class	Base Product	Sub-Product	Transaction type
1	Equity	Swap	Price Return Basic Performance	Single Name
2	Equity	Swap	Price Return Basic Performance	Single Index
3	Equity	Swap	Price Return Basic Performance	Basket
4	Equity	Swap	Parameter Return Dividend	Single Name
5	Equity	Swap	Parameter Return Dividend	Single Index
6	Equity	Swap	Parameter Return Dividend	Basket
7	Equity	Swap	Parameter Return Variance	Single Name
8	Equity	Swap	Parameter Return Variance	Single Index
9	Equity	Swap	Parameter Return Variance	Basket
10	Equity	Swap	Parameter Return Volatility	Single Name
11	Equity	Swap	Parameter Return Volatility	Single Index
12	Equity	Swap	Parameter Return Volatility	Basket
13	Equity	Portfolio Swap	Price Return Basic Performance	Single Name
14	Equity	Portfolio Swap	Price Return Basic Performance	Single Index
15	Equity	Portfolio Swap	Price Return Basic Performance	Basket
16	Equity	Contract For Difference	Price Return Basic Performance	Single Name
17	Equity	Contract For Difference	Price Return Basic Performance	Single Index
18	Equity	Contract For Difference	Price Return Basic Performance	Basket
19	Equity	Option	Price Return Basic Performance	Single Name
20	Equity	Option	Price Return Basic Performance	Single Index
21	Equity	Option	Price Return Basic Performance	Basket
22	Equity	Option	Parameter Return Dividend	Single Name
23	Equity	Option	Parameter Return Dividend	Single Index
24	Equity	Option	Parameter Return Dividend	Basket
25	Equity	Option	Parameter Return Variance	Single Name
26	Equity	Option	Parameter Return Variance	Single Index
27	Equity	Option	Parameter Return Variance	Basket
28	Equity	Option	Parameter Return Volatility	Single Name
29	Equity	Option	Parameter Return Volatility	Single Index
30	Equity	Option	Parameter Return Volatility	Basket
31	Equity	Forward	Price Return Basic Performance	Single Name
32	Equity	Forward	Price Return Basic Performance	Single Index
33	Equity	Forward	Price Return Basic Performance	Basket
34	Equity	Other		

Price Return Basic Performance Sub-product includes instruments such as vanilla options, 1-Delta, EFS, TRS etc.

The Other Sub-product includes structured and exotic

Sub Product	Equity MCAs				
	Base Product				
Underlying Asset Price Return - Basic Performance Features (*)	Swap	Portfolio Swap	Contract For Difference	Option	Forward
	2004 US, 2009 US, 2007 EUR, 2009 EUR, 2008 Asia exc-Japan, 2009 Pan Asia	N/A	N/A	2004 US, 2009 US, 2007 EUR, 2005 Asia exc-Japan, 2008 Asia exc-Japan, 2005 Japan, 2008 Japan	N/A
	2004 US, 2009 US, 2007 EUR, 2009 EUR, 2009 Pan Asia	N/A	N/A	2004 US, 2009 US, 2007 EUR, 2005 Asia exc-Japan, 2008 Asia exc-Japan, 2005 Japan, 2008 Japan, 2010 EMEA EM	N/A
	2004 US	N/A	N/A	N/A	N/A
Parameter Return Dividend	N/A			N/A	
	2008 Japan			N/A	
	N/A			N/A	
Parameter Return Variance	2007 US, 2007 European, 2006 Japan, 2007 Asia exc-Japan			2007 European Variance Option Appendix	
	2007 US, 2007 European, 2006 Japan, 2007 Asia exc-Japan			2007 European Variance Option Appendix	
	N/A			N/A	
Parameter Return Volatility	N/A			N/A	
	N/A			N/A	
	N/A			N/A	

The Price Return Basic Performance Sub-product includes instruments such as vanilla options, 1-Delta, EFS, TRS etc.

The Other Sub-product includes structured and exotic

Note: Not all firms can identify all categories currently

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Division of Market Oversight  
Commodity Futures Trading Commission  
May 9, 2018

**Exhibit C**

Amended Facility Rulebook

Marked Version



ICAP GLOBAL DERIVATIVES LIMITED

# Facility Rulebook

Version ~~4.1~~4.2

~~January 3~~May 23, 2018

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## FACILITY RULEBOOK

### TABLE OF CONTENTS

### PAGE

<b>DEFINITIONS</b>	1
<b>GENERAL</b>	10
<b>CHAPTER 1</b>	11
<b>MARKET GOVERNANCE</b>	11
Rule 101 Board of Directors and Officers	11
Rule 102 Limitation of Liability	11
Rule 103 Confidentiality	12
Rule 104 Emergency Action	13
Rule 105 Suspension of Trading	16
Rule 106 Risk Controls for Trading	16
Rule 107 Conflicts of Interest	16
Rule 108 Market Data	17
Rule 109 Intellectual Property	18
<b>CHAPTER 2</b>	20
<b>TRADING PRIVILEGES</b>	20
Rule 201 Trading Privilege Holders	20
Rule 202 Authorised Traders and Authorised Trading Firms	22
Rule 203 Financial Integrity	25
Rule 204 Clearing	25
Rule 205 Application for and Grant of Trading Privileges	29
Rule 206 Participant and Customer Obligations; Suspension or Termination of Access	31
Rule 207 Customers	32
Rule 208 Recordkeeping	32
Rule 209 Communications of IGDL with Participants	34
Rule 210 Required Disclosures to IGDL	35
Rule 211 Dues, Fees and Expenses	36
Rule 212 Market Maker Programs	37
Rule 213 Independent Software Vendors	37
Rule 214 Withdrawal of Participant	38
<b>CHAPTER 3</b>	39
<b>TRADING PROCEDURES</b>	39
Rule 301 Trading Sessions	39
Rule 302 Information about, and access to, IGDL's Order Book	39
Rule 303 Algorithmic Trading	39
Rule 304 Required Transactions	40
Rule 305 Permitted Transactions	40
Rule 306 Execution Methods for Required Transactions	41
Rule 307 Work Up	43
Rule 308 Acceptable Bids and Offers	43
Rule 309 Block Trades	43
Rule 310 Reporting and Data Collection	45
Rule 311 Bid/Offer Cancellation	4647
Rule 312 [Reserved]	47
Rule 313 Enforceability of Transactions	47
Rule 314 Intermediated Transactions	48
Rule 315 Bunched Orders	49
Rule 316 IGDL Authority over Transactions	49
Rule 317 Reporting Counterparty	54
Rule 318 MiFID II Transaction Reporting	5455
Rule 319 Bid/Offer to Trade Ratio	55
Rule 320 Trade Transparency	55



<b>CHAPTER 4</b>	<b>57</b>
TRADING STANDARDS	57
Rule 401    Fraudulent Statements and Acts	57
Rule 402    Abusive Trading Practices	57
Rule 403    Good Faith Bids/Offers and RFQs	57
Rule 404    Pre-Execution Discussions and Pre-Arranged Transactions	57
Rule 405    Manipulation and Price Distortion	58
Rule 406    Disruptive Trading Practices	58
Rule 407    General Offences	59
Rule 408    Position Limits and Position Accountability	59
<b>CHAPTER 5</b>	<b>61</b>
RULE ENFORCEMENT	61
Rule 501    Jurisdiction	61
Rule 502    Facility Market Regulation Staff Powers and Duties	61
Rule 503    The Review Panel	62
Rule 504    Notice of Charges	63
Rule 505    Answer; Request for Hearing; Failure to Answer or Deny Charges	63
Rule 506    Selection of Hearing Panel	64
Rule 507    Challenge to Members of the Hearing Panel	64
Rule 508    Hearing on Sanctions in the Event of Failure to Deny Charges; Failure to Request Hearing Deemed Acceptance of Sanctions	64
Rule 509    Settlement Prior to Commencement of Hearing	65
Rule 510    Hearing Procedures	65
Rule 511    Written Decision of Hearing Panel	67
Rule 512    Liability for Expenses	68
Rule 513    Effective Date of Sanctions	68
Rule 514    Summary Suspension	68
Rule 515    Extension of Time Limits	69
Rule 516    Summary Fines	69
<b>CHAPTER 6</b>	<b>71</b>
CONTRACTS TO BE TRADED	71
Rule 601    Listing Procedures	71
Rule 602    Swaps Not Readily Susceptible to Manipulation	71
<b>CHAPTER 7</b>	<b>72</b>
GOVERNING LAW, JURISDICTION AND DISPUTE RESOLUTION	72
Rule 701    Choice of Law	72
Rule 702    Disputes Among Trading Privilege Holders, Authorised Traders, Authorised Trading Firms and Customers	72
Rule 703    Disputes with IGDL	72
<b>CHAPTER 8</b>	<b>73</b>
CONTRACT SPECIFICATIONS	73
Rule 801    Interest Rate Swaps Products Descriptions	73
<b>CHAPTER 9</b>	<b>97</b>
SYSTEM PROTOCOLS	97
Rule 901    i-Swap System Protocol	97
Appendix 1 – Contracts Offered for Trading on i-Swap	103
Appendix 2 – Bid/Offer Types and i-Swap Configuration	104
Rule 902    Voice RFQ System Protocol	106
Rule 903    GTN System Protocol	111
Rule 904    Pre-Arranged Crossing System Protocol	116

## DEFINITIONS

Except where the context requires otherwise, the following terms shall have the following meanings when used in the Rules. Use of the singular shall include the plural and vice versa, unless the context requires otherwise.

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

**Affiliate** means, with respect to any person, any other person who controls, is controlled by or is under common control with such person.

**Affirm** means the process by which the counterparties to a Cleared Contract verify that they agree on the details of the transaction after execution on the Facility but prior to submission to the relevant DCO, which may be done by any means acceptable to the counterparties, including the use of an Affirmation Hub, and “**Affirmations**” shall be construed accordingly.

**Affirmation Hub** means a third-party service designated by IGD L to route Cleared Contracts to DCOs and which may provide Participants with the opportunity to Affirm the Cleared Contracts.

**Algo ID** means a unique identifier issued for each Algorithm used by a Participant in connection with the Facility.

**Algorithm** means a discrete series of steps for Algorithmic Trading, which is implemented using software, hardware or a combination of them.

**Algorithmic Trading** has the meaning given in Article 4(1)(39) of MiFID II.

**Answer** shall have the meaning set forth in Rule 505(a).

**API** shall have the meaning set forth in Rule 901(e)(1)(ii).

**Applicable Law** means, with respect to any person, any statute, law, regulation, rule or ordinance of any Governmental Authority applicable to such person, including but not limited to MiFID II, the FCA Handbook, the Act and Commission Regulations.

**Appropriate Minimum Block Size** shall have the meaning set forth in Rule 309(a).

**Authorised Algorithmic Trader** means an Authorised Trader who undertakes Algorithmic Trading on the Facility.

**Authorised Trader** means an individual designated as such by, and acting on behalf of, a Trading Privilege Holder to enter Bids/Offers, issue and respond to RFQs, submit Pre-Arranged Crosses, access a Trading Platform and execute transactions in Contracts.

**Authorised Trading Firm** means an entity designated as such by a Trading Privilege Holder to enter Bids/Offers, issue and respond to RFQs, submit Pre-Arranged Crosses, access a Trading Platform and execute transactions in Contracts either as an Intermediary for such Trading Privilege Holder or as a Customer with DEA granted by such Trading Privilege Holder.

**BASIC** shall have the meaning set forth in Rule 205(f).

**Bid/Offer** means a bid or offer entered into a Trading Platform operated by IGD L or submitted to the Facility in response to an RFQ.

**Block Trade** means a Swap transaction that is publicly reportable under Part 43 of the Commission Regulations that:

- (a) Involves a Swap that is listed on the Facility;
- (b) Occurs away from the Facility and is executed pursuant to Rule 309;
- (c) Has a notional or principal amount at or above the Appropriate Minimum Block Size; and
- (d) Is reported to the Facility as provided in Rule 309.

**Board** means the Board of Directors of IGDL.

**Breakage Agreement** means an agreement or any other arrangement between the parties that provides for the assessment of liability or payment of damages between the parties to a Cleared Contract in the event that the Cleared Contract is rejected from clearing.

**Business Day** means any day on which a Contract is available for trading on the Facility.

**Call Option** means an Option whereby (i) the purchaser has the right, but not the obligation, to buy an Underlying Interest, at the strike price specified; and (ii) the grantor has the obligation, upon exercise, to enter into an Underlying Interest for delivery in such Delivery Month, at such strike price.

**CF10** means the head of Compliance and Oversight (Controlled Function 10), or one duly authorised to act with the authority of the CF10.

**CFTC Package Transaction** means a transaction executed on the Facility or subject to the Rules involving two or more instruments: (i) that is executed between two or more parties that are Participants or Customers; (ii) that is priced or quoted as one economic transaction with simultaneous or near simultaneous execution of all components; (iii) that has at least one component that is a Swap that has been made available to trade pursuant to section 2(h)(8) of the Act; and (iv) where the execution of each component is contingent upon the execution of all other components.

**Chairman of the Board** means the chairman of the Board.

**Chief Compliance Officer** means the Chief Compliance Officer of IGDL, or one duly authorised to act with the authority of the Chief Compliance Officer.

**Chief Executive Officer** means the Chief Executive Officer of IGDL, or one duly authorised to act with the authority of such officer.

**Class** means, with respect to any Swap, a Contract covering the same Underlying Interest.

**Cleared Contract** means any Contract that is listed for clearing by IGDL.

**Clearing Firm** means a clearing member of a DCO that is authorised pursuant to the rules of such DCO to clear transactions in any or all Contracts.

**Clearing Firm Representation** shall have the meaning set forth in Rule 204(f).

**Cleared Treasury Security** means any U.S. Treasury Security cleared through the Fixed Income Clearing Corporation.

**CME** means Chicago Mercantile Exchange Inc.

**CME/LCH.Clearnet Spreads** shall have the meaning set forth in Rule 801(1).

**Commission** means the U.S. Commodity Futures Trading Commission or any successor regulatory body.

**Commission Regulations** means any rule, regulation, order, directive and any interpretation thereof promulgated by the Commission, as amended.

**Commodity** shall have the same meaning as in the Act.

**Commodity Interest** shall have the meaning set forth in Commission Regulation 1.3.

**Competent Authority** means the authority, designated by each relevant Member State of the European Union in accordance with Article 67 of MiFID II.

**Compliance Function** means the Chief Compliance Officer and CF10 together.

**Confirmation** shall have the same meaning as in Commission Regulation 45.1.

**Confidential Information** means all non-public information that is stated to be or that can reasonably be expected to be of a confidential or trade secret nature in any form obtained by a Participant from IGD L in accessing or using the Systems, including, but not limited to, any processes, or proprietary data, information or documents regarding the Systems, save to the extent that such information: (i) is already in the public domain at the time of disclosure; (ii) enters the public domain other than by a breach of any obligation of confidentiality; (iii) is required to be disclosed by reason of Applicable Law, provided that, where permitted by Applicable Law, prior notice of such disclosure shall be provided to IGD L as soon as practicable in order to permit IGD L to seek a protective order or take other appropriate action to safeguard the Confidential Information; or (iv) is permitted to be disclosed pursuant to the Rules.

**Contract** means any Swap listed for trading on the Facility.

**Covered CFTC Package Transaction** means a "MAT/New Issuance Bond Package Transaction," "MAT/Futures Package Transactions," "MAT/Non-MAT Uncleared Package Transaction," a "MAT/Non-Swap Instruments Package Transaction," and a "MAT/Non-CFTC Swap Package Transaction," each as defined in NAL 17-55, expiring November 15, 2020.

**CRD** means Capital Requirements Directive (Directive 2013/36/EU).

**Customer** means any person (including another Trading Privilege Holder), or such person's agent with the legal ability to direct trading on behalf of such person, that transacts on the Facility through a Participant acting as an Intermediary.

**Customer Type Indicator Codes** shall have the meaning set forth in Rule 208.

**DCO** means, with respect to any Swap, a derivatives clearing organisation authorised to clear such Swap.

**Deferral** means approval granted by a Competent Authority authorising deferred publication of Post-Trade Data as provided for under Article 11 of MiFIR.

**Delivery Month** means, with respect to any Contract, the month in which delivery of an Underlying Interest is to be made pursuant to the terms of such Contract.

**Derived Information** means Information that has been altered, enhanced, modified or from which derivative information has been created.

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

**Directed Voice RFQ** means a voice RFQ conducted in accordance with Rule 306(c)(2).

**Direct Electronic Access** or **DEA** means a Trading Privilege Holder (including an Intermediary) permitting a Customer to transmit ~~orders~~[Bids/Offers](#) electronically to the Trading Privilege Holder's systems for onward transmission to a Trading Platform utilising the Trading Privilege Holder's trading identification.

**DTCC** means DTCC Data Repository (U.S.) LLC.

**Eligible Counterparty** has the meaning given in the FCA Handbook.

**Emergency** shall have the meaning set forth in Rule 104(a).

**Erroneously Cleared Transactions** shall have the meaning set forth in Rule 316(i).

**Error** shall have the meaning set forth in Rule 316(h).

**ESMA** means the European Securities and Markets Authority.

**Eurex** means Eurex Clearing AG.

**Expiration Day** means the day on which an Option expires.

**Execution Specialist** means any personnel of IGD L responsible for assisting Participants with entering Bids/Offers in the Order Book, issuing and responding to RFQs, executing and receiving reports of Block Trades and executing Pre-Arranged Crosses.

**Facility** means the venue provided by IGD L for the execution of Contracts, as set out in this Facility Rulebook.

**Facility Subject Person** means any person that has consented to the jurisdiction of the Facility and agreed to be bound by and comply with the Rules pursuant to Rule 201(e).

**FCA** means the Financial Conduct Authority.

**FICC Clearing Member** means a clearing member of the Fixed Income Clearing Corporation's Government Securities Division.

**FICC Clearing Member Representation** shall have the meaning set forth in Rule 204(j).

**Financial Entity** has the meaning set forth in Section 2(h)(7)(C) of the Act.

**Financial Instrument** means those instruments specified in Section C Annex I of MiFID II.

**Fine Notice** shall have the meaning set forth in Rule 516(b).

**Governance Policy** means the Governance Policy of IGD L attached as Annex 1 hereto.

**Governmental Authority** means any domestic or foreign government (or political subdivision), governmental or regulatory authority, agency, court, commission or other governmental or regulatory entity (including any self-regulatory association).

**Hearing Date** shall have the meaning set forth in Rule 506(a).

**Hearing Panel** shall have the meaning set forth in the Governance Policy.

**Hearing Panel Chairman** shall have the meaning set forth in Rule 506.

**Hearing Record** shall have the meaning set forth in Rule 510.

**Held Order** means a firm executable Bid/Offer placed for entry onto the Order Book.

**ID** shall have the meaning set forth in Rule 302(a).

**ICAP** means ICAP plc and its Affiliates.

**IGDL** means ICAP Global Derivatives Limited (Company Number: 03635229).

**IGDL Indemnified Party** shall have the meaning set forth in Rule 109(f).

**Implied Package Transaction** means a transaction executed on or subject to the Rules involving two or more instruments that is quoted as one economic transaction with simultaneous or near simultaneous execution of all components, but where the execution of each component is not contingent upon the execution of all other components and where any Participant or Customer may submit a Bid/Offer for less than all of the components of the transaction.

**Indemnified Party** shall have the meaning set forth in Rule 109(f).

**Indemnifying Party** shall have the meaning set forth in Rule 109(f).

**Information** shall have the meaning set forth in Rule 108(a).

**Intellectual Property Rights** means all right, title and interest in and to (i) trademarks, service marks, brand names and other indications of origin and the goodwill associated with the foregoing; (ii) inventions, patents, trade secrets, know-how, processes and systems; (iii) copyright and database rights; and (iv) any other intellectual property or similar proprietary rights in any jurisdiction, in each case whether registrable or not.

**Intermediary** means any person that enters Bids/Offers into a Trading Platform, issues and responds to RFQs, reports block trades or submits Pre-Arranged Crosses to the Facility on behalf of Customers, including without limitation, any futures commission merchant, introducing broker or commodity trading adviser registered with the Commission.

**Intermediated Transaction** means any transaction on the Facility conducted through an Intermediary.

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

**ISDA Reporting Party Rules** means the reporting party rules set forth in the document published by ISDA entitled "Dodd Frank Act – Swap Transaction Reporting Party Requirements" dated July 15, 2013, as set forth in Annex 2 attached hereto.

**JSCC** means Japan Securities Clearing Corporation.

**Last Trading Day** means, with respect to any Swap, the last day on which trading is permitted for such Swap in accordance with the Rules.

**LCH.Clearnet** means LCH.Clearnet, Ltd.

**Legal Entity Identifier** or **LEI** shall have the same meaning as in Commission Regulations.

**Losses** shall have the meaning set forth in Rule 102(a).

**Major Swap Participant** shall have the same meaning as in the Act and Commission Regulations.

**Managed Order** shall have the meaning set forth in Rule 306(c)(4).

**Market Regulation Staff** means the personnel designated by IGDL as members of the Market Regulation Staff, any agents of IGDL that assist in the implementation, surveillance, and enforcement of its rules and related obligations, and IGDL's Regulatory Services Provider.

**MiFID** means the Markets in Financial Instruments Directive 2004/39/EC.

**MiFID II** means Directive 2014/65/EU on markets in financial instruments.

**MiFID II Package Transaction** means a transaction which involves the execution of two or more component transactions in Financial Instruments and which is executed between two or more counterparties, where each component bears meaningful economic or financial risk which is related to all other components and where the execution of each component is simultaneous and contingent upon the execution of all other components.

**MiFIR** means Regulation (EU) No 600/2014 on markets in financial instruments.

**MTF** means multilateral trading facility, as defined in the FCA Handbook.

**NAL** means Commission No-Action Letter.

**NFA** means the National Futures Association.

**Non-Cleared Contract** means a Contract that is not a Cleared Contract.

**Non-Directed Voice RFQ** means a voice RFQ conducted in accordance with Rule 306(c)(1).

**Non-Reviewable Range** means the amounts that are above and below the fair market value for each Contract or Contract type, as set forth in Rule 316(f).

**Notice** shall have the meaning set forth in Rule 504(a).

**Notice of Contest** shall have the meaning set forth in Rule 516(c).

**OCO** shall have the meaning set forth in Section (e) of Appendix 2 to Rule 901.

**Option** means a Swap whereby one party grants to another the right, but not the obligation, to buy or sell a Commodity or other Underlying Interest.

**Order** means an instruction by a Customer to a Participant to execute a transaction on behalf of such Customer.

**Order Book** means a Trading Platform in which all Trading Privilege Holders have the ability to enter, observe and transact on multiple Bids/Offers.

**Package Transaction** means a transaction that is either a CFTC Package Transaction or a MiFID II Package Transaction.

**Participant** means any Trading Privilege Holder, Authorised Trader or Authorised Trading Firm.

**Participant Indemnified Party** shall have the meaning set forth in Rule 109(f).

**Participation Committee** shall have the meaning set forth in the Governance Policy.

**Permitted Transaction** means any transaction involving a Swap that is not subject to the trade execution requirement in section 2(h)(8) of the Act.

**person** means any individual, sole proprietorship, corporation, limited liability company, limited liability partnership, partnership, association, estate, trust, governmental agency, unincorporated organisation or any other legal entity.

**Physical Emergency** shall have the meaning set forth in Rule 104(e).

**Position Limit** means the maximum position, either net long or net short, in one Series or a combination of various Series of a particular Class that may be held or controlled by one person, or subject to aggregation with such person's position, as prescribed by IGDL, any Competent Authority and/or the Commission.

**Post-Trade Data** has the meaning given to it in Rule 320(b).

**Pre-Arranged Cross** means a Permitted Transaction pre-arranged pursuant to Rule 305(b).

**Pre-Trade Data** has the meaning given to it in Rule 320(a).

**Proceeding** shall have the meaning set forth in Rule 109(f).

**Proprietary Data and Personal Information** means data and information that separately discloses business transactions, market positions or trade secrets of a person with respect to that person, but excludes information in a Confirmation or Trade Communication that discloses the identity of another person.

**Public Director** means any person who qualifies as a "public director" within the meaning set forth in the Commission Regulations.

**Put Option** means an Option whereby (i) the purchaser has the right, but not the obligation, to sell an Underlying Interest at the strike price specified; and (ii) the grantor has the obligation, upon exercise, to buy an Underlying Interest at such strike price.

**Recipient** means a Participant who is a recipient of an RFQ.

**Record Keeping Obligation** means the obligation on IGDL, as set out in Article 25 MiFIR, to maintain for a period of five years relevant data relating to all Bids/Offers which are advertised through IGDL, along with relevant data relating to transactions (as referred to in MiFID II).

**Regulatory Agency** means any Governmental Authority, including the FCA, the Commission and the U.S. Securities and Exchange Commission, the NFA and any other SRO, and any organisation, whether



domestic or foreign, granted authority under statutory or regulatory provisions to regulate its own activities and the activities of its members, not including IGDL.

**Regulatory Oversight Committee** shall have the meaning set forth in the Governance Policy.

**Regulatory Services Provider** means an outside organisation which provides regulatory services to IGDL pursuant to an agreement.

**Rejected Leg** shall have the meaning set forth in Rule 316(i).

**Rejected Transactions** shall have the meaning set forth in Rule 316(i).

**Related Parties** shall have the meaning set forth in Rule 108(a).

**Request for Quote** or **RFQ** means a request by one Participant to at least such minimum number of Participants as may be required by Commission Regulations from time to time for a market quote that shall constitute a Bid/Offer.

**Required Transaction** means any transaction involving a Swap that is subject to the trade execution requirement in section 2(h)(8) of the Act.

**Respondent** shall have the meaning set forth in Rule 504(a).

**Review Panel** shall have the meaning set forth in the Governance Policy.

**Risk-Based Limits** means the risk-based limits established by a Clearing Firm in accordance with Commission Regulation 1.73.

**Rule** or **Rules** means the rules, resolutions, interpretations, statements of policy, decisions, directives and orders of the Facility (including this Rulebook).

**Secretary** means the individual appointed by the Board from time to time to serve as secretary of IGDL.

**SEF** means swap execution facility, as defined in the Act.

**Series** means all Contracts of the same Class having identical terms.

**SIFMA** shall have the meaning set forth in Rule 901(d)(2).

**SRO** means self-regulatory organisation.

**Swap** shall have the same meaning as in the Act and Commission Regulations. Swap Data Repository or SDR shall have the same meaning as in the Act.

**Swap Dealer** shall have the same meaning as in the Act and Commission Regulations.

**Systems** means the Trading Platforms, including various proprietary and third party software, firmware, hardware, keypads and supporting documentation to which Participants are granted access by IGDL.

**System Protocol** means the terms from time to time in force upon which a Participant may access a specific Trading Platform, including any supplemental written guidelines provided by IGDL to the Participant, as amended from time to time. The System Protocols shall be posted on the Facility's website. In the event of any inconsistency between the provisions of any System Protocol and the Rules, the terms of the System Protocol shall prevail.

**Terms Incorporated by Reference** shall have the meaning set forth in Rule 313(c).

**TP ICAP** means TP ICAP plc (Company Number: 05807599).

**Trade Communication** shall have the meaning set forth in Rule 313(c).

~~**Traded Initiator** shall have the meaning set forth in Rule 902(d)(2)(i)A.~~

**Trading Hours** means the hours specified in Rule 801 or otherwise in this Facility Rulebook for the trading of Swaps on the Facility.

**Trading Platform** means any of the separate electronic central limit order books and other systems administered by or on behalf of IGDL for the trading of Contracts pursuant to specific System Protocols for each such system.

**Trading Privilege Holder** means an individual or entity with Trading Privileges on the Facility granted pursuant to Rule 201 (including an Intermediary), but does not include an Authorised Trading Firm or Authorised Trader.

**Trading Privileges** means permission from IGDL given to any Trading Privilege Holder in accordance with Rule 201 to access the Facility, or to any Authorised Trading Firm or Authorised Trader in accordance with Rule 202 to access the Facility.

**Trading Session** means, with respect to any Contract, the period of hours on any Business Day during which such Contract is available for trading, as specified in the Rules governing such Contract.

**Transaction Report** means the report of a transaction which is required to be submitted to a Competent Authority pursuant to Article 26 of MiFIR.

**Transparency Waiver** means a waiver granted to IGDL by a Competent Authority, as provided for under Article 9 of MiFIR.

**Underlying Interest** means the interest which is the subject of a Swap.

**Untraded Initiator** shall have the meaning set forth in Rule 902(d)(2)(i)B.

**U.S. Dollar Swap Spread** means a CFTC Package Transaction in which each of the Swap components has been made available to trade by IGDL pursuant to section 2(h)(8) of the Act and all other components are U.S. Treasury Securities.

**U.S. Treasury Security** means a bond, note, bill or other evidence of indebtedness issued by the United States Treasury.

**Violation** means a violation of any of the Rules.

## **GENERAL**

### Regulatory Status

#### *United Kingdom and the EEA*

ICAP Global Derivatives Limited (FRN 191757) is regulated by the FCA and is authorised, among other things, to:

- arrange (bring about) deals in investments;
- deal in investments as agent;
- make arrangements with a view to transactions in investments; and
- operate a MTF (as set in the relevant System Protocol).

IGDL has passporting rights under MiFID in relation to certain of its permissions.

#### *United States of America*

IGDL is registered as a SEF with the Commission.

### Compliance Oversight

The Chief Compliance Officer and the Head of Compliance and Oversight (CF10), both appointed by the Board, assist IGDL in meeting its regulatory obligations, as set out by the Commission and the FCA respectively.

References in this Facility Rulebook and any other related document to the Compliance Function is intended to mean, for Commission related considerations, the Chief Compliance Officer and, for FCA related considerations, the CF10. To the extent any of the activities concern both the Commission and FCA, the Chief Compliance Officer and the CF10 will cooperate to ensure compliance with the respective regulations.

## CHAPTER 1

### MARKET GOVERNANCE

#### **Rule 101 Board of Directors and Officers**

(a) *Management.* The Board manages, operates and sets policies, including the Governance Policy, for IGDL and the Facility. The Board has the power to appoint such officers of IGDL as it may deem necessary or appropriate from time to time.

(b) *Governance Policy.* The Governance Policy shall be deemed to be part of the Rules, and shall be deemed to be incorporated herein, to the same extent and with the same force and effect as if set forth herein in their entirety.

#### **Rule 102 Limitation of Liability**

(a) TO THE EXTENT PERMITTED BY APPLICABLE LAW, AND EXCEPT FOR PRIVATE RIGHTS OF ACTION UNDER SECTION 22(B) OF THE ACT OR IN INSTANCES WHERE AN ICAP PARTY (AS DEFINED BELOW) HAS BEEN FINALLY ADJUDICATED TO HAVE ENGAGED IN NEGLIGENCE, WILFUL DEFAULT OR FRAUD, IGDL (INCLUDING ITS RESPECTIVE SUBSIDIARIES AND AFFILIATES) AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS AND LICENSORS (EACH, AN “**ICAP PARTY**”), SHALL NOT BE LIABLE TO ANY PERSON FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES (INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF USE, AND DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES) (“**LOSSES**”) IN CONTRACT, TORT, OR OTHERWISE AND WHETHER THE CLAIM IS BROUGHT DIRECTLY OR AS A THIRD PARTY CLAIM, ARISING FROM:

- (1) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION, TERMINATION, OR ANY OTHER CAUSE, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF THE SYSTEMS AND SERVICES OF IGDL OR ANY ICAP PARTY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS AND SERVICES, INCLUDING WITHOUT LIMITATION ELECTRONIC ORDER ENTRY/DELIVERY, TRADING THROUGH ANY ELECTRONIC MEANS, ELECTRONIC COMMUNICATION OF MARKET DATA OR INFORMATION, WORKSTATIONS USED BY PARTICIPANTS, PRICE REPORTING SYSTEMS AND ANY AND ALL TERMINALS, COMMUNICATIONS NETWORKS, CENTRAL COMPUTERS, SOFTWARE, HARDWARE, FIRMWARE AND PRINTERS RELATING THERETO; OR
- (2) ANY FAILURE OR MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION OR TERMINATION, OR ANY OTHER CAUSE, OF ANY SYSTEM OR SERVICE OF IGDL OR ANY ICAP PARTY, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, CAUSED BY ANY THIRD PARTIES INCLUDING, BUT NOT LIMITED TO, INDEPENDENT SOFTWARE VENDORS AND NETWORK PROVIDERS; OR
- (3) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY IGDL OR ANY ICAP PARTY OR ANY OF IGDL'S OR ICAP PARTY'S SYSTEMS, SERVICES OR FACILITIES; EXCEPT FOR INCORRECT ORDER STATUS; OR

- (4) ANY UNAUTHORISED ACCESS TO OR UNAUTHORISED USE OF ANY OF IGDL'S OR ICAP PARTY'S SYSTEMS, SERVICES OR FACILITIES BY ANY PERSON.

(b) NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS (INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR USE) ARE PROVIDED BY IGDL OR ANY ICAP PARTY, THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS, OR LICENSORS RELATING TO ANY SYSTEMS OR SERVICES OF IGDL OR ICAP PARTY OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING A TRADING PLATFORM, WHICH ARE PROVIDED "AS IS" TO PARTICIPANTS. NEITHER IGDL NOR ICAP MAKE ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED THAT ANY SYSTEMS OR SERVICES OF IGDL OR ICAP (INCLUDING EACH OF THEIR RESPECTIVE SUBSIDIARIES AND AFFILIATES) OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING A TRADING PLATFORM, WILL MEET A PARTICIPANT'S REQUIREMENTS, HAVE UNINTERRUPTED OR ERROR-FREE OPERATION, BE AVAILABLE DURING ANY SPECIFIED BUSINESS HOURS (WHETHER ADVERTISED OR NOT) OR OPERATE IN CONJUNCTION WITH OTHER SOFTWARE.

(c) ANY DISPUTE ARISING OUT OF THE USE OF SYSTEMS OR SERVICES OF IGDL OR ANY ICAP PARTY OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES IN WHICH IGDL OR AN ICAP PARTY IS A PARTY MUST BE BROUGHT WITHIN ONE YEAR FROM THE TIME THAT A CAUSE OF ACTION HAS ACCRUED. ANY SUCH DISPUTE MAY ONLY BE LITIGATED SUBJECT TO THE RULES OF THIS RULEBOOK AND WILL BE GOVERNED BY THE LAWS SET OUT IN THIS RULEBOOK.

(d) EXCEPT IN INSTANCES WHERE AN ICAP PARTY HAS BEEN FINALLY ADJUDICATED TO HAVE ENGAGED IN NEGLIGENCE, WILLFUL DEFAULT OR FRAUD, IN NO EVENT SHALL THE ICAP PARTIES' TOTAL COMBINED AGGREGATE LIABILITY FOR ALL CLAIMS ARISING OUT OF ANY NEGLIGENCE, FAILURES, MALFUNCTIONS, FAULTS IN DELIVERY, DELAYS, OMISSIONS, SUSPENSIONS, INACCURACIES, INTERRUPTIONS, TERMINATIONS, ORDER STATUS ERRORS OR ANY OTHER CAUSES, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF IGDL'S OR AN ICAP PARTY'S SYSTEMS OR SERVICES, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS AND SERVICES, OR THE NEGLIGENCE OF IGDL OR AN ICAP PARTY STAFF, EXCEED \$50,000 FOR ALL LOSSES FROM ALL CAUSES SUFFERED BY ALL PERSONS ON A SINGLE DAY; \$200,000 FOR ALL LOSSES SUFFERED BY ALL PERSONS FROM ALL CAUSES IN A SINGLE CALENDAR MONTH; AND \$500,000 FOR ALL LOSSES FROM ALL CAUSES SUFFERED BY ALL PERSONS IN A SINGLE CALENDAR YEAR.

(e) A CLAIM AGAINST IGDL OR AN ICAP PARTY, ARISING OUT OF ANY FAILURE OR MALFUNCTION SHALL ONLY BE ALLOWED IF SUCH CLAIM IS BROUGHT IN ACCORDANCE WITH THIS RULE.

(f) NOTWITHSTANDING THE FOREGOING, THE LIMITATION OF LIABILITY PURSUANT TO THIS RULE 102 IS LIMITED TO CLAIMS ARISING OUT OF IGDL'S AND AN ICAP PARTY'S OPERATION OF THE FACILITY AND/OR PROVISION OF SERVICES TO IGDL.

#### **Rule 103 Confidentiality**

(a) IGDL shall not, and shall cause its Affiliates not to, use for business or marketing purposes any Proprietary Data or Personal Information it or any of its Affiliates collects or receives, from or on behalf of any person, for the purpose of fulfilling IGDL's regulatory obligations, unless the person who provided such data or information provides prior written consent to IGDL's use of such data or information for such purposes. In furtherance of Applicable Law, IGDL may share such data and information with its Affiliates, the Commission, the FCA, one or more SEFs, SDRs, DCOs or Designated Contract Markets

registered with the Commission, and, to the extent permitted by Applicable Law, other Governmental Authorities, including those in countries outside the U.S. and U.K. IGDL may, upon request of a Trading Privilege Holder, provide a list of current Trading Privilege Holders on a confidential basis. The receiving Trading Privilege Holder shall not disclose the contents of the list without the prior consent of IGDL. Proprietary Data and Personal Information shall not include aggregated price and volume information not identified with a specific Participant or Customer, and IGDL may use such aggregated information for business and marketing purposes.

- (b) No IGDL employee shall trade, directly or indirectly, in any:
- (1) Contract;
  - (2) Commodity Interest related to a Contract;
  - (3) Commodity Interest traded on designated contract markets or SEFs or cleared by DCOs if the employee has access to material, non-public information concerning such Commodity Interest; or
  - (4) Commodity Interest traded on or cleared by a linked exchange if the employee has access to material, non-public information concerning such Commodity Interest.
- (c) No IGDL Affiliate, member of the Board or any committee established by the Board or by or pursuant to the Rules of the Facility, or any officer or other employee or consultant of IGDL, shall, either during or after service with IGDL:
- (1) 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 obtained through special access related to the performance of such person's official duties; or
  - (2) absent prior written consent of IGDL, use, directly or indirectly, information that is deemed to be non-public information, or disclose non-public information to others, except (i) to others within IGDL, IGDL's Affiliates or to outside advisers thereof or other service providers for IGDL, provided that such advisers and service providers are subject to confidentiality obligations, and that, in each case, such disclosure is necessary for the performance of Facility-related duties by the individual or entity, (ii) if required by a Regulatory Agency, or (iii) if compelled to do so by valid legal process, provided that the individual or entity notifies IGDL in advance thereof to the extent permitted.
- (d) Subject to Rule 103(a), IGDL shall not, except as reasonably necessary to operate any Trading Platform, to fulfil its obligations under this Rulebook or to comply with Applicable Law or any request of the Commission or the FCA, without the prior written consent of a Trading Privilege Holder in each instance, (i) use in advertising, publicity, marketing or other promotional materials, the name, trade name, trademark, trade device, service mark or symbol of such Trading Privilege Holder or any of its Affiliates, or (ii) represent that any product or any service provided by IGDL has been approved or endorsed by such Trading Privilege Holder or any of its Affiliates.
- (e) For purposes of this Rule 103, the terms "**employee**", "**material information**" and "**non-public information**" have the meanings ascribed to them in Commission Regulation § 1.59.

#### **Rule 104 Emergency Action**

- (a) *Definitions.* As used in this section:

The term "**Emergency**" shall mean any occurrence or circumstance which, in the opinion of IGDL, requires immediate action and threatens or may threaten such things as the fair and orderly trading in, or

the liquidation of, or delivery pursuant to, any Contracts on the Facility, including any manipulative or attempted manipulative activity; any actual, attempted, or threatened corner, squeeze, congestion, or undue concentration of positions; any circumstances which may materially affect the performance of Contracts traded on the Facility, including failure of the payment system or the bankruptcy or insolvency of any Participant; any action taken by any Governmental Authority, or any other board of trade, swap execution facility, market or facility which may have a direct impact on trading on the Facility and any other circumstance which may have a severe, adverse effect upon the functioning of the Facility.

(b) Emergency action may be taken by the following:

- (1) By the Board in the case of any Emergency;
- (2) By any two members of the Board in the case of any Emergency where it is impracticable in the opinion of the Chairman of the Board or in his or her absence, any two (2) members of the Board, to call a meeting of the Board to deal with the Emergency; or
- (3) By any committee of IGDL pursuant to powers conferred on said committee under the Rules or by the Board.

(c) *Vote Required*

The vote required of the Board or committee authorised to take any Emergency action hereunder shall be:

- (1) In the case of action by the Board, the affirmative vote of a majority of the members of the Board present and voting at a meeting at which there is a quorum; or
- (2) In the case of action by a committee, the affirmative vote of two (2) or more persons constituting not less than a majority of the members of said committee present and voting at a meeting at which there is a quorum.

The consent in writing to any Emergency action of all members of the Board or of a committee, as applicable, shall be sufficient to take such Emergency action without a meeting. A member of the Board or of a committee shall be deemed present or in attendance at a meeting if such a person participates in the meeting by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time.

(d) *Action which may be taken*

- (1) In the event of an Emergency, IGDL may, subject to Part 40 of the Commission Regulations under the Act, place into immediate effect a Rule which may provide for, or may authorise IGDL, or any committee, to undertake actions which, in the opinion of IGDL are necessary or appropriate to meet the Emergency, including, but not limited to, such actions as:
  - (i) Extending or shortening the expiration date for trading in Contracts;
  - (ii) Extending the time of delivery under or expiration of Contracts;
  - (iii) Extending, limiting or changing hours of Trading Sessions;
  - (iv) Imposing or modifying price limits;



- (v) Imposing or modifying Position Limits;
  - (vi) Imposing or modifying intraday market restrictions;
  - (vii) Ordering the liquidation or transfer of open positions in any Contract;
  - (viii) Ordering the establishment of a settlement price;
  - (ix) Suspending trading or curtailing trading in any Contract;
  - (x) Cancel any Bid/Offer;
  - (xi) Altering any Contract's settlement terms or conditions prior to execution and adjusting or cancelling any executed transaction pursuant to Rule 316; and
  - (xii) Modifying or suspending any provision of the Rules.
- (2) In the event of an Emergency when a quorum of the Board is not available, all trading on the Facility may be suspended by an affirmative vote of a majority of the Directors present, or by action of one Director if only one Director is present, for such period of time as in their or his or her judgment is necessary. In the event of an Emergency which prevents normal attendance at a meeting of the Board, when no Director is present, any authorised officer of IGDL shall have authority to order suspension of trading on the Facility for such period of time as in his or her judgment is necessary. Any action taken under this paragraph (b) shall be subject to review and modification by the Board.
- (3) Where the above actions result in a suspension of trading in any instrument, the suspension shall be implemented in accordance with the requirements on circuit breakers set out in MiFID II, including the ESMA Guidelines on Calibration of circuit breakers and publication of trading halts under MiFID II.
- (4) Whenever any action is taken under this Rule 104 pursuant to which trading is suspended or other changes in procedure are made, all matters relating to notices, deliveries and other obligations may be suspended or deferred in such manner as the Board or committee, as the case may be, may determine.
- (5) IGDL may be required to take an Emergency action when directed by the FCA or the Commission. If a Contract is traded both on the Facility and on one or more other swap execution facilities, any Emergency action to liquidate or transfer of open positions in any Contract will be made in consultation with the Commission or Commission staff.
- (e) *Physical Emergencies*
- (1) In the event the physical or electronic functions of the Facility or IGDL are, or are threatened to be, severely and adversely affected by a physical emergency, such as fire or other casualty, bomb threat, substantial inclement weather, power failure, communication or transportation breakdown, computer malfunction, screen-based Trading Platform break-down, malfunction of plumbing, heating, ventilation and air conditioning systems, backlog or delay in clearing or in the processing of data related to clearing Cleared Contracts (a "**Physical Emergency**"), the Chairman of the Board, or in his or her absence the Chief Executive Officer, or in both of their absences any other authorised officer, may take any action which, in the opinion of such officer, is necessary or appropriate to deal with the Physical Emergency. Such action shall be taken in



accordance with IGDL's business continuity plan and in cooperation with the IGDL security operations team.

- (2) Actions taken may include suspending trading in any one or more Contracts, delaying the opening of trading in any one or more Contracts, extending the Last Trading Day and/or the time of trading.
- (3) In the event a designated officer has ordered suspension of trading, the Chairman of the Board or the Chief Executive Officer, or in their absence any other authorised officer may order restoration of trading on the Facility, or may remove other restrictions so imposed, if such officer determines that the Physical Emergency has sufficiently abated to permit the physical functions of IGDL or the Facility to continue in an orderly manner. IGDL will implement any such action with the intention of resuming trading within or close to two hours following the disruptive incident.

(f) IGDL will promptly report any Emergency action taken under this Rule 104 to the Commission and the FCA and explain the decision-making process, the reasons for the exercise of emergency authority and how any conflicts of interest were addressed. Any emergency Rule or Rule amendment shall be filed with the Commission in accordance with Part 40 of the Commission Regulations under the Act.

(g) In exercising its authority under this Rule 104, IGDL shall, in its reasonable discretion, and where appropriate, permitted by Applicable Law and not precluded by exigent circumstances, consult and coordinate with DCOs, other swap execution facilities, boards of trade, relevant Participants, and other parties in considering what actions to take hereunder.

#### **Rule 105 Suspension of Trading**

In addition to suspensions pursuant to Rule 104 in the event of an Emergency, the Board may, in its discretion, by an affirmative vote of a majority of the Directors present at a meeting at which there is a quorum, close the Facility, suspend or constrain trading in any one or more Contracts on such days or portions of days as will, in its judgment, serve to promote the best interest of IGDL.

Where the Board exercises its powers under this Rule 105, the Board shall take into account the liquidity of the Contracts, the nature of the market model and the types of Participant trading such Contracts. The Board will take into account, where relevant, reference prices which reflect the volatility behavior of the instrument concerned in a reliable and consistent way and, where appropriate, should have the ability to refer to external references. Decisions to implement a suspension of trading will be taken in accordance with a pre-defined methodology, taking into account the factors set out in the ESMA Guidelines on Calibration of circuit breakers and publication of trading halts under MiFID II.

The Board shall also consider whether the actions described in this Rule 105 are likely to cause significant disruption to the orderliness of trading on IGDL.

Following implementation of a suspension, IGDL will immediately publish the fact that a trading halt has been activated, the type of trading halt, the trading phase in which it was triggered, any extension to the halt and the end of the halt.

IGDL will promptly report any action taken under this Rule 105 to the Commission and the FCA.

#### **Rule 106 Controls for Trading**

The Regulatory Oversight Committee may impose controls to reduce the potential risk of market disruption, including but not limited to, market restrictions that pause or halt trading in specified market conditions.

#### **Rule 107 Conflicts of Interest**

(a) TP ICAP's Conflict of Interest Management Policy sets out the arrangements that enable IGDL to prevent, identify clearly and manage the potential adverse consequences for the operation of the Facility, or for Participants, of any conflict of interest between the interest of the Facility or IGDL and the sound functioning of the Facility. TP ICAP's Conflicts of Interest Management Policy is published on its website and can be accessed through the following URL: <http://www.icap.com/~media/Files/I/ICAP-Corp-V3/pdfs/November%202017/Conflicts-of-Interest-Management-Policy.PDF>.

(b) In addition, IGDL will minimize conflicts of interest in its decision-making process in accordance with the conflicts of interest procedures set forth in the Governance Policy.

#### **Rule 108 Bet Data**

(a) Subject to Rule 103, and each Participant's and Customer's rights in its own Proprietary Data and Personal Information, IGDL owns all rights, title and interest in and to all intellectual property and other proprietary rights (including all copyright, database rights, trademarks and trade secrets, or similar proprietary rights in any jurisdiction whether or not registrable) in and to any data, analytics, research or other information (including without limitation Bids/Offer, RFQs, Pre-Arranged Crosses, the contents of Confirmations and Trade Communications, such Confirmations and Trade Communications themselves, prices and volumes of transactions) contained in, displayed on, generated by or derived from the Facility and the Trading Platforms (collectively the "**Information**"). IGDL shall not decompile or reverse engineer any of a Participant's or Customer's Proprietary Data and Personal Information for the purpose of ascertaining such Participant's or Customer's trading strategies, except to the extent reasonably necessary for IGDL's operations, to perform its surveillance and monitoring functions or to otherwise comply with Applicable Law. Subject to each Participant's and Customer's rights in its own Proprietary Data and Personal Information, each Participant and Customer (i) agrees to keep the Information confidential and cause each of its employees, Affiliates, Authorised Trading Firms, Customers, agents, consultants, independent software vendors and other persons affiliated with any of the foregoing, as applicable (collectively "**Related Parties**"), to keep the Information confidential, and (ii) agrees not to, and shall cause its applicable Related Parties not to, sell, lease, license, transfer, provide or otherwise make available to any third party any form of access to or use of any of the Information.

(b) Subject to paragraph (c) of this Rule 108, each Participant and Customer agrees that it shall not, and shall cause its Related Parties not to, license, sublicense, transfer, redistribute, resell, alter, enhance, make derivative works of, download to computer or reverse engineer all or any part of the Information (other than such Participant's or Customer's Proprietary Data and Personal Information).

(c) Notwithstanding paragraph (b) of this Rule 108:

(1) Solely (x) for use in connection with a Trading Privilege Holder's own trading activity (and not, for the avoidance of doubt, for use by a Trading Privilege Holder's sales, risk management (except for use by such Trading Privilege Holder's compliance and other risk departments for regulatory purposes), research, wealth management or asset management departments/functions) or (y) to the extent necessary for a Trading Privilege Holder's information technology department to perform transaction-related support functions for such Trading Privilege Holder, Trading Privilege Holders that:

(i) pay the monthly TPH API Restricted Usage Minimum Fee, as described in IGDL's Trade Execution Fee Card, as amended from time to time, shall be

entitled to (x) download Information to a computer and/or (y) create Derived Information; and

- (ii) pay the monthly TPH API Full Usage Minimum Fee, as described in IGDL's Trade Execution Fee Card, shall be entitled to (x) download Information to a computer, (y) create Derived Information and/or (z) redistribute Derived Information (and only Derived Information).

- (2) Customers that are Authorised Trading Firms for which a Trading Privilege Holder has provided DEA may have access to Information through such Trading Privilege Holder in connection with such Customer's trading activity.

(d) IGDL shall bear no liability for any Derived Information, and each Trading Privilege Holder shall defend, indemnify and hold harmless each SEF Indemnified Party (as defined in Rule 109) from and against any Losses to which any SEF Indemnified Party may become subject, insofar as such Losses arise out of or in connection with, or are based upon any Proceeding against a SEF Indemnified Party that arises out of or relates to any Derived Information created by or on behalf of such Trading Privilege Holder or any of its Related Parties.

## **Rule 109 Intellectual Property**

(a) The Systems are the exclusive Intellectual Property of IGDL or its affiliates or licensors. Participants have no access to the Systems and no rights with respect to the Systems, except as expressly granted by IGDL. Subject to any required approvals from any applicable Regulatory Agency, IGDL shall have the right to modify at any time a System's functionality, configuration, appearance, content and the Swaps made available for trading via a System.

(b) Upon granting Trading Privileges to a Participant, IGDL grants to that Participant a revocable, non-exclusive, non-transferable license to access and use the Systems in accordance with the Rules for the sole purpose of (i) entering into Swaps via the Systems, and (ii) receiving and transmitting information generated by or made available through the Systems from time to time. Such license shall terminate when the Participant's Trading Privileges terminate.

### **(c) *Intellectual Property Rights***

- (1) By becoming a Participant, each Participant acknowledges and agrees that the Intellectual Property Rights in the Systems are a valuable asset of IGDL or its affiliates or licensors or their respective successors. Each Participant shall protect and safeguard the Intellectual Property Rights in and to the Systems by using the same degree of care that the Participant generally uses to protect its own Intellectual Property Rights and business assets, but in any event with no less than a reasonable degree of care.
- (2) Each Participant shall promptly notify IGDL upon becoming aware of any infringement or misappropriation of any Intellectual Property Rights of IGDL or its affiliates or licensors. Each Participant shall comply with all reasonable requests made by IGDL (at IGDL's reasonable expense) to protect and enforce the Intellectual Property Rights of IGDL or its affiliates or licensors in the Systems.

### **(d) *Restrictions***

- (1) Subject to Rule 202, a Participant shall not sell, lease, license, transfer, provide or otherwise make available to any third party (including an affiliate of Participant), any form of access to or use of the System.

- (2) A Participant shall not alter, enhance, make derivative works of, download to computer, decompile, disassemble or reverse engineer all or any part of the Systems except solely to the extent (i) expressly required by Applicable Law or permitted by the Rules, or (ii) necessary in direct connection with support functions related to transactions on or subject to the Rules.
- (e) Notwithstanding Rule 102, IGDL represents and warrants that it owns or is licensed all Intellectual Property Rights in or to the Systems.
- (f) **Indemnities**
  - (1) IGDL shall defend, indemnify and hold harmless each Participant and its officers, directors, employees and agents (each a **"Participant Indemnified Party"**) from and against all Losses as a result of any third party claim or proceeding of any nature (**"Proceeding"**) against a Participant Indemnified Party determining that the Systems (other than the EBS NDF System, which includes but is not limited to the technology known as EBS Dealing Service and Brokernet), or the use thereof by the Participant Indemnified Party as authorized hereunder, violates any Intellectual Property Rights of any third party provided that such Losses do not result from (i) any Participant Indemnified Party's fraud, gross negligence or willful misconduct; (ii) violation of Applicable Law by the Participant Indemnified Party; or (iii) the Participant's breach of the Rules.
  - (2) Each Participant shall defend, indemnify and hold harmless IGDL and each ICAP Party (each an **"IGDL Indemnified Party"**) from and against any Losses to which any IGDL Indemnified Party may become subject, insofar as such Losses arise out of or in connection with, or are based upon any Proceeding against an IGDL Indemnified Party that arises out of or relates to any access, use or misuse of the Systems by the Participant or by any person accessing the Systems using the Participant's ID provided that such Losses do not result from (i) an IGDL Indemnified Party's fraud, gross negligence or willful misconduct; (ii) violation of Applicable Law by the IGDL Indemnified Party; or (iii) the IGDL Indemnified Party's breach of the Rules.
  - (3) If a Proceeding is commenced against a party entitled to indemnification under this Rule 109 (the **"Indemnified Party"**), notice shall be given to the party obligated to provide such indemnification (the **"Indemnifying Party"**) as soon as reasonably practicable. The Indemnifying Party shall be entitled to take control of the Proceeding and any settlement of it, and the Indemnified Party shall give the Indemnifying Party, at the Indemnifying Party's reasonable cost, all reasonable assistance in relation to the Proceeding.
  - (4) Notwithstanding anything to the contrary contained in Rule 102 or a System Protocol, no limitation or exclusion of liability shall apply with respect to any direct losses or claims based on confidentiality, or to IGDL's intellectual property infringement indemnification obligations set forth in this Rule 109.
- (g) **Confidentiality**

Each Participant shall keep confidential all Confidential Information of IGDL or IGDL's affiliates or licensors, both during the term and after termination of the license granted by this Rule 109. Each Participant may disclose Confidential Information to its professional advisers but otherwise may only disclose Confidential Information to those of its employees and representatives who need to know such Confidential Information for the purposes of exercising or performing the rights and obligations of Participant under the Rules and have been informed of the confidential nature of the Confidential Information divulged. No Participant will disclose Confidential Information to any third party except as

follows: (i) with the consent of IGDL; (ii) as necessary to a DCO of which such Participant is a member or in connection with the clearing of a Swap; (iii) subject to appropriate confidentiality requirements no less stringent than the confidentiality provisions hereunder, to any person providing services to such party relating to transactions on or subject to the Rules; or (iv) to IGDL's Regulatory Services Provider.

(h) Each Participant shall maintain commercially available virus checking software to protect itself and the Systems from viruses, notify IGDL immediately of any defect in the System or any unauthorized access or change to the System of which the Participant becomes aware and comply with any security measures and procedures for authentication required by IGDL from time to time.

## CHAPTER 2

### TRADING PRIVILEGES

#### **Rule 201 Trading Privilege Holders**

(a) *Trading Privileges*

- (1) Subject to the requirements and procedures set forth in this Chapter 2, Trading Privileges will be granted on an impartial basis to all applicants from time to time approved by IGDL as eligible to be Trading Privilege Holders, subject to any limitations or restrictions from time to time imposed by IGDL. Trading Privileges are non-transferable (except under certain limited circumstances which must be approved by IGDL), non-assignable and may not be sold or leased. Circumstances under which Trading Privileges may be transferred, subject to IGDL approval, include, for example, transfers due to corporate reorganisations. Each Trading Privilege Holder will have the right to access the Facility (including, subject to the applicable System Protocol, any Trading Platform) including the right to:
  - (i) place Bids/Offers, RFQs and Pre-Arranged Crosses for each of its proprietary accounts;
  - (ii) where permitted under this Rulebook and by Applicable Law, place Bids/Offers, RFQs and Pre-Arranged Crosses for the accounts of such Customers as an Intermediary; and
  - (iii) appoint other persons to act on its behalf as an Authorised Trader or Authorised Trading Firm pursuant to Rule 202, including providing DEA to a Customer.
- (2) By virtue of obtaining Trading Privileges, a Trading Privilege Holder will not obtain any equity or other interest in IGDL or the Facility, including voting rights or rights to receive any dividends or other distributions, whether arising from a dissolution, merger or consolidation involving IGDL, the Facility or otherwise.
- (3) In granting Trading Privileges, IGDL may impose such restrictions or limitations as it may deem necessary or appropriate, and in accordance with Applicable Law. IGDL shall apply such restrictions or limitations to applicants in an impartial, non-discriminatory manner, consistent with the Act, Commission Regulations and FCA rules thereunder. IGDL will deny the grant of Trading Privileges where an applicant has failed to meet any requirements for such grant.

(b) *Financial Requirements*

- (1) Any person that wishes to have Trading Privileges must have sufficient resources to guarantee the adequate settlement of transactions pursuant to Rule 204, and must meet the other financial and related reporting requirements set forth in this Rule 201.
- (2) Each Trading Privilege Holder must provide a signed written or electronic representation, prior to being granted access to the Facility, that it qualifies as an “eligible contract participant” as defined in the Act upon initial application for Trading Privileges.
- (3) Each Trading Privilege Holder shall, no less frequently than annually, provide IGDL either with (i) its annual financial report that it provides to the Commission or (ii) a written

or electronic representation providing that such Trading Privilege Holder has been, and continues to be as of such date, an “eligible contract participant” as defined in the Act.

- (4) Each Trading Privilege Holder must notify IGDL’s Compliance Function immediately upon becoming aware that it fails to satisfy the minimum financial requirements applicable to it.
- (5) Unless and until a Trading Privilege Holder is able to demonstrate to IGDL that it is in compliance with the minimum financial requirements applicable to it, such Trading Privilege Holder may not engage in any transactions subject to the Rules of the Facility, except for the purpose of closing open positions that were opened on the Facility.

(c) *Fitness Standards*

- (1) IGDL may deny the grant of Trading Privileges, or may prevent a person from becoming an Authorised Trader or Authorised Trading Firm of a Trading Privilege Holder, if one or more of the following applies to such person:
  - (i) it is unable satisfactorily to demonstrate a capacity to adhere to all applicable Rules of the Facility or any Regulatory Agency, Rules of any DCO to which the Trading Privilege Holder submits Cleared Contracts for clearing, Commission Regulations and SRO regulations, including those concerning recordkeeping, reporting, financial requirements and trading procedures;
  - (ii) it would bring IGDL or the Facility into disrepute; or
  - (iii) it is otherwise not fit and proper to be a Trading Privilege Holder, Intermediary, Authorised Trader or Authorised Trading Firm.
- (2) IGDL may determine not to permit a Trading Privilege Holder or any Authorised Trader or Authorised Trading Firm of a Trading Privilege Holder to keep its, his or her Trading Privileges or maintain his or her association with a Trading Privilege Holder, as the case may be, if such Trading Privilege Holder, Authorised Trader or Authorised Trading Firm:
  - (i) fails to meet any of the qualification requirements for Trading Privileges or Authorised Trader or Authorised Trading Firm status after such Trading Privileges or Authorised Trader or Authorised Trading Firm status has been approved;
  - (ii) fails to comply with any limitation placed by IGDL on such Trading Privileges or Authorised Trader or Authorised Trading Firm status; or
  - (iii) commits a material Violation.
- (3) IGDL may deny the grant of Trading Privileges, or may prevent a person from becoming an Authorised Trader or Authorised Trading Firm, if they do not have a sufficient level of trading ability and competence and experience, or adequate organisational arrangements.
- (4) Any decision made by IGDL pursuant to this Rule 201 will be made on a non-discriminatory basis, consistent with any Applicable Law, and must be consistent with both the provisions of this Rule 201 and the Act and Commission Regulations and FCA rules thereunder.



(d) IGDL may (i) deny the grant of Trading Privileges, (ii) prevent a person from becoming an Intermediary or Authorised Trader or Authorised Trading Firm, and (iii) determine not to permit a Trading Privilege Holder or any Intermediary or Authorised Trader or Authorised Trading Firm to keep its, his or her Trading Privileges or maintain his, her or its association with a Trading Privilege Holder, as the case may be, if such Trading Privilege Holder, Intermediary, Authorised Trader or Authorised Trading Firm causes or would cause IGDL to be in violation of Applicable Law.

(e) *Consent to Facility Rules*

Prior to obtaining access to the Facility and each time a Participant or Customer initiates or executes a transaction on the Facility, directly or through an Intermediary, each Participant and each Customer shall be deemed to have expressly consented to the jurisdiction of the Facility and agreed to be bound by and comply with the Rules. At the time any Clearing Firm provides a Clearing Firm Representation, each such Clearing Firm shall expressly consent to the jurisdiction of the Facility and agree to be bound by and comply with the Rules.

**Rule 402 Authorised Traders and Authorised Trading Firms**

(a) Each Trading Privilege Holder may from time to time permit one or more persons to enter Bids/Offer, issue and respond to RFQs, submit Pre-Arranged Crosses, access a Trading Platform and effect transactions in Contracts on the Facility. Such authority may be granted to one or more Authorised Traders.

(1) Authorised Traders

- (i) Each Trading Privilege Holder which is trading for its own account as a principal may permit one or more individuals as Authorised Traders to enter Bids/Offer and RFQs and Pre-Arranged Crosses on its behalf. In such case, the Trading Privilege Holder shall be principal to any resulting transactions made on its behalf by such Authorised Traders or to one or more Authorised Trading Firms.
- (ii) Each Trading Privilege Holder which is an Intermediary trading for the accounts of Customers may permit one or more individuals as Authorised Traders to enter Bids/Offer and RFQs and Pre-Arranged Crosses on its behalf as an Intermediary for such Customers. In such cases, the Trading Privilege Holder has responsibility for all actions and failures to act of such Authorised Traders, but the Customer on whose behalf each transaction is made shall be the principal to any transactions made on its behalf by such Authorised Traders.
- (iii) Each Trading Privilege Holder which is an Intermediary trading for the accounts of Customers that are natural persons may provide such a Customer with DEA to the Facility by permitting the Customer to become an Authorised Trader to enter Bids/Offer and RFQs on behalf of the Customer. In such case, the Customer shall be the principal to any transactions entered into as an Authorised Trader. As provided for in section (b)(3) below, IGDL may grant or deny DEA to a Customer in its sole discretion.
- (iv) The Trading Privilege Holder shall be responsible to IGDL for acting with reasonable care in granting Authorised Trader status. In addition, where the Trading Privilege Holder provides an Authorised Trader with DEA to the Facility, the Trading Privilege Holder shall retain responsibility for Bids/Offer and trades executed by such Authorised Trader on the Facility.

(2) Authorised Trading Firms



- (i) Each Trading Privilege Holder which is an Intermediary trading for the accounts of Customers that are entities may provide such a Customer with DEA to the Facility by permitting the Customer to become an Authorised Trading Firm and by permitting one or more individuals associated with the Authorised Trading Firm to become Authorised Traders to enter Bids/Offers and RFQs on behalf of the Customer. In such case, the Customer on whose behalf each transaction is made shall be the principal to any transactions made on its behalf by such Authorised Trading Firm through the Authorised Traders. As provided for in section (b)(3) below, IGDL may grant or deny DEA to a Customer in its sole discretion.
- (ii) **[NOT USED]**
- (iii) The Trading Privilege Holder shall be responsible to IGDL for acting with reasonable care in granting Authorised Trading Firm status. In addition, where the Trading Privilege Holder provides an Authorised Trading Firm with DEA to the Facility, the Trading Privilege Holder shall retain responsibility for ~~orders~~Bids/Offers and trades executed by such Authorised Trading Firm on the Facility.
- (iv) Each Trading Privilege Holder will obtain a signed written or electronic representation, prior to being granted access to the Facility, that each of its Authorised Trading Firms continues to qualify as an “eligible contract participant” as defined in the Act and provide such representation to IGDL and shall notify the SEF if any Authorized Trading Firm no longer qualifies as an “eligible contract participant”.

(b) *IGDL Approval*

- (1) No person may act as an Authorised Trader or Authorised Trading Firm before being approved to do so by IGDL, which IGDL will do on an impartial basis.
- (2) Each prospective Authorised Trader and Authorised Trading Firm, or the Trading Privilege Holder on their behalf, will, prior to being permitted by IGDL to act as an Authorised Trader or Authorised Trading Firm, as the case may be, submit an application in the form required by IGDL and will satisfy such requirements as may be prescribed by IGDL from time to time.
- (3) Each prospective Authorised Trading Firm, or the Trading Privilege Holder on its behalf, must provide a written or electronic representation, prior to being granted access to the Facility, that the Authorised Trading Firm qualifies as (x) an “eligible contract participant” as defined in the Act, and (y) an Eligible Counterparty, and that it has all registrations, licenses and consents required by its constituent documents and Applicable Law to transact in Contracts. The foregoing representation may be provided directly to IGDL by the Authorised Trading Firm in a form provided by IGDL or, alternatively, the Trading Privilege Holder may provide IGDL evidence satisfactory to IGDL that the Authorised Trading Firm has provided such consents, agreements and representations to the Trading Privilege Holder.
- (4) DEA to the Facility by an Authorised Trader or an Authorised Trading Firm shall be granted or denied in the sole discretion of IGDL. IGDL will notify a Trading Privilege Holder of its approval or disapproval of the designation of an Authorised Trader or Authorised Trading Firm for DEA. IGDL may, in its sole discretion, revoke or suspend the designation of an Authorised Trader or Authorised Trading Firm for DEA, and shall

notify the Trading Privilege Holder of such action in accordance with procedures established by IGD L.

(c) *Ability to provide DEA*

- (1) A Trading Privilege Holder or Authorised Trading Firm may provide DEA to the Facility where that Trading Privilege Holder or Authorised Trading Firm is classified as:
  - (i) an investment firm authorised under the MiFID regime;
  - (ii) a credit institution authorised under the CRD regime;
  - (iii) a firm that would be a MiFID investment firm if it had its head office in the European Economic Area; or
  - (iv) a third country firm that is otherwise permitted to provide investment services in the UK (i.e. pursuant to the MiFIR Article 46 and 47 regime or pursuant to the UK national regulatory regime).
- (2) Before a Trading Privilege Holder or Authorised Trading Firm is able to provide DEA to the Facility, it must conduct a due diligence assessment of any Customer to whom it proposes to provide DEA to the Facility prior to seeking approval from IGD L in accordance with Rule 202(b) above. The due diligence assessment shall, at a minimum, cover:
  - (i) the governance and ownership structure of the prospective Customer;
  - (ii) the types of strategies to be undertaken by the prospective Customer;
  - (iii) the operational set-up, the systems, the pre-trade and post-trade controls and the real time monitoring of the prospective Customer;
  - (iv) where the prospective Customer will be using third-party trading software as part of the DEA, ensuring that the software includes pre-trade controls as required by Applicable Law;
  - (v) the responsibilities within the prospective Customer for dealing with actions and errors;
  - (vi) the historical trading pattern and behavior of the prospective Customer;
  - (vii) the level of expected trading and order volume of the prospective Customer;
  - (viii) the ability of the prospective Customer to meet its financial obligations to the Trading Privilege Holder or Authorised Trading Firm; and
  - (ix) the disciplinary history of the prospective Customer.
- (3) A Trading Privilege Holder or Authorised Trading Firm allowing sub-delegation of DEA must ensure that a prospective DEA client, before granting that client access, has a due diligence framework in place that is at least equivalent to the one described above.

- (4) Trading Privilege Holders and Authorised Trading Firms that provide DEA to Authorised Traders or Authorised Trading Firms are required to review their due diligence assessment processes annually.
- (d) *Responsibilities to IGDL*
- (1) Each Trading Privilege Holder shall notify IGDL in writing if its relationship with an Authorised Trader or Authorised Trading Firm has been terminated, and such Trading Privilege Holder may at any time revoke any authorisation granted by it to any Authorised Trader or Authorised Trading Firm by providing written notice of such revocation to IGDL.
  - (2) By permitting any of its Authorised Traders and/or Authorised Trading Firm to access and use the Facility (including any Trading Platform) from any jurisdiction or to act as an Intermediary for trades on behalf of Customers located in any jurisdiction, each Trading Privilege Holder represents and warrants that each such access to or use of the Facility, or action as an Intermediary, does not violate any law applicable to the Trading Privilege Holder, the Authorised Trader, the Authorised Trading Firm or, to such Trading Privilege Holder's knowledge, IGDL.
- (e) *Intermediation*
- (1) A Participant may not act as an Intermediary for any other entity or person, unless the Trading Privilege Holder does so in accordance with Applicable Law.
  - (2) A Trading Privilege Holder may not transact as an Intermediary for any Customer unless the Trading Privilege Holder has submitted a signed representation to IGDL that each of its Customers is an "eligible contract participant" as defined in the Act and as an Eligible Counterparty.

## **Rule 204 Financial Integrity**

- (a) Each Trading Privilege Holder, Authorised Trading Firm and Customer must be an "eligible contract participant" as defined in the Act and an Eligible Counterparty (i) prior to obtaining access to the Facility, and (ii) at the time that such person enters into each transaction on the Facility or subject to the Rules.
- (b) For Cleared Contracts:
  - (1) each Trading Privilege Holder or Authorised Trading Firm transacting on the Facility as a principal is required to demonstrate to IGDL, with appropriate documentary evidence as required by IGDL from time to time, that such Trading Privilege Holder or Authorised Trading Firm is a Clearing Firm or that it has clearing arrangements in place with a Clearing Firm, including having the Clearing Firm Representation required by Rule 204(f); and
  - (2) each Trading Privilege Holder acting as an Intermediary shall confirm that each of its Customers has clearing arrangements in place with a Clearing Firm and obtain from its Customers any documentary evidence as required by IGDL from time to time to that effect, including any Clearing Firm Representation required by Rule 204(f). The Trading Privilege Holder shall provide such documentary evidence to IGDL.

(c) For Contracts listed on the Facility as bilateral Contracts, each Trading Privilege Holder, Authorised Trading Firm or Customer that enters into such Contracts as a principal must undergo such credit checks and provide such credit information as the Facility may require from time to time.

## **Clearing**

(a) All Contracts executed on the Facility that are subject to mandatory clearing under Section 2(h) of the Act must be cleared through a DCO by a Clearing Firm. Any other Contracts executed on the Facility may be cleared at the discretion of the parties to such transaction; provided that such Contracts are able to be cleared through a DCO by a Clearing Firm. After being submitted to and accepted by the relevant DCO, each Cleared Contract will be subject to the rules, policies and procedures of such DCO.

(b) Pre-Execution Credit Check / Risk Screening.

- (1) In advance of submitting each Bid/Offer or Pre-Arranged Cross to the Facility for any Cleared Contract, each Trading Privilege Holder or Authorised Trading Firm shall identify the Clearing Firm to which any resulting transaction will be submitted for clearing at the relevant DCO and:
  - (i) if acting as principal, shall ensure that it has sufficient credit with such Clearing Firm for the resulting transaction and that the resulting transaction satisfies such Clearing Firm's Risk-Based Limits; and
  - (ii) if acting as an Intermediary, other than with respect to DEA, shall confirm that its Customer has sufficient credit with the Customer's Clearing Firm for the resulting transaction and that the resulting transaction satisfies such Clearing Firm's Risk-Based Limits.

In the event that there is insufficient credit or the transaction does not satisfy a Clearing Firm's Risk-Based Limits, the Trading Privilege Holder or Authorised Trading Firm may not submit such Bid/Offer or Pre-Arranged Cross to the Facility.

- (2) Each Clearing Firm that provides a Clearing Firm Representation for a Participant or Customer may notify IGDL of the Risk-Based Limits it has established for such Participant or Customer, and such Risk-Based Limits shall become effective upon acknowledgment of receipt by IGDL. Any change to such Risk-Based Limits shall become effective only upon acknowledgment of receipt by IGDL.
- (c) A Clearing Firm that seeks to effect transactions on the Facility for its own account or the account of any Customer must be a Trading Privilege Holder.
- (d) IGDL may share information with any DCO that would assist such DCO in evaluating and monitoring a Clearing Firm's compliance with these criteria. A Clearing Firm agrees to cooperate with IGDL and each relevant DCO in any such monitoring.
- (e) Clearing Firms shall clear Cleared Contracts in accordance with all applicable Rules and DCO rules.
- (f) *Clearing Firm Representation*
  - (1) Each Trading Privilege Holder or Authorised Trading Firm that is not a Clearing Firm and is transacting in Cleared Contracts on the Facility as a principal shall obtain a representation from a Clearing Firm, in form and substance satisfactory to, and approved by, IGDL (a "**Clearing Firm Representation**"). Under such representation, the Clearing Firm must accept for clearing all Cleared Contracts of each Trading

Privilege Holder or Authorised Trading Firm for which it clears Cleared Contracts, subject to any Risk-Based Limits that are in effect pursuant to Rule 204(b)(2). Where a Trading Privilege Holder or Authorised Trading Firm uses the services of multiple Clearing Firms, a Clearing Firm shall be responsible only to the extent that it has been designated by such Trading Privilege Holder or Authorised Trading Firm to clear a particular Cleared Contract.

- (2) Each Trading Privilege Holder acting as Intermediary shall obtain from the Customer a Clearing Firm Representation from a Clearing Firm pursuant to which the Clearing Firm accepts for clearing all transactions in Cleared Contracts entered into by the Customer, subject to any Risk-Based Limits that are in effect pursuant to Rule 204(b)(2). Where a Customer uses the services of multiple Clearing Firms, a Clearing Firm shall be responsible only to the extent that it has been designated by such Customer to clear a particular Cleared Contract.
  - (3) Every Contract that is subject to a Clearing Firm Representation and results from a Bid/Offer or Pre-Arranged Cross that is within any Risk-Based Limits that are in effect pursuant to Rule 204(b)(2) is deemed accepted for clearing by the Clearing Firm upon execution.
  - (4) A Clearing Firm may at any time (but on prior written notice to IGDL) revoke any Clearing Firm Representation made by it to a Trading Privilege Holder, Authorised Trading Firm or Customer (as applicable) in accordance with paragraph (1) and/or (2) above, by providing prior written notice of such revocation to IGDL. The Clearing Firm Representation will remain in effect for all Contracts for which Bids/Offers or Pre-Arranged Cross were submitted to a Trading Platform prior to IGDL's acknowledgment of the revocation, which IGDL shall undertake to effectuate as promptly as practicable.
  - (5) Each Trading Privilege Holder, Authorised Trading Firm or, if applicable, Customer must assist its Clearing Firm and the DCO in the clearing of its Cleared Contracts.
  - (6) Upon notice that a Clearing Firm has revoked any authorisation granted and Clearing Firm Representation made by it to a Trading Privilege Holder, Authorised Trading Firm or Customer pursuant to this Rule 204(f), the right of such Trading Privilege Holder, Authorised Trading Firm or Customer (as applicable) to enter into Cleared Contracts will be automatically terminated, and such Trading Privilege Holder, Authorised Trading Firm or Customer must obtain another Clearing Firm Representation from a Clearing Firm before the Trading Privilege Holder's, Authorised Trading Firm's or Customer's right to access to trade Cleared Contracts via the Facility will be reinstated.
- (g) A DCO may be given access to the Facility for the purpose of obtaining any information required by the DCO to clear contracts, including, without limitation, real-time data regarding Bids/Offers, Pre-Arranged Crosses and the execution of transactions. IGDL may impose such restrictions on a DCO's access that it determines, in its sole discretion, are necessary and appropriate.
- (h) *Failure to Clear*
- (1) Subject to a Clearing Firm's obligation to accept for clearing all Contracts resulting from Bids/Offers or Pre-Arranged Crosses that satisfy the Risk-Based Limits in effect for a Participant or Customer, any Cleared Contract, including one leg of a Package Transaction, that is rejected for clearing by a Clearing Firm or DCO for any reason, including an error by IGDL in permitting a Bid/Offer or Pre-Arranged Cross to be made that did not satisfy the Risk-Based Limits in effect at the time the Bid/Offer or Pre-Arranged Cross was made, shall be void *ab initio* and will be cancelled by IGDL. For the avoidance of doubt, any component leg of a Package Transaction that was accepted for

clearing will not be affected by the rejection of another leg of the same Package Transaction.

- (2) Any Contract, including any component leg of a Package Transaction, that was executed on the Facility without the intent to be cleared, but later determined by the parties to the transaction to be cleared, will not be void if rejected for clearing by a DCO to which the Contract or component leg of the Package Transaction was submitted.
- (3) In the event a Cleared Contract, including one leg of a Package Transaction, is cancelled by IGDL pursuant to this Rule 204(h), IGDL will report such cancellation to the relevant SDR pursuant to Part 43 of the Commission Regulations.
- (4) Any transaction cancelled under this Rule 204(h) (except for transactions rejected by a DCO for credit reasons) may be re-executed pursuant to the procedures set forth in Rule 316(i).

(i) *Submission of Cleared Contracts to DCOs*

- (1) IGDL shall route each Cleared Contract executed on the Facility and accepted for clearing by a Clearing Firm to the DCO identified pursuant to Rule 208(e) as soon as technologically practicable after execution, and in no event later than ten (10) minutes after execution. IGDL may do so either by submitting the Cleared Contract directly to the DCO or by routing the Cleared Contract through an Affirmation Hub.
- (2) Cleared Contracts that are routed through an Affirmation Hub shall be routed in accordance with the following procedures:
  - (i) All Cleared Contracts executed as Pre-Arranged Crosses, via Voice RFQ or on the Order Book with the assistance of an Execution Specialist, must be Affirmed by Participants or Customers, as applicable, as soon as technologically practicable after execution, and in no event later than ten (10) minutes after execution; and
  - (ii) All other Cleared Contracts shall be automatically submitted by the Affirmation Hub to the relevant DCO as soon as technologically practicable after receipt from IGDL, without Participants or Customers being provided the opportunity to Affirm.
- (3) Failure by a Participant or Customer to Affirm a Cleared Contract routed through an Affirmation Hub within the ten (10) minute time frame required by this Rule 204(i) shall be a Violation; provided that:
  - (i) such failure shall be a Violation only by the Participant(s) or Customer(s), as applicable, that failed to Affirm the Cleared Contract in accordance with this Rule; and
  - (ii) no such failure shall be a Violation where the failure was substantially the result of, as determined in IGDL's discretion, any errors or delays caused by IGDL or any Execution Specialist.
- (4) The Compliance Function or a designated member of the Market Regulation Staff shall, on a monthly basis, review the previous month's Affirmations by Participants and Customers for compliance with this Rule 204(i). Notwithstanding such regular monthly reviews, the Compliance Function or any member of the Market Regulation Staff may investigate possible Violations of this Rule 204(i) at any time upon becoming aware of



such possible Violation. Investigations of possible Violations of this Rule 204(i) shall be conducted in accordance with Rule 502, including that the Compliance Function may determine to impose summary fines in accordance with Rule 516. The Compliance Function or a designated member of the Market Regulation Staff shall review each possible Violation of this Rule 204(i) in light of all the facts and circumstances, including whether any errors or delays were caused by IGDL or any Execution Specialist.

(j) *FICC Clearing Member Representation*

- (1) Each Trading Privilege Holder that is not a FICC Clearing Member and is transacting in the Swap component of a U.S. Dollar Swap Spread on the Facility as a principal shall provide evidence, in form and substance satisfactory to, and approved by, the Facility that a FICC Clearing Member will accept for clearing all U.S. Treasury Security components of a U.S. Dollar Swap Spread executed on the Facility prior to such time as the Facility acknowledges withdrawal of such obligation pursuant to Rule 204(j)(3) (a **"FICC Clearing Member Representation"**).
- (2) Each Trading Privilege Holder acting as Intermediary shall obtain from the Customer evidence of a FICC Clearing Member Representation with respect to all U.S. Treasury Security components of a U.S. Dollar Swap Spread executed on the Facility for such Customer and submit such evidence to the Facility in form and substance satisfactory to, and approved by, the Facility.
- (3) A Trading Privilege Holder, on its own behalf or on behalf of its Customer, as the case may be, may at any time withdraw any FICC Clearing Member Representation upon prior written notice of such withdrawal to the Facility and acknowledgement of such withdrawal by the Facility.
- (4) Each Trading Privilege Holder or, if applicable, Customer must assist its FICC Clearing Member and FICC in the clearing of its Cleared Treasury Securities.
- (5) Upon the withdrawal of a FICC Clearing Member Representation by a Trading Privilege Holder pursuant to Rule 204(j)(3), the right of such Trading Privilege Holder or its Customer (as applicable) to enter into the Swap component of U.S. Dollar Swap Spreads will be automatically terminated, and such Trading Privilege Holder (on its own behalf, or on behalf of its Customer, as the case may be) must provide new evidence of a FICC Clearing Member Representation from a FICC Clearing Member before the Trading Privilege Holder's or Customer's right to enter into the Swap component of U.S. Dollar Swap Spreads via the Facility will be reinstated.
- (6) Each Participant or, where a transaction is on behalf of a Customer, the relevant Customer, is obligated to settle all U.S. Treasury Security components of a U.S. Dollar Swap Spread where the Swap component is traded on the Facility. Any failure to settle such U.S. Treasury component shall be a Violation; provided that, in the event FICC rejects such U.S. Treasury Security for clearing due to operational error beyond the control of the relevant Participant or Customer, the failure to settle such U.S. Treasury component shall not be a Violation.

(k) *Breakage Agreements Prohibited.* Participants and Customers are prohibited from requiring a Breakage Agreement from any other Participant or Customer as a condition of trading with that other Participant or Customer.

**Rule 205 Application for and Grant of Trading Privileges**

- (a) *Application Requirement.* Each applicant for Trading Privileges will submit an application to IGDL in a form and manner prescribed by IGDL. Each applicant will promptly update the application materials if any of the information provided therein becomes inaccurate or incomplete after the date of submission and prior to any approval of the application. IGDL will act upon, and approve or disapprove, any such application without unreasonable delay.
- (b) Upon submission of an application and satisfaction of the applicable requirements and procedures set forth in this Chapter 2, and approval by IGDL, a person applying for Trading Privileges will be granted Trading Privileges. If the application process is not completed by the applicant within six months of submission of an application and payment of any applicable fee, the application will be deemed to be withdrawn.
- (c) Any applicant who has been denied Trading Privileges or Authorised Trader or Authorised Trading Firm status with a Trading Privilege Holder, and any Trading Privilege Holder or Authorised Trader or Authorised Trading Firm of a Trading Privilege Holder who is not permitted to keep its, his or her Trading Privileges or maintain his or her status as an Authorised Trader or Authorised Trading Firm may request an appeal of IGDL's decision pursuant to the procedures set forth in Rule 205(e). No determination of IGDL to discontinue a person's Trading Privileges or Authorised Trader or Authorised Trading Firm status will take effect until the review procedures hereunder have been exhausted or the time for review has expired.
- (d) Any applicant to become a Trading Privilege Holder who has been denied Trading Privileges pursuant to this Rule 205 will not be eligible for re-application during the six months immediately following such denial.



(e) Appeal of Denial of Trading Privileges or Suspension or Termination of Access

- (1) If IGDL, pursuant to this Rule, denies an application for Trading Privileges or association with a Trading Privilege Holder as an Authorised Trader or Authorised Trading Firm, or determines not to permit a person to keep its Trading Privileges or maintain its association as an Authorised Trader or Authorised Trading Firm, or suspends or revokes a Participant's or Customer's access to the Facility pursuant to Rule 206(a) or (e), then, in any such case, the affected applicant, Trading Privilege Holder, Authorised Trader, Authorised Trading Firm, Participant or Customer, as the case may be, within seven days after receiving written notice of such decision, may request in writing that IGDL provide the reasons therefor in writing. Within 14 days of receiving any such written request, IGDL will provide the applicant, Trading Privilege Holder, Authorised Trader, Authorised Trading Firm, Participant or Customer, as the case may be, with such reasons in writing. Within 14 days of receiving IGDL's written response, the applicant, Trading Privilege Holder, Authorised Trader, Authorised Trading Firm, Participant or Customer, as the case may be, may request, in writing, that the Participation Committee reconsider IGDL's initial decision and may provide any written representations or other information that the applicant, Trading Privilege Holder, Authorised Trader, Authorised Trading Firm, Participant or Customer, as the case may be, believes is relevant to the reconsideration.
- (2) Within 28 days of receiving either a written request for reconsideration or written representations or information from the applicant, Trading Privilege Holder, Authorised Trader, Authorised Trading Firm, Participant or Customer, as the case may be, or a statement from such person that no such representation or information is to be made or supplied, the Participation Committee will either confirm, reverse or modify the initial decision and will promptly notify the applicant, Trading Privilege Holder, Authorised Trader, Authorised Trading Firm, Participant or Customer, as the case may be, accordingly. The Participation Committee may in its discretion schedule a hearing or establish any other process that it believes is necessary and appropriate to consider the request for reconsideration. Any decision by the Participation Committee pursuant to this subparagraph (2) constitutes the final action of IGDL with respect to the matter in question and is not subject to appeal. Any action that may be taken by the Participation Committee under this Rule 205(e) or (f) may be taken by the Board if no Participation Committee has been established.

(f) Effective Date of Denial of Trading Privileges or Suspension or Termination of Access

- (1) If IGDL, pursuant to this Rule, makes a final determination to deny an application for Trading Privileges or association with a Trading Privilege Holder as an Authorized Trader or Authorized Trading Firm, or determines not to permit a person to keep its Trading Privileges or maintain its association as an Authorized Trader or Authorized Trading Firm, or suspends or revokes a Participant's or Customer's access to IGDL pursuant to Rule 206(a) or (e), then the Participation Committee shall provide written notice within thirty (30) days of its determination to the applicant, Participant or Customer, as applicable. The written notice must include:
  - (i) the name of the applicant, Participant or Customer;
  - (ii) a statement of the Participation Committee's reasons for the denial of Trading Privileges, suspension or revocation of access to IGDL, including a listing of any Rules the Participation Committee determined were Violated and whether the Violation resulted in any financial harm to Customers;

- (iii) a statement of the conclusions and findings of the Participation Committee with respect to each Violation, or, in the event of a settlement, a statement specifying the alleged Violations;
  - (iv) the terms of the denial of Trading Privileges, suspension or revocation of access to IGDL;
  - (v) the date on which the determination was made and the effective date of the determination; and
  - (vi) a statement informing the applicant, Participant or Customer that the denial of Trading Privileges, suspension or revocation of access to IGDL may be appealed to the Commission pursuant to Part 9 of the Commission Regulations.
- (2) IGDL shall also provide the written notice to the NFA through the NFA's Background Affiliation Status Information Center ("**BASIC**"), or deliver the written notice to NFA to be input into BASIC.
  - (3) Any decision by IGDL to deny Trading Privileges pursuant to this Rule 205 or to suspend or revoke access to IGDL pursuant to Rule 206(a) or (e) shall be the final decision of IGDL and shall become effective in accordance with the timeline set forth in Rule 513(b).
  - (4) If IGDL denies Trading Privileges pursuant to this Rule 205 or suspends or revokes access to the SEF pursuant to Rule 206(a) or (e), it must publicly publish the information contained in the written notice pursuant to Rule 205(f)(1).

#### **Rule 206 Participant and Customer Obligations; Suspension or Termination of Access**

(a) Each Participant and Customer must comply with these Rules, applicable provisions of the Act, and relevant Commission Regulations and FCA rules. Each Participant and Customer must also cooperate promptly and fully with IGDL, its agents, its Regulatory Services Provider, and/or a Regulatory Agency in any investigation, call for information, inquiry, audit, examination, or proceeding. Such cooperation shall include a duty to provide supplemental verbal or other information if the Participant or Customer learns that a previous response is incomplete or incorrect in any material respect. Additionally, each Trading Privilege Holder must update its email address promptly after any change and update all other material information provided in its application for Trading Privileges within five days after that information has changed. If any Participant or Customer fails to satisfy these obligations, IGDL may revoke or suspend the Participant's or Customer's access to the Facility in full or in part.

(b) Each Participant and Customer consents to allow IGDL to provide all information IGDL has about the Participant or Customer, including the Participant's or Customer's trading activity, to the Regulatory Services Provider, the Commission or any other Regulatory Agency, law enforcement authority, or judicial tribunal, including (as may be required by information sharing agreements or other contractual, regulatory, or legal provisions) foreign regulatory or self-regulatory bodies, law enforcement authorities, judicial tribunals and any other service provider to IGDL solely in connection with the service provider's performance of services to IGDL and subject to the service provider's agreeing to maintain such information as confidential, including that such service provider shall not:

- (1) use such information for any purpose other than in connection with providing services to the Facility (including that it may not otherwise use such information for its own business or marketing purposes), unless specifically required in order to fulfill such service provider's regulatory obligations; or
- (2) disclose such information to any other person, except (i) to its employees or Affiliates, provided that the employees or Affiliates are subject to confidentiality obligations at least

as stringent as those applicable to the service provider, and that, in each case, such disclosure is necessary for the performance of services to the Facility by the service provider, or (ii) if compelled to do so by valid legal or regulatory process, provided that the service provider notifies IGDL in advance thereof to the extent permitted.

(c) Each Participant is required to review the “Notices” section of IGDL’s website to make itself aware of material changes to these Rules or other notices that may affect their rights and obligations as a Participant.

(d) Each Trading Privilege Holder must diligently supervise all activities of the Trading Privilege Holder’s employees and/or agents, including all Authorised Traders and Authorised Trading Firms relating to transactions effected on the Facility. Any Violation by any employee of a Trading Privilege Holder, including an Authorised Trader or Authorised Trading Firm, shall constitute a Violation by such Trading Privilege Holder.

(e) IGDL may revoke or suspend a Participant’s access to the Facility in full or in part if the Participant acts as an Intermediary on behalf of a Customer and such Customer maintains a position in any Contract that, when considered in light of the other positions maintained by the Participant through which such Customer accesses the Facility, and any other factors that IGDL reasonably deems relevant, IGDL reasonably believes could jeopardise the financial safety of such Participant or any of such Participant’s other Customers. In making this determination, IGDL may consider any relevant factors, including, as applicable, (i) the positions maintained by such Participant, such Participant’s Authorised Traders, Authorised Trading Firms and other Customers, (ii) financial information provided by such Participant; and (iii) in consultation and coordination with the relevant DCOs, the level of margin maintained by such Participant at such Participant’s Clearing Firm.

(f) Each Trading Privilege Holder which is a Swap Dealer or Major Swap Participant and enters into or facilitates a Swap that is subject to mandatory clearing under Section 2(h) of the Act shall be responsible for compliance with the mandatory trading requirement under Section 2(h)(8) of the Act.

#### **Rule 207 Customers**

(a) No Participant shall act as an Intermediary unless the Trading Privilege Holder has entered into an agreement with the Customer that provides that the Customer agrees that all Contracts shall be governed by the Rules, the Act and the Commission Regulations and FCA rules, insofar as they are applicable to that Contract, although no such agreement shall be required by these Rules when the Customer of a Trading Privilege Holder is another Trading Privilege Holder.

(b) Where a Customer and Intermediary are both Trading Privilege Holders, the Customer shall provide IGDL with such notice of the relationship as IGDL may require from time to time.

(c) Each Customer shall be the principal to all executed transactions resulting from any Bids/Offer or Pre-Arranged Crosses entered on behalf of the Customer. Where a Participant is acting as an Intermediary on behalf of a Customer, the Participant shall have no liability, whether or not the identity of the Customer has been disclosed, in respect of any transactions executed on behalf of a Customer, to any other party, including any other Participant or the Customer of any other Participant.

(d) Except to the extent that IGDL sends Confirmations of Contracts directly to the relevant Customer, each such Customer authorises IGDL to send Confirmations of Contracts entered into through an Intermediary to the Intermediary and authorises such Intermediary to accept such Confirmations on behalf of the Customer.

#### **Rule 208 Recordkeeping**

(a) Each Participant and Customer must prepare and keep current all books, ledgers and other similar records required to be kept by it pursuant to Applicable Law and the Rules of the Facility.

(b) Each Participant and Customer shall keep records of the Swaps it trades on or subject to the Rules, and of its trading in each index, instrument or commodity underlying such Swaps, as well as of its trading of other derivatives that are based on any such index, instrument or commodity. These records shall include records of purchases, sales, ownership, production, processing and use of such Swaps, indices, instruments, commodities and derivatives, and may be in the form customarily generated in accordance with sound commercial practices in the relevant markets.

(c) Each Participant and Customer must keep all books and records required to be kept by it pursuant to the Rules for a period of five years from the date on which they are first prepared, unless otherwise provided in the Rules or required by Applicable Law. Such books and records must be readily accessible during the first two years of such five-year period. During such five-year period, all such books and records must, where Applicable Law requires it, be made available for inspection by, and copies thereof must be delivered to IGDL, IGDL's Regulatory Services Provider, the Commission, the U.S. Department of Justice, the FCA, any other European Union regulatory agency governing a Participant and/or Customer and the authorised representatives of the foregoing, upon request.

(d) All Bids/Offers submitted to the Facility and all transactions executed through the Facility are subject to the Record Keeping Obligation under MiFID II. Each Participant submitting Bids/Offers must provide with the Bid/Offer all data required to enable IGDL to meet its obligations pursuant to the Record Keeping Obligation. Participants shall respond promptly to requests by the IGDL to complete, update or correct data.

(e) In addition, the following information must be provided to IGDL by each Participant prior to entering a Bid/Offer or Pre-Arranged Cross with respect to any Swap traded on the Facility:

- Authorised Trader ID
- Trading Privilege Holder ID
- Swap
- Series, if applicable
- DCO where Swap is to be cleared
- Price
- Quantity
- Side of the Bid/Offer
- Customer Type Indicator Code (defined below)
- Trading account and other relevant account information, including Clearing Firm
- LEI of the Participant placing the Bid/Offer or initiating the RFQ
- For Intermediated Transactions, the LEI of the Customer
- Yes/no indication of whether the Participant or Customer is a Swap Dealer for that Swap

- Yes/no indication of whether the Participant or Customer is a Major Swap Participant
- Yes/no indication of whether the Participant or Customer is a Financial Entity
- Yes/no indication of whether the Participant or Customer is a U.S. person as defined by the Commission;
- For Cleared Contracts, confirmation of the availability of credit at the Clearing Firm to which any resulting transaction will be submitted for clearing at the relevant DCO;
- Any information required by the applicable System Protocol; and
- If the Swap will be allocated:
  - an indication that the Swap will be allocated;
  - the LEI of the Account Manager;
  - if the Swap is a pre-execution allocated Swap, the account and LEI for each Customer that will receive allocations;
  - an indication of whether the Swap is a post-execution allocation Swap; and
  - if the Swap is a post-execution allocation Swap, the unique Swap identifier of the original transaction between the reporting counterparty and the agent.

For purposes of this Rule 208, the “**Customer Type Indicator Codes**” are as follows:

**CTI 1** – Bid/Offer for the proprietary account of a Trading Privilege Holder that is a natural person.

**CTI 2** – Bid/Offer for the proprietary account of a Trading Privilege Holder that is not a natural person.

**CTI 3** – Bid/Offer which an individual Trading Privilege Holder or Authorised Trader executes for the proprietary account of another Trading Privilege Holder or for an account which the other Trading Privilege Holder controls or has an ownership or financial interest in.

**CTI 4** – Any Bid/Offer not meeting the definition of CTI 1, 2 or 3, including those entered on behalf of Customers.

(f) The Rules regarding the recordkeeping obligations set forth in this Rule 208 shall be promulgated to achieve the purposes and requirements of Applicable Law. While IGDL will have sole discretion, subject to Applicable Law, to determine such Rules, IGDL will take into consideration in doing so comparable requirements applicable to Participants.

## **Rule 209 Communications of IGDL with Participants**

### **(a) Written Notices**

IGDL will publish a notice with respect to each addition to, modification of, or clarification of the Rules, or of any action taken to implement any Rule, in a form and manner that is reasonably designed to enable each Trading Privilege Holder 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; provided that any failure of IGDL to so publish a notice will not affect the

effectiveness of the addition or modification in question. Each Trading Privilege Holder will provide its respective Authorised Traders, Authorised Trading Firms and Customers with copies of any such notice. For purposes of publication in accordance with the first sentence of this Rule 209(a), it will be sufficient (without limiting the discretion of IGDL as to any other reasonable means of communication) if a notice is (a) sent to each Trading Privilege Holder by mail, recognised courier service, facsimile or electronic mail (including by means of a hyperlink included in an electronic mail message), to the address, facsimile number or electronic mail address (as applicable) provided by such Trading Privilege Holder for such purpose or (b) published on the Facility's website. Each Trading Privilege Holder, on its own behalf, and on behalf of its Authorised Traders, Authorised Trading Firms and Customers, as applicable, must monitor the Facility's website for any notices published under this Rule 209(a).

(b) *Recording of Communications*

IGDL and Trading Privilege Holders may record conversations and retain copies of electronic communications between officers, employees or agents of IGDL, on the one hand, and Trading Privilege Holders (including their Affiliates), Authorised Traders, Authorised Trading Firms or Customers, on the other hand. Any such recordings or other records may be retained by IGDL or such Trading Privilege Holder, as the case may be, in such manner and for such periods of time as IGDL, or such Trading Privilege Holder, as the case may be, may deem necessary or appropriate.

**Rule 210 Required Disclosures to IGDL**

Each Trading Privilege Holder must promptly notify IGDL in writing upon becoming aware:

(a) that the Trading Privilege Holder, any of the Trading Privilege Holder's officers or any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms has been the subject of a material sanction, penalty or other adverse action by any Regulatory Agency which is related to transactions in Swaps, futures, options on futures, securities, commodities, or Swaps-related banking;

(b) that the Trading Privilege Holder, any of the Trading Privilege Holder's officers or any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms has been convicted of, pled guilty or no contest to, or entered in a plea agreement of a material nature in any domestic, foreign or military court which involves:

- (1) embezzlement, theft, extortion, fraud, fraudulent conversion, forgery, counterfeiting, false pretences, bribery, gambling, racketeering, or misappropriation of funds, securities or properties; or
- (2) any transaction in or advice concerning Swaps, futures, options on futures, securities, commodities, or Swaps-related banking;

(c) that the Trading Privilege Holder, any of the Trading Privilege Holder's officers or any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms is subject to material regulatory proceedings before any Regulatory Agency which are related to transactions in Swaps, futures, options on futures, securities, commodities, or Swaps-related banking;

(d) that the Trading Privilege Holder, any of the Trading Privilege Holder's officers or any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms have been denied or withdrawn any application for registration or license submitted to any Regulatory Agency, and of any material revocation, suspension or conditioning of any registration or license granted by any Regulatory Agency, which in each case is related to transactions in Swaps, futures, options on futures, securities, commodities, or Swaps-related banking;

(e) that any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms have:



- (1) had their status as an Authorised Trader or Authorised Trading Firm permanently revoked by the Trading Privilege Holder, whether due to employment termination, termination of status as a Customer or otherwise; or
- (2) had their access to the Facility temporarily revoked by the Trading Privilege Holder;
- (f) of any material change:
  - (1) in any information contained in the Trading Privilege Holder's membership application, or in an Authorised Trader's or Authorised Trading Firm's application pursuant to Rule 202, including a Trading Privilege Holder's, Authorised Trading Firm's or Customer's status as an "eligible contract participant" or an Eligible Counterparty; or
  - (2) to an Authorized Trader's or Authorized Trading Firm's signed representation to IGDL that each of its Customers is an "eligible contract participant" pursuant to Rule 202(e)(2);
- (g) of any withdrawal from membership by the Trading Privilege Holder, any of the Trading Privilege Holder's officers or any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms, in any SRO, designated contract market, DCO or swap execution facility;
- (h) of any damage to, or failure or inadequacy of, the systems, facilities or equipment used to effect transactions or perform financial obligations under or in connection with Contracts of the Trading Privilege Holder or any of its Authorised Traders or Authorised Trading Firms;
- (i) of any change in the location of the principal office of the Trading Privilege Holder or any of the Trading Privilege Holder's Authorised Traders or Authorised Trading Firms;
- (j) of any failure to maintain segregated funds as required by the Commission when the Trading Privilege Holder is a futures commission merchant registered with the Commission;
- (k) of becoming subject to early warning reporting under Commission Regulation 1.12; and
- (l) of becoming the subject of a bankruptcy proceeding or being unable to meet any financial obligation as it becomes due.

## **Rule 211, Fees and Expenses**

- (a) Subject to the rest of this Rule 211, the Board has the sole power to set the payment dates and amounts of any dues, assessments or fees to be levied on Trading Privilege Holders, which dues, assessments or fees will be payable to IGDL on the terms set out in the relevant invoice.
- (b) Fees will be the same for Trading Privilege Holders receiving the same access to, or services from, the Facility. IGDL may, from time to time, establish different fee structures for different categories of Trading Privilege Holders based on non-discriminatory, measurable and objective criteria, applied impartially in a fair and nondiscriminatory manner, relating to: (i) the total volume traded, the numbers of trades or cumulated trading fees; (ii) the services or packages of services provided; (iii) the scope or field of use demanded; or (d) the provision of liquidity in accordance with Article 48(2) of Directive 2014/65/EU or in a capacity of being a market maker as defined in Article 4(1)(7) of Directive 2014/65/EU.
- (c) If a Trading Privilege Holder fails to pay when due any IGDL dues, assessments or fees levied on such Trading Privilege Holder, and such payment obligation remains unsatisfied thirty (30) days after its due date, IGDL may suspend, revoke, limit, condition, restrict or qualify the Trading Privileges of such Trading Privilege Holder as it deems necessary or appropriate.

(d) IGDL's fee schedule will be made available to Participants upon request. By accessing the Facility, Participants agree to be bound by the fee schedule in effect at the time the applicable Facility services are rendered.



#### **Rule 4021.212 Net Maker Programs**

IGDL may from time to time adopt, pursuant to Part 40 of the Commission Regulations, one or more programs under which one or more Trading Privilege Holders or others may be approved and designated as market makers with respect to one or more Contracts in order to provide liquidity and orderliness in the market or markets for such Contract or Contracts. Any such program may provide for any or all of the following:

- (a) qualifications, including any minimum net capital requirements, that any such market maker must satisfy;
- (b) the procedure by which Trading Privilege Holders or others may seek and receive designation as market holders;
- (c) the obligations of such market makers, including any applicable minimum bid and offer commitments;
- (d) the benefits accruing to such market makers, including priority in the execution of transactions effected by Trading Privilege Holders or others as approved by IGDL in their capacity as market makers, reduced transaction fees or the receipt of compensatory payments from IGDL;
- (e) the requirement that such designated market makers agree to abide by the Rules and are subject to the jurisdiction of the Facility; and
- (f) any pre-trade transparency requirements that may apply to the best Bid/Offer prices and volumes of any such market makers.

#### **Rule 4021.213 Independent Software Vendors**

IGDL shall provide impartial access to independent software vendors who enter into a development and maintenance agreement with IGDL (an “**ISV Development and Maintenance Agreement**”). Fees will be comparable for independent software vendors receiving comparable access to, or services from, IGDL. Each independent software vendor that enters into an ISV Development and Maintenance Agreement must satisfy the following criteria, which IGDL shall apply in a fair and nondiscriminatory manner:

- (a) If required to be registered in any capacity under Applicable Law, it has duly registered in such capacity and such registration is in effect and has not lapsed or been revoked, suspended or withdrawn;
- (b) It complies with the applicable technical access standards, system compatibility requirements, security protocols and technical specifications for connection to IGDL's electronic systems as may be specified by IGDL from time to time;
- (c) It must ensure that each person that uses the independent software vendors to access the Facility is either a Participant or a Customer of a Participant authorised as such in accordance with these Rules;
- (d) It may provide data obtained from the Facility solely to such Participants or Customers of Participants in connection with their actual and proposed trading activity in Contracts and similar contracts, and shall not provide such data to any other swap execution facility, security-based swap execution facility, designated contract market, national securities exchange or other trading facility or system without the prior written consent of IGDL;

(e) In the case of any RFQ or Bid/Offer submitted to IGDL through an independent software vendor, the independent software vendor will provide sufficient detail to identify the Participant (and, in the case of a Customer transaction, the Customer) as required by IGDL; and

(f) It satisfies such other impartial and transparent criteria as IGDL may specify from time to time, subject to Applicable Law.

#### **Rule 4.14 Withdrawal of Participant**

(a) To withdraw from the Facility, a Participant must notify IGDL in writing, following such procedures as may be established by IGDL.

(b) IGDL may, in its reasonable discretion, refuse to accept a Participant's withdrawal request or may postpone the effective date of withdrawal of a Participant if IGDL considers it necessary for the protection of the Participant's Customers, other Participants or otherwise in the interests of IGDL.

(c) Based on the information provided to, and other information gathered by, IGDL regarding a Participant's withdrawal request, IGDL will determine whether to: (i) accept the withdrawal request; (ii) postpone the effective date of the withdrawal; or (iii) impose any terms or conditions before or after the effective date of withdrawal.

(d) If IGDL refuses to accept a Participant's withdrawal request or postpones the effective date of withdrawal of a Participant, IGDL may waive the obligation to pay some or all of the fees, costs and charges that IGDL would have imposed during the period after the date on which the requested withdrawal would have otherwise taken effect.

(e) When IGDL accepts the withdrawal of a Participant, all rights and privileges of such Participant terminate (including the Trading Privileges and ability to access a Trading Platform). The accepted withdrawal of a Participant shall not affect the rights of IGDL under the Rules or relieve the former Participant of its obligations with respect to previously executed transactions (including any contractual obligations relating to any Contracts entered into by such Participant, or the payment of any fees, costs, or charges incurred prior to such withdrawal). Notwithstanding the accepted withdrawal of a Participant, the withdrawn Participant remains subject to the jurisdiction of the Facility for acts done and omissions made while a Participant, and must cooperate in any proceeding under Chapter 5 as if such withdrawal had not taken place.

(f) Upon delivery of a withdrawal notice:

(1) Participant shall promptly notify its Authorised Traders and Authorised Trading Firms that they may no longer access the Facility on behalf of Participant, and Participant shall with reasonable diligence, to the extent practicable, terminate electronic access of its Authorised Traders and Authorised Trading Firms to the Facility; and

(2) IGDL shall suspend Participant's access to the Facility, promptly notify its relevant personnel that Participant and its Authorised Trading Firms may no longer access the Facility on behalf of Participant, and with reasonable diligence, to the extent practicable, terminate electronic access of Participant's Authorised Traders to the Facility.

## **CHAPTER 3**

### **TRADING PROCEDURES**

#### **Rule 101 Trading Sessions**

Except as otherwise provided in these Rules or determined by the Board, transactions in any Contract will only be executed during the Trading Session for such Contract. IGDL may from time to time modify its regular Trading Session and establish Trading Sessions, in addition to the regular Trading Sessions, as it deems appropriate.

#### **Rule 102 Information about, and access to, IGDL's Order Book**

(a) Each Authorised Trader and each Trading Privilege Holder that is an individual will receive a user identification ("ID") and password. As a Trading Privilege Holder or Authorised Trader, such person will be able to access IGDL's Order Book, which functions as an electronic central limit order book and provides the highest priority to Bids/Offeres with the best price, for trading in the Swap asset classes or sub-products approved for such Trading Privilege Holder or Authorised Trader, enter and accept Bids/Offeres, and otherwise access information regarding, or perform functions for, such person's account using its ID and password.

(b) For account security and audit trail purposes, each Trading Privilege Holder and Authorised Trader agrees that IGDL may maintain logs of the IP address used to log on to any Order Book.

(c) Each Trading Privilege Holder will be responsible for protecting from improper disclosure its ID and password, and the IDs and passwords of its Authorised Traders. In addition, a Trading Privilege Holder may not knowingly or negligently permit any person not authorised by IGDL and by the Trading Privilege Holder to use the ID and password to access the Order Book. Each Trading Privilege Holder is required to immediately notify IGDL if it knows, or has reason to believe, that its ID and/or password, or the ID and/or password of any Authorised Trader have been disclosed to any person not authorised by IGDL and the Trading Privilege Holder to use such ID and/or password.

(d) Except as otherwise provided in Rule 102.

(1) each Trading Privilege Holder will be liable for all costs and any losses that it may incur from transactions executed on the Facility by any person, authorised or not, using its ID and password or the ID and/or password of any of its Authorised Traders; and

(2) IGDL will not be responsible in any way for unauthorised transactions for a Trading Privilege Holder's account.

(e) Each Trading Privilege Holder is responsible for contracting with a network provider through which it will access the Facility and for having a backup service provider if the Trading Privilege Holder deems it necessary. Each Trading Privilege Holder is also responsible for maintaining a network connection speed adequate for its needs. IGDL will not be responsible in any way for any Bids/Offeres delayed or transactions missed or not executed in a timely fashion because of failure of the Trading Privilege Holder's Internet service provider or slowness of its network connection speed. No communication from a Trading Privilege Holder will be deemed to have been received by IGDL until that communication is logged by the Order Book server.

#### **Rule 103 Algorithmic Trading**

(a) Trading Privilege Holders, Authorised Traders and Authorised Trading Firms wishing to engage in Algorithmic Trading must ensure that Algorithmic Trading is controlled and organised in accordance

with the requirements of MiFID II, and that their Algorithmic Trading is monitored by them to prevent disorderly trading on IGDL.

(b) Trading Privilege Holders, Authorised Traders and Authorised Trading Firms wishing to engage in Algorithmic Trading must, prior to the deployment or any substantial update of any trading Algorithm:

- (1) undertake conformance testing to the standards prescribed under MiFID II;
- (2) provide a certification to IGDL that the Algorithms employed by the Trading Privilege Holder, Authorised Trader or Authorised Trading Firm have been tested to avoid contributing to, or creating, disorderly trading conditions and explain the means used for such testing; and
- (3) ensure that IGDL has assigned a unique Algo ID to the Algorithm.

(c) All Algorithmic Trading should be identified by the Trading Privilege Holder, Authorised Trader or Authorised Trading Firm as such and must be routed to the Facility via trading permissions attributed to an Authorised Algorithmic Trader.

#### **Rule 304 Required Transactions**

(a) No Participant shall execute a Required Transaction on the Facility other than via the Facility's Order Book or Request for Quote procedures, unless such transaction is a Block Trade, in which case it shall be executed in accordance with Rule 309.

(b) Upon execution of a Required Transaction on the Facility, IGDL will report the transaction to the SDR as soon as technologically practicable after execution in accordance with Rule 310.

(c) *CFTC Package Transactions.* In accordance with NAL 17-55, expiring November 15, 2020, a Participant may execute a Swap component of a Covered CFTC Package Transaction through any method of execution offered by the Facility, notwithstanding that execution of such Swap component would otherwise be a Required Transaction.

#### **Rule 305 Permitted Transactions**

(a) Participants may enter Bids/Offer for Permitted Transactions directly into the Facility's Order Book for that Contract.

(b) Participants may submit to an Execution Specialist for execution Permitted Transactions negotiated and agreed to outside the Facility's Order Book, at prices mutually agreed, with regard to Contracts that have been designated by IGDL for such purpose (each such transaction a "**Pre-Arranged Cross**"). Pre-Arranged Crosses that are submitted to an Execution Specialist for execution must be submitted by the seller, unless otherwise agreed to by the parties; however, in the case of an Intermediated Transaction, the Participant acting as the Intermediary shall have the obligation to submit the Pre-Arranged Cross to the Execution Specialist. The Participant submitting the Pre-Arranged Cross to the Execution Specialist must provide the information required by Rule 208(d) and (e).

(c) An Execution Specialist may facilitate the negotiation and execution of a Pre-Arranged Cross by two Participants only as follows: upon request of a Participant, the Execution Specialist may, without using any Trading Platform, Order Book or RFQ procedure, contact one or more other Participants to determine interest in a Pre-Arranged Cross.

(d) Upon execution of the Permitted Transaction on the Facility, IGDL will report the transaction to the SDR as soon as technologically practicable after execution in accordance with Rule 310.

(e) Each Participant that is party to, or Intermediary in, a Pre-Arranged Cross executed pursuant to section (b) of this Rule 305 must record the following details of the transaction: the Contract (including the Delivery Month) to which such transaction relates; the number of Contracts traded; the price of execution or premium; the identity of the counterparty; and, if applicable, details regarding the Customer for which the transaction was executed, as well as, if applicable, the Underlying Interest and whether the transaction involved a put or a call and the strike price. Upon request by IGDL, such Participant must produce satisfactory evidence, including the transaction information referred to in the preceding sentence that the transaction meets the requirements set forth in this Rule.

#### **Rule 306 Execution Methods for Required Transactions**

(a) *Execution through the Order Book*

- (1) A Participant may enter Bids/Offers to transact in Contracts by electronic transmission over a network or through an Execution Specialist. If a Participant submits a Bid/Offer to the Order Book through an Execution Specialist, the Execution Specialist shall provide the Participant with a confirmation that the Bid/Offer was entered into the Order Book as soon as possible after such entry. Neither the Order Book nor an Execution Specialist will disclose the identities of Participants submitting Bids/Offers prior to the execution of a transaction through the Order Book.
- (2) A Participant will enter a Bid/Offer to transact in one or more Contracts by indicating to the Facility in the manner required by a Trading Platform or the Execution Specialist the information required by Rule 208(e).
- (3) The Participant will be responsible for any and all Bid/Offer entries it posts on the Facility. Posted Bids/Offers are subject to acceptance by other Participants.
- (4) The Order Book will keep an electronic record of all Bids/Offers to transact in Contracts, and all executed transactions.
- (5) The records kept by IGDL will include all of the Bid/Offer terms identified in this Rule 306 as well as the date and time that the transaction was executed.
- (6) The Order Book will provide Participants with the ability to post firm Bids/Offers on a centralised electronic screen that is accessible to all Participants with access to the Order Book. Each Participant may then choose to transact on the basis of a firm Bid/Offer by entering a Bid/Offer which accepts the firm Bid/Offer.
- (7) For a Participant who has the ability to accept a Bid/Offer it submits on behalf of a Customer or to execute Bids/Offers from two Customers against each other, or for two Participants who desire to execute offsetting Bids/Offers as a result of pre-execution discussions, the Participant or Participants must allow at least a 15 second delay between the entry of those two Bids/Offers, such that one side of the potential transaction is disclosed and made available to other Participants for at least 15 seconds (or such other time as IGDL may publish for particular contracts) before the second side of the potential transaction, whether for the Participant's own account or for Participant's Customer, is submitted for execution. Participants and Customers may engage in pre-execution discussions with regard to such Bids/Offers in accordance with Rule 404(c).

(b) **[NOT USED]**

(c) *Voice Request for Quote Systems.* Participants may initiate either a Non-Directed Voice RFQ or a Directed Voice RFQ by contacting an Execution Specialist. If the Participant does not specify that it

wishes the RFQ to go to less than all Participants, the Execution Specialist shall direct the RFQ to all Participants.

(1) Non-Directed Voice RFQ.

- (i) The Execution Specialist will transmit the RFQ to all other Participants, and all other Participants may respond.
- (ii) Prior to execution the Execution Specialist will not disclose the identities of Participants who transmit or respond to a Non-Directed Voice RFQ.

(2) Directed Voice RFQ.

- (i) The Execution Specialist will transmit the RFQ to no less than three (3) Recipients, to which all such Recipients may respond.
- (ii) A Participant that requests an Execution Specialist to send an RFQ to fewer than all Participants may not request that an Execution Specialist send any RFQ to another Participant that is affiliated with or controlled by the RFQ requester or to two more Participants that are affiliated with or controlled by each other. An Execution Specialist that sends an RFQ to fewer than all Participants, after consideration of reasonably available information, may not knowingly send an RFQ on behalf of the requesting Participant to another Participant that is affiliated with or controlled by the RFQ requester, or to two or more Participants that are affiliated with or controlled by each other. For purposes of this Rule 306(c), "control" includes but is not limited to the grant of trading discretion by one Participant to another.
- (iii) The identity of a Directed Voice RFQ requester shall be disclosed to the Recipients upon transmittal of any Directed Voice RFQ and the identities of the Recipients that provide responses shall be disclosed to the RFQ requestor at the time of such responses.
- (iv) A Participant may elect to not receive Directed Voice RFQs upon written notice to the Facility.

(3) With respect to both Non-Directed Voice RFQs and Directed Voice RFQs:

- (i) Together with the first response from any Recipient, the Execution Specialist will communicate to the requesting Participant any firm resting Bid/Offer for the Swap indicated in the RFQ that is posted in the Order Book together with any responses to the RFQ from the Recipients.
- (ii) Responses to RFQs must be in the form of a Bid/Offer. The RFQ requestor may accept such RFQ response by submitting a corresponding Bid/Offer.
- (iii) An Execution Specialist will act in accordance with a Participant's instructions, the Rules and Applicable Law.

(4) Managed Orders. With respect to Non-Directed Voice RFQs only:

- (i) Unless otherwise instructed by a Recipient, an unfilled Bid/Offer provided in response to an RFQ shall be entered into the Order Book by an Execution Specialist on behalf of a Participant ("**Managed Orders**").

- (ii) Execution Specialists shall cancel a Managed Order if:
  - A. The Participant instructs the Execution Specialist to cancel the Managed Order;
  - B. The Participant is filled in the same instrument in an RFQ and the Managed Order is filled prior to the Execution Specialist cancelling the order; or
  - C. Time has passed and market conditions have changed sufficiently since the entry of the Managed Order such that the Managed Order should be cancelled. The following conditions must be met before a Managed Order is cancelled in the Order Book:
    - (aa) The Managed Order must be exposed to the Order Book for at least 15 seconds; and
    - (bb) A material change in the equilibrium price of the particular instrument has occurred as identified by any of the following:
      - i. New Bids/Offers, initiations of Voice RFQs, or responses to Voice RFQs indicating one or more Participants are willing to trade at a worse price; or
      - ii. The instrument's mid-rate has moved through the Managed Order's price; or
      - iii. A material economic market event has occurred, including, but not limited to, U.S. Department of Labor's Bureau of Labor Statistics Economic News Releases, Federal Reserve announcements, or natural or man-made disasters.
- (iii) Failure of an Execution Specialist to cancel a Managed Order pursuant to Rule 306(c)(4)(ii) prior to it being filled in whole or in part shall be considered an error of the Facility that may be cancelled pursuant to Rule 316(a).

#### **Rule 307 Work Up**

Work-up sessions in Required Transactions are permitted in both electronic trading and RFQ, subject to the System Protocol for the Trading Platform for each product. Work-up transactions do not qualify as a Block Trade even if a Participant's transactions as part of the work-up session has a notional or principal amount at or above the Appropriate Minimum Block Size applicable to such Swap.

#### **Rule 308 Acceptable Bids and Offers**

- (a) The Bid/Offer types shall be as specified in the appropriate System Protocol.
- (b) A Participant submitting a Held Order for less than the Appropriate Minimum Block Size for execution on the Facility shall submit such a Held Order directly to the Order Book or, if submitted to the Facility through an Execution Specialist, such Execution Specialist shall submit such a Held Order directly to the Order Book.

#### **Rule 309 Block Trades**



Participants must enter into uncleared Block Trades away from the Facility, i.e. outside a Trading Platform, System, Order Book, RFQ procedure or Prearranged Cross procedure under Rule 305(b). Participants may enter into Block Trades in Cleared Contracts in accordance with Rule 309(f). All Block Trades must be executed at prices mutually agreed, with regard to Contracts that have been designated by IGDL for such purpose, subject to the following conditions:

(a) The Block Trade must be for at least such minimum number of Contracts as will from time to time be specified by IGDL (the “**Appropriate Minimum Block Size**”). Except as may otherwise be permitted by Commission Regulation 43.6(h)(6), Participants shall not aggregate Contracts of different Participants or Customers to achieve the Appropriate Minimum Block Size. Furthermore, each Swap leg of a Package Transaction must achieve the Appropriate Minimum Block Size independently of each other Swap leg of the Package Transaction. The current Appropriate Minimum Block Sizes are posted on the “Regulation” section of the IGDL website.

(b) When negotiating or executing a Block Trade, a Participant must ensure that the price quoted for a Block Trade represents a fair and reasonable price. The price at which a Block Trade is executed must be fair and reasonable in light of (i) the size of such Block Trade, (ii) the prices and sizes of other transactions in the same Contract at the relevant time, (iii) the prices and sizes of transactions in other relevant markets at the relevant time, and (iv) the circumstances of the parties to such Block Trade.

(c) Block Trades that are not Cleared Contracts must be reported to the Facility by the seller, unless otherwise agreed to by the parties, as soon as technologically practicable after execution, and in no event later than ten (10) minutes after execution, by contacting an Execution Specialist; however, in the case of an Intermediated Transaction, the Participant acting as the Intermediary shall have the obligation to report the Block Trade to the Facility as soon as technologically practicable after execution. The Participant reporting the Block Trade to the Facility must explicitly state to the Execution Specialist that the parties are electing to have the Block Trade treated as such, must state the time of execution to the nearest second and must provide the information required by Rule 208(e).

(d) IGDL will review the information submitted by the Participants for a Block Trade that is not a Cleared Contract and will post the transaction to a Trading Platform if the details are complete and accurate in accordance with this Rule. IGDL will report the transaction to the SDR as soon as technologically practicable after execution in accordance with Rule 310 and will identify the Block Trade as such in the report. IGDL will not disclose any detail of a Block Trade that is not a Cleared Contract prior to the public dissemination of the Block Trade by the SDR.

(e) Each Participant that is party to, or Intermediary for, a Block Trade that is not a Cleared Contract must record the following details of the transaction: the Contract (including the Delivery Month) to which such transaction relates; the number of Contracts traded; the price of execution or premium; the time of execution; the identity of the counterparty; and, if applicable, details regarding the Customer for which the transaction was executed, as well as, if applicable, the Underlying Interest and whether the transaction involved a put or a call and the strike price. Upon request by IGDL, such Participant must produce satisfactory evidence, including the information referred to in the preceding sentence that the transaction meets the requirements set forth in this Rule.

(f) In accordance with NAL 17-60, expiring November 15, 2020, a Participant may execute a Block Trade that is a Cleared Contract either (i) via the Facility’s voice RFQ procedures in Rule 306(c), with the exception that there shall be no minimum number of required Participants to whom an RFQ must be sent, or (ii) as a Pre-Arranged Cross in accordance with the procedures in Rule 305, notwithstanding that the execution of the Block Trade does not occur away from the Facility’s trading system. Each Block Trade executed pursuant to this Rule 309(f) must involve Contracts listed by the Facility, be executed pursuant to the Rules and meet the Appropriate Minimum Block Size. The Facility will report each Block Trade transaction to the SDR as soon as technologically practicable after execution in accordance with



Rule 310. The Facility will not disclose any detail of such a Block Trade prior to the public dissemination of the Block Trade by the SDR.

(g) Each counterparty to a Block Trade must be an “eligible contract participant” as defined in the Act.

(h) Each Intermediary entering into a Block Trade on behalf of a Customer (or in the case of an Authorised Trader acting as an Intermediary, its Trading Privilege Holder’s Customer) must have received a written instruction or consent to do so from the Customer prior to the execution of the Block Trade. The written instruction or consent must be specific as to Block Trades but may be included in a power of attorney or similar document in which the Customer provides the Intermediary with discretionary trading authority to direct the trading in the Customer’s account.

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

(j) Nothing in this Rule 309 shall prohibit a Participant from executing a transaction via the Order Book, vRFQ procedures or as a Pre-Arranged Cross that exceeds the Appropriate Minimum Block Size. Such transactions will not receive treatment as Block Trades and will not be afforded a reporting time delay under Part 43 of the Commission Regulations.

#### **Rule 310 Reporting and Data Collection**

(a) In furtherance of Applicable Law, IGDL will capture and retain all transaction data, so as to be able to reconstruct all transactions within a reasonable period of time and to provide evidence of any Violations.

(b) In furtherance of Applicable Law, IGDL will retain records for all transactions executed on the Facility. This includes all Bids/Offers, RFQs and Pre-Arranged Crosses, whether accepted, unaccepted, cancelled or modified, and all acceptances of such transactions.

(c) In furtherance of Applicable Law, IGDL shall maintain an electronic transaction history database, which includes a history of all Bids/Offers and transactions, and also includes: (i) all data that are input into the trade entry system; (ii) the categories of Participant or Customer for which each transaction is executed, including whether the Participant or Customer executed the transaction for its own account; (iii) timing and sequencing data adequate to reconstruct trading; and (iv) subject to Rule 310(h), identification of each Participant or Customer to which fills are allocated.

(d) IGDL will use the electronic transaction history database to reconstruct trading and identify possible Violations. In furtherance of Applicable Law, IGDL will conduct an annual review of compliance by all Participants and Customers that are responsible for, or in control of, the creation of audit trail records with its audit trail and recordkeeping requirements and will identify Participants and Customers that may have failed to comply with such requirements. Such Participants and Customers will be subject to investigation by the Market Regulation Staff for possible disciplinary action. The annual review must include, but is not limited to, reviews of randomly-selected samples of front end audit trail data for order routing systems; a review of the process by which user identifications are assigned and user identification records are maintained; a review of usage patterns associated with user identifications to monitor for violations of user identification Rules; and reviews of account numbers and Customer Type Indicator Codes in transaction records to test for accuracy and improper use.

(e) All such information will be maintained by IGDL in a manner that protects it from unauthorised alteration, as well as from accidental erasure or other loss.

(f) IGDL will publish trading information as required by:

- (1) Core Principle 9, Commission Regulation § 37.901 and Part 16 of the Commission Regulations; and
- (2) FCA rules and MAR 5.8 and 5.9 (see also Rule 320).

(g) *Reporting to SDRs.*

- (1) IGDL will report all transactions in Contracts executed on the Facility or pursuant to the Rules to an SDR of IGDL's choice as soon as technologically practicable after the execution of such transaction. IGDL will report such transactions as set forth below:
  - (i) Cleared Contracts, including all Swap legs of a Package Transaction, in all asset classes: IGDL reports to DTCC;
  - (ii) Non-Cleared Contracts, including all Swap legs of a Package Transaction, in all asset classes: IGDL reports to DTCC.

With respect to Cleared Contracts, all Cleared Contracts are currently cleared by LCH.Clearnet, CME, Eurex or JSCC and will be reported to DTCC. With respect to Non-Cleared Contracts, the Facility reports all such transactions to DTCC.

- (2) As soon as technologically practicable after the execution of a Contract, IGDL will report to both counterparties, and to the DCO, if any, that will clear the Contract: (i) the identity of the SDR to which the Contract was reported; and (ii) the Contract's unique Swap identifier.
- (3) All real-time data required by Part 43 of the Commission Regulations and all creation data, including primary economic terms and confirmation data, required by Part 45 of the Commission Regulations will be reported to the relevant SDR as provided for under Part 43 and Part 45 of the Commission Regulations.
- (4) IGDL will disseminate swap transaction and pricing data relating to Contracts to Participants no earlier than the transmittal of such information to the relevant registered SDR.
- (5) After becoming aware of or being notified of any errors or omissions in the transaction or pricing data set forth in a Confirmation by a Participant pursuant to Rule 313, the Facility shall then promptly submit corrected data to the relevant SDR.
- (6) Neither the Facility nor any Participant may submit or agree to submit a cancellation or correction for the purposes of re-reporting Swap transaction and pricing data in order to gain or extend a delay in public dissemination of accurate Swap transaction or pricing data or to otherwise evade the reporting requirements of Part 43 of the Commission Regulations.

(h) *Post Trade Allocations.*

- (1) In reliance on NAL 17-54, expiring November 15, 2020, IGDL will not capture post-trade allocations in its audit trail data or conduct associated audit trail reviews of post-trade allocations.
- (2) Each Participant and Customer shall provide IGDL post-trade allocation information to the SEF upon the request of IGDL.
- (3) During the course of any trade practice surveillance or market surveillance investigation into any trading activity involving post-trade allocations, upon the request of the Commission or otherwise, IGDL shall ascertain whether a post-trade allocation was

made. Upon determining that such an allocation was made, IGD L shall request, obtain and review the post-trade allocation information as part of its investigation.

### **Rule 311 Offer Cancellation**

- (a) A Participant can submit instructions to either cancel or modify a Bid/Offer which that Participant has placed on the Facility if that Bid/Offer has not yet been accepted. Upon receipt of instructions to cancel a Bid/Offer that has not been executed, a Trading Platform will withdraw the Bid/Offer and confirm the cancellation of the Bid/Offer. If a Participant modifies a Bid/Offer that has not been executed, IGDL will treat the modified Bid/Offer as a new Bid/Offer.
- (b) IGDL will attempt to cancel or modify an existing Bid/Offer after a Participant enters a cancellation or modification instruction. However, the Bid/Offer may be executed before IGDL is able to cancel or modify it. If a Bid/Offer has been filled in whole or in part, a Participant may modify or cancel only that portion of the Bid/Offer (if any) that has not been executed. Once cancelled by IGDL, a Bid/Offer will not be executed.
- (c) Upon suspension or revocation of a Participant's trading privileges by IGDL, any unaccepted Bid/Offer on the Facility for such Participant shall be cancelled by IGDL.

### **Rule 312 [Reserved]**

### **Rule 313 Enforceability of Transactions**

- (a) *Settlement*
- (1) Each Participant or, where a transaction is on behalf of a Customer, the relevant Customer, is obligated to settle all transactions executed, pursuant to the Rules in this Chapter 3.
  - (2) A transaction executed on the Facility or subject to the Rules shall not be void, voidable, subject to rescission, otherwise invalidated or rendered unenforceable as a result of:
    - (i) a violation by the Facility of Section 5h of the Act or Part 37 of the Commission Regulations;
    - (ii) any Commission 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
    - (iii) any other proceeding the effect of which is to: (A) alter or supplement a specific term or condition or trading rule or procedures; or (B) require the Facility to adopt a specific term or condition, trading rule or procedure, or to take or refrain from taking a specific action.
- (b) *Issuance of Facility Confirmations for Cleared Contracts.* Participants and Customers are obligated to submit for clearing all Contracts so required by the Act, Commission Regulations and any other applicable law. For Cleared Contracts, IGDL will provide the Trading Privilege Holder a Confirmation of all the terms of each transaction executed on the Facility at the time of execution; provided that where a Trading Privilege Holder is a Customer in an Intermediated Transaction, the confirmation will be provided to the Intermediary in accordance with Rule 314(c). The Confirmation provided by IGDL for Cleared Contracts will be the final legally binding confirmation of the terms of any transaction executed on the Facility and will supersede any conflicting confirmation or agreement provided to, or between, as applicable, Participants and Customers, regardless of when such other confirmation is provided.

(c) *Issuance of Facility Confirmations for Uncleared Transactions*

- (1) The economic terms specific to the transaction agreed by each Participant and/or Customer on the Facility with respect to an uncleared transaction shall be reflected by the Facility in a written communication (the “**Trade Communication**”) issued to each applicable Participant and/or Customer at the time of execution of the uncleared transaction. The Trade Communication, together with the documents and agreements (including, without limitation, ISDA master agreements, other master agreements, terms supplements, master confirmation agreements, and incorporated industry definitions) governing such transaction existing at the time of such commitment to which each Participant and/or Customer are party (the “**Terms Incorporated by Reference**”) shall, taken together, for purposes of Commission Regulation 37.6(b), comprise all of the terms of such transaction and serve as the Confirmation of such transaction.
- (2) In satisfaction of the obligations imposed on IGDL under Commission Regulation 37.6(b), (i) each Trade Communication is deemed to incorporate the Terms Incorporated by Reference set forth in this Rule 313(c) upon issuance of the Trade Communication, (ii) each Participant and Customer hereby agrees that the provisions of Rule 313(c)(3) shall govern any conflicting terms, and (iii) the resulting Confirmation takes place at the time of execution of, and contains all the terms of, the transaction.
- (3) In the event of any conflict between (x) the Trade Communication and (y) the Terms Incorporated by Reference, the Trade Communication shall prevail to the extent of any inconsistency and each Trade Communication shall state the same.
- (4) In accordance with NAL 17-17, expiring on the effective date of revised Commission regulations governing SEF confirmation procedures, upon the request of IGDL, each Participant and Customer shall provide copies of the Terms Incorporated by Reference to IGDL.
- (5) In accordance with NAL 17-17, expiring on the effective date of revised Commission regulations governing SEF confirmation procedures, upon the request of the Commission, IGDL shall request the Terms Incorporated by Reference from the relevant Participant or Customer and shall provide such Terms Incorporated by Reference to the Commission as soon as possible after receipt from the Participant or Customer.
- (6) *Review of Confirmations.* Each Participant shall review the contents of each Confirmation issued to it pursuant to this Rule 313 and shall promptly report any errors or omissions in the transaction or pricing data therein to the counterparty to the Contract. Each Participant that is the reporting counterparty for such Contract, as determined pursuant to Rule 317, shall report all such errors or omissions to the Facility as soon as technologically practicable after becoming aware of the errors or omissions.

**Rule 314 Mediated Transactions**

- (a) Subject to Rule 306, Participants who are Intermediaries shall immediately enter into a Trading Platform all executable Orders received by telephone from their Customers, and shall immediately submit all RFQs and Pre-Arranged Crosses to an Execution Specialist. If an Order, RFQ or Pre-Arranged Cross cannot be immediately entered into a Trading Platform or submitted to an Execution Specialist, as applicable, an electronic record which includes the account identifier that relates to the account owner, time of receipt, and terms of the Order, RFQ or Pre-Arranged Cross must immediately be created, and the Order, RFQ or Pre-Arranged Cross must be entered into a Trading Platform or submitted to an Execution Specialist as soon as practicable.

(b) *Priority of execution.* Non-discretionary executable Customer Orders received by a Participant who is an Intermediary shall be entered into Facility in the sequence received. Non-discretionary Orders that cannot be immediately entered must be entered when the Orders become executable, in the sequence in which the Orders were received.

(c) IGDL shall provide all Confirmations of Intermediated Transactions to the Intermediary upon execution of the transaction. Except to the extent that IGDL sends Confirmations of Contracts directly to the relevant Customer, any Participant that transacts as an Intermediary for any Customer shall be responsible for ensuring that such Customers receive all Confirmations of Contracts entered into on behalf of such Customers as soon as technologically practicable after receipt of the Confirmation from IGDL.

#### **Rule 315 Bunched Orders**

Bunched Orders must be allocated and recorded in accordance with Commission Regulation 1.35(b)(5) and the NFA's Interpretive Notice related to Compliance Rule 2-10. Bunched Orders may be entered using a designation for a group of accounts or suspense account number; provided, however that:

- (1) the Bid/Offer or Pre-Arranged Cross is being placed by a Participant who is, or is acting on behalf of, an account manager for multiple accounts eligible for post execution allocation; or
- (2) a written, pre-determined allocation scheme that defines the group of accounts has been provided to the Clearing Firm accepting or clearing the Bid/Offer or Pre-Arranged Cross prior to the time that such Bid/Offer or Pre-Arranged Cross is entered.

#### **Rule 316 IGDL Authority over Transactions**

(a) *IGDL Authority Regarding Cancellations, Price Adjustments and New or Offsetting Transactions*

IGDL has authority to cancel any transaction or adjust the price of any transaction executed on the Facility, or to execute or require the execution of a new or offsetting transaction: (i) when IGDL determines in its sole discretion such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of a Trading Platform or by system defects; (ii) at any time IGDL determines, in its sole discretion, that allowing a transaction to stand as executed may have a material adverse effect on the integrity of the market; or (iii) in accordance with Rule 204(h), Rule 316(c), Rule 316(d), Rule 316(h), or Rule 316(i). All decisions of IGDL regarding IGDL's cancellation of transactions or the adjustment of transaction prices and the execution of new or offsetting transactions shall be final, subject to Rule 316(d).

(b) *Determination to Review a Transaction's Price*

- (1) IGDL may determine to review a transaction's price based on its independent analysis of market activity or upon a Participant's request. A Participant's request for review must be made (i) for an uncleared Pre-Arranged Cross, within one (1) Business Day of the execution of such transaction and (ii) for any other transaction executed on the Facility, within 5 minutes of the execution of such transaction. In the absence of a timely request for review, IGDL may determine whether or not a transaction will be subject to review in its sole discretion. Notwithstanding the foregoing, subject to Applicable Law, IGDL may, in its sole discretion, amend the terms of, or cancel, any transaction that the parties, together with the DCO, as applicable, mutually agree to amend or cancel, even if such amendment or cancellation is not submitted to IGDL within the applicable review period specified above.

- (2) As a condition to IGDL's reviewing a transaction's price pursuant to a timely Participant request made in accordance with Rule 316(b)(1) above, the requesting Participant shall use good faith efforts to promptly consult with its counterparty and the applicable DCO (if any) such that the parties can mutually agree to amend or cancel the transaction. In the absence of a good faith effort to consult, IGDL may determine whether or not a transaction will be subject to review in its sole discretion.
  - (3) If IGDL determines to review a transaction's price, it will promptly issue an alert to all Participants via a Trading Platform or electronic mail indicating that the transaction is under review.
- (c) *Review of a Transaction's Price*
  - (1) In reviewing a transaction's price, IGDL will first determine whether the price of the transaction is in the Non-Reviewable Range.
  - (2) In applying the Non-Reviewable Range, IGDL shall determine the fair value (mid-market) price for the Swap at the time the transaction under review occurred. IGDL may consider any relevant information, including, but not limited to, the last transaction price of the Swap or a better Bid/Offer, a more recent price for a different maturity date, the price of the same or related Swap established in another venue or another market, the market conditions at the time of the transaction, the theoretical value of an Option based on the most recent implied volatility and responses to an RFQ.
  - (3) If IGDL determines that the price of a transaction is inside the Non-Reviewable Range, IGDL will issue an alert indicating that the transaction shall stand as executed.
  - (4) If IGDL determines that the price of a transaction is outside the Non-Reviewable Range, IGDL shall have the right, in its sole discretion, to cancel or adjust the price of such transaction.
  - (5) The method of adjustment or cancellation of any Cleared Contract that is adjusted or cancelled pursuant to Rule 316(c)(4) shall be the method provided for by the rules and procedures of the relevant DCO.
- (d) *Alternative Resolution by Agreement of Parties for Transactions Reviewed for Price*
  - (1) With the approval of IGDL, parties to a transaction that is under review for price or that has had its price adjusted may instead, together with the DCO, as applicable, mutually agree to cancel or otherwise adjust the price of the transaction.
  - (2) With the approval of IGDL, parties to a transaction that is cancelled may instead, together with the DCO, as applicable, mutually agree to adjust the price of such transaction to a price within the Non-Reviewable Range.
  - (3) Subject to sections (d)(1) and (d)(2), parties to a transaction that is cancelled or that has had its price adjusted may mutually agree to a cash adjustment.
  - (4) Any cancellation or adjustment made pursuant to sections (d)(1), (d)(2) or (d)(3) must be reported to the Facility by the parties within one (1) Business Day and the parties must maintain a record of such adjustment.
- (e) *Liability for Losses Resulting from Cancellations or Price Adjustments*



- (1) A party that through error or mistake enters a Bid/Offer, RFQ or Pre-Arranged Cross that results in a cancellation or price adjustment shall be responsible for demonstrated claims of realised losses incurred by persons whose transaction prices were cancelled or adjusted; provided, however, that a claimant shall not be entitled to compensation for losses incurred as a result of the claimant's failure to take reasonable actions to mitigate the loss.
  - (2) A claim for a loss pursuant to this Rule 316 must be submitted to the Facility within one (1) Business Day of the event giving rise to the claim. IGDL will reject any claim that is not filed in a timely manner and such decision shall be final. Eligible claims shall be forwarded by IGDL to the party responsible for the Bid/Offer, RFQ or Pre-Arranged Cross that resulted in a cancellation or a price adjustment of a transaction and the Participant through which the transaction was submitted to the Facility. Such party, or Participant on behalf of such party, shall, within ten (10) Business Days of receipt of the claim, admit or deny responsibility in whole or in part. Failure to respond to the claim within ten (10) Business Days shall be deemed a denial of liability.
  - (3) To the extent that liability is admitted, payment shall be made within ten (10) Business Days. Unless otherwise agreed upon in writing by the parties, failure to make the payment within ten (10) Business Days shall be deemed a denial of liability for the purposes of this Rule 316. A copy of any such written agreement must be provided to IGDL.
  - (4) To the extent that liability is denied, the party making the claim may submit the claim for arbitration pursuant to Rule 702. Such claims must be submitted to IGDL within ten (10) Business Days of the date the party was issued notification that liability was denied.
- (f) The Non-Reviewable Range for all Swaps listed on the Facility is less than +/- 0.75 basis point.
- (g) *Records of Cancellations and Price Adjustments*
- (1) Cancelled transactions and any prices that have been adjusted shall be cancelled in IGDL's official records.
  - (2) Transactions that have had their price adjusted shall be reflected in IGDL's official records at the adjusted price.
- (h) *Review of Transactions for Errors*
- (1) If a Participant, Customer or Clearing Firm believes that any transaction in one or more Contracts was executed, cleared or rejected for clearing as a result of an Error, as defined in Rule 316(h)(3), such person may request review of the transaction.
  - (2) Upon receipt of a request for review of a transaction, or if IGDL determines on its own initiative to conduct such a review, IGDL will review its records to determine if an Error occurred.
  - (3) IGDL may cancel or adjust the transaction, or execute or require the execution of a new or offsetting Cleared Contract under the procedures of Rule 316(i), as appropriate, if the review described in this Rule 316 reveals that:
    - (i) a Trading Platform or an Execution Specialist made a material mistake or that a mistake occurred as a result of a malfunction in a Trading Platform or by human error;

- (ii) a Bid/Offer or RFQ or Pre-Arranged Cross was incorrectly displayed and/or executed and/or reported;
    - (iii) a Trading Platform, an Execution Specialist, Participant or Customer made a clerical or operating error or omission that caused a transaction to be rejected from clearing and void *ab initio*; or
    - (iv) a Clearing Firm or DCO rejected a leg of a Package Transaction for clearing because of the sequencing of submission for clearing of the legs of the applicable Package Transaction (each of the foregoing, an “**Error**”).
  - (4) If the review described in this Rule 316 reveals that no Error occurred, IGDL will inform any person who requested the review that IGDL has determined that the transaction was properly handled, the evidence supporting that determination, and that a cancellation, adjustment or a new or offsetting transaction under Rule 316(i) will not be made.
  - (5) IGDL will document in writing all requests for review of transactions received by IGDL, or any review on its own initiative, the time and manner in which IGDL reviewed its electronic audit trail in response to the request or review on its own initiative, the outcome of that review, and the action or actions taken by IGDL in response to that review.
  - (6) If a transaction is reviewable for price under Rule 316(b), the procedures of this Rule 316(h) shall not apply.
- (i) *Procedures for Correcting Errors*
- (1) The procedures of this Rule 316(i) are in accordance with NAL 17-27, expiring on the effective date of revised Commission regulations governing swaps with clerical and operational errors executed on a swap execution facility, and are limited to:
    - (i) A Cleared Contract that was rejected for clearing and void *ab initio* because of a clerical or operational error or omission by IGDL, a Participant or a Customer (each, a “**Rejected Transaction**”),
    - (ii) A leg of a Package Transaction that was rejected for clearing because of the sequencing of submission for clearing of the legs of the applicable Package Transaction and only for such rejected leg (each, a “**Rejected Leg**”), and
    - (iii) A Cleared Contract that is carried on a DCO’s books as a result of a clerical or operational error or omission by IGDL, a Participant or a Customer that was not identified until after the Cleared Contract had been cleared (each, an “**Erroneously Cleared Transaction**”),
- in each case where the Facility has affirmatively determined that the transaction or a term thereof resulted from an Error.
- (2) For Rejected Transactions and Rejected Legs, if a Participant, Customer or Clearing Firm believes that a transaction qualifies as a Rejected Transaction or a Rejected Leg, such Participant, Customer or Clearing Firm shall request review of the transaction pursuant to Rule 316(h).

- (i) Upon completion of the review of the transaction pursuant to Rule 316(h), if IGD L determines that an Error resulted in a Rejected Transaction or a Rejected Leg and:
  - A. If IGD L is able to determine how to correct the Error, IGD L shall execute a new Cleared Contract with the same terms as the Rejected Transaction or Rejected Leg, other than the Error, without obtaining consent of the Participant that submitted the Rejected Transaction or Rejected Leg or the Customer on whose behalf such transaction was submitted. The new Cleared Contract must be submitted by an Execution Specialist as a Pre-Arranged Cross, and such Pre-Arranged Cross shall be subject to pre-execution credit check and risk screening pursuant to Rule 204(b).
  - B. If IGD L is unable to determine how to correct the Error, IGD L shall consult with the Clearing Firms for the Rejected Transaction or Rejected Leg and the Participants and Customers involved in such transaction, as necessary, and the Clearing Firms for such transactions may, with the consent of each respective Customer or Participant, agree to a new Cleared Contract with the same terms as the rejected Cleared Contract, other than the Error. Such Customer or Participant consent may not be obtained in advance, and must be sought and obtained by each Clearing Firm on a case-by-case basis, after the Cleared Contract has been rejected. If there is such agreement and consent, the new Cleared Contract must be submitted by the Participant specified in Rule 305(b) as a Pre-Arranged Cross pursuant to the procedure in Rule 305(b), and such Pre-Arranged Cross shall be subject to pre-execution credit check and risk screening pursuant to Rule 204(b).
- (ii) Upon execution of such Pre-Arranged Cross by IGD L to replace a Rejected Transaction or Rejected Leg, IGD L shall submit the transaction to the DCO for clearing as quickly as technologically practicable, but in any case no later than 60 minutes from the issuance of the notice of rejection by the DCO to the Clearing Firms.
- (iii) If the new Cleared Contract resulting from such Pre-Arranged Cross is rejected from clearing, it is void *ab initio* and no additional new Cleared Contract will be permitted to be submitted under the procedure in this Rule 316(i)(2).
- (iv) IGD L shall report Swap transaction data to the relevant SDR pursuant to Rule 310(f) for a new Cleared Contract that clears with the same terms as the Rejected Transaction or Rejected Leg, as applicable, other than the Error, including: a Part 43 cancellation for the original transaction, a Part 45 termination indicating the original transaction is void *ab initio*, and swap transaction data pursuant to Parts 43 and 45 for the new Cleared Contract. Such data shall reference the original cancelled trade, indicate that it has been reported pursuant to the procedures described in this Rule 316(i)(2) and link the original cancelled trade to the new trade for reporting to the relevant SDR under Part 43 and Part 45 of the Commission Regulations.
- (v) The procedures in this Rule 316(i)(2) are not available for Rejected Legs of Package Transactions that are rejected for clearing by a Clearing Firm or DCO because the Package Transaction as a whole failed to satisfy the applicable Risk-Based Limits.

- (3) For Erroneously Cleared Transactions, if a Participant, Customer or Clearing Firm believes that a Cleared Contract is carried on the books of a DCO as a result of an Error, such Participant, Customer or Clearing Firm may request review of the transaction pursuant to Rule 316(h).
  - (i) Upon completion of the review of the transaction pursuant to Rule 316(h), if IGDL determines that an Error resulted in an Erroneously Cleared Transaction and:
    - A. If IGDL is able to determine how to correct the Error, IGDL shall execute a Cleared Contract that offsets the Erroneously Cleared Transaction carried on the books of the relevant DCO through the same Clearing Firms that cleared the Erroneously Cleared Transaction and IGDL shall execute a new Cleared Contract with the same terms as the Erroneously Cleared Transaction, other than the Error, in each case without obtaining consent of the Participant that submitted the Erroneously Cleared Transaction or the Customer on whose behalf such transaction was submitted; provided that, where an Erroneously Cleared Transaction did not satisfy the Risk-Based Limits of a Participant's Clearing Firm, IGDL shall obtain the consent of the relevant Clearing Firm prior to executing such offsetting Cleared Contract. The new Cleared Contract must be submitted by an Execution Specialist as a Pre-Arranged Cross, and such Pre-Arranged Cross shall be subject to pre-execution credit check and risk screening pursuant to Rule 204(b).
    - B. If IGDL is unable to determine how to correct the Error, IGDL shall consult with the Clearing Firms for Erroneously Cleared Transactions and the Participants and Customers involved in such transaction, as necessary, and the relevant Customer or Participant may agree to execute a Cleared Contract that offsets the Erroneously Cleared Transaction carried on the books of the relevant DCO through the same Clearing Firms that cleared the Erroneously Cleared Transaction and to execute to a new Cleared Contract with the same terms as the rejected Cleared Contract, other than the Error. The new Cleared Contracts must be submitted by the Participant specified in Rule 305(b) as Pre-Arranged Crosses pursuant to the procedure in Rule 305(b), and such Pre-Arranged Crosses shall be subject to pre-execution credit check and risk screening pursuant to Rule 204(b).
  - (ii) Upon execution of such Pre-Arranged Crosses by IGDL to offset an Erroneously Cleared Transaction and to enter into a new Cleared Contract, IGDL shall submit the transactions to the DCO for clearing as quickly as technologically practicable, but in any case no later than three days after the Erroneously Cleared Transaction was executed.
- (4) For the avoidance of doubt, the procedures of this Rule 316(i) are not applicable to any transaction rejected by a DCO for credit reasons.

#### **Rule 317 Reporting Counterparty**

- (a) For each Contract executed on or subject to the Rules, IGDL shall report all required data to an SDR in accordance with Rule 310, and shall include in such creation data the identification of the reporting counterparty. The reporting counterparty will be determined by IGDL, if possible, in accordance with Commission Regulation 45.8(a) – (f) and in the event the counterparties to the Contract are of the same hierarchy level, the ISDA Reporting Party Rules, the relevant portion of which is attached to this

Facility Rulebook as Annex 2, and identify to the counterparties which is the reporting counterparty. If IGD L is unable to determine the reporting counterparty in accordance with Commission Regulation 45.8(a) - (f) and the ISDA Reporting Party Rules, IGD L will identify the buyer of the Contract as the reporting counterparty in the creation data. By executing the Contract on the Facility, the counterparties agree to the use of the ISDA Reporting Party Rules and where necessary, the identification of the buyer as reporting counterparty, and waive the opportunity to agree separately upon a reporting counterparty and to receive notice from IGD L, as provided in Commission Regulation 45.8(d) and 45.8(f).

(b) **[NOT USED]**

(c) For each Contract executed on or subject to the Rules, the reporting counterparty and/or the relevant DCO is responsible for reporting continuation data to the SDR to which the creation data for the Contract was first reported in accordance with Commission Regulations 45.4 and 45.10.

## **Rule 4.31B II Transaction Reporting**

- (a) Participants are responsible for satisfying their own requirements with respect to submission of Transaction Reports as required by Applicable Law.
- (b) If a Participant is not required by Applicable Law to submit a Transaction Report, but IGDL as the operator of the Facility is required to submit such a report in respect of a transaction to which the Participant is a party, then the Participant must provide all information required to be reported by IGDL pursuant to MiFIR to complete and submit such report on a timely basis and ensure that such information is accurate, current and complete.

## **Rule 4.31D Offer to Trade Ratio**

Participants must ensure that their ratio of Bids/Offers to executed trades remains at all times within parameters published from time to time on the IGDL website.

## **Rule 4.32 Pre-Trade Transparency**

- (a) Pre-trade Transparency
  - (1) Where required under Applicable Law, IGDL will make public, on a continuous basis during Trading Hours, details of Bids/Offers, including current bid and offer prices and the depth of trading interest at those prices which are advertised in relation to MiFID-regulated financial instruments ("**Pre-Trade Data**"). IGDL may seek to obtain and apply a Transparency Waiver from publication of all or part of such Pre-Trade Data. Where IGDL has been granted a Transparency Waiver, IGDL will be exempted from the requirements to publish Pre-Trade Data to the extent provided for by the applicable Transparency Waiver. Details of applicable Transparency Waivers are available on request.
- (b) Post-trade Transparency
  - (1) Where required under Applicable Law, IGDL will make public, as close to real-time as technically possible, the price, volume and time of transactions executed on the Facility ("**Post-Trade Data**").
  - (2) IGDL may seek to obtain and apply a Deferral from publication of all or part of such Post-Trade Data. Where IGDL has been granted a Deferral, or a Deferral applies general to market operators and firms operating a trading venue, IGDL may effect deferred publication of Post-Trade Data to the extent provided for by the applicable Deferral. Details of applicable arrangements for deferred publication of Post-Trade Data are available on request.
  - (3) If a component of a MiFID II Package Transaction is executed or registered on an execution venue other than the Facility, the component may be subject to publication requirements for Pre-Trade Data and/or Post-Trade Data at the execution venue where the component is executed or registered. Those requirements may be different than those applicable to components executed on or registered by IGDL.
- (c) Publishing Pre-Trade Data and Post-Trade Data
  - (1) Pre-Trade Data and Post-Trade Data will be made available to the public separately.

- (2) IGDL or an Affiliate of it may make Pre-Trade Data and Post-Trade Data available to the public on a reasonable commercial basis. However, Pre-Trade Data and Post-Trade Data will be made available to the public free of charge 15 minutes after initial publication.
- (d) **Market Data and Information**
  - (1) IGDL may make market data and other anonymised information regarding Bids/Offers (including prices and amounts), transactions and any other matters it may deem appropriate available to Participants and other persons at such times and in such manner (whether through IGDL, a ticker, financial information services or otherwise) as it may determine from time to time.
  - (2) All market data or other information that IGDL or any service provider provides to the Participant in connection with its use of IGDL is proprietary to IGDL (or the service provider, as applicable).
  - (3) Participants are not permitted to retransmit, redistribute or otherwise disclose such data or information to any third party, including without limitation in aggregated format, or to incorporate it into a benchmark, without IGDL's (or, as applicable, the relevant service provider's) prior agreement, except as required by Applicable Law.
- (e) **Participant Status**
  - (1) For the purposes of record keeping and reporting, IGDL may treat each Participant as dealing on own account and the Authorised Trader submitting a Bid/Offer as the investment decision maker with respect to that Bid/Offer, unless expressly notified otherwise by the Participant.

## CHAPTER 4

### TRADING STANDARDS

#### **Rule 401** ~~Rule 401~~ Fraudulent Statements and Acts

- (a) No Participant or Customer shall make or attempt to make any untrue or misleading statement of a material fact or to omit to state a material fact necessary in order to make the statements made not untrue or misleading, in connection with or related to any transaction on or other activity related to IGDL or the Facility.
- (b) No Participant or Customer may engage in or attempt to engage in any fraudulent act, or engage in or attempt to engage in any manipulative device, scheme or artifice to cheat, defraud or deceive, in connection with or related to any transaction on or other activity related to IGDL or the Facility.

#### **Rule 402** ~~Rule 402~~ Abusive Trading Practices

- (a) No Participant or Customer shall create fictitious or wash transactions on the Facility or execute any Bid/Offer for a fictitious or wash transaction with knowledge of its nature.
- (b) No Participant or Customer shall engage in trading on the Facility or subject to the Rules for the purpose of passing money or transferring equity from one account to another.
- (c) No Participant trading as an Intermediary on behalf of a Customer shall engage in trading ahead of a Customer Order, trading against a Customer Order without the Customer's consent, front running a Customer Order, accommodation trading or improper cross trading.

#### **Rule 403** ~~Rule 403~~ Faith Bids/Offers and RFQs

- (a) A Participant or Customer shall not knowingly enter, or cause to be entered, a Bid/Offer or RFQ into the Facility other than in good faith for the purpose of executing bona fide transactions.
- (b) A Participant or Customer shall not knowingly enter, or cause to be entered, a Bid/Offer or RFQ unless such Participant or Customer has sufficient funds to provide the required collateral for the related Contract should the Contract be executed.

#### **Rule 404** ~~Rule 404~~ Execution Discussions and Pre-Arranged Transactions

No Participant or Customer shall prearrange or pre-negotiate or non-competitively execute any transaction on the Facility except as follows:

- (a) Block Trades are not subject to this prohibition.
- (b) Permitted Transactions executed pursuant to Rule 305 are not subject to this prohibition.
- (c) Participants and Customers may engage in pre-execution discussions with regard to transactions executed on the Facility in accordance with Rule 306(a)(7); provided, however, that:
  - (1) A party may not engage in pre-execution communications with other market participants on behalf of another party unless the party for whose benefit the transaction is being made has previously consented to permit such communications.
  - (2) Parties to pre-execution communications shall not:



- (i) disclose to a non-party the details of such communications; or
  - (ii) enter a Bid/Offer to take advantage of information conveyed during such communications except in accordance with this Rule.
- (3) Notwithstanding paragraph (c)(2) of this Rule, a party may disclose or use such communications if such disclosure or use is authorised in writing by the counterparty, or is necessary:
  - (i) for the effective execution of any Swap for or with the counterparty;
  - (ii) to hedge or mitigate any exposure created by such Swap; or
  - (iii) to comply with a request of the Commission, the U.S. Department of Justice, any self-regulatory organisation, or an applicable prudential regulator, including but not limited to the FCA, or as otherwise required by law.
- (d) Where a transaction is executed pursuant to Rule 316(i), communications concerning such transaction shall not be considered pre-execution communications prohibited by this Rule 404.

#### **Rule 405 Manipulation and Price Distortion**

- (a) Any manipulation or attempted manipulation of the price of any Contract is prohibited.
- (b) Bids/Offers entered into a Trading Platform or Pre-Arranged Crosses submitted to an Execution Specialist for the purpose of upsetting the equilibrium of the market in any Contract or creating a condition in which prices do not or will not reflect fair market values are prohibited and it shall also be prohibited for any Participant or Customer to make or assist in entering any such Bid/Offer or Pre-Arranged Cross with knowledge of the purpose thereof or, with such knowledge, to assist in carrying out any plan or scheme for the entering of any such Bid/Offer or Pre-Arranged Cross.
- (c) Any other manipulative and disruptive behaviour not otherwise prohibited by the Rules is prohibited to the extent prohibited by the Act or Commission Regulations, including but not limited to Sections 6(c)(1) and (3), 9(a)(2), 4c(a)(5)(A) and (C) of the Act and Commission Regulations 180.1(a) and 180.2.

#### **Rule 406 Disruptive Trading Practices**

- (a) No Participant or Customer shall enter or cause to be entered any Bid/Offer or other message with the intent to:
  - (1) mislead other Participants;
  - (2) overload, delay, or disrupt the Order Book or any other systems of the Facility or other Participants; and
  - (3) disrupt the orderly conduct of trading or the fair execution of transactions.
- (b) No Participant or Customer shall engage in any trading, practice or conduct on the Facility or subject to the Rules that (1) violates Bids/Offers; (2) demonstrates intentional or reckless disregard for the orderly execution of transactions during the closing period; (3) is, is of the character of, or is commonly known to the trade as, "spoofing" (entering a Bid/Offer with the intent to cancel the Bid/Offer before execution); or (4) is any other manipulative or disruptive trading practice prohibited by the Act or Commission Regulations.

## **Rule 407 General Offences**

It will be an offence for a Participant or Customer to:

- (a) violate any Rule regulating the conduct or business of a Participant or Customer or any agreement made with IGDL;
- (b) engage in any act detrimental to IGDL's operations or self-regulatory function or IGDL's ability to enforce its Rules or is detrimental to the interest or welfare of the Facility;
- (c) fail to observe the proper standards of conduct expected of market participants;
- (d) engage in any conduct which tends to impair the dignity or good name of the Facility;
- (e) engage in conduct inconsistent with just and equitable principles of trade;
- (f) engage in dishonourable or uncommercial conduct;
- (g) aid or abet the commission of any Violation by another person;
- (h) fail to supervise its employees or agents in the conduct of the Participant's or Customer's business related to the Facility; and
- (i) engage in conduct in violation of Applicable Law or the rules of any DCO which clears a Cleared Contract in connection with or related to any transaction on or other activity related to the Facility.

## **Rule 408 Position Limits and Position Accountability**

- (a) To reduce the potential threat of market manipulation or congestion, the Facility shall adopt for each Contract, as is necessary and appropriate, Position Limits or position accountability levels for speculators.
- (b) IGDL hereby adopts the Commission's Position Limits for any Contract for which the Commission has adopted a Position Limit. In no event will IGDL set its Position Limits at a level higher than the Commission's Position Limits.
- (c) For Permitted Transactions, IGDL may set and enforce position accountability levels or send the Commission a list of the Permitted Transactions transacted on the Facility.
- (d) All Participants and Customers must comply with all IGDL and Commission requirements regarding Position Limits or position accountability levels.
- (e) Each Participant required to file any report, statement, form or other information with the Commission pursuant to Commission Regulations concerning a Position Limit on any Contract or commodity underlying a Contract must simultaneously file a copy of such report, statement, form or other information with IGDL. Such information shall include, for Participants who are Intermediaries, information concerning the Customers for which transactions are made on the Facility.
- (f) Any Participant or Customer who exceeds an IGDL or Commission Position Limit by entering into a transaction on the Facility shall be deemed in Violation. In addition, any Participant or Customer entering bids or offers, if accepted, which would cause that Participant or Customer to exceed the applicable IGDL or Commission Position Limit, shall be in Violation.
- (g) Without limiting any provision of these Rules, IGDL shall have the authority to obtain from any Participant or Customer, on request, information with respect to all positions of such Participant or

Customer in Contracts which are equivalent, for purposes of IGDL or Commission Position Limits, to those transacted in by the Participant on the Facility.

## CHAPTER 5

### RULE ENFORCEMENT

#### **Rule 501 Jurisdiction**

(a) IGDL shall have the authority to initiate and conduct investigations, and prosecute Violations committed by Facility Subject Persons, and to impose sanctions for such Violations as provided in these Rules.

(b) Each Participant and Clearing Firm, upon becoming a Participant or Clearing Firm and thereafter upon any change of address shall file with IGDL a written notice designating an address for receiving service of documents. If a Participant or Clearing Firm fails to designate such an address, service by mail to its address on file with IGDL shall be good service, and delivery thereof shall be deemed to have occurred as of the date of such mailing.

#### **Rule 502 Market Regulation Staff Powers and Duties**

(a) It shall be the duty of the Compliance Function to enforce these Rules, and shall have the authority to inspect the books and records of all Facility Subject Persons and the authority to require any Facility Subject Person to appear before it to answer questions regarding matters being investigated by the Market Regulation Staff. The Compliance Function may also delegate such authority to Market Regulation Staff who shall consist of personnel of IGDL, and such other Regulatory Services Providers as IGDL may hire on a contract basis. The Compliance Function shall ensure that surveillance systems are established to monitor trading to prevent manipulation and price distortion. Such monitoring may be done by the Market Regulation Staff or a third party provider, and shall include real time monitoring and the ability to conduct comprehensive and accurate transaction reconstructions.

(b) The Market Regulation Staff shall conduct investigations of possible Violations, prepare written reports respecting such investigations, furnish such reports to the Review Panel and conduct the prosecution of such Violations. An investigation must be commenced upon receipt of a request from any Regulatory Agency, its staff or receipt of information (such as data produced by automated surveillance systems) by IGDL that in the judgment of the Market Regulation Staff indicates a reasonable basis for finding that a Violation may have occurred or will occur. Absent mitigating factors, each investigation will be completed no later than 12 months after the investigation is opened. Mitigating factors include the complexity of the investigation, the number of firms 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 analysed by Market Regulation Staff.

(c) If, in any case, the Compliance Function or another member of the Market Regulation Staff, designated for this purpose by the Compliance Function, concludes that there is a reasonable basis for finding a Violation, he or she shall (i) present an investigation report concerning the matter to the Review Panel or (ii), in the case of Violations subject to Rule 516, proceed in accordance with Rule 516. The investigation report must include the reason the investigation was initiated; a summary of the complaint, if any; the relevant facts; Market Regulation Staff's analysis and conclusions; and a recommendation as to whether disciplinary action should be pursued. The report may also include the Facility Subject Person's disciplinary history at the Facility, including copies of any warning letters. The Market Regulation Staff may issue a warning letter, including for minor transgressions. However, no more than one warning letter may be issued to the same person found to have committed the same Violation more than once in a rolling 12-month period.

(d) If, in any case, the Compliance Function or another member of the Market Regulation Staff, designated for this purpose by the Compliance Function, concludes that no reasonable basis exists for finding a Violation, he or she must prepare a written investigation report including the reason the

investigation was initiated; a summary of the complaint, if any; the relevant facts; and Market Regulation Staff's analysis and conclusions. The Compliance Function or another member of the Market Regulation Staff may issue a warning letter in any case where it is concluded that no reasonable basis exists for finding a Violation, without limitation on the number of warning letters issued to a person.

(e) Before presenting an investigation report to the Review Panel, the Market Regulation Staff may, in its sole discretion, inform the prospective Respondent that it intends to submit the matter to the Review Panel, and at such time the proposed Respondent may submit an offer of settlement to the Hearing Panel, in accordance with the procedures of Rule 509, prior to presentation of the investigation report to the Review Panel.

(f) IGDL has contracted with NFA to act as Regulatory Services Provider to provide certain regulatory services to IGDL, including reviews of the Facility's audit trail information for potential Violations. IGDL will retain ultimate decision-making authority with respect to any regulatory services to be provided by NFA.

(g) IGDL or its Regulatory Services Provider shall have the right with such prior reasonable advance notice as is practicable under the circumstances (unless in furtherance of regulatory purposes in which case without prior notice to Facility Subject Persons), in connection with determining whether all Rules are being, will be, or have been complied with by the Facility Subject Person, to: (i) inspect systems, equipment and software of any kind operated by the Facility Subject Person in connection with accessing, and the Facility Subject Person's transacting on, the Facility, wherever located; (ii) access, either physically or electronically, the systems, equipment, software, 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/or (iii) copy or reproduce any data to which IGDL has access under this Rule. Each Facility Subject Person shall provide the Regulatory Services Provider with the same access to its books and records and offices as it is required to provide to IGDL under the Rules and Applicable Law.

#### **Rule 503 Review Panel**

(a) The Review Panel shall have the power to direct that an investigation of any suspected Violation be conducted by the Market Regulation Staff, and shall hear any matter referred to it by the Market Regulation Staff regarding a suspected Violation.

(b) The Review Panel shall be appointed by the Board, and shall be comprised of five persons, including at least two Participants and at least two non-Participants. In the case where the subject of the investigation is a Clearing Firm, at least one member of the Review Panel shall be a Clearing Firm. The Board shall appoint as chairman (the "**Review Panel Chairman**") of the Review Panel a person who would not be disqualified from serving as a "Public Director" as defined in Commission Regulations. Three panel members shall constitute a quorum for any action, so long as they are in attendance at the time of the relevant action. The Review Panel may not include any members of the Market Regulation Staff, any person involved in adjudicating any other stage of the same Proceeding, or any person with a history of disciplinary offenses that would be disqualifying under Commission Regulation § 1.63(c). The Review Panel shall include at least one member that is not a member of IGDL whenever the Review Panel is: (i) acting with respect to a disciplinary action in which the Respondent is a member of the Board, the Review Panel or the Hearing Panel; or (ii) when the suspected Violation involves manipulation (or attempted manipulation) of the price of a Contract or conduct which directly results in financial harm to a non-member of IGDL. The Review Panel shall include sufficient different membership interests so as to ensure fairness and to prevent special treatment or preference for any person.

(c) All information, records, and documents provided to the Review Panel, and all related records and documents shall be treated as confidential and shall not be disclosed, except as necessary to further an IGDL investigation or as required by Applicable Law.

(d) Upon receipt of an investigation report, the Review Panel shall promptly review the report and, within thirty (30) days of receipt, take one of the following actions:

- (1) If the Review Panel determines that additional investigation or evidence is needed, it shall promptly direct the Market Regulation Staff to conduct further investigation;
- (2) If the Review Panel determines that no reasonable basis exists for finding a Violation or that prosecution is otherwise unwarranted, it may direct that no further action be taken. Such determination must be in writing and must include a written statement setting forth the facts and analysis supporting the decision; or
- (3) If the Review Panel determines that a reasonable basis exists for finding a Violation and adjudication is warranted, it must direct that the Facility Subject Person alleged to have committed the Violation be served with a notice of charges as set forth in Rule 504.

(e) If the Review Panel determines that there may have been a Violation but that no adjudication is warranted, the Review Panel may issue a warning letter to the Facility Subject Person informing it that there may have been a Violation and that such continued activity may result in disciplinary sanctions. Where a Violation is determined to have occurred, no more than one warning letter for the same potential Violation may be issued to the same person during a rolling 12 month period.

#### **Rule 504 Notice of Charges**

(a) If the Review Panel determines that a reasonable basis exists for finding a Violation and adjudication is warranted, the Compliance Function shall serve a notice of charges (a “**Notice**”) on the Facility Subject Person alleged to have been responsible for the Violation (such Facility Subject Person, the “**Respondent**”). Such Notice shall state:

- (1) the acts, practices or conduct with which the Respondent is charged;
- (2) the Rules allegedly violated and how such acts, practices or conduct constitute a Violation of such Rules;
- (3) that the Respondent is entitled, upon written request filed with IGDL, within twenty (20) days of service of the Notice, to a formal hearing on the charges;
- (4) that the failure of the Respondent to request a hearing within twenty (20) days of service of the Notice, except for good cause shown, shall be deemed a waiver of its right to a hearing;
- (5) that the failure of the Respondent to file an Answer (as defined in Rule 505) with the Market Regulation Staff within twenty (20) days of service of the Notice shall be deemed an admission of all of the acts, practices or conduct alleged in the Notice; and
- (6) that the failure of the Respondent to expressly deny a particular charge contained in the Notice shall be deemed an admission of such acts, practices or conduct.

(b) A Respondent shall have the right to be represented by legal counsel or any other representative of its choosing in all succeeding stages of the disciplinary process, except by any member of the Board,

Review Panel or Hearing Panel, any employee of IGDL or any person substantially related to the underlying investigation, such as a material witness or Respondent.

#### **Rule 455 Answer; Request for Hearing; Failure to Answer or Deny Charges**

(a) The Respondent shall serve on the Compliance Function a written answer (an “**Answer**”) to the Notice and a written request for a hearing on the charges within thirty (30) days of the date of service of the Notice. The Answer must include a statement that the Respondent admits, denies, or does not have and is unable to obtain sufficient information to deny each allegation. A statement of lack of sufficient information shall have the effect of a denial of the allegation.

(b) The Respondent’s failure to file an Answer within such thirty (30) day period shall be deemed an admission of all allegations contained in the Notice.

(c) The Respondent’s failure to expressly deny a particular charge contained in the Notice shall be deemed an admission of such acts, practices or conduct.

(d) The Respondent’s failure to request a hearing within such thirty (30) day period, absent good cause shown, shall be deemed a waiver of Respondent’s right to a hearing.

#### **Rule 506 Selection of Hearing Panel**

(a) Formal hearings on any Notice shall be conducted by the Hearing Panel selected by the Board. The Hearing Panel shall include at least two Participants and at least two non-Participants. In the case where any Respondent is a Clearing Firm, at least one member of the Hearing Panel shall be a Clearing Firm. The Board shall also select, as chairman of the Hearing Panel (“**Hearing Panel Chairman**”), a person who would not be disqualified from serving as a “Public Director” as defined in Commission Regulations. The Hearing Panel Chairman, in his or her sole discretion, shall set a date for the hearing (the “**Hearing Date**”). The Hearing Panel may not include any members of the Market Regulation Staff, any person involved in adjudicating any other stage of the same Proceeding, or any person with a history of disciplinary offenses that would be disqualifying under Commission Regulation § 1.63(c). The Hearing Panel shall include at least one member that is not a member of IGDL whenever the Hearing Panel is: (i) acting with respect to a disciplinary action in which the Respondent is a member of the Board, the Review Panel or the Hearing Panel; or (ii) when the suspected violation involves manipulation (or attempted manipulation) of the price of a Contract or conduct which directly results in financial harm to a non-member of IGDL. The Hearing Panel shall include sufficient different membership interests so as to ensure fairness and to prevent special treatment or preference for any person.

(b) The Hearing Panel Chairman shall notify the Market Regulation Staff and the Respondent of the Hearing Date and the names of the members of the Hearing Panel at least fifteen (15) days prior to the Hearing Date.

(c) No member of the Hearing Panel shall hear a case in which that member has a direct financial, personal or other interest in the matter under consideration.

#### **Rule 507 Challenge to Members of the Hearing Panel**

Within ten (10) days after service on the Respondent of notice of the Hearing Date and names of the members of the Hearing Panel, the Respondent may challenge, in writing, the inclusion of any member of the Hearing Panel for cause, including without limitation, if the member has a direct financial, personal or other interest in the matter under consideration. The merits of such challenge shall be finally decided by the Regulatory Oversight Committee. If said written challenge is not received within such ten (10) day period, absent good cause shown, any such right to challenge is deemed waived.



#### **Rule 508 Hearing on Sanctions in the Event of Failure to Deny Charges; Failure to Request Hearing Deemed Acceptance of Sanctions**

In the event the Respondent fails to file an Answer or admits or fails to deny the charge of a Violation contained in the Notice, the Hearing Panel shall find the Respondent guilty of each such Violation and may impose a sanction for each such Violation subject to the limitations set forth in Rule 511(b)(7). The Hearing Panel shall promptly notify the Respondent of any such sanction and of the Respondent's right to a hearing on the sanction within the period of time which shall be stated in the notice, after the imposition of such sanction. Failure to request a hearing on the sanction in a timely manner, absent good cause shown, shall be deemed to be acceptance of the sanction.

#### **Rule 509 Settlement Prior to Commencement of Hearing**

(a) Prior to the commencement of the hearing, the Hearing Panel may accept a written offer of settlement from the Respondent, whereby the Respondent, without either admitting or denying any Violations, may agree to:

- (1) a cease and desist order;
- (2) a fine for each Violation plus the monetary value of any benefit received as a result of the Violation (provided that in no case shall any fine exceed \$100,000 per Violation);
- (3) restitution of any counterparty harm; and/or
- (4) revocation or suspension of Trading Privileges or Customer or Clearing Firm status of the Respondent.

(b) If the Hearing Panel accepts an offer of settlement, it must issue a written decision specifying each Violation it has reason to believe was committed, including the basis for the Hearing Panel's conclusions. The sanctions must include full counterparty restitution where counterparty harm is demonstrated, except where the amount of restitution or to whom it should be provided cannot be reasonably determined. If an offer of settlement is accepted without the support of the Market Regulation Staff, the decision must adequately support the Hearing Panel's acceptance of the settlement. Where applicable, the decision must include a statement that the Respondent has accepted the sanctions imposed without either admitting or denying any Violations. Any sanctions imposed pursuant to an offer of settlement must take into account the Respondent's disciplinary history.

(c) The Respondent may withdraw an offer of settlement at any time before final acceptance by the Hearing Panel. If an offer is withdrawn after submission, or is rejected by the Hearing Panel, the Respondent may not be deemed to have made any admissions by reason of the offer of settlement and may not be otherwise prejudiced by having submitted the offer of settlement.

#### **Rule 510 Hearing Procedures**

(a) In every instance where a Respondent has requested a hearing on a charge that is denied, or on a sanction set by the Hearing Panel pursuant to Rule 508, the Respondent will have the opportunity for a hearing in accordance with the procedures of this Rule.

(b) The Hearing Panel shall determine the procedures to be followed in any hearing before it, except that the following shall apply in every case:

- (1) The hearing must be fair and must be promptly convened after reasonable notice to the Respondent.



- (2) The prosecution shall be conducted by the Market Regulation Staff.
- (3) The Respondent shall be allowed to appear personally at the hearing, and to be represented by legal counsel or any other representative of its choosing and, either personally or through such representative, to present witnesses and documentary evidence and to cross-examine witnesses.
- (4) The Market Regulation Staff and the Respondent shall deliver to each other a statement listing the witnesses expected to be called and the documents expected to be introduced into evidence, together with copies of such documents, by ten (10) days' prior notice to the hearing or as the Hearing Panel may reasonably specify. Unless the Hearing Panel, in its discretion, waives compliance with this requirement, no witness may testify and no documentary evidence may be introduced into evidence unless listed in and, in the case of documents, furnished with such statement. On written request, the Market Regulation Staff shall provide the Respondent with access to all books, documents or other tangible evidence in the possession or under the control of IGDL which are to be relied upon by the Market Regulation Staff or which are relevant to the charges; provided, however, that protected attorney work product, attorney-client communications and investigative work product, including the investigation report, are neither discoverable by a Respondent nor subject to review by a Respondent as part of the investigation file.
- (5) IGDL shall require that persons within its jurisdiction who are called as witnesses participate in the hearing and produce evidence, and will make reasonable efforts to secure the presence of all other persons called as witnesses whose testimony would be relevant. Failure by a Facility Subject Person to so participate and produce evidence when requested by IGDL shall be a Violation.
- (6) No formal rules of evidence shall apply, and the Hearing Panel shall be free to accept or reject any and all evidence it considers proper, but the hearing may not be so informal as to deny a fair hearing.
- (7) Neither the Market Regulation Staff, the Respondent, any witnesses testifying before the Hearing Panel nor any other person within the Facility's jurisdiction shall engage in conduct that may impede the progress of a hearing or the fair and just resolution of the subject matter thereof, and any such conduct may itself constitute a Violation.
- (8) Ex parte contacts by any of the parties with members of the Hearing Panel shall not be permitted.
- (9) A substantially verbatim record capable of being accurately transcribed shall be made of the Proceeding, provided, however, that such record need not be transcribed, unless the transcript is requested by the Respondent or an applicable regulator, or unless the decision is appealed to the Commission or reviewed by the Commission on its own motion. In all other instances, a summary record of the hearing is permitted.
- (10) The cost of transcribing the record of the hearing must be borne by a Respondent who requests the transcript, or whose application for Commission review of the disciplinary action has been granted. In all other instances, the cost of transcribing the record will be borne by IGDL.
- (11) The Notice, the Answer, any stenographic transcript of the hearing, the documentary evidence and any other material presented to the Hearing Panel by either party with notice to the other shall constitute the record of the hearing (the "**Hearing Record**").

- (12) The burden of proof shall be on the prosecution to prove a Violation by a preponderance of the evidence. A finding of a Violation shall be made by majority vote based on the Hearing Panel's decision as to the weight of the evidence contained in the Hearing Record.
- (13) All sanctions imposed by the Hearing Panel must be commensurate with the Violations committed and must be clearly sufficient to deter additional similar Violations by the Respondent and similar Violations by other Facility Subject Persons. All sanctions must take into account the Respondent's disciplinary history. In the event of demonstrated counterparty harm, any sanctions must include full counterparty restitution, except where the amount of restitution or to whom it should be provided cannot be reasonably determined.

#### **Rule 51 Written Decision of Hearing Panel**

(a) Promptly following a hearing conducted in accordance with Chapter 5 of the Rules, the Hearing Panel shall render a written decision based upon the weight of evidence in the Hearing Record and must provide a copy to the Respondent within thirty (30) days of such decision.

(b) The written decision shall include:

- (1) the name of the Respondent;
- (2) a summary of the charges alleged in the Notice;
- (3) a summary of the Answer;
- (4) a summary of the evidence produced at the hearing or, where appropriate, incorporation by reference of the investigation report;
- (5) a statement of the findings and conclusions of the Hearing Panel 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, or in the event of a settlement, a statement specifying the alleged Violations;
- (6) an indication of each specific Rule that the Respondent was found to have violated and whether the Violation resulted in any financial harm to Customers;
- (7) an order stating any sanctions imposed, including the basis for the sanctions, any terms of the sanctions, the date the determination to impose sanctions was made and the effective date of such sanctions; the sanctions that may be imposed on the Respondent shall be one or more of the following:
  - (i) a cease and desist order;
  - (ii) a fine for each Violation plus the monetary value of any benefit received as a result of the Violation (provided that in no case shall any fine exceed \$100,000 per Violation);
  - (iii) restitution of counterparty harm, except where the amount of restitution or to whom it should be provided cannot be reasonably determined; and/or
  - (iv) the issuance of a suspension or revocation of Trading Privileges or Customer or Clearing Firm status of the Respondent; and

- (8) a statement informing the respondent that the imposition of sanctions may be appealed to the Commission pursuant to Part 9 of the Commission Regulations.
- (c) The Hearing Panel shall take into consideration the Respondent's disciplinary history prior to imposing any disciplinary sanctions.
- (d) IGDL shall also provide the written decision to the NFA through BASIC, or deliver the written decision to the NFA to be input into BASIC.
- (e) If IGDL suspends or revokes the Trading Privileges or Customer or Clearing Firm status of the Respondent, it must publicly publish the information contained in the written notice pursuant to Rule 511(b).

#### **Rule 512 Liability for Expenses**

Any Respondent that, after notice and opportunity for hearing, has been found to have committed a Violation may, in the discretion of the Hearing Panel appointed in the matter, be required to pay to IGDL an amount equal to any and all reasonable and documented out-of-pocket expenses incurred by IGDL in connection with the prosecution of such Violations, in addition to any fine or other monetary sanction which may be imposed upon such Respondent by virtue of the Violations found by the Hearing Panel.

#### **Rule 513 Effective Date of Sanctions**

- (a) If a Respondent submits an offer of a settlement to the Hearing Panel, any sanction included as a part of such settlement shall become final and effective on the date that the Hearing Panel approves such settlement, or on such other date as is specified in the decision.
- (b) Subject to Rule 513(c) and (d), any decision (including any sanctions) by a Hearing Panel pursuant to this Chapter 5 or the Participation Committee pursuant to Rule 205 shall be the final decision of IGDL and shall become effective fifteen (15) days, or such longer time as the Hearing Panel or Participation Committee may specify, after a copy of the written decision of the Hearing Panel or Participation Committee has been served on the Respondent, applicant, Participant or Customer as applicable.
- (c) In any case where a Respondent, applicant, Participant or Customer has consented to the action taken and to the timing of its effectiveness, the Hearing Panel or Participation Committee may cause the decision involving any disciplinary action (including any sanctions) to become effective prior to the fifteen (15) day period.
- (d) Any decision (including any sanctions) by a Hearing Panel or the Participation Committee may become effective prior to the time set forth in Rule 513(b) if:
  - (1) IGDL reasonably believes, and so states in its written decision, that immediate action is necessary pursuant to Rule 514;
  - (2) IGDL determines and so states in its written decision, that the actions of a SEF Subject Person have impeded the progress of a disciplinary hearing; or
  - (3) IGDL determines a SEF Subject Person has violated Rules relating to timely submission of accurate records required for clearing or verifying each day's transactions or other similar activities.

(e) If a decision is to become effective earlier than the time set forth in Rule 513(b) pursuant to Rule 513(c) or Rule 513(d), IGDL shall notify the Respondent, applicant, Participant or Customer in writing stating the reasons for the determination.

(f) Any fine or other monetary sanction imposed by a Hearing Panel shall be due and payable on the effective date of the decision imposing such fine or sanction, or on such later date as the Hearing Panel may specify.

#### **Rule 514 Summary Suspension**

(a) A Facility Subject Person (as identified by Market Regulation Staff in an investigation or by a Trading Privilege Holder acting as an Intermediary for such Facility Subject Person) may be summarily and immediately suspended from trading on the Facility, upon a written determination based on a reasonable belief, by the Chairman of the Regulatory Oversight Committee that such immediate action is necessary to protect the best interest of the market place.

(b) The Facility Subject Person against whom such summary action is taken shall be served with a notice of the action either before the action is taken or at the earliest possible opportunity thereafter. The notice shall state the action taken, the reasons for the action, the effective date and time, and the duration of the action.

(c) The Facility Subject Person may as soon as practicable, upon written request, have a hearing before the Hearing Panel pursuant to the procedures of Rule 510.

(d) Promptly following the hearing, the Hearing Panel shall render a written decision based upon the weight of the evidence in the record and shall provide a copy to the Facility Subject Person. The decision shall include a description of the summary action taken, the reasons for the summary action, a summary of the evidence produced at the hearing, a statement of findings and conclusions, a determination that the summary action should be affirmed, modified or reversed, a declaration of any action to be taken pursuant to the determination, and the effective date and duration of the action.

#### **Rule 515 Extension of Time Limits**

Any time limit provided for in Rule 504, Rule 505, Rule 506, Rule 507, Rule 508, or Rule 510 may be extended by mutual consent of the Respondent and the Market Regulation Staff, or by the Hearing Panel Chairman.

#### **Rule 516 Summary Fines**

(a) Notwithstanding any other provision of this Chapter 5, the Compliance Function or its designee shall have the authority to impose summary fines on Participants and Customers without the need for any formal disciplinary procedures with respect to Violations of any Rule listed in Rule 516(e). A Participant that is an Intermediary may be held responsible for a Violation by its Customer. Investigations of possible Violations of such a Rule shall be conducted in accordance with Rule 502, but otherwise actions taken pursuant to this Rule 516 shall be made in accordance with the procedures set forth herein rather than the procedures set forth in the remainder of this Chapter 5. The authority to impose a summary fine under this Rule 516 does not prevent the Compliance Function from submitting a Violation of any rule listed in Rule 516(e) to the Review Panel in accordance with the formal disciplinary procedures of this Chapter 5.

(b) The Compliance Function or its designee shall give written notice to each Participant and Customer subject to any summary fine imposed pursuant to this Rule 516. The written notice ("**Fine Notice**") shall set forth: (i) the provision of the Rules allegedly Violated; (ii) the act or omission constituting each such Violation; (iii) the fine imposed for each Violation; and (iv) the date by which such

fine becomes final and must be paid or contested as provided below, which date shall be not less than 30 days after the date the Fine Notice was provided to the Participant or Customer.

(c) Any Participant or Customer against whom a summary fine is imposed pursuant to this Rule 516 may contest the imposition of such fine by serving on the Compliance Function a written answer to the Fine Notice. Such answer ("**Notice of Contest**") must: (i) state that the Participant or Customer contests the imposition of the fine; (ii) acknowledges that the alleged Violation will be referred to the Review Panel; and (iii) be submitted to the Compliance Function on or before the date specified in the Fine Notice. Upon submission of a Notice of Contest the matter shall become subject to review by the Review Panel in accordance with the formal disciplinary procedures set forth in the remainder of this Chapter 5 and shall no longer be subject to this Rule 516.

(d) For purposes of imposing fines pursuant to this Rule 516, the Compliance Function shall review all the facts and circumstances prior to determining whether a Violation occurred and may aggregate individual Violations and treat such Violations as a single offense.

(e) The Compliance Function shall set the amount of any fine imposed pursuant to this Rule 516, with the maximum aggregate fine for Violations of the same Rule, or subsection thereof, imposed by the Compliance Function not to exceed \$7,000 on an annual basis. If, in any case, the Compliance Function or another member of the Market Regulation Staff, designated for this purpose by the Compliance Function, concludes that there is a reasonable basis for finding an additional Violation, he or she shall present an investigation report concerning the matter to the Review Panel in accordance with Rule 502, which shall proceed in accordance with Rule 503. The following schedule lists the recommended actions that the Compliance Function may impose:

Rule Violation	Action Taken Per each Violation in a Rolling 12-month period			
	First Violation	Second Violation	Third Violation	Fourth Violation
Rule 204(i)	Warning Letter	\$2,000	\$5,000	Referral to Review Panel for formal disciplinary procedures.

## CHAPTER 6

### CONTRACTS TO BE TRADED

#### **Listing Procedures**

Any Trading Privilege Holder may propose to IGDL the listing of a Swap on the Facility by submitting a listing application to IGDL. The Chief Executive Officer shall have authority subject to complying with Rule 602 and to objectively justifiable commercial criteria, to submit the contract to the Commission, either with a request for prior approval, or with a self-certification.

#### **Swaps Not Readily Susceptible to Manipulation**

Before the Chief Executive Officer submits a Swap to the Commission for prior approval or with a self-certification, the Chief Compliance Officer shall determine that the Swap is not readily susceptible to manipulation, and shall submit to the Commission the following information required by Appendix C to Part 38 of Commission Regulations to show that the Swap complies with Core Principle 3:

- (a) For cash-settled Swaps, documentation demonstrating that the settlement price index is a reliable indicator of market values and conditions, is highly regarded by industry/market agents, and is publicly available on a timely basis.
- (b) Where an independent, private-sector third party calculates the referenced price index, verification that the third party utilises business practices that minimise the opportunity or incentive to manipulate the cash settlement prices included in the index.
- (c) Where IGDL generates the cash settlement prices included in the index, information demonstrating that the calculation procedures safeguard against potential attempts to artificially influence the price, and a description of how the calculation procedures eliminate or reduce the impact of potentially unrepresentative data.
- (d) Appropriate speculative limits to prevent manipulation.
- (e) Procedures for intraday market restrictions that pause or halt trading in the event of extraordinary price moves that may result in distorted prices.

## **CHAPTER 7**

### **GOVERNING LAW, JURISDICTION AND DISPUTE RESOLUTION**

#### **Rule 701 ~~Choice of Law~~**

The laws of England and Wales, without regard to its conflict of laws principles, will govern this Rulebook and all disputes arising out of or related to IGDL, the Facility or any transaction on the Facility.

#### **Rule 702 ~~Disputes~~ Among Trading Privilege Holders, Authorised Traders, Authorised Trading Firms and Customers**

All disputes between and among Facility Subject Persons that arise out of or relate to IGDL or the Facility or any transaction that was made or attempted to be made on the Facility shall be resolved exclusively in the courts of England and Wales, save for in the following circumstance:

- (1) if all parties to the dispute are members or associates of the NFA, the dispute will be resolved in NFA Member Arbitration; or
- (2) if all parties separately agree to another forum, the dispute will be resolved in the other forum.

#### **Rule 703 ~~Disputes~~ with IGDL**

(a) Subject to Rule 102, all disputes between and among IGDL on the one hand, and Facility Subject Persons on the other hand, that arise out of or relate to the Facility, or any transaction that was made or attempted to be made on the Facility, shall be resolved exclusively in the courts of England and Wales. Suit on any such dispute must be brought within one year from the time the cause of action has accrued.

(b) Any current or former Facility Subject Person who does not substantially prevail in a lawsuit or any other type of legal proceeding instituted in a court of law or otherwise against IGDL or any of its officers, directors, committee members, volunteers, employees or agents, shall pay to IGDL any and all reasonable expenses and disbursements, including reasonable attorneys' fees, incurred by IGDL to defend such lawsuit or proceeding.

## CHAPTER 8

### CONTRACT SPECIFICATIONS

#### **Rule 801 Interest Rate Swaps Products Descriptions**

##### ***Trading Hours***

Unless otherwise indicated in a Swap's specifications, the trading hours for all Swaps governed by this Rule 801 are as follows:

- o Order Book:
  - 1:30 a.m. – 5:30 p.m. Eastern Time, Monday to Friday (i-Swap)
  - 5:30 p.m. – 1:30 a.m. Eastern Time, Monday to Friday (GTN)
  - 3:00 p.m. Sunday – 1:30 a.m. Monday, Eastern Time (GTN)
- o Voice RFQ: 24 Hours, Monday to Friday.
- o All Pre-Arranged Crosses: 24 Hours, Monday to Friday.

##### ***Products — Rule 801:***

- (1) Fixed for Floating IRS
- (2) Basis Swaps
- (3) Forward Rate Agreements (FRA)
- (4) Overnight Index Swaps (OIS)
- (5) Interest Rate Options
  - (a) Swap Options
  - (b) Inflation Swaps
  - (c) Inflation Rate Options
  - (d) Exotic Options and Swaps



## Product Specifications

### Rule 801(1) — Fixed for Floating IRS

A Fixed for Floating IRS is an Interest Rate Swap for which settlement is in the form of periodic fixed interest payments and a stream of periodic floating interest payments based on an interest rate over a term to maturity. The interest rate payments are exchanged for a specified period based on a notional amount.

Currencies
USD
EUR
GBP

### Specifications

#### Trading Conventions

- o Buyer (Payer) pays fixed interest rate and receives floating interest rate.
- o Seller (Receiver) receives fixed interest rate and pays floating interest rate.

#### Upfront Payment Dates:

- o USD – T+1 through maturity
- o EUR – T+1 through maturity
- o GBP – T+1 through maturity

#### Settlement Convention:

- o USD – T+2
- o EUR – T+2
- o GBP – T+2

#### Swap Leg Conventions

- o The terms of Fixed versus Floating Interest Rate Swaps are based on a number of combinations of the criteria below.
  - Fixed Leg
    - Payment Frequency
      - o Monthly, Quarterly, Semi-Annually, or Annually
    - Day Count Convention
      - o 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA
    - Holiday Calendar
      - o Applied in accordance for the country currency denoted for the instrument
    - Business Day Convention
      - o Modified following with adjustment to period end dates. Business days in this convention must be valid business days for the countries denoted by the currency (EUTA, GBLO, USNY). If not, it will be the next day that is a business day on both calendars.
    - Fixed Rate
      - o The traded interest rate yield or basis points on Trade Date
  - Floating Leg
    - Reset Frequency
      - o Monthly, Quarterly, Semi-Annual
    - Day Count Convention
      - o 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA
    - Holiday Calendar

- Applied in accordance for the country currency denoted for the instrument
- Business Day Convention
  - Modified Following with adjustment to period end dates. Business days in this convention must be valid business days for the countries denoted by the currency (EUTA, GBLO, USNY). If not, it will be the next day that is a business day on both calendars.
- Fixed Rate
  - The traded interest rate yield or basis points on Trade Date
- Interest Rate Benchmark
  - EUR-EURIBOR-Reuters, EUR-EURIBOR-Telerate(incoming), GBP-LIBOR-BBA, USD-LIBOR-BBA.
- Leg Computation Convention: none, flat, straight or spread exclusive.

#### Trade Date

- The date on which the parties enter into the Swap transaction.

#### Effective Date

- The first date from which fixed and floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.

#### Trade Start Type

- Spot Starting
  - A swap whose Effective Date is 2 business days from the Trade Date (T+2).
- Forward Starting
  - A swap whose Effective Date is anything after the Effective Date for a Spot Starting swap.
- Same Day Starting
  - A swap whose Effective Date is the same as the Trade Date (T+0).

#### Maturity Date

- The final date until which Fixed and Floating amounts accrue. The Maturity Date may also be referred to as the Termination Date or End Date.

#### Tenor

- The duration of time from the Effective Date to the Maturity Date. Tenors of any duration greater than 0 years to 50 years.
- Listed Tenors, also known as On-the-Run, are whole calendar year Spot Starting Contracts with a Tenor of 1 through 51 years.
- Other Tenors, also known as Off-the-Run, means any partial year Tenor (Months, Weeks, Days).

#### Roll Day Convention

- The date used for determining all fixed and floating Reset Dates. Roll Days define the beginning and end of Fixed and Floating interest accrual periods.
- For On-the-Run Contracts, the Roll Day is the same date of the month as the Effective Date. For Off-the-Run Contracts, it can be any date of the month, subject to the provisions of the Business Day Convention. Roll Day marks the start of a new interest accrual period, and is the date on which a Reset Rate takes effect.

#### Floating Reset Dates

- o Dates utilized to determine the Floating Rate amounts for each interest accrual period during the Tenor of the contract. Except in the case of a Stub Period, the Reset Date is aligned with the floating rate frequency as determined.

#### First Period Fixing Date

- o For Spot Starting swaps, the Interest Rate for the first interest period is fixed on the Trade Date, for both Floating and Fixed Rates.
- o For Forward Starting swaps, the Fixed Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the first floating payment date, taking into account agreed non-working days.

#### Stub Period Rate

- o For swaps with partial year Tenors, an interest period that is shorter than the standard underlying Floating index interest periods may occur between the Effective Date and the first or last Roll Date (known as a Stub Period). In these cases, the Interest Rate for such Stub Period is determined using linear interpolation based on the two index rates that surround the Stub Period this can be applied either at the start or end of that period: Front or Back.

#### Trade Types

- o The Platform may support the following trade types:
  - Outrights
    - An Outright swap is where one party is the payer of the fixed rate and receiver of the floating rate and the other party is the receiver of the fixed rate and payer of the floating rate.
  - Spreads or Switches
    - A spread or a switch is the simultaneous purchase and sale of:
      - o two different Tenors of the yield curve (e.g. 2 year by 10 year), or
      - o two identical swaps cleared at different DCOs (e.g. CME/LCH.Clearnet) ("**CME/LCH.Clearnet Spreads**").
  - Butterflies
    - Butterflies are the simultaneous purchase(s) and sale(s) of three different Tenors of the yield curve (e.g. 2 year by 5 year by 10 year).

#### Contract Size

- o Minimum notional size is dependent on currency and Tenor.

#### Quoting Convention

- o Outrights
  - The interest rate yield is quoted in increments of a minimum of .000025 ([1/40th of a basis point](#)).
- o Spreads and Butterflies (other than CME/LCH.Clearnet Spreads) will be quoted in basis points dependent in multiples of the increments of the underlying Outrights.
- o CME/LCH.Clearnet Spreads will be quoted as described in Chapter 9.

#### Final Settlement Price

- o Multiple payments take place during the term of the swap. Settlement price used for the periodic exchange of fixed and floating payments is based on the following factors:
  - Fixed Leg
    - Payment amount on the fixed leg is based on the traded price and notional amounts of the swap on Trade Date. Payment timing on the fixed leg is based on the Payment Frequency, Day Count Convention, Business Day Convention, and Roll Day.
  - Floating Leg
    - Payment on the floating leg is based on the Interest Rate and notional amounts of the swap. Payments on the floating leg are based on the Payment Frequency, Day Count Convention, Business Day Convention, Roll Day Convention, Spread (if any), Floating Rate Day Count Fraction and Floating Reset Dates.

Additional Payments/Fees

- ☐ None.

Clearing

- ☐ Contracts are eligible to be cleared at CME, LCH.Clearnet, Eurex and JSCC.

## Rule 801(2) — Basis Swaps

A Basis Swap is an Interest Rate Swap for which settlement is in the form of periodic floating interest payments and periodic floating interest payments based on interest rate benchmarks over a term to maturity. The interest rate payments are exchanged for a specified period based on a notional amount.

Currencies
USD
EUR
GBP

### Specifications

#### Trading Conventions

- o Buyer (Payer) pays floating interest rate plus/minus a spread and receives floating interest rate.
- o Seller (Receiver) receives floating interest rate plus/minus a spread and pays floating interest rate.

#### Supported Basis Combinations

- o 1M EURIBOR vs 3M EURIBOR
- o 1M EURIBOR vs 6M EURIBOR
- o 3M EURIBOR vs 6M EURIBOR
- o 1M GBP-LIBOR vs 3M GBP-LIBOR
- o 1M GBP-LIBOR vs 6M GBP-LIBOR
- o 3M GBP-LIBOR vs 6M GBP-LIBOR
- o 1M USD-LIBOR vs Federal Funds H.15
- o 3M USD-LIBOR vs Federal Funds H.15
- o 6M USD-LIBOR vs Federal Funds H.15
- o 1M USD-LIBOR vs 3M USD-LIBOR
- o 1M USD-LIBOR vs 6M USD-LIBOR
- o 3M USD-LIBOR vs 6M USD-LIBOR

#### Upfront Payment Dates:

- o USD – T+1 through maturity
- o EUR – T+1 through maturity
- o GBP – T+1 through maturity

#### Settlement Convention:

- o USD – T+1
- o EUR – T+1
- o GBP – T+1

#### Swap Leg Conventions

- o The terms of Floating vs. Floating Interest Rate Swaps are based on a number of combinations of the criteria below.
  - Floating Leg 1
    - Payment Frequency
      - o Monthly, Quarterly, Semi-Annually, or Annually
    - Day Count Convention
      - o 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA
    - Holiday Calendar
      - o Applied in accordance for the country currency denoted for the instrument
    - Business Day Convention
      - o Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on

both the calendars (EUTA, GBLO, USNY). If not, it will be the next day that is a business day on both calendars.

- Floating Rate
  - The floating interest rate yield or basis points on Trade Date
- Floating Leg 2
  - Reset Frequency
    - Monthly, Quarterly, Semi-Annual or Annually
  - Day Count Convention
    - 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA
  - Holiday Calendar
    - Applied in accordance for the country currency denoted for the instrument
  - Business Day Convention
    - Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both calendars (EUTA, GBLO, USNY). If not, it will be the next day that is a business day on calendars.
  - Interest Rate Benchmark
    - EUR-EURIBOR-Reuters, EUR-EURIBOR-Telerate (incoming), GBP-LIBOR-BBA, USD-LIBOR-BBA.

#### Trade Date

- The date on which the parties enter into the Swap transaction.

#### Effective Date

- The first date from which floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.

#### Trade Start Type

- Spot Starting
  - A swap whose Effective Date is 2 business days from the Trade Date (T+2).
- Forward Starting
  - A swap whose Effective Date is anything after the Effective Date for a Spot Starting swap.
- Same Day Starting
  - A swap whose Effective Date is the same as the Trade Date (T+0).

#### Maturity Date

- The final date until which Floating amounts accrue. The Maturity Date may also be referred to as the Termination Date or End Date.

#### Tenor

- The duration of time from the Effective Date to the Maturity Date. The Exchange will support Tenors of any duration greater than 0 years to 50 years.
- Listed Tenors, also referred to as On-the-Run, means whole year Spot Starting or Same Day Starting Instruments with a Tenor of 1 through 15, 20, 25, 30, 35, 40, 45 and 50 years.
- Other Tenors means any whole year Tenors other than the Listed Tenors and any partial year Tenor.

#### Roll Day Convention

- The date used for determining all fixed and floating Reset Dates. Roll Days define the beginning and end of Floating interest accrual periods.
- For On-the-Run Instruments, the Roll Day is the same date of the month as the Effective Date. For Off-the-Run Instruments, it can be any date of the month, subject to the provisions of the Business Day Convention. Roll Day marks the start of a new interest accrual period, and is the date on which a Reset Rate takes effect.

- Note: Subject to good business days – as with all instruments, will never roll forward to the following month.

#### Floating Reset Dates

- o Dates utilized to determine the Floating Rate amounts for each interest accrual period during the Tenor of the Instrument. Except in the case of a Stub Period, the Reset Date is 2 business days (USD, EUR) or zero business days (GBP) prior to the Roll Date for that interest accrual period.

#### First Period Fixing Date

- o For Spot Starting and Same Day Starting swaps, the Interest Rate for the first interest period is fixed on the Trade Date, for both Floating Rates.
- o For Forward Starting swaps, the Floating Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the Effective Date.

#### Stub Period Rate

- o For swaps with partial year Tenors, an interest period that is shorter than the standard underlying Floating index interest periods may occur between the Effective Date and the first or last Roll Date (known as a Stub Period). In these cases, the Interest Rate for such Stub Period is determined using linear interpolation based on the two index rates that surround the Stub Period this can be applied either at the start or end of that period: Front or Back.

#### Trade Types

- o The Platform may support the following trade types:
  - Outrights
    - An Outright swap is where one party is the payer of the floating rate 1 plus/minus a spread and receiver of the floating rate 2 and the other party is the receiver of the floating rate 1 plus/minus a spread and payer of the floating rate 2.
  - Spreads or Switches
    - A spread or a switch is the simultaneous purchase and sale of two different Tenors of the yield curve (e.g. 2 year by 10 year).
  - Butterflies
    - Butterflies are the simultaneous purchase(s) and sale(s) of three different Tenors of the yield curve (e.g. 2 year by 5 year by 10 year).

#### Instrument Minimum and Incremental Size

- o Minimum notional size is dependent on currency and Tenor.
- o Block Trades
  - Minimum notional size as stated by the Commission and increments dependent on currency and Tenor.

#### Quoting Convention

- o Outrights are quoted in interest rate yield in a minimum 1/10th of a basis point increments.
- o Spreads and Butterflies are quoted in interest rate yield differential in minimum 1/10th basis point increments.

#### Final Settlement Price

- o Multiple payments take place during the term of the swap. Settlement price is based on the following factors, which must be specified by the parties:
  - Interest rate, interest rate benchmark, notional amounts of the swap, Payment Frequency, Day Count Convention, Business Day Convention, Roll Day Convention, Spread (if any), Floating Rate Day Count Fraction and Floating Reset Dates.

#### Additional Payments/Fees

- o None.



Clearing

- o Contracts are eligible to be cleared at CME, LCH.Clearnet, Eurex and JSCC.

Block Trades must occur outside the Order Book and in a quantity that meets or exceeds Appropriate Minimum Block Sizes set by the Commission.

### Rule 801(3) — Forward Rate Agreement (FRA)

A Forward Rate Agreement is an Interest Rate Swap for which settlement is in the form of one fixed interest payment and one floating interest payment based on an interest rate benchmark to be paid or received on an obligation beginning at a future start date. The interest rate payments are exchanged based on a notional amount.

Currencies
USD
EUR
GBP

### Specifications

#### Trading Conventions

- o Buyer (Payer) pays fixed interest rate and receives floating interest rate.
- o Seller (Receiver) receives fixed interest rate and pays floating interest rate.

#### Upfront Payment Dates:

- o USD – T+1 through maturity
- o EUR – T+1 through maturity
- o GBP – T+1 through maturity

#### Settlement Convention:

- o USD – T+1
- o EUR – T+1
- o GBP – T+1

#### Swap Leg Conventions

- o The terms of FRAs are based on a number of combinations of the criteria below.
  - Fixed Leg
    - Payment Frequency
      - o Once
    - Day Count Convention
      - o 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA
    - Holiday Calendar
      - o Applied in accordance with the country relating to the currency of the instrument
    - Business Day Convention
      - o Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the holiday calendars of that country (EUTA, GBLO, USNY). If not, it will be the next day that is a business day on both calendars.
    - Fixed Rate
      - o The traded interest rate yield or basis points on Trade Date
  - Floating Leg
    - Reset Frequency
      - o Once
    - Day Count Convention
      - o 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA
    - Holiday Calendar
      - o Applied in accordance with the country relating to the currency of the instrument
    - Business Day Convention
      - o Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the calendars for each country (EUTA, GBLO, USNY). If

not, it will be the next day that is a business day on both respective country holiday calendars.

- Interest Rate Benchmark
  - EUR-EURIBOR-Reuters, EUR-EURIBOR-Telerate (incoming), GBP-LIBOR-BBA, USD-LIBOR-BBA

#### Trade Date

- The date on which the parties enter into the Swap transaction.

#### Effective Date

- The first date from which fixed and floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.

#### Maturity Date

- The final date until which Fixed and Floating amounts accrue. The Maturity Date may also be referred to as the Termination Date or End Date. The maturity range is 3 days to 3 years, subject to the maximum Tenor listed below.

#### Tenor

- The duration of time from the Effective Date to the Maturity Date Tenors will be support for any duration greater than 0 month to 12 months.
- Listed Tenors, also referred to as On-the-Run, means whole year Spot Starting or Same Day Starting Instruments with a Tenor of an integer number of months.
- Other Tenors means any Tenors other than the Listed Tenors.

#### Floating Reset Dates

- Dates utilized to determine the Floating Rate amount for the interest accrual period during the Tenor of the Instrument. Except in the case of a Stub Period, the Reset Date is adjusted business days dependent on the currency prior to the Roll Date for that interest accrual period.

#### First Period Fixing Date

- The Fixed Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the Effective Date.

#### Trade Types

- The Platform may support the following trade types:
  - Outrights
    - An Outright swap is where one party is the payer of the fixed rate and receiver of the floating rate and the other party is the receiver of the fixed rate and payer of the floating rate.
  - Spreads or Switches
    - A spread or a switch is the simultaneous purchase and sale of two different Tenors of the yield curve (e.g. 3x6 by 9x12).

#### Instrument Minimum and Incremental Size.

- Minimum notional size is dependent on currency and Tenor.
- Block Trades. Minimum notional size as stated by the Commission and increments Dependent on currency and Tenor.

#### Quoting Convention

- Outrights are quoted in interest rate yield in minimum of .000025 increments ([1/40th of a basis point](#)).
- Spreads/Switches will be quoted in basis points dependent in multiples of the increments of the underlying Outrights.

#### Last Trading Day

- Spot Starting
  - Close of business on Trade Date.
- Forward Starting

- Close of business three business days prior to the Effective Date of the swap.

Final Settlement Price

- o Multiple payments take place during the term of the swap. Settlement price is based on the following factors, which must be specified by the parties:
  - Interest rate, interest rate benchmark, notional amounts of the swap, Payment Frequency, Day Count Convention, Business Day Convention, Roll Day Convention, Spread (if any), Floating Rate Day Count Fraction, Floating Reset Dates, Discount Rate, Discount Rate Day Count Fraction and FRA Discounting/FRA Yield Discounting.

Additional Payments/Fees

- o None.

Clearing

- o Contracts are eligible to be cleared at CME, LCH.Clearnet, Eurex and JSCC.

Block Trades must occur outside the Order Book and in a quantity that meets or exceeds Appropriate Minimum Block Sizes set by the Commission.

## Rule 801(4) — Overnight Index Swaps (OIS)

Contract Specification	Details
Product Description	An Overnight Index Swap is an interest rate swap for which settlement is in the form of periodic fixed interest payments and periodic floating interest payments based on an overnight rate being exchanged for a fixed interest rate over a term to maturity. The interest rate payments are exchanged for a specified period based on a notional amount.
Currencies	The interest rate cash flows are net settled in the following major currencies on fixing date: USD EUR GBP
Trading Conventions	<ul style="list-style-type: none"> <li>• Buyer (Payer) pays fixed interest rate and receives floating interest rate.</li> <li>• Seller (Receiver) receives fixed interest rate and pays floating interest rate.</li> </ul>
Upfront Payment Dates	<ul style="list-style-type: none"> <li>• USD – T+1 through maturity</li> <li>• EUR – T+1 through maturity</li> <li>• GBP – T+1 through maturity</li> </ul>
Settlement Convention	<ul style="list-style-type: none"> <li>• USD – T+1</li> <li>• EUR – T+1</li> <li>• GBP – T+1</li> </ul>
Swap Leg Conventions	<p>The terms of Fixed vs. Floating Interest Rate Swaps are based on a number of combinations of the criteria below.</p> <ul style="list-style-type: none"> <li>• Fixed Leg <ul style="list-style-type: none"> <li>o Payment Frequency <ul style="list-style-type: none"> <li>▪ At Maturity Date, Annually, semi-annual, Quarterly, or monthly.</li> </ul> </li> <li>o Day Count Convention <ul style="list-style-type: none"> <li>▪ 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA</li> </ul> </li> <li>o Holiday Calendar <ul style="list-style-type: none"> <li>▪ Applied in accordance for the country currency denoted for the instrument</li> </ul> </li> <li>o Business Day Convention <ul style="list-style-type: none"> <li>▪ Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the calendars (EUTA, GBLO, USNY). If not, it will be the next day that is a business day on both calendars.</li> </ul> </li> <li>o Leg Pay Date Offset: <ul style="list-style-type: none"> <li>▪ USD – 2D</li> <li>▪ EUR – 1D</li> <li>▪ GBP – 0D</li> </ul> </li> <li>o Fixed Rate <ul style="list-style-type: none"> <li>▪ The traded interest rate yield or basis points on Trade Date</li> </ul> </li> </ul> </li> <li>• Floating Leg <ul style="list-style-type: none"> <li>o Reset Frequency</li> </ul> </li> </ul>

Contract Specification	Details
	<ul style="list-style-type: none"> <li>▪ Daily</li> <li>o Day Count Convention <ul style="list-style-type: none"> <li>▪ 30/360, Actual/360, Actual/365.FIXED, Actual/Actual.ISDA, 30E/360, 30E/360.ISDA, Actual/Actual.ICMA</li> </ul> </li> <li>o Holiday Calendar <ul style="list-style-type: none"> <li>▪ Applied in accordance for the country currency denoted for the instrument</li> </ul> </li> <li>o Business Day Convention <ul style="list-style-type: none"> <li>▪ Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both calendars (EUTA, GBLO, USNY). If not, it will be the next day that is a business day on both calendars.</li> </ul> </li> <li>o Leg Pay Date Offset: <ul style="list-style-type: none"> <li>▪ USD – 2D</li> <li>▪ EUR – 1D</li> <li>▪ GBP – 0D</li> </ul> </li> <li>o Overnight Rate <ul style="list-style-type: none"> <li>▪ EUR-EONIA-OIS-COMPOUND, GBP-WMBA-SONIA-COMPOUND, USD-Federal Funds-H.15-OIS-COMPOUND</li> </ul> </li> </ul>
Trade Date	The date on which the parties enter into the Swap transaction.
Effective Date	The first date from which fixed and floating interest amounts accrue. It is also referred to as the Start Date or the Value Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.
Trade Start Type	<ul style="list-style-type: none"> <li>• Spot Starting <ul style="list-style-type: none"> <li>o A swap whose Effective Date is 2 business days from the Trade Date (T+2).</li> </ul> </li> <li>• Forward Starting <ul style="list-style-type: none"> <li>o A swap whose Effective Date is anything after the Effective Date for a Spot Starting swap.</li> </ul> </li> <li>• Same Day Starting <ul style="list-style-type: none"> <li>o A swap whose Effective Date is the Trade Date (T+0).</li> </ul> </li> <li>• Day +1 Starting <ul style="list-style-type: none"> <li>o A swap whose Effective Date is the Trade Date (T+1).</li> </ul> </li> </ul>
Maturity Date	The final date until which Fixed and Floating amounts accrue. The Maturity Date may also be referred to as the Termination Date or End Date.
Tenor	<p>The duration of time from the Effective Date to the Maturity Date. The Exchange will support Tenors of any duration greater than 0 years to 30 years.</p> <ul style="list-style-type: none"> <li>• Listed Tenors, also referred to as On-the-Run, means whole year Spot Starting or Same Day Starting Instruments with a Tenor of 1 through 15, 20, 25, and 30 years.</li> <li>• Other Tenors means any whole year Tenors other than the Listed Tenors and any partial year Tenor.</li> </ul>
Roll Day Convention	<p>The date used for determining all fixed and floating Reset Dates. Roll Days define the beginning and end of Fixed and Floating interest accrual periods.</p> <ul style="list-style-type: none"> <li>• For On-the-Run Instruments, the Roll Day is the same date of the month as the Effective Date. For Off-the-Run Instruments, it can be any date of</li> </ul>

Contract Specification	Details
	the month, subject to the provisions of the Business Day Convention. Roll Day marks the start of a new interest accrual period, and is the date on which a Reset Rate takes effect.
Floating Reset Dates	Dates utilized to determine the Floating Rate amounts for each interest accrual period during the Tenor of the Instrument. Except in the case of a Stub Period, the Reset Date is adjusted business days dependent on the currency prior to the Roll Date for that interest accrual period.
First Period Fixing Date.	<ul style="list-style-type: none"> <li>For Spot Starting and Same Day Starting swaps, the Interest Rate for the first interest period is fixed on the Trade Date, for both Floating and Fixed Rates.</li> <li>For Forward Starting swaps, the Fixed Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the Effective Date.</li> </ul>
Stub Period Rate	For swaps with partial year Tenors, an interest period that is shorter than the standard underlying Floating index interest periods may occur between the Effective Date and the first or last Roll Date (known as a Stub Period). In these cases, the Interest Rate for such Stub Period is determined using linear interpolation based on the two index rates that surround the Stub Period this can be applied either at the start or end of that period: Front or Back.
Trade Types	<p>The Platform may support the following trade types:</p> <ul style="list-style-type: none"> <li>Outrights <ul style="list-style-type: none"> <li>An Outright swap is where one party is the payer of the fixed rate and receiver of the floating rate and the other party is the receiver of the fixed rate and payer of the floating rate.</li> </ul> </li> <li>Spreads or Switches <ul style="list-style-type: none"> <li>A spread or a switch is the simultaneous purchase and sale of two different Tenors of the yield curve (e.g. 2 year by 10 year).</li> </ul> </li> <li>Butterflies <ul style="list-style-type: none"> <li>Butterflies are the simultaneous purchase(s) and sale(s) of three different Tenors of the yield curve (e.g. 2 year by 5 year by 10 year).</li> </ul> </li> </ul>
Instrument Minimum and Incremental Size.	<ul style="list-style-type: none"> <li>Minimum notional size is dependent on currency and Tenor.</li> <li>Block Trades <ul style="list-style-type: none"> <li>Minimum notional size as stated by the Commission and increments dependent on currency and Tenor.</li> </ul> </li> </ul>
Quoting Convention	<ul style="list-style-type: none"> <li>Outrights are quoted in interest rate yield in minimum of .000025 increments (<a href="#">1/40th of a basis point</a>).</li> <li>Spreads and Butterflies will be quoted in basis points dependent in multiples of the increments of the underlying Outrights.</li> </ul>
Last Trading Day	<ul style="list-style-type: none"> <li>Spot Starting <ul style="list-style-type: none"> <li>Close of business on Trade Date.</li> </ul> </li> <li>Forward Starting <ul style="list-style-type: none"> <li>Close of business three business days prior to the Effective Date of the swap.</li> </ul> </li> </ul>
Additional	<ul style="list-style-type: none"> <li>None.</li> </ul>

Contract Specification	Details
Payments/Fees	
Clearing	<ul style="list-style-type: none"> <li>Contracts are eligible to be cleared at CME, LCH.Clearnet, Eurex and JSCC.</li> </ul>
Block Trades	<ul style="list-style-type: none"> <li>Block Trades must occur outside the Order Book and in a quantity that meets or exceeds Appropriate Minimum Block Sizes set by the Commission.</li> </ul>



### Rule 801(5) — Interest Rate Options

Interest Rate Options contracts cover the following product areas:

- Interest Rate Options
- Swaptions
- Inflation Swaps
- Inflation Rate Options
- Exotic Options and Swaps

Currencies	
Interest Rate Options	
USD	
EUR	
GBP	
Swaptions	
USD	
EUR	
GBP	
Inflation Swaps	
EUR	
GBP	
Inflation Rate Options	
USD	
EUR	
GBP	
Exotic Options and Swaps	
USD	
EUR	
GBP	

### Specifications

#### Option Type

- o Interest Rate Swaption
  - Type
    - Payer – A buyer of a payer Swaption has the option to pay the underlying swap at the agreed price
    - Receiver – A buyer of a receiver Swaption has the option to receive the underlying swap at the agreed price
  - Term – The future length of the swap
  - Exercise – The date at which the option can be exercised on
  - Underlying Swap
    - Fixed Leg
      - o Fixed Interest rate
    - Floating Leg
      - o Underlying benchmark
    - Optional knockout clause
- o Interest Rate Options
  - Type
    - Cap – The buyer of a Cap option receives the payments at the end of each period in which the underlying interest rate exceeds an agreed strike price
    - Floor – The buyer of a Floor option receives the payments at the end of each period in which the underlying interest rate is below an agreed strike price
  - Underlying Interest Rate

- Single Underlying Rate – Single underlying interest rate as listed in the Interest Rate benchmarks
  - Spread – Spread between 2 underlying interest rates as listed in the interest rate benchmarks
- Strike
- Expiry Date
- Convention
  - Payment Frequency
    - Monthly
    - Quarterly
    - Bi-Annually
    - Annually
  - Payment rate
    - Digital
    - Linear
- Payment currency
- Optional no call period – must be an agreed number of calendar days
- Option premium
- Optional reset period – must be an agreed number of calendar days
- Start Type
  - Immediate
  - Forward
- o Exotic Options and Swaps
  - Type
    - Buyer – The buyer of the swap receives a series of payments in relation to one agreed swap leg (leg 1) and makes a series of payments based on another agreed swap leg (leg 2)
    - Seller – The seller of the swap makes a series of payments in relation to one agreed swap leg (leg 1) and receives a series of payments based on another agreed swap leg (leg 2)
  - Tenor
  - Leg 1
    - Rate type
      - Fixed – agreed spread
      - Floating
        - Single Underlying Rate – Single underlying interest rate as listed in the Interest Rate benchmarks
        - Spread – Spread between 2 underlying interest rates as listed in the interest rate benchmarks
    - Currency
    - Optional agreed spread
    - Optional agreed rate range
    - Optional cap
    - Optional floor
  - Leg 2
    - Rate type
      - Fixed – agreed spread
      - Floating – Floating
        - Single Underlying Rate – Single underlying interest rate as listed in the Interest Rate benchmarks
        - Spread – Spread between 2 underlying interest rates as listed in the interest rate benchmarks
    - Currency
    - Optional agreed spread
    - Optional agreed rate range
    - Optional cap

- Optional floor
  - Optional reset period – must be an agreed number of calendar days
  - Optional break clause
  - Optional correlation factor – This will be a mathematical formula on which the payout of the trade will be based. This formula will be agreed at the time of trade.
  - Start Type
    - Immediate
    - Forward
  - Optional coupon
  - Optional lockout period
- o Inflation Swap
  - Inflation Swap – The buyer of an inflation swap pays a fixed interest rate and receives the agreed floating inflation rate
    - Tenor
    - Fixed Rate (Traded Price)
    - Inflation Rate benchmark – this can be any inflation benchmark that settles in the listed currencies
    - Optional forward start
- o Inflation Option
  - Types
    - Cap – The buyer of a cap option receives the right to receive a payment should the rate of the agreed underlying index rise above a certain level
    - Floor – The seller of a floor option receives the right to receive a payment should the rate of the agreed underlying index fall below a certain level
  - Tenor
  - Exercise Type
    - American
    - European
    - Bermudan
  - Premium (Traded Price x agreed notional)
  - Premium Type
    - Spot
    - Annuity
    - Forward

#### Payment Frequency

- o Interest Rate Swaptions – the payment frequency will be an agreed, valid, calendar integer
- o Interest Rate Options – the payment frequency will be an agreed, valid, calendar integer
- o Exotic Options and Swaps – the payment frequency will be an agreed, valid, calendar integer
- o Inflation Swaps – the payment frequency will be an agreed, valid, calendar integer
- o Inflation Rate Options – the payment frequency will be an agreed, valid, calendar integer

#### Day Count Convention

- o Interest Rate Swaptions
  - 30/360
  - Act/360
  - Act/365
  - 360/360
  - 30E/360
  - AFI/365
  - ACT/366
  - ACT/ACT
- o Interest Rate Options
  - ACT/360

- ACT/365
- 360/360
- 30/360
- 30E/360
- AFI/365
- ACT/366
- ACT/ACT
- o Exotic Options and Swaps
  - ACT/360
  - ACT/365
  - 360/360
  - 30/360
  - 30E/360
  - AFI/365
  - ACT/366
  - ACT/ACT
- o Inflation Swaps
  - ACT/360
  - ACT/365
  - 360/360
  - 30/360
  - 30E/360
  - AFI/365
  - ACT/3613
  - ACT/ACT

#### Holiday Calendar Conventions

- o Interest Rate Swaptions
  - ABU DHABI
  - SYDNEY
  - TORONTO
  - PRAGUE
  - COPENHAGEN
  - HONG KONG
  - BUDAPEST
  - LONDON
  - TEL AVIV
  - JAFFA
  - TOKYO
  - WELLINGTON
  - SEOUL
  - BANGKOK
  - TARGET
  - WARSAW
  - MOSCOW
  - RIYADH
  - SINGAPORE
  - ISTANBUL
  - NEW YORK
  - OSLO
  - STOCKHOLM
  - JOHNNESBURG
  - KUALA LUMPUR
- o Interest Rate Options
  - ABU DHABI
  - SYDNEY

- TORONTO
- PRAGUE
- COPENHAGEN
- HONG KONG
- BUDAPEST
- LONDON
- TEL AVIV
- JAFFA
- TOKYO
- WELLINGTON
- SEOUL
- BANGKOK
- TARGET
- WARSAW
- MOSCOW
- RIYADH
- SINGAPORE
- ISTANBUL
- NEW YORK
- OSLO
- STOCKHOLM
- JOHNNESBURG
- KUALA LUMPUR
- o Exotic Options and Swaps
  - ABU DHABI
  - SYDNEY
  - TORONTO
  - PRAGUE
  - COPENHAGEN
  - HONG KONG
  - BUDAPEST
  - LONDON
  - TEL AVIV
  - JAFFA
  - TOKYO
  - WELLINGTON
  - SEOUL
  - BANGKOK
  - TARGET
  - WARSAW
  - MOSCOW
  - RIYADH
  - SINGAPORE
  - ISTANBUL
  - NEW YORK
  - OSLO
  - STOCKHOLM
  - JOHNNESBURG
  - KUALA LUMPUR
- o Inflation Swaps
  - NEW YORK
  - LONDON
  - EUROPE
  - Australia
- o Inflation Rate Options
  - NEW YORK

- LONDON
- EUROPE

#### Business Day Conventions

- o Interest Rate Swaptions
  - Modified
  - Modified Following
- o Interest Rate Options
  - Modified
  - Modified Following
- o Exotic Options and Swaps
  - Modified
  - Modified Following
- o Inflation Swaps
  - Modified
  - Modified Following
- o Inflation Rate Options
  - Modified
  - Modified Following

#### Effective Date

- o Interest Rate Swaptions – The effective date will be a valid business day
- o Interest Rate Options – The effective date will be a valid business day
- o Exotic Options and Swap – The effective date will be a valid business day
- o Inflation Swaps – The effective date will be a valid business day
- o Inflation Rate Options – The effective date will be a valid business day

#### Maturity Date

- o Interest Rate Swaptions – The maturity date will be a valid calendar day
- o Interest Rate Options – The maturity date will be a valid calendar day
- o Exotic Options and Swaps – The maturity date will be a valid calendar day
- o Inflation Swaps – effective date + tenor of swap
- o Inflation Rate Options – Not applicable

#### Tenors

- o Interest Rate Swaptions 0 – 100 years inclusive
- o Interest Rate Options – 0 – 100 years inclusive
- o Exotic options and swaps – 0 – 100 years inclusive
- o Inflation Swap – 0 – 100 years inclusive
- o Inflation Rate Options 0 – 100 years inclusive

#### Roll Dates

- o Interest Rate Swaptions
  - Calendar dates
  - End of month
  - IMM Dates
- o Interest Rate Options
  - Calendar dates
  - End of month
  - IMM Dates
- o Exotic Options and Swaps
  - Calendar dates
  - End of month
  - IMM Dates
  - None
- o Inflation Swaps – 0 – 50 years inclusive
- o Inflation Rate Options – 0 – 50 years inclusive

#### Fixing Dates

- o Interest Rate Swaptions – The fixing date will be a valid business day
- o Interest Rate Options – The fixing date will be a valid business day
- o Exotic Options and Swaps – The fixing date will be a valid business day
- o Inflation Swaps – The fixing date(s) will be a valid calendar day
- o Inflation Options – The fixing date(s) will be a valid calendar day

#### Settlement

- o Interest Rate Swaptions
  - Swaptions will be settled by either
    - Cash
    - Delivery of the swap
    - Part Cash; Part Delivery
  - The settlement date(s) will be valid business days
- o Interest Rate Options
  - All options contracts are cash settled
  - The settlement date(s) will be valid business days
- o Exotic Options and Swaps
  - Contracts will be settled by either
    - Cash
    - Delivery of the swap
    - Part Cash; Part Delivery
  - The settlement date(s) will be valid business days
- o Inflation Swaps – Are cash settled in line with the payment frequency
- o Inflation Rate Options – Are cash settled in line with the payment frequency

#### Contract Size

- o Minimum and Incremental Sizes
  - Interest Rate Swaptions
    - The minimum size for a Swaption is 1,000 of the agreed currency of the trade
    - There is no minimum incremental size for a Swaption
  - Interest Rate Options
    - The minimum size for an option is 1,000 of the currency of the underlying index of the trade
    - There is no minimum incremental size for an option
  - Exotic Options and Swaps
    - The minimum size for an instrument in this category is 1,000 units of the currency of the underlying index of the trade
    - There is no minimum incremental size for instruments in this category
  - Inflation Swaps
    - The minimum size for an instrument in this category is 1,000 units of the currency of the underlying index of the trade
    - There is no minimum incremental size for instruments in this category
  - Inflation Rate Options
    - The minimum size for an instrument in this category is 1,000 units of the currency of the underlying index of the trade
    - There is no minimum incremental size for instruments in this category
- o Accreting Size – Any product can be traded on
  - An accreting basis
  - A non-accreting basis

#### Quoting Convention

- o Interest Rate Swaptions are all quoted in basis points
- o Interest Rate Options are all quoted in basis points
- o Exotic Options and Swaps are all quoted in basis points
- o Inflation Swaps are all quoted in basis points
- o Inflation Options are all quoted in basis points

#### Benchmark Interest Rates

- o Contracts will be limited to all or a subset of the following underlying benchmark indices:
  - EBOR
  - BBR
  - CDOR
  - LIBOR
  - PRIBOR
  - CIBOR
  - CIBOR2
  - HIBOR
  - BUBOR
  - TELBOR01
  - WIBOR
  - MOSPRIME
  - SAIBOR
  - TRILIBOR
  - NIBOR
  - STIBOR JIBAR
  - EURIBOR
  - ISDAFIX
  - ICAP Listed Interest Rates Swaps

#### Minimum and Incremental Price

- o Interest Rate Swaptions
  - There is no minimum price
  - There is no minimum incremental price
- o Interest Rate Options
  - There is no minimum price
  - There is no minimum incremental price
- o Exotic Options and Swaps
  - There is no minimum price
  - There is no minimum incremental price
- o Inflation Swaps
  - There is no minimum price
  - There is no minimum incremental price
- o Inflation Options
  - There is no minimum price
  - There is no minimum incremental price

#### Reporting

- o All Interest Rate Options trades are reported in accordance with NFA and SDR requirements

#### Clearing

- o Interest Rate Options traded on IGD are not cleared.





## CHAPTER 9

### SYSTEM PROTOCOLS

#### Rule 901a i-Swap System Protocol

#### Glossary

<b>Access Details</b>	The non-transferable, confidential personal user identifiers and all passwords issued by IGD L to each Authorised Trader.
<b>Aggressive Order</b>	A Held Order entered onto the System with the expectation of executing against resting Bids/Offer s on the opposite side of the market at the same price as the Aggressive Order.
<b>Authorised Trader Desk</b>	A group of Authorised Traders sharing a common set of Contracts trading permissions. Orders are shared at desk level and Authorised Traders can only belong to one desk.
<b>Erroneous Orders</b>	Any Bid/Offer which does not meet the requirements set out in this i-Swap System Protocol.
<b>i-Swap</b>	An Order Book offered by IGD L for trading certain Swaps.
<b>Leave Order</b>	A Bid/Offer that will stack along with any other Bid/Offer on the same side of the market.
<b>Participant Managed Order</b>	A Bid/Offer that will replace any other Bid/Offer input by a Participant on the same side of the market.
<b>Participant Clearing Officers</b>	An officer of the Participant who is authorized to allocate clearing limits for the Participant.
<b>Passive Order</b>	A Held Order that is a resting Bid or Offer.
<b>System</b>	i-Swap.
<b>System Supervisor</b>	The market support team of i-Swap.
<b>Trading Engine</b>	The System matching engine.

(a) **General Rules**

- (1) This i-Swap System Protocol is part of the Facility Rulebook. In the event of a conflict between this i-Swap System Protocol and the Facility Rulebook, this i-Swap System Protocol shall take precedence. All capitalized terms not otherwise defined in this i-Swap System Protocol shall have the meanings ascribed to them in the Facility Rulebook.
- (2) The System offers an electronic central limit order book for certain Interest Rate Swaps listed by IGDL. IGDL may at any time expand or alter the Swaps offered for trading on the System pursuant to Commission Regulations.
- (3) An electronic Bid/Offer is a Held Order and must be displayed on the System. All Held Orders may be entered directly onto the System, by an Execution Specialist, or an Intermediary.
  - (i) Held Orders may be Passive Orders or Aggressive Orders.
  - (ii) Held Orders must have a direction, price and size, Held Orders may additionally carry a reserve amount of hidden size which will be considered as Held Order size by the system but not displayed to the market.
  - (iii) The System is auto-matching and therefore locked markets (i.e where a Held Order is entered equal to the top of book Held Order on the opposite side of the market) are not permitted (unless other considerations such as size prevent the equal priced Held Orders from matching or self-trading block is enabled).
  - (iv) IGDL will set a minimum Held Order size, which will be communicated to Participants.
  - (v) Participants have the ability to edit or remove the Held Orders entered into the System by them.
    - A. If a Participant's edit affects a change in price, the Held Order will be re-inserted to the System with a new price/time priority.
    - B. If a Participant's edit affects a decrease in Held Order size, the Held Order will be modified in its place in the existing price/time priority queue.
    - C. If a Participant's edit affects an increase in Held Order size:
      - (aa) A regular Held Order will be modified in the existing price/time priority queue.
      - (bb) A Participant Managed Order will insert the size increase as a second segment in existing price/time priority, however the initial size will retain its place in the System.
  - (vi) Held Order edits, including total removal, may be input on a bid-by-bid or offer-by-offer basis or group-by-group or at the side of market basis. Additionally, Participants may remove all Held Orders submitted by them simultaneously. Such removed Held Orders may be reactivated by the Participant.

- (vii) All Held Orders in the System shall be pre-trade anonymous. Execution Specialists are prohibited from disclosing the name of an execution party to any other market Participant prior to execution. Following execution, the Execution Specialist shall disclose the names of the counterparties to the transaction to each other.

**(b) Participation**

- (1) In addition to the requirements set forth elsewhere in the Facility Rulebook, Participants must meet the following eligibility criteria:
  - (i) Participant has in place adequate measures and arrangements to prevent the submission of Erroneous Orders to the System.
- (2) Participant's Authorised Traders will be deemed eligible to trade all Swaps offered for trading on the System unless the Participant specifies otherwise.

**(c) Access Method**

- (1) Participant is responsible for acquiring and operating the technical equipment and software necessary for gaining access to the System.

**(d) Trading Calendar and Hours of Operation**

- (1) Participant shall not enter Bids/Offer into the System outside of the hours of operation of the System as stated by IGD. Any such Bids/Offer will be invalid and any resultant trades treated as error trades.
- (2) The trading hours for the System are 7:30 London Local Time to AM - 5:30 PM New York Local Time. The System is open for trading any day other than a Saturday, Sunday or any day which is a US public holiday as determined by The Securities Industry and Financial Markets Association ("SIFMA") or such other days as otherwise determined and notified by IGD. On any day which is a public holiday in the United Kingdom as determined by SIFMA, the System will open at 6:30 am New York Local Time.

**(e) Orders**

**(1) Registration of Orders**

- (i) Each Bid/Offer must specify the Bid/Offer duration and whether it is a Participant Managed Order or a Leave Order.
- (ii) Participants may enter Bids/Offer directly into the System through its Authorised Traders via the System front-end application (Global Front End), or entered automatically into the System via an automated order generator, or manually via Participant front-end applications through the System application programming interface ("API").
- (iii) Once a Participant is admitted to the SEF to trade Contracts, all Bids/Offer in respect of that Contract will be visible to the Participant, subject to the restrictions outlined in Appendix 2 to this i-Swap System Protocol.

- (iv) All Bids/Offers that are visible to the Participant will be displayed on an anonymous basis to other Participants. Following execution of a transaction, the names of the counterparties to the transaction are disclosed to each other.

**(2) The SEF Execution Specialist – entered Bids/Offers**

- (i) SEF Execution Specialist-entered Bids/Offers are matched according to the same rules as all other Bids/Offers on the System.
- (ii) Participants may register Bids/Offers by telephoning a SEF Execution Specialist. The SEF Execution Specialist shall enter any Bid/Offer into the System in time priority as soon as reasonably practicable after the Bid/Offer is received.
- (iii) The SEF Execution Specialist shall not amend or action any Bids/Offers on the System entered by an Authorised Trader unless instructed by the Participant.
- (iv) Execution Specialists are prohibited from disclosing the name of a party to any other market Participant prior to execution of a transaction. Following execution, the Execution Specialist shall disclose the names of the counterparties to the transaction to each other.

**(f) System Functionality**

**(1) Bids/Offers**

- (i) All Bids/Offers are automatically matched in price/time priority, subject to the Fill and Follow functionality set forth below.
- (ii) All Participants are treated equally, and Bids/Offers are always matched at the price limit of the submitted Bid/Offer, or better.
- (iii) All Bids/Offers are firm. Incoming Bids/Offers are always matched at the best available price.
- (iv) Spread and butterfly Bids/Offers will imply into outright markets and vice versa. Chains of implied Bids/Offers can be matched to any chain length.

**(2) Bid/Offer Types & Conditions**

- (i) The System supports limit Bids/Offers only.
- (ii) Details of Bid/Order types, conditions, duration and management are found in Appendix 2 to this i-Swap System Protocol.

**(3) Fill and Follow Functionality**

- (i) Fill and Follow Rights
  - A. A Participant may enter a new Bid/Offer or modify an existing Bid/Offer to price at or below the trade price, and will receive Bid/Offer stack prioritization for that Bid/Offer at that price point over all existing Bids/Offers including existing Fill and Follow Bids/Offers.
  - B. A Participant will qualify for Fill and Follow rights if

- (aa) the Participant recently executed a transaction; and,
    - (bb) the Bid/Offer's size meets or exceeds the Voice RFQ Market Size as specified in Appendix A to this Chapter 9; and,
    - (cc) the new Bid/Offer is placed or modified within 30 seconds for Spread-over outrights and within 7 seconds for all other Contracts.
  - C. All Participants are eligible for the Fill and Follow rights. Participants will be stacked in accordance with their initial priority when multiple Participants take advantage of the rights.
- (ii) **Best Bid/Offer (BBO) and Follow Rights**
  - A. A Participant may modify the existing Bid/Offer to a less aggressive price, and will receive Bid/Offer stack prioritization for that Bid/Offer at that price point over all existing Bids/Offers including existing Fill and Follow Bids/Offers.
  - B. A participant will qualify for BBO and Follow Rights if
    - (aa) the Participant places a Bid/Offer in the system at a new best Bid/Offer price level; and,
    - (bb) the Bid/Offer's size meets or exceeds the Voice RFQ Market Size as specified in Appendix A to this Chapter 9; and,
    - (cc) the Bid/Offer is resting at that price level for a minimum of 60 seconds.
  - C. Only the Participant who first put a Bid/Offer at a new price level is eligible for BBO and Follow Rights.

**(4) Restrictions on Orders Entered into the System; Non-Reviewable Range**

- (i) The System includes as a risk control a price deviation limit which restricts Participants from entering: (A) bids that are 3bps higher than an i-Swap Order Book determined mid-price; and (B) offers that are 3bps lower than an i-Swap Order Book determined mid-price.
- (ii) The System includes as a risk control a size limit which restricts Participants from entering Bids/Offers for more than a given size. The size limit is the lesser of \$10 billion one year equivalent or any lesser limit with which the System is configured by a Participant to constrain its own activity.
- (iii) IGD L has established a Non-Reviewable Range in order to establish which transactions IGD L will review pursuant to Rule 316. The Non-Reviewable Range, which is set forth in Rule 316(f), is narrower than the price deviation limit.
- (iv) The System provides Participants with a self-trading block functionality to prevent a single counterparty from buying and selling the same swap in the same transaction.

**(5) Indicative Price Functionality**

- (i) In the absence of prices derived from Bids/Offers, the System will display an indicative price for certain Contracts via Participant front-end applications through the System API.
- (ii) The indicative price will be generated by adding or subtracting 1 basis point to or from the relevant mid-market price generated by the ICAP Analytics Group. Such mid-market prices are derived from the ICAP analytics system for the USD Swap curve. The USD swap curve will be generated using:
  - A. US benchmark Treasury prices/yields;
  - B. Reuters Capital Markets 19901 market spreadovers;
  - C. IMM 3M USD futures contract prices from CME; and
  - D. Prices for voice market curve spreads and butterflies.
- (iii) Indicative prices are displayed to all Participants without a quantity or owner. Indicative prices will no longer be displayed as soon as a market price is established by an actionable Bid/Offer (e.g., Participant entered, Execution Specialist entered or implied) even if that Bid/Offer price is worse than the indicative price.

## Appendix 1 – Contracts Offered for Trading on i-Swap

### U.S. Dollar Interest Rate Derivatives

- USD Interest Rate Swaps (Semi-bond, Annual, IMM) [and combined strategies](#)
- USD ~~Spreadover~~ [spreadovers and combined strategies](#)



## Appendix 2 – Bid/Offer Types and i-Swap Configuration

### (a) Implied orders

- (1) The System uses Bids/Offers in the System to imply prices in related Contracts. Single line Contracts in combination can imply switches and/or butterflies.
- (2) Switches and butterflies in combination can imply other switches and/or single line Contracts.
- (3) Implied Bids/Offers will only be generated if they can meet the minimum size of the Contract being implied. Implied Bids/Offers need not comply with incremental size settings.
- (4) Implied Bids/Offers will be consistent with the tick structure of the Contract being implied.
- (5) An implied price generated by the System follows time / price priority logic used for Participant-entered Bids/Offers.
- (6) A top of market implied Bid/Offer will be shown (for Global Front End users) in the top of market line with a chevron (^).

### (b) Tick structure

- (1) The convention is as follows:
  - (i) Instruments quoted ~~on the basis of~~ as a rate rather than a spread to another rate ~~trade are quoted~~ in 1/8 basis point increments (i.e. 1.01%, 1.01125%, 1.0125%, 1.01375%, 1.0150%).
  - (ii) Instruments quoted as a spread to another rate, including the rate of another leg to the transaction, are quoted in ~~basis points and trade in~~ 1/4 basis point increments for outright (i.e. 12.00, 12.25, 12.50, 12.75, 13.00) and in 1/8 basis point increments for rate curves and butterflies (other than CME/LCH.Clearnet Spreads) (i.e. 12.00, 12.125, 12.25, 12.375, 12.50).
  - (iii) CME/LCH.Clearnet Spreads (outright, curves and butterflies) are quoted in ~~basis points and trade in~~ 1/40400 basis point increments (i.e. 1.80, 1.8025, 1.805).

### (c) Stacked Order Book

- (1) The System supports a stacked Order Book. If there are multiple Bids/Offers at the same price point on one side (e.g. 5 orders for 100m each) then when aggregated for the full 500, each Bid/Offer on the passive side will trade. All Participants on the System will see full depth of market on all instruments.

### (d) Broker access to Participant entered Bids/Offers

- (1) The SEF Execution Specialist will not have the ability to amend or cancel individual Participant-entered Bids/Offers unless instructed by Participant. The SEF Execution

Specialist will be able to “Cancel All” Bids/Offer entered directly into the System by a specific Participant in the event a Participant is unable to do it by itself.

(e) **One-Cancels-Other Bids/Offer (“OCO”)**

- (i) OCO is available via the API and the Global Front End.
- (ii) Participants have the ability to submit up to eight OCO Bids/Offer, all flagged as contingent upon each other. Upon a full trade of any of these Bids/Offer, all other Bids/Offer belonging to this OCO set will immediately be removed from the market. Upon a partial trade, a pro-rata size reduction is applied to other Bids/Offer in the set.

(f) **Other Bid/Offer Types**

(1) General Order Types:

- (i) Fill and Store
- (ii) Fill and Kill
- (iii) Fill or Kill

(2) Time attributes:

- (i) Good Till Day
- (ii) Good Till Time
- (iii) Good Till Duration
- (iv) Immediate

(3) Other attributes:

- (i) Minimum Size
- (ii) All-or-Nothing
- (iii) Iceberg

## **Rule 306 RFQ System Protocol**

### **Definitions**

**Indication of Interest** means a price provided by a Voice RFQ Participant at the beginning start of the trading day that is not the initiation of an RFQ or a Bid/Offer.

**Initiator** means a Participant that begins an RFQ by contacting an Execution Specialist.

**Initiation** means an RFQ that is submitted by a Participant to an Execution Specialist.

**Interest Stack** means the order of Indications of Interest received from Participants at the start of the trading day in price, time priority.

**Tranche** means the market Voice RFQ size listed in Appendix A to this Chapter 9.

**Responder** means a Recipient of an Initiator's RFQ who subsequently provides a Bid/Offer to the Execution Specialist in response.

**Response** means a Bid/Offer provided by a Responder to an Execution Specialist.

**RFQ Stack** means the order of RFQ Initiations and Responses that are received in price, time priority.

**Outright Spreadover** means a Package Transaction that has only two components: (i) a Swap component; and (ii) a U.S. Treasury Security component.

**Voice RFQ or vRFQ** means a RFQ that is submitted in accordance with the procedures in Rule 306(c). All RFQs are considered Non-Directed unless otherwise instructed by the Participant (Participants may request Directed RFQs).

**Voice RFQ Participant** means a Participant that on a particular trading day is in the Interest Stack or the RFQ Stack.

All capitalized terms not otherwise defined in this Voice RFQ System Protocol shall have the meanings ascribed to them in the Facility Rulebook.

### **Trading Hours**

vRFQ market operates 24 hours a day, Monday through Friday.

### **Contracts Offered for Trading**

All Required USD, GBP and EUR denominated Interest Rate Swap products.

### **Required Interest Rate Swap vRFQ System Protocol**

(a) **General Provisions.** In cases where an Initiator or Responder does not provide a notional size in the Initiation or Response, the Execution Specialist will assume the instrument's Voice RFQ market size for the specific tenor or for butterflies and strategies as listed in Appendix A to this Chapter 9 for butterflies and strategies. Voice RFQ market sizes may change from time to time at the discretion of IGD and upon notice to Participants. All Initiations and Responses must be made via IGD's recorded telephone lines or electronic instant messaging communications.

- (1) All Initiations and Responses, except in the case of Voice RFQs initiated pursuant to Rule 306(c)(2), are pre-trade anonymous. Participants to a transaction resulting from a Voice RFQ will be disclosed only to the counterparties by the Execution Specialists after the execution of the transaction.
- (2) Intermediaries initiating a Voice RFQ or responding to a Voice RFQ on behalf of a Customer must provide the Execution Specialist with the identity of the Customer.
- (3) Except as provided in Rule 902(b)(2), ~~with respect to Outright Spreadovers below,~~ increments for Voice RFQs are the same as those set forth in section (b) of Appendix 2 to Rule 901.

(b) **RFQs ~~in increments of 1/8~~ for Outright Spreadovers**

- (1) Initiations of Outright Spreadovers may be in increments of 1/8 ~~are in a separate Interest Stack and RFQ Stack from Initiations in increments of 1/4 of a basis point.~~
- ~~(2) For Outright Spreadovers, Initiations in increments of 1/8 must be for a minimum of twice the assumed market size except for Initiations during Asian trading hours (8 PM – 7 AM ET), which may be for market size.~~
- (2) ~~(3)~~ Responses to an Initiation for an Outright Spreadover in a 1/8 of a basis point increment include any resting Bid/Offer in the Order Book ~~that is at or better than the Initiation price.~~

(c) **Interest Stack**

- (1) Upon the start of the trading day, Execution Specialists may canvass the market for Indications of Interest from Participants which may be used to identify potential Voice RFQ Initiators and Responders.
  - (i) Indications of Interest are announced to other Execution Specialists and maintained manually in an Interest Stack.
  - (ii) The order of the Interest Stack is based on price, time priority.
- (2) Upon request by a Participant, an Execution Specialist may provide current Indications of Interest by stating the best prices among the Indications of Interest on the bid and offer side of the market for that instrument.

(d) **RFQ Stack**

- (1) The RFQ Stack begins at the start of the first Voice RFQ of the trading day.
- (2) Voice RFQ Initiations will be maintained in price, time priority per instrument.
  - ~~(i) Initiators will be placed at the top of an RFQ Stack if:~~
  - (i) Except as provided in Rule 902(d)(2)(iii) below with respect to Initiations of Outright Spreadovers in 1/8 basis point increments (which are not also 1/4 basis point increments), Initiators will be placed at the top of an RFQ Stack if:

- A. the Initiator traded the last best price in the most recent RFQ ~~for the relevant RFQ Stack ("Traded Initiator")~~ and indicates to the Execution Specialist that it wants to remain in the RFQ Stack; or
  - B. the Initiator initiates a new Voice RFQ that is better than any other current RFQ ~~for the relevant RFQ Stack~~ and any current Order Book price and that new Voice RFQ is available to the market for a minimum of 30 seconds without trading ("**Untraded Initiator**").
- (ii) Responses to Voice RFQs may become new Initiations upon request of the Responder. Such new Initiations will be placed in the ~~relevant~~ RFQ Stack.
- (iii) Initiations of Outright Spreadovers in 1/8 basis point increments (which are not also 1/4 basis point increments) will be placed at the top of the RFQ Stack only if the Initiator traded the last best price in the most recent RFQ and indicates to the Execution Specialist that it wants to remain in the RFQ Stack; Untraded Initiators of Outright Spreadovers in 1/8 basis point increments (which are not also 1/4 basis point increments) will not have any rights to be placed at the top of the RFQ Stack.
- ~~(iii) In addition to the rights available to Initiators under Rule 902(d)(2)(i):~~
- ~~A. any Traded Initiator which traded the last best price in the most recent RFQ in the separate 1/8 increment RFQ Stack shall be entitled to be at the top of the 1/4 increment RFQ Stack if that Traded Initiator indicates to the Execution Specialist that it wants to be in the 1/4 increment RFQ Stack, and~~
  - ~~B. (x) any Traded Initiator which traded the last best price in the most recent RFQ in the separate 1/4 increment RFQ Stack, and (y) any Untraded Initiator whose Voice RFQ was in the separate 1/4 increment RFQ Stack, shall be entitled to be at the top of the 1/8 increment RFQ Stack, in each case, if the relevant Traded Initiator or Untraded Initiator indicates to the Execution Specialist that it wants to be in the 1/8 increment RFQ Stack.~~

(e) **Voice RFQ Initiation**

- (1) An Initiator may initiate a Voice RFQ by contacting an Execution Specialist.
- (2) Initiation of a Voice RFQ begins when the Initiator identifies the desired instrument and can include the direction, price, and/or size. RFQs that are initiated by an Intermediary must also provide the Customer identity to the Execution Specialist (this is not disclosed in a Non-Directed RFQ).
  - (i) If requested by a Participant, an Execution Specialist may assist a Participant in arriving at an initiation price by referencing the last transaction rate, indicating the mid-price of the current RFQs, referencing the prices of correlated tenors, and referencing recent transactions from other SEFs posted by the SDR.
  - (ii) A SEF Execution Specialist shall not amend, enter or cancel any Initiation unless instructed by the Participant. Participants may instruct Execution Specialists to amend, enter or cancel any Initiation by contacting the Execution Specialist via

IGDL's recorded telephone lines or electronic instant messaging communications.

- (3) Initiations are entered into the Facility's internal Voice RFQ tool.
  - (i) When required, pre-trade limit checks must be conducted prior to entry of the Initiation details into the Voice RFQ tool and prior to announcement of the details to other Execution Specialists.
- (4) The Execution Specialist must announce the details of the Voice RFQ to other Execution Specialists who in turn contact all Voice RFQ Participants in a Non-Directed Voice RFQ unless the Voice RFQ Participant has requested that initiations of a certain contract, size, or price be withheld.
- (5) Indications of Interest in the Interest Stack will be used as potential responses after the Initiation has been announced to the vRFQ Participants.
- (6) Initiations in the RFQ Stack on the opposite side of a new Voice RFQ will receive priority in Responding to all Initiations subsequent to the first Voice RFQ of the trading day. Such priority expires after approximately 5 seconds.
  - (i) Prices in the Order Book at or better than the Initiation price will be included in the RFQ Stack of potential Responders.

**(f) Voice RFQ Responses**

- (1) Responders must provide the Execution Specialist the price and size of the Bid/Offer if above or below the assumed market size as described in Rule 902 within approximately 5 seconds of communication of the Initiation.
  - (i) Bids/Offers are provided by the Execution Specialist to the Initiator in price, time priority.
    - A. Along with the first response, any resting Bids/Offers in the Order Book must be communicated to the Initiator.
    - B. Only the price is communicated to the Initiator unless otherwise instructed by the Responder.
  - (ii) A SEF Execution Specialist shall not amend, enter or cancel any Response unless instructed by the Participant. Participants may instruct Execution Specialists to amend, enter or cancel any Response by contacting the Execution Specialist via IGDL's recorded telephone lines or electronic instant messaging communications.
- (2) The Initiator has approximately 5 seconds to accept or reject each Response provided upon communication of such Response.

**(g) Acceptance of Bid/Offer**

- (1) If, prior to the expiration of the time period described in Rule 902(f)(2), the Initiator accepts a Bid/Offer, the details of the Bid/Offer are entered into the internal Voice RFQ tool.

- (i) If required, a pre-trade limit check will be conducted on the Response prior to entry into the vRFQ Tool and Execution.
- (2) The trade will be immediately reported to the SDR. Execution Specialists may not disclose the details of a transaction until the trade is sent to the SDR. Execution Specialists shall not disclose the identities of the counterparties to a trade to any other Participant at any time.
- (3) If there is only one Initiator and one Responder at the chosen price, that Initiator and Responder may trade the entire amount provided by the Responder (see Rule 902(f)(1)).
- (4) *Stack Rules.* If there are multiple Participants on either side of the market interested in trading at the chosen price, the initial transaction between Initiator and Responder may be for the double the Voice RFQ market size as listed in Appendix A to this Chapter 9. Each other Participant in the RFQ Stack will be eligible for a transaction at the Voice RFQ market size as listed in Appendix A in accordance with this Rule 902(g)(4) and Rule 902(d).
  - (i) If the Responder does not provide a size but post-execution of the market size indicates a desire to continue trading beyond the Tranche size (where the Initiator's interest has been exhausted), the Responder may initiate a new RFQ that is announced to the market. The announcement of the new Voice RFQ ends the initial Voice RFQ.
  - (ii) Unless the Responder indicates a desire to continue trading an additional amount beyond the initial Tranche as described in Rule 902(g)(4)(i), the order of the RFQ Stack will be followed with the Execution Specialist confirming that each Participant remains interested in trading at that price. A Responder may indicate a desire to continue trading by communicating a desire to "pay on" or "sell on" to the Execution Specialist. The Execution Specialist will then announce to the market that the Participant has indicated a desire to continue trading at that level.
  - (iii) The Initiator of the Voice RFQ receives priority to trade one more Tranche(s) offered by the Responder at the top of the RFQ stack. Subsequent trades in the work-up will be in individual Tranches through the voice RFQ stack until interest at that price level is exhausted.
  - (iv) Any Order Book Bid/Offer incorporated in the RFQ Stack in time priority will be filled in its entirety before another Responder is offered a Tranche.
  - (v) All trades are entered into the vRFQ tool, with the exception of those executed on the Order Book, and reported to the SDR.
  - (vi) If there is any remaining unfilled interest, that Participant can request that the Execution Specialist initiate a new Voice RFQ and enter the Initiation into the RFQ Stack.
- (h) **Rejection of a Bid/Offer**
  - (1) If after the expiration of the time period described in Rule 902(f)(2), there is no acceptance from the Initiator or Responses are rejected, the Responses can, with the agreement of the Responder, become an Initiation of a Voice RFQ and be announced to the market.

- (2) If there are no remaining Initiations, then the Interest Stack is used as a guide to the potential market prices.
- (3) Counter requests by the Initiator are considered rejections of the Responses and new RFQ Initiations.



## GTN System Protocol

### Glossary

<b>Access Details</b>	The non-transferable, confidential personal user identifiers and all passwords issued by IGDL to each Authorised Trader.
<b>Authorised Trader Desk</b>	A group of Authorised Traders belonging to a single desk and sharing a common set of Contracts trading permissions. Orders are received at the common desk and serviced by the Authorised Traders belonging to such desk. Authorised Traders can only belong to one desk.
<b>Erroneous Bids/Offers</b>	Any Bid/Offer which does not meet the requirements set out in this System Protocol.
<b>GTN</b>	An Order Book offered by IGDL for trading certain Swaps.
<b>System</b>	GTN
<b>System Supervisor</b>	The market support team of GTN.
<b>Trading Engine</b>	The System matching engine.

#### (a) General Rules

- (1) This GTN System Protocol is part of the Facility Rulebook. In the event of a conflict between this GTN System Protocol and the Facility Rulebook, this System Protocol shall take precedence. All capitalised terms not otherwise defined in this System Protocol shall have the meanings ascribed to them in the Facility Rulebook.
- (2) The System offers an electronic central limit order book for certain Swaps listed for trading by the Facility, as specified in Appendix 1 hereto. IGDL may at any time expand or alter the Swaps offered for trading on the System pursuant to Commission Regulations.
- (3) The System shall disclose the identities of the Participant to the counterparty after the trade has been executed.

#### (b) Participation

- (1) In addition to the requirements set forth elsewhere in the Facility Rulebook, Participants must meet the following eligibility criteria:
  - (i) Participant has in place adequate measures and arrangements to prevent the submission of Erroneous Bids/Offers to the System.
- (2) Participant's Authorised Traders will be deemed eligible to trade all Swaps offered for trading on the System unless the Participant specifies otherwise.

#### (c) Access Method

- (1) Participant shall call or email IGDL SEF Execution Specialists to access the GTN order book at the following:
  - (i) Email should be addressed to SEFExecution.Specialists@us.icap.com;

- (ii) Calls should be addressed to +1 (212) 341-9113.

**(d) Trading Calendar and Hours of Operation**

- (1) Participant shall not enter Bids/Offers into the System outside of the hours of operation of the System as stated by IGD. Any such Bids/Offers will be invalid and any resultant trades treated as Error trades.
- (2) For Contracts that are not also available to trade via i-Swap, the trading hours for the System are Sunday 3:00 PM EST to Friday 5:30 PM EST. The System is closed for trading on holidays determined and notified by IGD.
- (3) For Contracts that are also available to trade via i-Swap, the trading hours for the System are 5:30 PM New York Local Time – 2:30 AM London Local Time. The System is open for trading any day other than a Friday, Saturday or any holiday determined and notified by IGD. The System opens at 3:00 PM EST on Sundays.

**(e) Orders – Registration of Orders**

- (1) Each Bid/Offer must specify the Bid/Offer duration.
- (2) Participants may enter Bids/Offers by telephoning or emailing a SEF Execution Specialist. The SEF Execution Specialist shall enter any Bid/Offer into the System in time priority as soon as reasonably practicable after the Bid/Offer is received.
- (3) The SEF Execution Specialist shall not amend, enter or cancel any Bids/Offers on the System unless instructed by the Participant. Participants may instruct Execution Specialists to amend, enter or cancel any Bid/Offer by contacting the Execution Specialist via IGD's recorded telephone lines or email.
- (4) Once a Participant is admitted to the SEF to trade Contracts, all Bids/Offers in respect of Contracts available to trade via the System will be made visible to the Participant, subject to the restrictions outlined in Appendix 2. All Bids/Offers that are visible to the Participant will be displayed on an anonymous basis to other Participants.
- (5) If a Bid/Offer is resting at the System's close, a SEF Execution Specialist will cancel the Bid/Offer.
- (6) Participants must provide their existing counterparty credit relationships to a SEF Execution Specialist for an uncleared instrument prior to registration of a Bid/Offer.

**(f) System Functionality**

- (1) Bids/Offers
  - (i) All Bids/Offers are automatically matched according to price/time priority.
  - (ii) Bids/Offers are always matched at the price limit of the submitted Bid/Offer, or better.
  - (iii) All Bids/Offers are firm. Incoming Bids/Offers are always matched at the best available price.

- (2) Bid/Offer Types & Conditions
  - (i) The System supports limit Bids/Offers only.
  - (ii) Details of Bid/Order types, conditions, duration and management are found in Appendix 2 to this System Protocol.

## Appendix 1

### Contracts Offered for Trading on GTN

#### U.S. Dollar Interest Rate Swaps

- USD Interest Rate Swaps (Semi-bond, Annual, IMM) ~~and USD Spreadover~~(and combined strategies) and USD spreadover instruments (and combined strategies), provided that any such instruments which are listed on i-Swap are not listed on GTN during i-Swap hours.

#### GBP Interest Rate Swaps

#### Euro Interest Rate Swaps

## Appendix 2

### Bid/Offer Types and GTN Configuration

(a) **Stacked Order Book:**

- (1) The System supports a stacked Order Book. If there are multiple Bids/Offers at the same price point on one side (e.g., 5 orders for 100m each) then when aggressed for the full amount (e.g., 500), each Bid/Offer on the passive side will trade.

(b) **Other Bid/Offer Types**

- (1) Time attributes:
  - (i) Good Till Cancel

## Rule 904 Pre-Arranged Crossing System Protocol

### Glossary

<b>Access Details</b>	The non-transferable, confidential personal user identifiers and all passwords issued by the SEF to each Authorized Trader.
<b>Erroneous Bids/Offers</b>	Any Bid/Offer which does not meet the requirements set out in this System Protocol.
<b>System</b>	Pre-Arranged Crossing platform
<b>System Supervisor</b>	The market support team of the System.

#### (a) General Rules

- (1) This Pre-Arranged Crossing System Protocol is part of the Facility Rulebook. In the event of a conflict between this System Protocol and the Facility Rulebook, this System Protocol shall take precedence. All capitalized terms not otherwise defined in this System Protocol shall have the meanings ascribed to them in the Facility Rulebook.
- (2) The System offers a Pre-Arranged Cross platform for all Permitted Transactions listed by the Facility. IGDL may at any time expand or alter the Contracts offered for trading on the System pursuant to Commission Regulations.

#### (b) Participation

- (1) In addition to the requirements set forth elsewhere in the Facility Rulebook, Participants must meet the following eligibility criteria:
  - (i) Participant has in place adequate measures and arrangements to prevent the submission of Erroneous Bids/Offers to the System.
- (2) All of a Participant's Authorized Traders will be deemed eligible to trade all Contracts offered for trading on the System unless the Participant specifies otherwise.

#### (c) Access Method

- (1) Participant shall call or email Execution Specialists to access the Pre-Arranged Cross platform via IGDL's recorded telephone lines or email at the following:
  - (i) Email should be addressed to SEFExecution.Specialists@us.icap.com;
  - (ii) Calls should be addressed to +1 (212) 341-9113.
- (2) Electronic access to the System by Participants is also available upon request and will be granted on an impartial basis.

#### (d) Trading Calendar and Hours of Operation

- (1) No Execution Specialist or Participant (if such Participant has been granted direct electronic access to the System) shall enter Bids/Offers into the System outside of the hours of operation of the System as set forth below. Any such Bids/Offers will be Erroneous Bids/Offers and any resultant trades treated as error trades.

- (2) The trading hours for the System are Sunday 3:00 PM ET to Friday 5:30 PM ET. The System is closed for trading on holidays determined and on such other days as notified by the SEF.




(e) **Orders – Registration of Orders**

- (1) Participants may enter Bids/Offer via the Access Methods set forth above. The SEF Execution Specialist shall enter any Bid/Offer into the System in time priority as soon as reasonably practicable after the Bid/Offer is received.
- (2) The SEF Execution Specialist shall not amend, enter or cancel any Bids/Offer on the System unless instructed by the Participant. Participants may instruct Execution Specialists to amend, enter or cancel any Bid/Offer by contacting the Execution Specialist via IGDL's recorded telephone lines or email.
- (3) Once a Participant is admitted to the SEF to trade Contracts, all Bids/Offer in respect of Contracts available to trade via the System will be made visible to the Participant. However, Participants may customize their screen to limit the Bids/Offer they view to only those Contracts they have selected. All Bids/Offer that are visible to the Participant will be displayed on an anonymous basis to other Participants

(f) **System Functionality**

- (1) Bids/Offer
  - (i) All Bids/Offer are matched once both orders have been inputted into the System.

## Appendix A to Chapter 9

ICAP Global Derivatives Limited	  
Appendix A - Voice RFQ and Order Book Size	

I. Voice RFQ			
Market Size			
All Contracts other than Butterflies		Butterflies Only	
Tenor	USD (m)	Tenor	USD (m)
1y	NA	1y	500
2y	200	2y	250
3y	150	3y	150
4y	100	4y	100
5y	100	5y	100
6y	85	6y	85
7y	75	7y	75
8y	75	8y	75
9y	50	9y	50
10y	50	10y	50
12y	50	12y	50
15y	50	15y	50
20y	50	20y	50
25y	25	25y	25
30y	25	30y	25
		Note: Tenor for a Butterfly is determined by subtracting the first leg from the second leg of the Butterfly (i.e. the first wing from the body).	
Minimum Sizes			
All Instruments			
Instruments are set to a minimum of \$5m including each leg of an instrument.			

II. Order Book	
Minimum Sizes	
Outrights and Spread-Overs	
USD instruments are set to the weighted value of \$200m 1 year equivalent notional.	
Strategies	
Spreads and Switches are set to the far leg's outright level.	
Butterflies are set the same as two times body's outright level.	
Certain Strategies with a leg that is below 5m have their minimum size adjusted to ensure no leg is below this amount.	



## ANNEX 1

### Governance Policy

The policies set out below will apply to ICAP Global Derivatives Limited (the “**Company**”). The Governance Policy is not intended to supersede or interpret any Applicable Law. It does not purport to be a comprehensive governance framework for the Company and should be read in conjunction with the Company’s Articles of Association and Company’s Facility Rulebook (the “**Facility Rulebook**”).

#### 1 Glossary

Defined terms unless otherwise defined in this Governance Policy have the meaning given to them in the Facility Rulebook.

<b>Applicable Law</b>	means, with respect to any person, any statute, law, regulation, rule or ordinance of any Governmental Authority applicable to such person (as defined in the Facility Rulebook), including but not limited to MiFID II, the FCA Handbook, the Act and Commission Regulations
<b>Articles of Association</b>	means the Company's Articles of Association
<b>Board</b>	means the Company's board of directors
<b>Chief Compliance Officer</b>	means the Company's Chief Compliance Officer
<b>Commission</b>	means the US Commodity Futures Trading Commission
<b>Commission Regulations</b>	means any rule, regulation, order, directive and any interpretation thereof promulgated by the Commission, as amended
<b>Emergency</b>	has the meaning ascribed to it in the Facility Rulebook
<b>Facility</b>	means the venue provided by the Company for the execution of Contracts, as set out in the Facility Rulebook
<b>FCA</b>	means the UK Financial Conduct Authority
<b>Hearing Panel</b>	has the meaning set out in this Governance Policy
<b>Nomination Committee</b>	has the meaning set out in this Governance Policy
<b>Participation Committee</b>	has the meaning set out in this Governance Policy
<b>Public Directors</b>	means any person who qualifies as a “public director” within the meaning set forth in the Commission Regulations
<b>Public Panelist</b>	has the meaning set out in this Governance Policy
<b>Respondent</b>	means any person who is charged with a Violation, as set out in the Facility Rulebook
<b>Regulatory Oversight Committee</b>	has the meaning set out in this Governance Policy
<b>Review Panel</b>	has the meaning set out in this Governance Policy
<b>Trading Privilege Holders</b>	means an individual or entity with Trading Privileges on the Facility granted pursuant to Rule 201 of the Facility Rulebook (including an Intermediary), but does not include an Authorised Trader

## 1. **OVERVIEW**

The Board has the power by itself or through agents, and is authorized and empowered on behalf and in the name of the Company, to perform all acts and enter into other undertakings that it may in its discretion deem necessary or advisable in order to promote the sound and efficient operation of the Facility (except such as otherwise required by Applicable Law), including, but not limited to, the following:

- (a) ensuring that the Company complies with all statutory, regulatory and self-regulatory responsibilities under Applicable Law;
- (b) reviewing, approving and monitoring major strategic, financial and business activities, the Company's budget and the Company's financial performance;
- (c) evaluating risks and opportunities facing the Company and proposing options for addressing such issues;
- (d) overseeing and reviewing recommendations from the Company's committees and the Chief Compliance Officer; and
- (e) having the sole power to set the payment dates and amounts of any dues, assessments or fees to be levied on Trading Privilege Holders.

1.2 The Board, (or committee thereof or other delegated body) acting in accordance with the Articles of Association, may from time to time cause the Company to enter into such agreements with domestic or foreign self-regulatory associations, other associations, boards of trade and their respective regulators providing for the exchange of information and other forms of mutual assistance for financial surveillance, routine audits, market surveillance, investigative, enforcement and other regulatory purposes as the Board may consider necessary or appropriate or as Applicable Law may require.

1.3 Each director is expected to comply with all Applicable Law and Company policies, and promote compliance by the Company and all of its employees. The Board will discharge its responsibilities and exercise its authority in a manner, consistent with applicable legal and regulatory requirements that promotes the sound and efficient operation of the Company and its swap execution activities.

## 2. **COMPOSITION**

2.1 The Board will consist of no less than three, and up to twelve, directors appointed in accordance with the Articles of Association. At such time as determined in the discretion of the Board (or at and for such other time as may otherwise be required by Applicable Law), at least thirty-five (35%) percent, but no less than two, of the directors will be Public Directors. This paragraph shall take effect from the date that the Company receives approval from the Commission as being registered as a SEF.

2.2 The identities of all directors will be published on the Company's website and will be available to the public.

### 3. QUALIFICATIONS

- 3.1 In order to fulfil their responsibilities, directors (including any Public Directors) will be selected based on their experience, qualifications, attributes and skills and the understanding that their leadership will play an integral role in fulfilling the Company's business objectives and legal obligations.
- 3.2 Each director shall be familiar with, and comply with, to the extent applicable, the provisions contained in the Company's Facility Rulebook.
- 3.3 Each director, including each Public Director, shall be of sufficiently good repute and have sufficient expertise in the Facility's scope or intended scope of financial services (including any ancillary services valuable for the Facility to fulfil its core mission). No director will have a history of disciplinary offenses that would be disqualifying under Applicable law, including Commission Regulation § 1.63(c). At least twenty percent of the Directors must be persons who meet the criteria of Commission Regulation § 1.64(b)(1).

### 4. CONFLICTS OF INTEREST

- 4.1 Each director is required to act in the best interests of the Company and to refrain from any conduct that would be, or gives the appearance of being, a conflict of interest.
- 4.2 No director, member of any committee or oversight panel, or officer or other person authorized to exercise authority on behalf of the Company will knowingly participate in such body's deliberations or voting, including in any inquiry, investigation or any disciplinary proceeding, suspension, Emergency or other executive action (each, an "**Executive Proceeding**") if such person has a conflict of interest between such person's position acting on behalf of the Company and such person's personal interests (each, an "**Interested Person**"), unless deliberations are permitted by section 4.6. Material conflicts of interest include, but are not limited to, instances where an Interested Person (A) is a named party in interest in an Executive Proceeding, (B) is an employer, employee or fellow employee of a named party in interest or potential named party in interest in an Executive Proceeding, (C) has any other significant, ongoing business relationship with a named party in interest or potential named party in interest in an Executive Proceeding, excluding relationships limited to executing transactions opposite each other or to clearing transactions through the same clearing members, (D) has a family relationship with a named party in interest or potential named party in interest in an Executive Proceeding (each of (A) through (D) being a "**Relationship Conflict of Interest**") or (E) has a direct and substantial financial interest in the result of the deliberations or vote of any Executive Proceeding based upon either Facility or non-Facility positions (a "**Financial Conflict of Interest**"). For purposes of this subparagraph, a "family relationship" exists between a named party in interest or potential named party in interest in an Executive Proceeding and a potential Interested Person if one person is the other's spouse (including a domestic partner or partner in a civil union), co-habitator, former spouse, parent, stepparent, child or other legal dependent, sibling, stepbrother, stepsister, grandparent, grandchild, uncle, aunt, nephew, niece or in-law.
- 4.3 Prior to the consideration of any matter or significant action that will be considered by the Board or a committee of the Board in an Executive Proceeding, each potential Interested Person must disclose the existence of any potential conflict of interest, including any potential Relationship Conflict of Interest and/or Financial Conflict of Interest, to the Chairman of the Board or the chairman of the relevant committee and may choose to abstain and recuse himself or herself from the deliberations and voting. The potential Interested Person is encouraged to consult with

the Company's Secretary and any necessary internal or external advisors in advance of the topic being discussed or voted upon.

- 4.4 If disclosure of a potential conflict of interest is required pursuant to section 4.3, a potential Interested Person must disclose all information required under Applicable Law in relation to any conflict of interest, including:
- (a) In the case of any potential Relationship Conflict of Interest, such disclosure must include the specific type of Relationship Conflict of Interest based on the categories (A) through (D) in section 4.2; and/or
  - (b) In the case of any potential Financial Conflict of Interest, such disclosure must include the financial interest and related position information (including information regarding positions held by such person, positions held by individuals of such person's family and positions held by a firm with which such person is affiliated) that is known to such person with respect to any particular month or months that are under consideration, and any other positions which the deliberating body reasonably expects could be affected by the significant action, including but not limited to:
    - (A) gross positions held in such person's personal accounts or "controlled accounts," as defined in Commission Regulation § 1.3(j);
    - (B) gross positions held in proprietary accounts, as defined in Commission Regulation § 1.17(b)(3), at such person's affiliated firm;
    - (C) gross positions held in accounts in which such person is a principal, as defined in Commission Regulation § 3.1(a);
    - (D) net positions held in Customer accounts, as defined in Commission Regulation § 1.17(b)(2), at such person's affiliated firm; and
    - (E) any other types of positions, held in such person's personal accounts or the proprietary accounts of such person's affiliated firm, that the Company reasonably expects could be affected by the significant action.
  - (C) Notwithstanding subsection (b), in the case of a potential Financial Conflict of Interest, no such disclosure is required by a potential Interested Person if such person chooses to abstain from deliberations and voting on the relevant Executive Proceeding.
- 4.5 If a potential Interested Person who discloses a potential material conflict of interest does not choose to abstain and recuse himself or herself from deliberations and voting in any Executive Proceeding, the directors, or committee or oversight panel, as applicable, will determine whether such person is an Interested Person prohibited from participation in the Executive Proceeding. Such determination will be made by a majority vote made in accordance with the procedures in the Articles of Association governing decision-making by directors and will be based upon a review of:
- (a) the information provided by such potential Interested Person pursuant to section 4.4;
  - (b) any other source of information that is held by or reasonably available to the Company;

- (c) in the case of a Financial Conflict of Interest, the most recent large trader reports and clearing records available to the Company; and
  - (d) any Applicable Law.
- 4.6 With respect to Financial Conflicts of Interest only, and save for where Applicable Law prohibits it, any person determined to be an Interested Person who would otherwise be required to abstain from deliberations and voting pursuant to this section, may participate in deliberations, but not in voting, if the Board, or committee or oversight panel, as applicable, determines by a majority vote (excluding all relevant Interested Persons) made in accordance with the procedures in the Articles of Association governing decision-making by directors that such participation would be consistent with the public interest after considering the following factors :
  - (a) whether such Interested Person's participation in the deliberations is necessary to achieve a quorum;
  - (b) whether the Interested Person has unique or special expertise, knowledge or experience in the matter being considered; and
  - (c) the position information which is the basis for the Interested Person's Financial Conflict of Interest.
- 4.7 All Public Directors will be prohibited from having "material relationships", as defined from time to time in the Commission Regulations (a "**Material Relationship**") with the Company which reasonably could affect the independent judgment or decision-making of such director. Material Relationships are currently defined to include the following:
  - (a) the director, or an immediate family member of the director, may not be an officer or employee of the Company or its affiliate;
  - (b) the director, or an immediate family member of the director, may not be a Member (as defined in Section 1a(34) of the Commodity Exchange Act and any regulation promulgated thereunder) of the Company, or a director, officer or employee of a Company Member;
  - (c) the director, or an immediate family member of the director, may not be an officer of another entity, which entity has a compensation committee (or similar body) on which any officer of the Company serves; and
  - (d) the director, or an immediate family member of the director, or an entity with which the director or such immediate family member is a partner, an officer, an employee or a director, may not receive more than \$100,000 in combined annual payments for legal, accounting, or consulting services from the Company, any affiliate thereof, any Member of the Company or any affiliate of such Member.
- 4.8 Notwithstanding the foregoing, (a) compensation for services as a director of the Company or as a director of an affiliate of the Company shall not count toward the \$100,000 threshold specified in clause (d) of the definition of Material Relationship, nor shall compensation for services rendered by such individual prior to becoming a director of the Company, so long as such compensation is or was in no way contingent, conditioned or revocable; and (b) a Public Director

may also serve as a director of an affiliate of the Company if he or she otherwise meets the requirements set forth in clauses (a) through (d) of the definition of Material Relationship.

- 4.9 Each of the preceding disqualifying circumstances is subject to a one-year look back. Public Directors will have an affirmative duty to investigate from time to time, and promptly disclose, the existence and nature of any such Material Relationships to the Board. The Board must make such findings of any material relationship upon the nomination or appointment of the proposed Public Director and as often as necessary in light of all circumstances relevant to such director, but in no case less than annually.

5. **RESIGNATION**

Any director or member of a committee may resign at any time by written notice to the Chairman or Secretary; provided that each such person shall in good faith provide the Chairman or Secretary such prior notice as may be reasonably necessary for the Board to identify and appoint a qualified person to fill the resulting vacancy. Such resignation shall be made in writing, and, unless specifically contingent upon its acceptance, shall take effect at the date or as of the effective date specified therein, and if no time be specified, at the time of its receipt by the Chairman or Secretary. The acceptance of a resignation shall not be necessary to make it effective. To the extent that any vacancy results in the number of Public Directors falling below the number required by the Articles of Association the Board shall act as expeditiously as reasonably practicable to appoint one or more Public Directors as may be required.

6. **VACANCIES**

If the office of any director, member of a committee or other officer becomes vacant by reason of death, resignation or for any other reason, a qualified individual will be appointed in accordance with the Articles of Association (without a proposal from the Nomination Committee), who shall hold office for the unexpired term and until his or her successor shall be duly chosen. Within 30 days after such an appointment, the Chief Compliance Officer shall submit to the Commission a list of the Directors, the membership interests they represent and how the composition of the Board of Directors otherwise meets the requirements of Commission Regulation 1.64(b) and the Company's implementing standards and procedures.

7. **COMPENSATION**

Compensation awarded to Public Directors and other nonexecutive directors shall not be linked to the Company's business performance.

8. **CERTIFICATION AND COMPLIANCE**

- 8.1 Each prospective director and director shall, before taking office, acknowledge his or her receipt and understanding of this Governance Policy, as well as upon any publication of a revised Governance Policy or amendment thereto. In addition, (i) upon request from the Company, the director shall certify that the qualification information he/she provided to the Company before being elected as a director has not changed materially, and (ii) from time to time the director shall provide an updated statement of qualification information that reflects any material changes.
- 8.2 Directors are required to report suspected violations of the Governance Policy or of any Applicable Law, rule or regulation by any director to the Board, the Regulatory Oversight Committee or the Chief Compliance Officer (who will subsequently relay any such suspected

violations to the Board or the Regulatory Oversight Committee, unless such reported violation is proven incorrect after a prompt initial review of its merits). The Board or the Regulatory Oversight Committee, as applicable, shall determine whether to conduct an investigation and what appropriate action should be taken. Directors may consult with the Company's General Counsel if there is any doubt as to whether a particular transaction or course of conduct complies with or is subject to the Governance Policy.

**9. SELF-REVIEW**

9.1 The Board shall review its performance and that of its individual directors on an annual basis. The Board, or a committee delegated such responsibility, shall establish criteria for the Board's evaluation, shall conduct the evaluation in accordance with such criteria, and shall make recommendations to improve deficiencies.

9.2 The Board shall make Public Director findings (including but not limited to determinations as to such Public Directors' Material Relationships) as often as necessary in light of all circumstances relevant to each Public Director, but in no case less than annually.

**10. COMMITTEES**

**Nomination Committee**

10.1 At such time as determined in the discretion of the directors (or at such other time as may otherwise be required by Applicable Law), the directors shall establish a Nomination Committee. The Nomination Committee shall be a Standing Committee of the Board, and shall be composed of at least fifty-one percent (51%) Public Directors. Each member of the Nomination Committee shall serve 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 Nomination Committee or as a Public Director, as applicable. A member of the Nomination Committee may serve for multiple terms. The chair of the Nomination Committee shall be a Public Director. The Nomination Committee shall: (i) identify individuals qualified to serve as directors, consistent with criteria specified by the directors and any composition requirements that Applicable Law requires and (ii) nominate individuals for designation as directors, whose appointment will be carried out in accordance with the Articles of Association.

**Participation Committee**

10.2 At such time as determined in the discretion of the directors (or at such other time as may otherwise be required by Applicable Law), the directors shall establish a Participation Committee. The Participation Committee shall be a Standing Committee of the Board, and shall be composed of at least thirty-five percent (35%) Public Directors. Each member of the Participation Committee shall serve 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 Participation Committee or as a Public Director, as applicable. A member of the Participation Committee may serve for multiple terms.

10.3 The Participation Committee shall: (i) determine the standards and requirements for initial and continuing participation eligibility; (ii) review appeals of staff denials of membership or participation applications; and (iii) approve rules that would result in different categories or classes of Participants receiving disparate access to the services offered by the Company. The Participation Committee shall not uphold any staff denial if the relevant application meets the standards and requirements that the Participant Committee sets forth from time to time, and the



Participation Committee shall not restrict access or impose burdens on access to the Facility in a discriminatory manner, within each category or class of Members or Participants or between similarly situated categories or classes of Members or Participants.

#### **Regulatory Oversight Committee**

- 10.4 The Regulatory Oversight Committee shall be a Standing Committee of directors.
- 10.5 The Regulatory Oversight Committee shall be composed of those directors designated by the Board from time to time; provided, however, that at such time as is determined in the discretion of the Board (or at and for such other times as may be required by Applicable Law) the Regulatory Oversight Committee shall consist of only Public Directors.
- 10.6 The Regulatory Oversight Committee members and Regulatory Oversight Committee Chairman shall be appointed by the Chairman of the Board, subject to the approval of the Board, at a meeting of the Board. Each appointee will serve until the due appointment of his or her successor or his or her resignation or removal as a member of the Regulatory Oversight Committee or as a Public Director, with or without cause, by a majority vote of the Board. A member of the Regulatory Oversight Committee may serve for multiple terms.
- 10.7 Each member of the Regulatory Oversight Committee shall serve 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 Public Director. A member of the Regulatory Oversight Committee may serve for multiple terms.
- 10.8 The Regulatory Oversight Committee shall meet at least four times each year and at such other times as it deems necessary to fulfil its responsibilities. The Committee may meet in joint session with any other committee of the Board from time to time to discuss areas of common interest and significant matters.
- 10.9 The Regulatory Oversight Committee shall report regularly to the Board with respect to its activities and make recommendations to the Board it may deem necessary or advisable for the orderly conduct of its business. Minutes of its meetings shall be maintained on behalf of the Regulatory Oversight Committee and approved by the Regulatory Oversight Committee.
- 10.10 Unless the Board provides otherwise the Regulatory Oversight Committee can make, alter or repeal rules for the conduct of its business. In the absence of such rules, each meeting of the Regulatory Oversight Committee shall be called, notice of each such meeting be given or waived and the business of the Regulatory Oversight Committee conducted or its action taken as nearly as may be in the same manner as is provided in the Articles of Association with respect to the meetings or for conduct of business or the taking of actions by the Board.
- 10.11 The Regulatory Oversight Committee shall:
  - (a) monitor the Facility's self-regulatory program for sufficiency, effectiveness, and independence;
  - (b) oversee all facets of the Facility's self-regulatory program, including trade practice, market surveillance, audits, examinations and other regulatory responsibilities with respect to Participants, and the conduct of investigations;



- (c) review the size and allocation of the Facility's regulatory budget and resources; and the number, hiring and termination, and compensation of regulatory personnel;
- (d) review the performance of the Chief Compliance Officer, and make recommendations with respect to such performance to the directors;
- (e) review all regulatory proposals prior to implementation and advise the directors as to whether and how such changes may impact regulation
- (f) recommend changes to the Facility's self-regulatory program that would ensure fair, vigorous, and effective regulation;
- (g) prepare an annual report to the directors and the Commission assessing the self-regulatory program of the Facility and including a description of the program, the expenses of the program, the staffing and structure of the program, a catalogue of investigations and disciplinary actions taken during the year, and a review of the performance of the Review Panel, Hearing Panel, and Chief Compliance Officer; and
- (h) perform such other duties as the directors may delegate to it from time to time. In addition, the Regulatory Oversight Committee may impose controls on the Facility to reduce the potential risk of market disruption, including but not limited to market restrictions that pause or halt trading in specified market conditions.

### **Disciplinary Panels**

- 10.12 At such time as determined in the discretion of the Board (or at such other time as may otherwise be required by Applicable Law), the Board shall appoint a Review Panel, which shall consist of no less than five (5) panelists. In the discretion of the Board or if required by Applicable Law, the Review Panel shall also include at least one person who would not be disqualified from serving as a Public Director under the Commission Regulations (the "**Public Panelist**"). Such Public Panelist shall serve as the chair of the Review Panel; provided, that to the extent that the Review Panel is not then required to include a Public Panelist, then the chair of the Review Panel shall be appointed by the Board. No Participant shall be permitted to participate in deliberations or voting on any matter in which the Participant has a financial interest.
- 10.13 The Review Panel shall have the power to direct that an investigation of any suspected Violation be conducted. In any case where the Review Panel concludes, by majority vote, that a Violation may have occurred, the relevant Participant shall be advised of that fact and the matter shall be referred to the Hearing Panel, pursuant to the procedures detailed in Chapter Five of the Company's Facility Rulebook.

### **Hearing Panel**

- 10.14 At such time as determined in the discretion of the Board (or at such other time as may otherwise be required by Applicable Law), the Board shall appoint a Hearing Panel, which shall consist of no less than five (5) panelists. In the discretion of the Board or if required by Applicable Law, the Hearing Panel shall include at least one person who is a Public Panelist. Such Public Panelist shall serve as the chair of the Hearing Panel; provided, that to the extent

that the Hearing Panel is not then required to include a Public Panelist, then the chair of the Hearing Panel shall be appointed by the Board.

- 10.15 No Participant shall be permitted to participate in deliberations or voting on any matter in which the Participant has a financial interest. Within ten (10) days of being notified of the appointment of a Hearing Panel, a Respondent (as defined in Chapter Five of the Company's Facility Rulebook) may seek to disqualify any individual named to the Hearing Panel on account of a conflict of interest or other reasonable grounds, by serving written notice to the appropriate staff of the Company and providing a copy thereof to the chair of the Hearing Panel. By not filing a timely request for disqualification, the Respondent will be deemed to have waived any objection to the composition of the Hearing Panel. The appropriate staff of the Company will decide the merits of any request for disqualification within his or her sole discretion and such decision will not be subject to appeal. The Hearing Panel shall conduct the formal hearings on Violations referred to it by the Review Panel, pursuant to the procedures detailed in Chapter Five of the Company's Facility Rulebook.
- 10.16 In designating the members of a Review Panel or Hearing Panel, the directors shall endeavour to appoint a panel that is not dominated or subject to disproportionate influence by any group or class of Participants. The Board shall consider the objection of any Participant who believes this objective is not satisfied, and the Board shall determine whether a change is necessary or advisable to meet this objective.

## **11. COMPLIANCE FUNCTION**

- 11.1 The directors shall appoint and approve the Chief Compliance Officer of the Company, who shall be the Chief Compliance Officer of the Company. The Chief Compliance Officer shall not serve as general counsel of the Company, or as a member of the Company's legal department, and may not be disqualified from registration pursuant to sections 8a(2) or 8a(3) of the Act. The Board shall approve the compensation of the Chief Compliance Officer and shall meet with the Chief Compliance Officer at least annually (which meeting may occur in person or by telephone). The Chief Compliance Officer shall also meet with the Regulatory Oversight Committee at least quarterly. The appointment of the Chief Compliance Officer and the amount of the Chief Compliance Officer's compensation shall require the approval of a majority of the directors. In addition the Board will register with the FCA a Head of Compliance Oversight (CF10 -Controlled Function 10). Compliance with SEF Core Principles will be overseen by the Chief Compliance Officer appointed by the Board, Compliance with FCA Part IV obligations will be overseen by Head of Compliance Oversight. References in this documents and any other related document to the Compliance Function is intended to mean, for Commission related considerations, the CCO and, for FCA Part IV related considerations, the CF10. To the extent any of the activities concern both the Commission and FCA, the CCO and the CF10 will co-operate to ensure compliance with the respective regulations.
- 11.2 The Compliance Function shall have the following duties, which list shall not be deemed exhaustive:
- (a) oversee and review the Facility's compliance with section 5h of the Act and any related rules adopted by the Commission;
  - (b) oversee and review compliance with the FCA Handbook and all requirements of a Part IV authorized firm;

- (c) oversee and review compliance with the rules and regulations of any other regulatory body to which the Facility and/or the Company is subject;
  - (d) in consultation with the Board, resolve any conflicts of interest that may arise;
  - (e) establish and administer written policies and procedures reasonably designed to prevent violation of Applicable Law;
  - (f) establish procedures for the remediation of noncompliance issues identified by the Compliance Function through a compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint;
  - (g) establish and follow appropriate procedures for handling, management response, remediation, retesting, and closing of noncompliance issues;
  - (h) establish a compliance manual designed to promote compliance with Applicable Law and administer a written code of ethics designed to prevent ethical violations and to promote honesty and ethical conduct;
  - (i) supervise the Company's self-regulatory program with respect to trade practice surveillance, market surveillance, real-time market monitoring, compliance with audit trail requirements, enforcement and disciplinary proceedings, audits, examinations and other regulatory responsibilities with respect to Participants (including ensuring compliance with, if applicable, financial integrity, financial reporting, sales practice, recordkeeping, and other requirements);
  - (j) supervise the effectiveness and sufficiency of any regulatory services provided to the Company by the NFA or any other registered futures association or other registered entity; and
  - (k) prepare and file any the annual compliance reports required by Commission Regulation 37.1500(d) as well as any other compliance reports that are required by Applicable Law. The Chief Compliance Officer shall also prepare and file any reports required by Section 6 after the appointment of a new Director.
- 11.3 The Compliance Function shall have supervisory authority over all staff acting in furtherance of the Compliance Function's obligations as determined by the relevant regulatory regime.
- 11.4 Removal of the Chief Compliance Officer shall require the approval of a majority of the directors. The directors shall immediately appoint an interim Chief Compliance Officer and shall appoint a permanent Chief Compliance Officer as soon as reasonably practicable thereafter. Where necessary, the Company shall make all notifications required under Applicable Law in relation to any such appointment and termination, including that the Company shall notify the Commission of within (2) business days of (i) the departure of the Chief Compliance Officer and explain the reasons for the departure and (ii) the appointing of any new interim or permanent Chief Compliance Officer.
- 11.5 The Company shall notify the FCA immediately following the removal of the CF10. The Board shall immediately appoint an interim CF10.

12. **FINANCIAL RESOURCES**

The Company must maintain adequate financial operational, and managerial resources to discharge each responsibility of the Company. The Company shall maintain financial resources as required by Applicable Law, including Commission Regulations 37.1300-1307.

## ANNEX 2 Reporting Counterparty Rules

### Relevant Portions of Reporting Counterparty Rules

(a) The ISDA Reporting Party Rules are set forth below by asset class:

(1) Credit:

- (i) Where both parties are the same hierarchy level (e.g., Major Swap Participant vs. Major Swap Participant, Swap Dealer vs. Swap Dealer, or non-Swap Dealer/Major Swap Participant vs. non-Swap Dealer/Major Swap Participant), the reporting counterparty is the floating rate payer (a/k/a 'seller'). For swaptions, the reporting counterparty is the floating rate payer of the underlying swap.
- (ii) For real time reporting of step-in novations, the reporting counterparty should be determined between the transferor and transferee based on the above and the position of the transferee. So, if both parties are of the same classification and the transferee is the seller (floating rate payer) in the novated transaction, the transferee is the reporting counterparty. If the transferee is the buyer (fixed rate payer), then the transferor is the reporting counterparty.
- (iii) For novated transactions, the reporting counterparty should be reassessed between the transferee and remaining party based on the above.

(2) Rates:

(i) Product Attribute Determination:

Reporting Counterparty Tiebreaker Logic Rates		
Trade Type	Explanation	Reporting Counterparty
Cap/ Floor	When a single Fixed Rate Payer exists	Fixed Rate Payer. Otherwise, Reverse ASCII sort, first LEI/Entity ID
Debt Option	All	Option Buyer
Exotic	All	Reverse ASCII sort, first LEI/Entity ID
FRA	All	Fixed Rate Payer
IRS Basis	All	Reverse ASCII sort, first LEI/Entity ID
IRS Fix Fix	All	Reverse ASCII sort, first LEI/Entity ID
IRS Fix Float	All	Fixed Rate Payer
IRSwap: Inflation	When a single Fixed Rate Payer exists	Fixed Rate Payer. Otherwise, Reverse ASCII sort, first LEI/Entity ID
IRSwap: OIS	All	Fixed Rate Payer
Swaption	All	Option Buyer
XCCY Basis	All	Reverse ASCII sort, first LEI/Entity ID
XCCY Fix Fix	All	Reverse ASCII sort, first LEI/Entity ID
XCCY Fix Float	All	Fixed Rate Payer

- (ii) Tiebreaker Logic. When the participant identifier tiebreaker is invoked the following processes will be used:
  - A. Determining identifiers. When an entity has multiple entity identifiers ("IDs"), the following hierarchy will be used to determine which entity ID to use in the reporting counterparty determination logic: LEI/CiCi is used

before DTCC GTR ID which is used before an AVOX ID which is used before any other identifier.

B. Identifier Tiebreaker Logic Scenarios:

- i. When both firms must have an LEI/CiCi then rank based on the two LEI/CiCis.
- ii. When one firm has an LEI/CiCi and the other firm has a DTCC ID but does not have an LEI then rank based on the comparison of the LEI/CiCi to the DTCC ID.
- iii. When one firm has an LEI/CiCi and the other firm has an AVOX ID but does not have an LEI then rank based on the comparison of the LEI/CiCi to the AVOX ID
- iv. When neither firm has an LEI/CiCi and both firms have a DTCC ID then rank based on the two DTCC IDs.
- v. When neither firm has an LEI/CiCi and one firm has a DTCC ID and the other firm has only an AVOX ID then rank based on the comparison of the DTCC ID to the AVOX ID.
- vi. A firm will be the reporting counterparty when that firm has a DTCC ID or LEI/CiCi and the other has neither an LEI/CiCi nor a DTCC ID nor an AVOX ID. Please note that in all cases the reporting counterparty will have a DTCC ID and by extension will have an LEI/CiCi.

(iii) Determining sort order of identifiers:

- i. LEI/CiCi, DTCC GTR IDs, and AVOX IDs are comprised of characters from the following set {0-9, A-Z}.
- ii. For avoidance of doubt, before comparing IDs convert all IDs to UPPER CASE only.
- iii. For comparison basis the sort order will be reverse ASCII sort order. For avoidance of doubt the following are sort order of precedence:
- iv. Z, Y, X, W, V, U, T, S, R, Q, P, O, N, M, L, K, J, I, H, G, F, E, D, C, B, A, 9, 8, 7, 6, 5, 4, 3, 2, 1, 0.

(iv) When comparing two IDs the reporting counterparty will be the firm with the first ID in the list when sorted in reverse ASCII sort order.

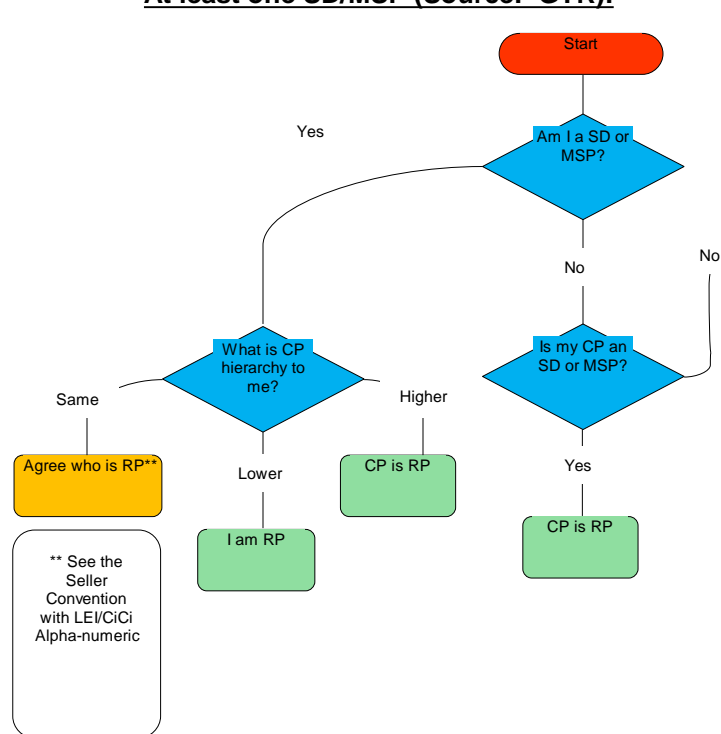
(3) Equity: Where both parties are the same hierarchy level, the reporting counterparty will be the:

- (i) Seller of performance on any product in the current version of the OTC Derivatives Products Taxonomies published by ISDA, which is attached as Attachment 2 to this Annex 1 (the "Taxonomy").

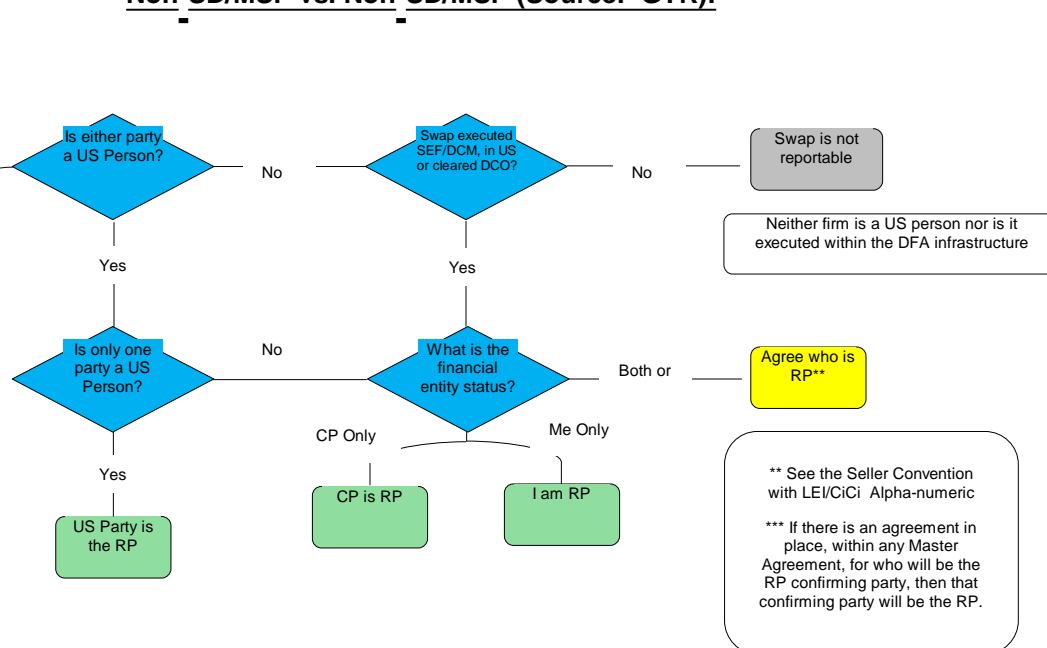
- (ii) Seller of product on all other (exotic) products in the Taxonomy.
  - (iii) If seller cannot be identified the fall back would be for the parties to agree amongst themselves.
  - (iv) For portfolio swaps agreements the seller will remain the seller regardless of the underlying's performance.
- (4) Commodity:
- (i) It is recognized within the commodities industry that different SDRs are currently proposing differing rules in determining the reporting counterparty. The methodology detailed below is the industry preferred and agreed way of working, as signed-off by the GTRfC Commodities Industry WG.
  - (ii) Where both parties are of the same hierarchy level, reporting counterparty status may be determined by reference to the convention which is attached as Attachment 1 to this Annex 1. This convention requires the parties to apply a seller convention if the executed trade is one of the three trade types enumerated (which have no ambiguity concerning which party is the selling party) and designates the seller as reporting counterparty. If the trade to be executed is not one of the three specified trade types then the convention defaults to an alpha process the LEI/CiCi's of the two parties should be resolved into an ASCII sorting tool with the LEI/Entity which comes first/top in the resulting list then designated as reporting counterparty.
  - (iii) Use of this convention can only be relied upon when both parties to the transaction are committed to use it. Where one side is not signed up to the convention it should not be used and the parties should revert to an alternative methodology to determine reporting counterparty in compliance with the rules.
- (5) FX:
- The FX reporting counterparty rules have been defined by the GFMA Global FX Division's Market Architecture Group (September 2012). The publication entitled "Determining the Reporting Party under Dodd-Frank in the Foreign Exchange Market" sets out some suggested rules that participants may wish to consider for determining the reporting counterparty within a relevant hierarchy level, as well as setting out suggestions in respect of specific hierarchy cases not covered by the Commission Regulations.

## Attachment 1 (Commodities)

### At least one SD/MSP (Source: GTR):



### Non SD/MSP vs. Non SD/MSP (Source: GTR):



Trade Type	Explanation	Reporting Party
<b>Fixed Floating Swap</b>	Seller of the fixed leg = Reporting Party	Fixed leg seller (Receiver of Cash on the fixed leg)
<b>Option</b>	Receiver of premium payment or Option writer	Seller
<b>Swaption</b>	Receiver of premium payment or Swaption writer	Seller
<b>Option strategies (Collars, Corridors, Multi Leg)</b>	Premium receiver is the Seller = Reporting Party	Premium receiver
	If no premium, to go to alpha convention	Go to alpha convention
<b>For trade types not listed above:</b>		
Seller Convention with Alpha	Any trades that fall outside of that list will have the alpha-numeric ASCII convention applied based on the LEI/CiCi. The LEI/CiCi selected as the RP will be the LEI/CiCi at the top of that sort order. As an example, ASCII is the same sort logic that Microsoft Excel applies.	



**Attachment 2**

**ISDA OTC Derivatives Products Taxonomies (UPI) (Updated 9 January 2015)**

Change Log											
#	Issue Symbol	Change Section	Section	Old Ref ID	New Ref ID	Asset Class	Base Product	Subproduct	Transaction Type	Publication date updated	Detail of change
1	2012-01-01	2012-10-12	Introduction								
2	2012-01-01	2012-10-12	Credit Fall Taxonomy		37	Credit	Single Name	Muni	StandardIS Municipal Fall Risk And Credit		New addition
3	2012-01-01	2012-10-12	Credit Fall Taxonomy		38	Credit	Single Name	Muni	StandardIS Municipal General Fund		New addition
4	2012-01-01	2012-10-12	Credit Fall Taxonomy		39	Credit	Single Name	Muni	StandardIS Municipal Revenue		New addition
5	2012-01-01	2012-10-12	Credit Fall Taxonomy	98		Credit	Single Name	ABS	CMB3		Removed
6	2012-01-01	2012-10-12	Credit Fall Taxonomy	98		Credit	Single Name	ABS	European CMB3		Removed
7	2012-01-01	2012-10-12	Credit Fall Taxonomy	97		Credit	Single Name	ABS	European RMBS		Removed
8	2012-01-01	2012-10-12	Credit Fall Taxonomy	98		Credit	Single Name	ABS	RMBS		Removed
9	2012-01-01	2012-10-12	Credit Fall Taxonomy		58	Credit	Single Name	ABS	MBS		New addition
10	2012-01-01	2012-10-12	Credit Fall Taxonomy		59	Credit	Single Name	ABS	European MBS		New addition
11	2012-01-01	2012-10-12	Credit Fall Taxonomy	59		Credit	Index Tranche	CDX	CDX Emerging Markets Diversified Tranche		Removed
12	2012-01-01	2012-10-12	Credit Fall Taxonomy		87	Credit	Index Tranche	MXCDX	MXCDX Tranche		New addition
13	2012-01-01	2012-10-12	Credit Fall Taxonomy		107	Credit	Swaption	MXCDX	MXCDX Swaption		New addition
14	2012-01-01	2012-10-12	Credit Fall Taxonomy		111	Credit	Cash	Structured CDS	Index Contingent CDS		New addition
15	2012-01-01	2012-10-12	Credit Fall Taxonomy	112		Credit	Cash	Structured CDS	Long Term Swap		Removed
16	2012-01-01	2012-10-12	Credit Fall Taxonomy	112		Credit	Cash	Structured CDS	Standard Term Swap		Removed
17	2012-01-01	2012-10-12	Credit Fall Taxonomy		112	Credit	Cash	Structured CDS	Swap Tranche		New addition
18	2012-01-01	2012-10-12	Credit Taxonomy Fall		34	Cash	Other				New addition
19	2012-10-12	2014-09-12	Introduction								Publication date updated
20	2012-10-12	2014-09-12	Credit Taxonomy			Credit					New addition: Index of SP
21	2012-10-12	2014-09-12	Credit Fall Taxonomy		100	Credit	Index	SP			New addition
22	2014-09-12	2014-10-12	Introduction								Publication date updated
23	2014-09-12	2014-10-12	Interest Rate Taxonomy			Rate	Forward	Debt			New addition
24	2014-09-12	2014-10-12	Interest Rate Fall Taxonomy	n/a	13	Rate	Forward	Debt			New addition
25	2014-09-12	2014-10-12	Interest Rate Fall Taxonomy	13	14	Rate	Equity				Change of numbering to new Interest Rate in last position of taxonomy
26	2014-09-12	2014-11-12	Introduction								Publication date updated
27	2014-09-12	2014-11-12	Credit Taxonomy			Credit	Total Return Swap Index	Index			New addition
28	2014-09-12	2014-11-12	Credit Fall Taxonomy		101	Credit	Total Return Swap Index	Index			New addition



The following spreadsheet contains the most recent ISDA OTC Derivatives Taxonomies for Credit, Interest Rate, Commodity, Foreign Exchange and Equity.

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### Credit Taxonomy

Base Product	Index	Total Return Swap	Total Return Swap Index	Index Tranche	Exotic	Single Name	Swaptions
Sub-product	CDX		iBoxx	CDX	Corporate ref ob only	ABS	CDX
	LCDX			LCDX	Structured CDS	Corporate	Corporate
	MCDX			CDX Structured Tranche	Other	Loans	iTraxx
	iTraxx			iTraxx		Muni	Muni
	ABX			iTraxx Structured Tranche		Recovery CDS	Sovereign
	CMBX			ABX		Sovereign	MCDX
	IOS			MCDX			
	MBX						
	PO						
	PrimeX						
	TRX						
	SP						

For Transaction types 'under' sub-products- see CDS Full Taxonomy

The 'Other' sub-product under the Exotic base product represents any transaction type that does not fall into existing base/sub-product/transaction types

### Credit Taxonomy

#	Asset Class	Base Product	Sub-Product	Transaction Type
1	Credit	Single Name	ABS	CDS on CDO
2	Credit	Single Name	Corporate	Asia Corporate
3	Credit	Single Name	Corporate	Australia Corporate
4	Credit	Single Name	Corporate	Emerging European Corporate
5	Credit	Single Name	Corporate	Emerging European Corporate LPN
6	Credit	Single Name	Corporate	European Corporate
7	Credit	Single Name	Corporate	Japan Corporate
8	Credit	Single Name	Corporate	Latin America Corporate
9	Credit	Single Name	Corporate	Latin America Corporate Bond
10	Credit	Single Name	Corporate	Latin America Corporate Bond Or Loan
11	Credit	Single Name	Corporate	New Zealand Corporate
12	Credit	Single Name	Corporate	North American Corporate
13	Credit	Single Name	Corporate	Singapore Corporate
14	Credit	Single Name	Corporate	Standard Asia Corporate
15	Credit	Single Name	Corporate	Standard Australia Corporate
16	Credit	Single Name	Corporate	Standard Emerging European Corporate
17	Credit	Single Name	Corporate	Standard Emerging European Corporate LPN
18	Credit	Single Name	Corporate	Standard Japan Corporate
19	Credit	Single Name	Corporate	Standard Latin America Corporate Bond
20	Credit	Single Name	Corporate	Standard Latin America Corporate Bond Or Loan
21	Credit	Single Name	Corporate	Standard New Zealand Corporate
22	Credit	Single Name	Corporate	Standard North American Corporate
23	Credit	Single Name	Corporate	Standard Singapore Corporate
24	Credit	Single Name	Corporate	Standard Subordinated European Insurance Corporate
25	Credit	Single Name	Corporate	Standard Sukuk Corporate
26	Credit	Single Name	Corporate	Subordinated European Insurance Corporate
27	Credit	Single Name	Corporate	Sukuk Corporate
28	Credit	Single Name	Corporate	Standard European Corporate
29	Credit	Single Name	Recovery CDS	Fixed Recovery Swaps
30	Credit	Single Name	Recovery CDS	Recovery Loans
31	Credit	Single Name	Loans	LCDS
32	Credit	Single Name	Loans	LCDS
33	Credit	Single Name	Loans	Standard LCDS Bullet
34	Credit	Single Name	Muni	US Municipal Full Faith And Credit
35	Credit	Single Name	Muni	US Municipal General Fund
36	Credit	Single Name	Muni	US Municipal Revenue
37	Credit	Single Name	Muni	Standard US Municipal Full Faith And Credit
38	Credit	Single Name	Muni	Standard US Municipal General Fund
39	Credit	Single Name	Muni	Standard US Municipal Revenue
40	Credit	Single Name	Sovereign	Asia Sovereign
41	Credit	Single Name	Sovereign	Australia Sovereign
42	Credit	Single Name	Sovereign	Emerging European And Middle Eastern Sovereign
43	Credit	Single Name	Sovereign	Japan Sovereign
44	Credit	Single Name	Sovereign	Latin America Sovereign
45	Credit	Single Name	Sovereign	New Zealand Sovereign
46	Credit	Single Name	Sovereign	Singapore Sovereign
47	Credit	Single Name	Sovereign	Standard Asia Sovereign
48	Credit	Single Name	Sovereign	Standard Australia Sovereign
49	Credit	Single Name	Sovereign	Standard Emerging European And Middle Eastern Sovereign
50	Credit	Single Name	Sovereign	Standard Japan Sovereign
51	Credit	Single Name	Sovereign	Standard Latin America Sovereign
52	Credit	Single Name	Sovereign	Standard New Zealand Sovereign
53	Credit	Single Name	Sovereign	Standard Singapore Sovereign
54	Credit	Single Name	Sovereign	Standard Sukuk Sovereign
55	Credit	Single Name	Sovereign	Standard Western European Sovereign
56	Credit	Single Name	Sovereign	Sukuk Sovereign
57	Credit	Single Name	Sovereign	Western European Sovereign

### Credit Taxonomy

#	Asset Class	Base Product	Sub-Product	Transaction Type
58	Credit	Single Name	ABS	MBS
59	Credit	Single Name	ABS	European MBS
60	Credit	Index Tranche	CDX	CDX Tranche HY
61	Credit	Index Tranche	CDX	CDX Tranche IG
62	Credit	Index Tranche	CDX	CDX Tranche XD
63	Credit	Index Tranche	CDX	Standard CDX Tranche HY
64	Credit	Index Tranche	CDX	Standard CDX Tranche IG
65	Credit	Index Tranche	LCDX	LCDX Tranche
66	Credit	Index Tranche	LCDX	Standard LCDX Bullet Tranche
67	Credit	Index Tranche	MCDX	MCDX Tranche
68	Credit	Index Tranche	CDX Structured Tranche	CDX Blended Tranche
69	Credit	Index Tranche	CDX Structured Tranche	CDX Risky Zero Tranche
70	Credit	Index Tranche	iTraxx	iTraxx Asia Ex Japan Tranche
71	Credit	Index Tranche	iTraxx	iTraxx Australia Tranche
72	Credit	Index Tranche	iTraxx	iTraxx Europe Tranche
73	Credit	Index Tranche	iTraxx	iTraxx Japan Tranche
74	Credit	Index Tranche	iTraxx	Standard iTraxx Europe Tranche
75	Credit	Index Tranche	iTraxx Structured Tranche	iTraxx Blended Tranche
76	Credit	Index Tranche	iTraxx Structured Tranche	iTraxx Risky Zero Tranche
77	Credit	Index Tranche	ABX	ABX Tranche
78	Credit	Index	CDX	CDX HY
79	Credit	Index	CDX	CDX IG
80	Credit	Index	CDX	CDX XD
81	Credit	Index	CDX	CDX Emerging Markets
82	Credit	Index	CDX	CDX Emerging Markets Diversified
83	Credit	Index	LCDX	LCDX
84	Credit	Index	LCDX	Standard LCDX Bullet
85	Credit	Index	MCDX	MCDX
86	Credit	Index	iTraxx	iTraxx Asia Ex Japan
87	Credit	Index	iTraxx	iTraxx Australia
88	Credit	Index	iTraxx	iTraxx Europe
89	Credit	Index	iTraxx	iTraxx Japan
90	Credit	Index	iTraxx	iTraxx Lev X
91	Credit	Index	iTraxx	iTraxx Sov X
92	Credit	Index	iTraxx	iTraxx SDI
93	Credit	Index	ABX	ABX HE
94	Credit	Index	CMBX	CMBX
95	Credit	Index	IOS	IOS
96	Credit	Index	MBX	MBX
97	Credit	Index	PO	PO
98	Credit	Index	PrimeX	PrimeX
99	Credit	Index	TRX	TRX
100	Credit	Index	SP	
101	Credit	Total Return Swap		
102	Credit	Total Return Swap Index	iBoxx	
103	Credit	Swaptions	iTraxx	iTraxx Asia Ex Japan Swaption
104	Credit	Swaptions	iTraxx	iTraxx Australia Swaption
105	Credit	Swaptions	iTraxx	iTraxx Japan Swaption
106	Credit	Swaptions	iTraxx	iTraxx Sov X Swaption
107	Credit	Swaptions	Muni	CDS Swaption
108	Credit	Swaptions	CDX	CDX Swaption
109	Credit	Swaptions	MCDX	MCDX Swaption
110	Credit	Swaptions	iTraxx	iTraxx Europe Swaption
111	Credit	Swaptions	Sovereign	CDS Swaption
112	Credit	Swaptions	Corporate	CDS Swaption
113	Credit	Exotic	Corporate	Ref ob only
114	Credit	Exotic	Structured CDS	Contingent CDS
115	Credit	Exotic	Structured CDS	Index Contingent CDS
116	Credit	Exotic	Structured CDS	First to Default Nth to Default
117	Credit	Exotic	Structured CDS	Bespoke Tranche
118	Credit	Exotic	Other	

For Transaction types 'under' sub-products- see CDS Full Taxonomy

The 'Other' sub-product under the Exotic base product represents any transaction type that does not fall into existing base/sub-

### Interest Rate Taxonomy

Base Product	IR Swap	FRA	Cap Floor	Cross Currency	Option	Forward
Sub-product	Fixed Float			Basis	Debt Option	Debt
	Fixed Fixed			Fixed Float	Swaption	
	Basis			Fixed Fixed		
	Inflation					
	OIS					

Basis swaps are considered Float/Float



### Interest Rate Taxonomy

#	Asset Class	Base Product	Sub-Product
1	Interest Rate	IR Swap	Fixed Float
2	Interest Rate	IR Swap	Fixed Fixed
3	Interest Rate	IR Swap	Basis
4	Interest Rate	IR Swap	Inflation
5	Interest Rate	IR Swap	OIS
6	Interest Rate	FRA	
7	Interest Rate	CapFloor	
8	Interest Rate	Cross Currency	Basis
9	Interest Rate	Cross Currency	Fixed Float
10	Interest Rate	Cross Currency	Fixed Fixed
11	Interest Rate	Option	Debt Option
12	Interest Rate	Option	Swaption
13	Interest Rate	Forward	Debt
14	Interest Rate	Exotic	

Basis swaps are considered Float/Float



Commodity Taxonomy

Base product	Metals	Energy	Index	Agriculture	Environmental	Freight	Multi-Commodity Index
<b>Derivative</b> <b>Transaction</b> <b>Settlement Type</b>	<b>Gold</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>	<b>Oil</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>	<b>Index</b> <u>Swap</u> Cash <u>Option</u> Cash <u>Swap</u>	<b>Grain</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>	<b>Weather</b> <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>	<b>Freight</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>	
	<b>Base Metal</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>	<b>Base Metal</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>		<b>Grain</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>	<b>Weather</b> <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>		
		<b>Base Metal</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>		<b>Grain</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>	<b>Weather</b> <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>		
		<b>Base Metal</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>		<b>Grain</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>	<b>Weather</b> <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>		
		<b>Base Metal</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>		<b>Grain</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>	<b>Weather</b> <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>		
		<b>Base Metal</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>		<b>Grain</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>	<b>Weather</b> <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>		
		<b>Base Metal</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>		<b>Grain</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>	<b>Weather</b> <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>		
		<b>Base Metal</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>		<b>Grain</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>	<b>Weather</b> <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>		
		<b>Base Metal</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>		<b>Grain</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>	<b>Weather</b> <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>		
		<b>Base Metal</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>		<b>Grain</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>	<b>Weather</b> <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>		
		<b>Base Metal</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>		<b>Grain</b> <u>Spot</u> Physical <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>	<b>Weather</b> <u>Swap</u> Cash <u>Option</u> Cash <u>Option</u> Physical <u>Loan</u> Cash <u>Loan</u> Physical <u>Swap</u>		

-Commodity derivatives distinguish its businesses by the products more so than by the instruments. There are nuances specific to the products based on how they trade, their units of measure, and confirm standards to name a few.

-Quarterly Trend Reporting to regulators is broken down into buckets of Energy, Metals and Other. This is consistent with monthly metrics Reporting to the Federal Reserve. Volumes with counterparty is cleared, percentage of business electronically eligible is electronically confirmed, and vendor adoption for electronic matching are all cases where there are significant differences between the products.



### Commodity Taxonomy

#	Asset Class	Base Product	Sub-Product	Transaction Type	Settlement Type
1	Commodity	Metals	Precious	Spot Fwd	Physical
2	Commodity	Metals	Precious	Swap	Cash
3	Commodity	Metals	Precious	Option	Cash
4	Commodity	Metals	Precious	Option	Physical
5	Commodity	Metals	Precious	Loan Lease	Cash
6	Commodity	Metals	Precious	Loan Lease	Physical
7	Commodity	Metals	Precious	Exotic	
8	Commodity	Metals	Non Precious	Spot Fwd	Physical
9	Commodity	Metals	Non Precious	Swap	Cash
10	Commodity	Metals	Non Precious	Option	Cash
11	Commodity	Metals	Non Precious	Option	Physical
12	Commodity	Metals	Non Precious	Loan Lease	Cash
13	Commodity	Metals	Non Precious	Loan Lease	Physical
14	Commodity	Metals	Non Precious	Exotic	
15	Commodity	Energy	Oil	Spot Fwd	Physical
16	Commodity	Energy	Oil	Swap	Cash
17	Commodity	Energy	Oil	Option	Cash
18	Commodity	Energy	Oil	Option	Physical
19	Commodity	Energy	Oil	Loan Lease	Cash
20	Commodity	Energy	Oil	Loan Lease	Physical
21	Commodity	Energy	Oil	Exotic	
22	Commodity	Energy	Nat Gas	Spot Fwd	Physical
23	Commodity	Energy	Nat Gas	Swap	Cash
24	Commodity	Energy	Nat Gas	Option	Cash
25	Commodity	Energy	Nat Gas	Option	Physical
26	Commodity	Energy	Nat Gas	Transport	
27	Commodity	Energy	Nat Gas	Loan Lease	Cash
28	Commodity	Energy	Nat Gas	Loan Lease	Physical
29	Commodity	Energy	Nat Gas	Exotic	
30	Commodity	Energy	Coal	Spot Fwd	Physical
31	Commodity	Energy	Coal	Swap	Cash
32	Commodity	Energy	Coal	Option	Cash
33	Commodity	Energy	Coal	Option	Physical
34	Commodity	Energy	Coal	Loan Lease	Cash
35	Commodity	Energy	Coal	Loan Lease	Physical
36	Commodity	Energy	Coal	Exotic	
37	Commodity	Energy	Elec	Spot Fwd	Physical
38	Commodity	Energy	Elec	Swap	Cash
39	Commodity	Energy	Elec	Option	Cash
40	Commodity	Energy	Elec	Option	Physical
41	Commodity	Energy	Elec	Transmission	
42	Commodity	Energy	Elec	Loan Lease	Cash
43	Commodity	Energy	Elec	Loan Lease	Physical
44	Commodity	Energy	Elec	Exotic	
45	Commodity	Energy	Inter Energy	Spot Fwd	Physical
46	Commodity	Energy	Inter Energy	Swap	Cash
47	Commodity	Energy	Inter Energy	Option	Cash
48	Commodity	Energy	Inter Energy	Option	Physical
49	Commodity	Energy	Inter Energy	Loan Lease	Cash
50	Commodity	Energy	Inter Energy	Loan Lease	Physical
51	Commodity	Energy	Inter Energy	Exotic	
52	Commodity	Index		Swap	Cash
53	Commodity	Index		Option	Cash
54	Commodity	Index		Exotic	
55	Commodity	Agricultural	Grains Oil Seeds	Spot Fwd	Physical
56	Commodity	Agricultural	Grains Oil Seeds	Swap	Cash
57	Commodity	Agricultural	Grains Oil Seeds	Option	Cash
58	Commodity	Agricultural	Grains Oil Seeds	Option	Physical
59	Commodity	Agricultural	Grains Oil Seeds	Loan Lease	Cash
60	Commodity	Agricultural	Grains Oil Seeds	Loan Lease	Physical
61	Commodity	Agricultural	Grains Oil Seeds	Exotic	
62	Commodity	Agricultural	Dairy	Spot Fwd	Physical
63	Commodity	Agricultural	Dairy	Swap	Cash
64	Commodity	Agricultural	Dairy	Option	Cash
65	Commodity	Agricultural	Dairy	Option	Physical
66	Commodity	Agricultural	Dairy	Loan Lease	Cash
67	Commodity	Agricultural	Dairy	Loan Lease	Physical
68	Commodity	Agricultural	Dairy	Exotic	
69	Commodity	Agricultural	Livestock	Spot Fwd	Physical
70	Commodity	Agricultural	Livestock	Swap	Cash

#### Commodity Taxonomy

#	Asset Class	Base Product	Sub-Product	Transaction Type	Settlement Type
71	Commodity	Agricultural	Livestock	Option	Cash
72	Commodity	Agricultural	Livestock	Option	Physical
73	Commodity	Agricultural	Livestock	Loan Lease	Cash
74	Commodity	Agricultural	Livestock	Loan Lease	Physical
75	Commodity	Agricultural	Livestock	Exotic	
76	Commodity	Agricultural	Forestry	Spot Fwd	Physical
77	Commodity	Agricultural	Forestry	Swap	Cash
78	Commodity	Agricultural	Forestry	Option	Cash
79	Commodity	Agricultural	Forestry	Option	Physical
80	Commodity	Agricultural	Forestry	Loan Lease	Cash
81	Commodity	Agricultural	Forestry	Loan Lease	Physical
82	Commodity	Agricultural	Forestry	Exotic	
83	Commodity	Agricultural	Softs	Spot Fwd	Physical
84	Commodity	Agricultural	Softs	Swap	Cash
85	Commodity	Agricultural	Softs	Option	Cash
86	Commodity	Agricultural	Softs	Option	Physical
87	Commodity	Agricultural	Softs	Loan Lease	Cash
88	Commodity	Agricultural	Softs	Loan Lease	Physical
89	Commodity	Agricultural	Softs	Exotic	
90	Commodity	Environmental	Weather	Swap	Cash
91	Commodity	Environmental	Weather	Option	Cash
92	Commodity	Environmental	Weather	Loan Lease	Cash
93	Commodity	Environmental	Weather	Exotic	
94	Commodity	Environmental	Emissions	Spot Fwd	Physical
95	Commodity	Environmental	Emissions	Swap	Cash
96	Commodity	Environmental	Emissions	Option	Cash
97	Commodity	Environmental	Emissions	Option	Physical
98	Commodity	Environmental	Emissions	Loan Lease	Cash
99	Commodity	Environmental	Emissions	Loan Lease	Physical
100	Commodity	Environmental	Emissions	Exotic	
101	Commodity	Freight		Spot Fwd	Physical
102	Commodity	Freight		Swap	Cash
103	Commodity	Freight		Option	Cash
104	Commodity	Freight		Option	Physical
105	Commodity	Freight		Loan Lease	Cash
106	Commodity	Freight		Loan Lease	Physical
107	Commodity	Freight		Exotic	
108	Commodity	Multi Commodity Exotic			

-Commodity derivatives distinguishes its businesses by the products more so than by the instruments. There are nuances specific to the products based on how they trade, their units of measure, and confirm standardization to name a few.

-Quarterly Trend Reporting to regulators is broken down into buckets of Energy, Metals and Other. This is consistent with monthly metric Reporting to the Federal Reserve. Volumes with counterparts vs Cleared, percentage of business electronically eligible vs electronically confirmed, and vendor adoption for electronic matching are all areas where there are significant differences between the products.

-For the first phase of the Commodity Trade Repository commitment it was decided that financial oil would be a good product to initiate the Repository. Later phases would bring in other products of increasing complexity. This further bolsters the argument that the Commodity Dealers and Non-Dealers look at the business from a product as opposed to an instrument perspective.

### Foreign Exchange Taxonomy

Base Product	Spot	NDF	NDO	Forward	Vanilla Option	Simple Exotic	Complex Exotic
Sub-product						Barrier	
						Digital	

NDO: Only European Style Options are NDO and not any other FX Options which are settled in a non-deliverable currency

Vanilla Option: European and American Style would be classified as Vanilla - without any feature like Forward Starting Strike or Performance payout.

The Digital sub-product is synonymous with Binary



#### Foreign Exchange Taxonomy

#	Asset Class	Base Product	Sub-Product
1	Foreign Exchange	Spot	
2	Foreign Exchange	NDF	
3	Foreign Exchange	NDO	
4	Foreign Exchange	Forward	
5	Foreign Exchange	Vanilla Option	
6	Foreign Exchange	Simple Exotic	Barrier
7	Foreign Exchange	Simple Exotic	Digital
8	Foreign Exchange	Complex Exotic	

NDO: Only European Style Options are NDO and not any other FX Options which are settled in a non-deliverable currency

Vanilla Option: European and American Style would be classified as Vanilla - without any feature like Forward Starting Strike or Performance payout.

The Digital sub-product is synonymous with Binary

### Equity Taxonomy

Sub Product	Base Product				
	Swap	Portfolio Swap	Contract For Difference	Option	Forward
Price Return Basic Performance	Single Name	Single Name	Single Name	Single Name	Single Name
	Single Index	Single Index	Single Index	Single Index	Single Index
	Basket	Basket	Basket	Basket	Basket
Parameter Return Dividend	Single Name			Single Name	
	Single Index			Single Index	
	Basket			Basket	
Parameter Return Variance	Single Name			Single Name	
	Single Index			Single Index	
	Basket			Basket	
Parameter Return Volatility	Single Name			Single Name	
	Single Index			Single Index	
	Basket			Basket	

The Price Return Basic Performance Sub-product includes instruments such as vanilla options, 1-Delta, EFS, TRS etc

The Other Sub-product includes structured and exotic

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### Equity Taxonomy

#	Asset Class	Base Product	Sub-Product	Transaction type
1	Equity	Swap	Price Return Basic Performance	Single Name
2	Equity	Swap	Price Return Basic Performance	Single Index
3	Equity	Swap	Price Return Basic Performance	Basket
4	Equity	Swap	Parameter Return Dividend	Single Name
5	Equity	Swap	Parameter Return Dividend	Single Index
6	Equity	Swap	Parameter Return Dividend	Basket
7	Equity	Swap	Parameter Return Variance	Single Name
8	Equity	Swap	Parameter Return Variance	Single Index
9	Equity	Swap	Parameter Return Variance	Basket
10	Equity	Swap	Parameter Return Volatility	Single Name
11	Equity	Swap	Parameter Return Volatility	Single Index
12	Equity	Swap	Parameter Return Volatility	Basket
13	Equity	Portfolio Swap	Price Return Basic Performance	Single Name
14	Equity	Portfolio Swap	Price Return Basic Performance	Single Index
15	Equity	Portfolio Swap	Price Return Basic Performance	Basket
16	Equity	Contract For Difference	Price Return Basic Performance	Single Name
17	Equity	Contract For Difference	Price Return Basic Performance	Single Index
18	Equity	Contract For Difference	Price Return Basic Performance	Basket
19	Equity	Option	Price Return Basic Performance	Single Name
20	Equity	Option	Price Return Basic Performance	Single Index
21	Equity	Option	Price Return Basic Performance	Basket
22	Equity	Option	Parameter Return Dividend	Single Name
23	Equity	Option	Parameter Return Dividend	Single Index
24	Equity	Option	Parameter Return Dividend	Basket
25	Equity	Option	Parameter Return Variance	Single Name
26	Equity	Option	Parameter Return Variance	Single Index
27	Equity	Option	Parameter Return Variance	Basket
28	Equity	Option	Parameter Return Volatility	Single Name
29	Equity	Option	Parameter Return Volatility	Single Index
30	Equity	Option	Parameter Return Volatility	Basket
31	Equity	Forward	Price Return Basic Performance	Single Name
32	Equity	Forward	Price Return Basic Performance	Single Index
33	Equity	Forward	Price Return Basic Performance	Basket
34	Equity	Other		

Price Return Basic Performance Sub-product: Includes Instruments such as vanilla options, 1-Delta, EFS, TRS etc.

The Other Sub-product includes structured and exotic



**ISDA ISDA**

Sub Product	Base Product				
	Swap	Portfolio Swap	Contract for Difference	Option	Reverse
Underlying Asset: Price Return - Bank Performance Realized (%)	2004 US, 2005 US, 2007 EUR, 2008 EUR, 2009 Asian ex-Japan, 2009 Per Asia	N/A	N/A	2004 US, 2005 US, 2007 EUR, 2008 EUR, 2009 Asian ex-Japan, 2009 Asian ex-Japan, 2009 Japan	N/A
	2004 US, 2005 US, 2007 EUR, 2008 EUR, 2009 Per Asia	N/A	N/A	2004 US, 2005 US, 2007 EUR, 2008 EUR, 2009 Asian ex-Japan, 2009 Asian ex-Japan, 2009 Japan, 2009 Japan, 2009 Japan	N/A
	2004 US	N/A	N/A	N/A	N/A
Parameter Return Dividend	N/A			N/A	
	2008 Japan			N/A	
	N/A			N/A	
Parameter Return Variance	2007 US, 2007 European, 2008 Japan, 2008 Asia ex-Japan			2007 European Variance Option spread	
	2007 US, 2007 European, 2008 Japan, 2008 Asia ex-Japan			2007 European Variance Option spread	
	N/A			N/A	
Parameter Return Volatility	N/A			N/A	
	N/A			N/A	
	N/A			N/A	

The Price Return (Bank Performance) Subproduct includes instruments with the volatility options, L4000, 071, 140 etc.  
 The other subproducts included in the table are not included in the table.  
 Notes that a firm can identify all of the products in the table.

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