
June 21, 2019

VIA OSC ELECTRONIC PORTAL

Ontario Securities Commission
22 Queen Street West
22nd Floor
Toronto, ON M5H 3S8
Attention: Secretary to the Commission

Dear Sirs/Mesdames:

RE: Financial & Risk Transaction Services Ireland Limited (FRTSIL or the Applicant¹)

RE: Application for Exemption from Recognition as an Exchange

We are filing this Application with the Ontario Securities Commission (**OSC**) for an order (the **Permanent Order**) under Section 147 of the *Securities Act* (Ontario) (the **Act**) exempting the Refinitiv Multilateral Trading Facility (**MTF**) from the requirement to be recognized as an exchange under Section 21(1) of the Act (the **Requested Relief**).

The MTF is currently operating under an interim exemption order granted to Reuters Transaction Services Limited² dated August 17, 2018, as varied on June 7, 2019 (the **Interim Order**). The Interim Order expires on the earlier of (i) March 1, 2020 and (ii) 90 days after the date of the grant of the Requested Relief.

OSC Staff has prescribed criteria in OSC Staff Notice 21-702 *Regulatory Approach for Foreign Based Stock Exchanges*, as updated, (**Staff Notice 21-702**) in relation to applications by foreign exchanges for an exemption from the exchange recognition requirement. These criteria are set out in Schedule A to the attached draft order.

Capitalized terms that appear in this Application but are not defined in the body of this Application have the meanings ascribed thereto in the MTF Rule Book (the **Rules**).³

For convenience, this Application is divided into the following Parts:

- Part I Background

- Part II Application of Approval Criteria to the MTF

- 1. Regulation of the MTF
- 2. Governance
- 3. Regulation of Products
- 4. Access
- 5. Regulation of Participants on the MTF
- 6. Rulemaking
- 7. Due Process
- 8. Clearing and Settlement
- 9. Systems and Technology

¹ FRTSIL received authorization from the Central Bank of Ireland to operate a multilateral trading facility on March 28, 2019. Further details are provided within this Application.

² Please note that Reuters Transaction Services Limited is now known as Refinitiv Transaction Services Limited. The reasons for and history of this name change are explained in Part I of this Application.

³ The Rules can be found at <https://financial.thomsonreuters.com/en/products/trading-capabilities/foreign-exchange-markets/mtf-multilateral-trading-facility.html>. All references in this Application are to the current MTF Rule Book, given that the finalization of the Rule Book for FRTSIL remains pending.

10. Financial Viability
11. Trading Practices
12. Compliance, Surveillance and Enforcement
13. Record Keeping
14. Outsourcing
15. Fees
16. Information Sharing and Oversight Arrangements
17. IOSCO Principles

Part III Submissions

Part IV Other Matters

Part I Background

Description of the Multilateral Trading Facility

- 1 The MTF is currently operated by Refinitiv Transaction Services Limited (**RTSL**), a member of the Refinitiv Group (**Refinitiv**). The following types of investments are offered for trading on the MTF: foreign exchange FX forwards (swaps), FX forwards (outright), FX swaps, FX non-deliverable forwards (**NDFs**) and FX options.
- 2 Effective December 1, 2001, the U.K. Financial Services Authority (**FSA**), a financial regulatory body in the United Kingdom, authorized RTSL, under Part 4A of the UK Financial Services and Markets Act 2000, to act as the operator of an Alternative Trading System (**ATS**); on November 1, 2007, the authorization was changed to the operator of a multilateral trading facility when the ATS regime was replaced by the new MiFID regulated activity of *Operating a Multilateral Trading Facility* and this authorization subsequently was transferred to the FSA's successor regulatory body the Financial Conduct Authority (the **FCA**), also a financial regulatory body in the United Kingdom, on April 1, 2013. RTSL was previously authorized by the Bank of England between 1992 and 2001.
- 3 On January 3, 2018, the Markets in Financial Instruments Directive (Directive 2014/65/EU of the European Parliament and of the Council) (**MiFID II**) entered into force as implemented in the United Kingdom by transposition into national law together with the Markets in Financial Instruments Regulation (Regulation (EU) No 600/2014 of the European Parliament and of the Council) (**MiFIR**) which is directly applicable in the United Kingdom, containing the amended regulatory framework for the operator of a multilateral trading facility.
- 4 Because of Brexit and the prevailing uncertainty in respect of market access following Brexit, and to ensure continuity in the performance of investment services and activities, Refinitiv intends to migrate the MTF from RTSL, a UK-incorporated entity, to FRTSIL, an Irish-incorporated entity. Refinitiv intends for the migration to occur at the end of September, 2019.
- 5 RTSL and FRTSIL intend that the Interim Order will authorize RTSL to offer the MTF to participants that are located in Ontario (**Ontario Participants**) while the MTF continues to be operated by RTSL, and the Permanent Order will authorize FRTSIL to offer the MTF to Ontario Participants after the migration to Ireland occurs. It is intended that there will then be an overlap period of approximately one month where the Interim Order (which concerns the operation of the MTF in the UK) and the Permanent Order (which will concern the operation of the MTF in Ireland) will both be operative. This will provide time for all Ontario users to migrate to the MTF offered by FRTSIL. Upon the date of Brexit (or by March 2020 if Brexit is further delayed), the Interim Order will terminate and only the Permanent Order will apply.
- 6 FRTSIL was authorized on March 28, 2019 by the Central Bank of Ireland (**CBI**), the Irish financial services regulator, under Part 2 of the Irish European Union (Markets in Financial Instruments) Regulations 2017 (the **2017 Regulations**) as an investment firm with permission to operate a multilateral trading facility in respect of European Economic Area and global clients.
- 7 Under the terms of the Interim Order, RTSL offers direct access to trading on the MTF to Ontario Participants and are appropriately registered under Ontario securities laws or are exempt from or not subject to those requirements, as applicable, and qualify as an "eligible counterparty" (either "per se" or "elective"), as defined by Regulation 38 of the European Union (Markets in Financial Instruments) Regulations 2017. Ontario Participants may include Canadian financial institutions, registered dealers and advisers, government entities, pension funds and other well capitalized non-regulated entities. The MTF provides certain Ontario Participants with significant access to liquidity for which, at least for certain types of transactions, there is no appropriate alternative platform, and the Ontario capital markets will be disrupted if the Requested Relief is not granted.

- 8 The MTF currently operated by RTSL, and to be operated by FRTSIL once the migration of the MTF has occurred, will not have a physical presence in Ontario and does not/will not otherwise carry on business in Ontario except as described herein.
- 9 As with the UK, on January 3, 2018, MiFID II entered into force in Ireland with the transposition into national law of the 2017 Regulations. The 2017 Regulations together with MiFIR, which is directly applicable in Ireland, contain the key requirements governing the regulatory framework for the operator of a multilateral trading facility. As the rules in respect of the operation of EU multilateral trading facilities emanate from EU law, similar MiFID II and MiFIR rules applicable to RTSL's operation of the MTF will be applicable to FRTSIL's operation of the MTF.
- 10 The CBI is the competent authority in Ireland under MiFID for the authorization and regulation of operators of multilateral trading facilities. It is an autonomous unitary body responsible for the supervision of most regulated financial services in Ireland. Its statutory responsibilities include price stability; financial stability; consumer protection; supervision and enforcement; regulatory policy development; payment, settlement and currency systems operations and oversight; the provision of economic advice and financial statistics; and the recovery and resolution of distressed financial services firms.

Ownership and corporate structure

- 11 As noted above, the MTF is currently operated by RTSL, a private limited company registered in England and Wales. RTSL has branches in Moscow, Thailand and Singapore, a representative office in China, and subsidiaries in Brazil and Malaysia. The MTF for Ontario Participants is operated by RTSL's head office in London. FRTSIL is a private company limited by shares registered in Ireland.
- 12 On October 1, 2018, The Blackstone Group LP and affiliates (**Blackstone**) completed its acquisition of a 55% stake in the financial-and-risk division of Thomson Reuters Corporation (**Thomson Reuters**). As a result of such acquisition, both RTSL and FRTSIL became wholly-owned subsidiaries of a holding company indirectly owned 45% by Thomson Reuters and 55% by Blackstone. The financial and risk business has been renamed Refinitiv. The Blackstone Group L.P. is a Delaware Limited Partnership listed on the New York Stock Exchange under the symbol "BX" and files annual and quarterly reports, proxy circulars and other documents with the U.S. Securities and Exchange Commission.⁴ Thomson Reuters is an Ontario, Canada corporation that has shares listed on the Toronto Stock Exchange (TSX) and the New York Stock Exchange (NYSE) under the symbol "TRI" and files annual and quarterly reports, proxy circulars and other documents with the Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission.
- 13 RTSL assumed its current name effective March 28, 2019, when Reuters Transaction Services Limited changed its name to Refinitiv Transaction Services Limited. The change of name was undertaken as part of the Refinitiv Group's broader rebranding since 2018 and does not entail any other change in business or operations. Accordingly, all references to RTSL refer to Refinitiv Transaction Services Limited or to Reuters Transaction Services Limited, as appropriate in the context. Refinitiv will use the new name consistently in communications with Canadian regulators going forward.

Products traded on MTF

- 14 The MTF is comprised of two trading segments known as Forwards Matching and FXall RFQ. All trading segments are governed by the Rules applicable to the MTF as a whole. Each trading

⁴ On April 18, 2019, Blackstone announced its intention to convert from a publicly traded LP structure to a corporation. Refinitiv does not expect this change to affect the business or operations of the MTF. At the time of announcement, the conversion to a corporation was expected to be effective as of July 1, 2019.

segment further has its own rules specific to that trading segment. A client who enters into a Participant Agreement in respect of the MTF (a **Participant**) must comply with both the Rules applicable to the MTF as a whole, and the Rules applicable to the specific trading segment to which the Participant is authorized and wishes to access. Trading on the MTF is offered in the Financial Instruments listed in the following table:

Trading Segment	Financial Instruments ⁵
<ul style="list-style-type: none"> • Forwards Matching 	<ul style="list-style-type: none"> • FX forwards (swaps)
<ul style="list-style-type: none"> • FXall RFQ 	<ul style="list-style-type: none"> • FX forwards (outright), FX swaps, FX NDFs, FX options

These Financial Instruments are admitted in various currency pairs. While the FRTSIL application for authorization is to permit that both segments will facilitate trading in options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash, there is no current intention to change or expand the Financial Instruments which are offered for trading on the MTF.

- 15 In its capacity as a provider of the MTF, there are various activities that do not fall within the scope of the Applicant's operations. With respect to the MTF, the Applicant does not provide:
- (a) trading in any principal, proprietary or agency capacities;
 - (b) access to third party trading venues;
 - (c) clearing, settlement or payment systems;
 - (d) asset management services; or
 - (e) portfolio services.

Part II Application of Exemption Criteria to the MTF

NOTE: Unless otherwise stated, procedures for FRTSIL will be the same as for RTSL.

1 REGULATION OF THE EXCHANGE

1.1 Regulation of the MTF – The exchange is regulated in an appropriate manner in another jurisdiction by a foreign regulator (the Foreign Regulator).

1.1.1 The MTF is currently operated by RTSL. RTSL is authorized and regulated in the UK by the FCA, FCA Reference Number 206017 and holds UK Financial Services and Markets Act 2000 Part IV permission to carry out regulated activities. Post migration to Ireland, the MTF will be operated by FRTSIL. FRTSIL is authorized and regulated in Ireland by the CBI to act as an operator of a multilateral trading facility. FRTSIL is noted as an authorized MiFID investment firm on the CBI's [register of authorized investment firms](#).

1.1.2 It is proposed that FRTSIL will also be subject to authorization, exemption, recognition or accreditation by regulatory bodies in a number of other jurisdictions. Specifically, FRTSIL expects to be subject to authorization, exemption, recognition or accreditation by the following bodies:

⁵ As defined by MiFID II.

- Monetary Authority of Singapore (MAS);
- Australian Securities and Investments Commission (ASIC);
- Hong Kong Monetary Authority (HKMA);
- Swiss Financial Market Supervisory Authority (FINMA);
- Financial and Consumer Services Commission (New Brunswick);
- Autorité des marchés financiers (Quebec);
- Nova Scotia Securities Commission (Nova Scotia); and
- Financial and Consumer Affairs Authority (Saskatchewan).

1.1.3 RTSL and FRTSIL are not seeking authorization of the MTF by the U.S. Commodity Futures Trading Commission (**CFTC**). This is because with the exception of Forwards Matching, FXall RFQ is made available to U.S. Participants through the Refinitiv Swap Execution Facility (**SEF**). The SEF is authorized by the CFTC. However, where a U.S. Participant wishes to access Forwards Matching, a separate agreement is entered into to enable access to the MTF for that purpose.

1.1.4 The approval by the CBI to operate a multilateral trading facility was granted on March 28, 2019.

1.1.5 As a CBI regulated entity, FRTSIL will be subject to inspections, reviews and ad hoc questions from the CBI. As the operator of the MTF, FRTSIL will be subject to a comprehensive regulatory regime in Ireland and Europe.

1.1.6 The principal legal provisions for investor protection in Ireland's financial services sector are contained in the legislation transposing EU Directives into Irish law, other Irish domestic legislation, directly applicable EU law and CBI Directions, Regulations and Standards.

1.1.7 The CBI is an independent non-governmental body corporate, given statutory powers under domestic Irish legislation. It is a statutory company with perpetual succession. It may take legal proceedings and may be proceeded against in its own corporate name. The affairs and activities of the CBI are generally managed and controlled by the Central Bank Commission (**CBC**). The CBC comprises the Governor of the CBI, the Head of Central Banking, the Heads of Financial Regulation, the Secretary General of the Department of Finance and at least 6, but no more than 8, other members appointed by the Minister for Finance. The Governor is the Chairperson of the CBC.

1.1.8 As a non-governmental body, the CBI is operationally independent of government. It is required, on an annual basis, to prepare a statement (in the form, and to relate to the matters directed by the Minister for Finance), relating to its performance in regulating financial services, to be provided to the Minister. The Minister is required to lay the statement before parliament.

1.1.9 General strategic and policy matter decisions are taken by the CBC. The CBI supports the Governor in his role as a member of the Governing Council of the European Central Bank. The Irish Financial Services Appeals Tribunal (**IFSAT**) acts as an independent tribunal to hear and determine appeals in respect of appealable decisions of the CBI. The members of IFSAT consist of a Chairperson and Deputy Chairperson (being a former Supreme Court, Court of Appeal or High Court Judge or barrister or solicitor of note less than 7 years standing), and between 1 and

5 lay persons (being a person who the President of Ireland is satisfied that the person has special knowledge or skill in relation to the provision of financial services).

1.1.10 The CBI is an independent body. It raises 65% of its financial regulation budget directly from the firms it regulates. The balance is funded by a government subvention. It is proposed to phase in 100% industry funding. Further increases in firm levies are subject to Ministerial agreement.

1.2 Authority of the Foreign Regulator – The Foreign Regulator has the appropriate authority and procedures for oversight of the MTF. This includes regular, periodic oversight reviews of the MTF by the Foreign Regulator.

Scope of authority

1.2.1 The CBI's functions and powers are set out in legislation. Its strategic responsibilities can be summarized as follows:

- Regulation of Financial Institutions and Enforcement Actions: The CBI is responsible for ensuring that regulated firms are financially sound and safely managed. Regulation of financial institutions and markets is undertaken through risk-based supervision, which is underpinned by enforcement deterrents;
- Protection of Consumer Financial Services: As the regulator of financial service providers and markets in Ireland, the CBI has to ensure that the best interests of consumers are protected;
- Recovery and Resolution of Financial Institutions: The CBI is required to develop a robust framework to ensure that failed or failing regulated firms go through an orderly resolution;
- Regulation Policy Development: The CBI is responsible for engaging in the European regulatory policy process. It contributes to the development of rules adapted to the Irish context and to supporting the work to transpose those rules into Irish law and provide the framework for their application to Irish financial firms and markets;
- Eurosystem Effectiveness and Price Stability: The CBI is responsible for contributing to the formulation of Eurosystem monetary policy and helping to ensure that the Euro area inflation objective is achieved;
- Stability of the Financial System: The CBI has an explicit mandate in domestic and European legislation to contribute to financial stability in Ireland and at euro area and EU levels; and
- Independent Economic Advice and Financial Statistics: The CBI provides economic advice reports on relevant financial statistics.

1.2.2 Certain functions of the Irish Competition and Consumer Protection Commission are also functions of the CBI as they relate to a financial service provided by a regulated financial service provider.

1.2.3 The CBI is required to perform its functions and exercise its powers in a way that is consistent with:

- (a) the orderly and proper functioning of financial markets;
- (b) the prudential supervision of providers of financial services; and

(c) the public interest and the interest of consumers.

1.2.4 The CBI is the prudential and conduct of business regulator for approximately 10,000 financial services firms and financial markets in Ireland. The firms range from global investment banks to very small businesses. It operates a risk-based approach with the most significant firms (i.e. those with the ability to have the greatest impact on financial stability and the consumer). The CBI accepts that some failure cannot be avoided and that firms must be allowed to fail in a functioning market economy. Potential risks are prioritized, using an impact and probability analysis (**Probability Risk and Impact System or PRISM**) and the CBI will then decide on an appropriate regulatory response - in other words, what approach it should take and what resources it will allocate to mitigating risk.

1.2.5 The most significant firms will receive a high level of supervision under structured engagement plans, leading to early interventions to mitigate potential risks. Conversely, those firms which have the lowest potential adverse impact will be supervised reactively or through thematic assessments, with the CBI taking targeted enforcement action against firms across all impact categories whose poor behaviour risks jeopardising statutory objectives including financial stability and consumer protection. The CBI states that this risk based approach will provide a systematic and structured means of assessing different types of risk, ensuring that idiosyncratic approaches to firm supervision are avoided and that potential risks are analysed for the higher impact firms using a common framework. This will allow judgements about potential risk in different firms to be made using a common risk typology on a common scale.

1.2.6 The CBI supervision model risk assessment process applies to all firms it regulates, although the detail required may vary from firm to firm. The CBI categorizes firms under the following categories: High (including Ultra High); Medium High; Medium Low; and Low. The impact categorization of a firm determines the number of supervisors that will be allocated to a firm, so for example a firm in the High category will be assigned between 2 and 4 supervisors (8 for Ultra High firms) and a firm in the Medium Low category being assigned between 10% and 20% of a supervisor. In addition to these prudentially focused supervisors, additional Consumer Directorate supervisors undertake in-depth themed conduct inspections. The CBI engages with firms to understand what they are doing and whether what they are doing poses a threat to financial stability or consumers. Firms in each impact category are supervised through the completion of engagement tasks. The CBI will engage with all firms at a level that corresponds to their impact category; the higher the impact category, the higher the level of engagement. This engagement will consist of a variety of reviews, assessments and meetings.

1.2.7 A specific set of engagement tasks will be conducted on high impact firms, whereas a different set of engagement tasks will be conducted on medium-high impact firms and a different one again on medium-low impact firms. For firms in different impact categories, the depth to which it is likely to be necessary to go in order to obtain an appropriate understanding of a firm's business and the associated risks will be materially different. While there is commonality of engagement tasks where this makes sense (e.g. regular interviews of a firm's chief executive officer), the intensity and frequency of these tasks have been designed to be proportionate to the amount of resource available based on the impact categorisation. The CBI has said that FRTSIL will be considered as falling into at least the Medium Low risk category.

1.2.8 As a Medium Low risk firm, FRTSIL expects that it will be subject to ongoing supervisory oversight and audits by the CBI. While the precise schedule of CBI reviews/audits is not known, FRTSIL does expect to be subject to periodic on-site inspections and review meetings. In addition, FRTSIL may be part of "thematic reviews" across the industry from time to time, to include MTFs and other trading venues authorized and regulated in Ireland. FRTSIL may be part of such a thematic review as an MTF, however, at this time, the CBI has not advised the Firm of any specific conduct inspections or reviews that the Firm will be subject to as a Medium-Low risk firm.

1.2.9 More information on the CBI's approach to supervision can be found at: <https://www.centralbank.ie/regulation/how-we-regulate/supervision>.

Authorizing statutes

1.2.10 The CBI was created by the Central Bank Act 1942. (It was originally called the Central Bank of Ireland, renamed the Central Bank and Financial Services Authority of Ireland in 2003 and then renamed as the Central Bank of Ireland again in 2010). The CBI derives its powers and functions from the Central Bank Act 1942 and other legislation. It has power, under various pieces of legislation, to issue Codes and Standards.

1.2.11 The CBI also has the power to enact secondary legislation under various pieces of legislation. Primary legislation (i.e. the 2017 Regulations) sets out the specific activities for which firms must receive CBI authorization to carry on investment business, or where they can avail themselves of an exemption or exclusion, as the case may be.

1.2.12 The CBI is the designated competent authority under the European single market directives for banking, insurance, investment business, payment services, collective investment schemes and other financial services, including insurance intermediation. It is also the competent authority under a host of other EU directives, including the Market Abuse and Prospectus Directives. As a result, it is the Irish representative within the relevant EU regulatory bodies such as the European Securities and Markets Authority. European legislation affecting the CBI in regulated financial services is implemented through Irish transposing legislation or through directly applicable EU legislation.

Source of its authority to supervise the foreign exchange

1.2.13 Operating a multilateral trading facility is a regulated activity under regulation 5 of the 2017 Regulations.

Rules and policy statements

1.2.14 The 2017 Regulation, MiFIR, directly applicable EU delegated legislation and ESMA pronouncements are the primary sources of rules and policy statements with respect to the authorization and continuing oversight of markets, electronic trading systems and clearing organizations. The key rules and policy statements relevant to the MTF are set out in the 2017 MiFID Regulations, EU Commission Delegated Regulation (EU) 2017/565, EU Commission Implementing Regulation (EU) 2016/824 and EU Commission Delegated Regulation (EU) 2017/584 (**RTS 7**). Further rules are contained in MiFIR. In addition further guidance is contained in the European Securities and Markets Authority's "Questions and Answers on MiFID II and MiFIR market structures topics".

Financial protections afforded to customer funds

1.2.15 FRTSIL will not hold any client money.

2 GOVERNANCE

2.1 Governance – The governance structure and governance arrangements of the exchange ensure:

(a) Effective oversight of the MTF,

2.1.1 RTSL has adopted and impartially enforces the Rules, a comprehensive set of rules for the operation and conduct of the MTF available at

<https://financial.thomsonreuters.com/en/products/trading-capabilities/foreign-exchange-markets/mtf-multilateral-trading-facility.html>. The Rules, together with any supplementary annexes, UK regulatory requirements and law, govern the operation of and Participants' access to the MTF. The Rulebook to be adopted by FRTSIL is essentially the same as the Rules, with minimal changes to reflect any necessary amendment for specific Irish law; as such, references throughout this Application to the Rules are deemed to be applicable to FRTSIL. When the MTF Rule Book for FRTSIL is adopted, if requested, FRTSIL will provide the Commission with a copy.

2.1.2 The Rules set out the rules that Participants must comply with in relation to their operations and conduct, including, but not limited to: (1) admission criteria; (2) Participant access and responsibility; (3) trading and business conduct rules; (4) disciplinary rules; and (5) compliance with the regulatory environment.

2.1.3 Changes to the Rulebook have to be approved by a quorum of the board of directors for either FRTSIL or RTSL, but changes need not be approved by the CBI or the FCA. However, clearly any such proposed changes must remain in compliance with all legal and regulatory obligations. As standard supervisory engagement between FRTSIL and the CBI, the CBI may request a copy of the current version of the MTF Rule Book at any time and seek from FRTSIL any information, explanations, etc. the CBI deems necessary.

2.1.4 The Rulebook must be reviewed by the board of directors at least annually to ensure it remains appropriate and it continues to meet regulatory requirements. At present, the annual review is scheduled for February of each year. The policies and procedures for updating the Rulebook are described more fully in FRTSIL's Refinitiv MTF Rule Book Drafting and Review Procedure.

2.1.5 FRTSIL will be governed by a Board of Directors (the **FRTSIL Board**), a majority of which will be Non-Executive Directors. Initially the composition of the FRTSIL Board shall be:

- Independent Non-Executive Director (INED) (Chairperson);
- INED (Risk Committee Chairperson);
- Non-Executive Director;
- Chief Executive Officer; and
- Chief Financial Officer.
- Chief Operating Officer.

2.1.6 All FRTSIL Board members have now been appointed and FRTSIL has sought approval (as applicable) for all Pre-Approval Controlled Function (**PCF**) roles with the CBI. The FRTSIL Board is completely independent of RTSL directorship and no directors or officers of RTSL are directors or officers of FRTSIL.

2.1.7 FRTSIL will have 6 directors, the same number as RTSL. This is the lowest number that was consistent with both the CBI requirements for Board composition and the functional needs of FRTSIL for a sufficient overall number of directors to oversee the organization and a sufficiently wide scope of expertise and interests to be represented on the FRTSIL Board.

2.1.8 Under the Central Bank Reform Act 2010, certain activities within the Irish financial services industry can only be undertaken by individuals who have received prior approval from the CBI under the "CBI's Fitness and Probity Regime". Such roles, referred to as PCF roles, include Directors. Accordingly, each member of the FRTSIL Board must be pre-approved by the

CBI. In determining whether an individual is of sufficient fitness and probity to perform a PCF role, including as a Director, an individual is required to be (1) competent and capable; (2) honest, ethical and to act with integrity; and (3) financially sound. When considering these criteria, the regulated entity and the CBI will need to consider not only those issues that have arisen in a financial services context but also the individual's actions more broadly. The CBI approval process for prospective PCF role holders, including Directors, requires the submission of a detailed individual questionnaire to the CBI, which includes a complete employment history. A PCF applicant must complete an online declaration as to the accuracy and veracity of the information provided.

2.1.9 With respect to the process for appointing directors, certain FRTSIL Board members have been appointed in line with requirements imposed by the CBI, which requires two INEDs and one non-executive director.

2.1.10 The two INEDs are industry experts who have been employed by Refinitiv. The NED is a Refinitiv employee based in Dublin who has a wealth of experience with Refinitiv over many years as a senior sales executive.

2.1.11 The FRTSIL Board will appoint an Executive Committee comprising FRTSIL's various heads of business. The Compliance Director and the Chief Risk Officer will attend meetings of the Executive Committee in an advisory capacity. In addition, the FRTSIL Board will create a Risk Committee and Disciplinary Committee and Appeals Panel and will delegate to the operational committees – Jurisdictional Approval Committee and Complaints Oversight Committee.

2.1.12 FRTSIL will have a Chief Operating Officer. The Chief Operating Officer will be responsible for the day-to-day operations of FRTSIL and the trading system, and will be supported by the Head of Service Management, the Chief Technology Officer, the Head of Outsourcing Oversight and the Senior Programme Manager. Day-to-day operations will include accountability and responsibility for:

- the delivery of all technical changes to the trading system;
- on-going operation of the trading system (supported by the Head of Service Management and the Chief Technology Officer);
- effective and timely delivery of all projects (supported by the Senior Programme Manager);
- management of operational and outsourcing risk (supported by the Head of Outsourcing Oversight); and
- cyber and data security.

2.1.13 FRTSIL will maintain a Risk Committee as a standing committee of the FRTSIL Board. The Risk Committee will meet every two months, or more frequently as circumstances dictate. The Chairperson of the Risk Committee (an INED) will approve the agenda for committee meetings, and any member may suggest items for consideration. Briefing materials will be provided to the committee as far in advance of meetings as practicable. Meetings are quorate when attended by two members.

2.1.14 FRTSIL will use the Refinitiv Group's Complaints Oversight Committee and Jurisdictional Approval Committee. In the case of the Complaints Oversight Committee, it is proposed that two individuals will be appointed by FRTSIL.

2.1.15 However, the FRTSIL Board will not perform the functions of an audit committee. While RTSL and FRTSIL take appropriate measures to ensure robust financial reporting, the use of an audit committee would be unsuited to the nature and structure of their businesses, given that many resources and functions are shared with or performed by other members of the Refinitiv Group. In addition, Section 167 of Ireland's Companies Act 2014 (the **Companies Act 2014**) provides that private companies which meet certain thresholds need to establish an audit committee or explain in their directors' report the reasons why they have not. FRTSIL will not meet those thresholds based on current financial projections.

2.1.16 FRTSIL's financial reporting will be undertaken by FRTSIL's CFO, who is a Finance Director within the Refinitiv Group.

2.1.17 FRTSIL also intends to undertake internal audits. FRTSIL's primary approach to auditing its control environment will be to use the independent internal audit services of Refinitiv Corporate Compliance and Audit (**CCA**). The Refinitiv CCA personnel who will be providing internal audit services will be employed by Reuters Limited.

2.1.18 To ensure adequate financial oversight by the FRTSIL Board, the FRTSIL Board will maintain oversight of the internal audit arrangements, including monitoring the implementation of an internal audit plan. The FRTSIL Board may request input from CCA on matters related to risk, internal controls and compliance with applicable rules. In executing the audit plan, CCA will specifically examine and evaluate the adequacy and effectiveness of FRTSIL's systems, internal control mechanisms and arrangements in accordance with the MiFID framework. CCA auditors performing the reviews on behalf of FRTSIL will have unrestricted access to all individuals, information and data.

(b) MTF's business and regulatory decisions are in keeping with its public interest mandate,

2.1.19 Refinitiv recognizes that there are many choices for trading the types of instruments available through the MTF. A failure to adopt and police appropriate rules, and make business and regulatory decisions in line with Refinitiv's public interest mandate, could seriously compromise Refinitiv's competitive position.

2.1.20 Accordingly, the MTF imposes strong and effective controls to ensure that markets remain fair and orderly for all Participants. Refinitiv has created governance structures to ensure that the MTF is overseen in a manner that accords with public expectations for a platform of this size and significance. These governance structures include the Rules, the ToR, and the various policies and procedures referred to throughout the Application. The broad range of expertise on FRTSIL's Board is also intended to ensure the representation of the interests of a broad cross-section of Participants and the wider public.

2.1.21 To this end, RTSL has, and FRTSIL will have, internal procedures intended to be used by Refinitiv Business, Technology, Operations, Compliance and Support Staff performing operational activities specified in MiFID II Article 48 and RTS 7 (together the **Regulations**) on behalf of such Applicant in connection with the MTF.

2.1.22 Under the Regulations, each Applicant is required to have in place effective systems, procedures, and arrangements to support consistent access for the MTF Participants. Controls required to be in place must prevent disorderly markets, allow for peak volume, stress testing, and business continuity arrangements, and must have associated procedures to support the need for implementation. Each Applicant has its own managed compliance risk monitoring program and dedicated surveillance platform.

2.1.23 Equally, the operation of the MTF also serves the broader public interest in liquid and efficient capital markets. Because of the confidence Participants place in it, the MTF has become

one of the most liquid trading venues for foreign exchange instruments. The market that Refinitiv provides allows quick and efficient price discovery and risk transfer for financial and non-financial institutions alike, fulfilling a critical economic role in allowing corporate firms and asset managers to efficiently and effectively hedge risk and fund their treasury activities. This allows those firms to reduce their cost of capital and thus helps to drive economic growth.

2.1.24 In addition, Refinitiv was an early and proud adopter of the FX Global Code, helping to ensure that all FX Participants are treated fairly. All business and regulatory decisions are taken with the view to treating customer fairly and ensuring fair and orderly markets in line with regulatory obligations.

(c) fair, meaningful and diverse representation on the board of directors and any committees of the board of directors, including:

(i) appropriate representation of independent directors, and

(ii) a proper balance among the interests of the different persons or companies using the services and facilities of the exchange,

2.1.25 The FRTSIL ToR shall be substantially the same as the RTSL ToR. A difference is the composition of the FRTSIL Board, which as described in Section 2.1.6, includes three non-executive directors, two of whom are independent. This is a requirement of the CBI.

2.1.26 Both of these directors would be considered independent under the tests in National Instrument 51-110 – *Audit Committees*.

2.1.27 As previously noted, under the Central Bank Reform Act 2010, certain activities within the Irish financial services industry can only be undertaken by individuals who have received prior approval from the CBI under the "CBI's Fitness and Probity Regime". Such roles, referred to as PCF roles, include Directors. Accordingly, each member of the FRTSIL Board must be pre-approved by the CBI. In determining whether an individual is of sufficient fitness and probity to perform a PCF role, including as a Director, an individual is required to be (1) competent and capable; (2) honest, ethical and to act with integrity; and (3) financially sound. When considering these criteria, the regulated entity and the CBI will need to consider not only those issues that have arisen in a financial services context but also the individual's actions more broadly. The CBI approval process for prospective PCF role holders, including Directors, requires the submission of a detailed Individual questionnaire to the CBI, which includes a complete employment history. A PCF applicant must complete an online declaration as to the accuracy and veracity of the information provided.

2.1.28 While FRTSIL's Board does not contain a representative of Participants, the representation of a broad range of functions from within Refinitiv's business ensures that the interests of different persons and companies using the MTF are balanced and that feedback from various constituencies is passed on to and considered by the Board.

2.1.29 For instance, the executive committee, which sits under the Board, has a Chief Technology Officer, who reports to the Chief Operating Officer. Sales is also strongly represented, including by the Chief Executive Officer of FRTSIL, who also has sales functions.

(d) The MTF has policies and procedures to appropriately identify and manage conflicts of interest, and

2.1.30 RTSL is required by its regulators, including the FCA, to identify, prevent and manage conflicts of interest fairly, both internally (including within the wider Refinitiv Group) and between

itself and its clients/Participants or between one client/Participant and another. RTSL is required to:

- identify conflicts of interest;
- prevent conflicts of interest;
- manage conflicts of interest;
- establish and maintain a comprehensive conflicts policy;
- disclose conflicts of interest where appropriate; and
- keep records of its conflicts of interest.

2.1.31 The RTSL Board is accountable for putting a conflicts management framework in place and implementing systems, controls and procedures to identify, escalate and manage conflicts of interest. In practice, the Board delegates responsibility for implementing the management of the conflicts register to Refinitiv Compliance, who will escalate any conflicts that cannot be resolved to the RTSL Risk Committee. Refinitiv Compliance will also provide the RTSL Board with written reports on conflicts of interests identified and managed, prevented or mitigated on a frequent basis, and at least annually.

2.1.32 RTSL has established a conflicts of interest policy with respect to the MTF that contains arrangements to prevent actual or potential conflicts of interest, a copy of which is available to Participants by e-mail upon request. Conflicts of interest under RTSL's policy can be defined as any situation in which a director of RTSL or any of Refinitiv's employees, consultants, staff, agents or appointed representatives acting on behalf of RTSL exploit their professional or official capacity in some way for personal or corporate benefit, or in such a way as to give rise to a material risk of damage to the interests of a client/Participant of RTSL. If a conflict of interest arises where the arrangements are considered not sufficient to protect Participants' best interests, RTSL may, as a last resort, make a disclosure to relevant Participants of the nature of the conflict.

2.1.33 Part 9 of the RTSL ToR specifically addresses Conflicts of Interest for directors and committee members and require that each such person inform the RTSL Board of any potential or actual conflict of interest he/she may have with RTSL.

2.1.34 FRTSIL intends to adopt the same framework as RTSL in regards to conflicts of interest, including the adoption of a Conflict of Interest Policy that is substantially similar to that adopted by RTSL.

(e) There are appropriate qualifications, remuneration, limitation of liability and indemnity provisions for directors, officers and employees of the exchange.

Directors

2.1.35 See 2.1(c) and 2.2 of this Application for information regarding the qualification of directors.

2.1.36 None of the directors of RTSL, and none of the executive officers of FRTSIL, are remunerated for their Board roles. The INEDs of FRTSIL are competitively remunerated as appropriate for successful retention.

2.1.37 The Companies Act 2014 includes a general prohibition against indemnities of "any officer" and makes void any provision which indemnifies "such an officer" against any liability in

respect of any negligence, default, breach of trust or breach of duty of which he or she may be guilty in relation to FRTSIL. Subsection 2(1) of the Companies Act 2014, states that “officer, in relation to a body corporate, includes a director or secretary.” Accordingly, the restrictions on indemnification apply to both directors and officers.

2.1.38 However, in limited circumstances, FRTSIL is permitted, pursuant to its Constitution and Section 235(3) the Companies Act 2014, to indemnify directors and officers out of the company’s assets against liability incurred by them a) in defending civil or criminal proceedings, in which judgment is given in his or her favour or in which he or she is acquitted; or b) where a court grants relief under section 233 or 234 of the Companies Act 2014 because the director acted honestly and responsibly.

2.1.39 Notwithstanding the general prohibition, the Companies Act 2014 permits a company to take out D&O Insurance and FRTSIL is covered under the Refinitiv Group’s D&O insurance.

Officers & Employees

2.1.40 RTSL itself does not employ any staff. RTSL operates by outsourcing operations to other Refinitiv Group companies. All outsourcing is subject to the Outsourcing Policy described in Section 14.

2.1.41 FRTSIL similarly intends to leverage the expertise and experience of the Refinitiv Group staffing resources and use the same outsourcing model as RTSL. Key functions, including compliance, risk management, sales, onboarding, outsourcing oversight, monitoring and surveillance, product and project management and operations would all be controlled and managed by a team of 14 individuals who will be based full time in FRTSIL's head office in Dublin. These functions would then be supported by Group personnel who would carry out duties for FRTSIL, pursuant to arrangements put in place by FRTSIL and other Group entities. Ultimately, the FRTSIL Board and its Executive Committee would oversee this arrangement to ensure activities are carried out to optimal levels.

2.2 Fitness – The exchange has policies and procedures under which it will take reasonable steps, and has taken such reasonable steps, to ensure that each director and officer is a fit and proper person and past conduct of each officer or director affords reasonable grounds for belief that the officer or director will perform his or her duties with integrity.

2.2.1 As an Irish regulated firm, FRTSIL must ensure that any FRTSIL Board candidate is approved by the CBI as a person in a PCF role before such candidate officially starts to perform their function. FRTSIL conducts appropriate due diligence checks as per the CBI's Fitness and Probity requirements before an Individual Questionnaire is submitted to the CBI seeking approval for the FRTSIL Board candidate. The CBI's Fit and Proper Standards, Guidance on Fitness and Probity Standards and Fitness and Probity - Frequently Asked Questions set out in detail the requirements and expectations in relation to persons performing Pre-Approval Controlled Functions. Persons concerned in the management (which includes FRTSIL Board Directors) of an Irish regulated financial service provider are subject to fines and other penalties in the event of participating or having participated in the commission by the financial service provider of a prescribed contravention.

2.2.2 In addition, FRTSIL has conducted and will conduct its own internal due diligence process with each identified director/officer. The document used to do so is in line with the PCF requirements of the CBI.

2.2.3 Section 5 of the FRTSIL ToR sets out the FRTSIL Board Responsibilities. These include the Directors statutory duty under the Companies Act 2014, which include the duty to:

- act honestly and responsibly;
- act in good faith in the interests of FRTSIL;
- act in accordance with FRTSIL's constitution/use powers lawfully;
- not use the company's property for own benefit;
- not restrict his/her power to exercise independent judgement;
- exercise care, skill and diligence;
- avoid unauthorized conflicts of interest; and
- have regard to interests of members and employees.

2.2.4 Sections 2.2.3 and 2.2.4 shall apply equally to the FRTSIL Board.

3 REGULATION OF PRODUCTS

3.1 **Review and Approval of Products – The products traded on the MTF and any changes thereto are reviewed by the Foreign Regulator, and are either approved by the Foreign Regulator or are subject to requirements established by the Foreign Regulator that must be met before implementation of a product or changes to a product.**

3.1.1 The currency instruments traded on the exchange are made public on the MTF website, and any changes, suspensions and removals thereto are submitted to the FCA or CBI, as applicable.

3.1.2 FRTSIL may only provide investment services in relation to instruments for which it is authorized by the CBI, namely “Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash.”

3.1.3 If FRTSIL sought to provide investment services for additional instruments, FRTSIL would need to seek the appropriate authorization from the CBI. In the event that FRTSIL sought to add additional financial or FX instruments then a regulatory approval from the CBI would be sought. In this case, Refinitiv Compliance and FRTSIL Compliance would work with internal stakeholders to seek the required approvals. Seeking such an approval would require Board approval. Prior to Board approval a number of steps would be taken. For example, the FRTSIL Head of Product Management would analyze whether any amendment to the Rules is required and would work collaboratively with the FRTSIL Compliance Director and the wider group legal function whose advice and review will be sought as needed. The FRTSIL Risk Committee and Executive Committee would also be engaged in the process.

3.1.4 Refinitiv is responsive to customer feedback, and therefore the desire for a new instrument could be initiated by a customer. However, it is more likely that this would occur because RTSL/FRTSIL had decided to expand the instrument list.

3.1.5 While the CBI's approval is not required to change, suspend or remove currency instruments traded through the MTF, FRTSIL will act in accordance with the procedures outlined in the Rules with respect to such actions. The CBI is aware of the content of the Rules and the CBI's approval of them is required for FRTSIL to be licenced in Ireland. For instance, Rule 1.7.5 requires that the Instrument Lists and any changes to such lists be published on the TR MTF

Website. Rule 5.2 provides a number of circumstances under which the MTF may suspend trading in certain instruments, including to preserve market integrity or if directed by the FCA or a Competent Authority.

3.1.6 FRTSIL may, for best practice and transparency, advise the CBI of any such suspensions, removals, and the like. In general, whether the CBI is advised will depend on the materiality of the change.

3.1.7 All instruments and currency pairs currently admitted to trading on the MTF will remain the same when the MTF is migrated to Ireland.

3.1.8 With respect to determining whether a product is susceptible to manipulation in accordance with IOSCO Principles 17.1.2(c), Refinitiv has a robust market surveillance programme designed to detect and deter manipulation and other unfair trading practices undertaken on the trading platform. Refinitiv uses a proprietary system known as “Medusa” (an automated alert system and case management tool used to monitor the Platform for Market Abuse) to monitor platform activities which may have the characteristics of being abusive, manipulative or disruptive. Alerts are designed to detect breaches relating to Market Abuse offences: insider dealing, unlawful disclosure, and market manipulation. Daily alert monitoring is conducted by the Compliance teams located in New York and also, shortly, in Dublin.

3.1.9 The FCA has never required RTSL to remove any financial instrument authorizations for failing to comply with FCA Principles for Business and/or MiFID regulations.

3.2 Product Specifications - The terms and conditions of trading the products are in conformity with the usual commercial customs and practices for the trading of such products.

3.2.1 Trading on the MTF is offered in the following Financial Instruments:

- FX forwards (swaps) via the Forwards Matching trading segment; and
- FX forwards (outright), FX swaps, FX NDFs, FX Options via the FXall RFQ trading segment.

3.2.2 The two trading segments differ according to (i) the trading protocols used and (ii) the market model.

3.2.3 Forwards Matching operates a central limit orderbook where orders submitted by Participants can be matched against other orders entered by other Participants on a price, time, and quantity priority. Forwards Matching is an interdealer market reserved for banks and wholesale financial firms operating in the FX markets.

3.2.4 FXall RFQ operates on a request for quote (**RFQ**) basis where a liquidity taker (typically a buy-side firm) may submit an RFQ to their liquidity provider (typically a bank) with whom they have an existing relationship. FXall is a “dealer to customer” market where dealers may receive and execute their clients’ orders on the Platform. Buy-side firms using the platform can include asset managers, pension administrators and large, sophisticated corporate groups managing their FX treasury activities.

3.2.5 FX forwards (swaps) and FX swaps are essentially the same thing, where the parties purchase two contingent buy and sell forward legs in the same transaction. An FX forward (outright) is a single leg forward transaction to either buy or sell a certain currency at a pre-arranged date in the future.

3.2.6 Financial Instruments are admitted in various currency pairs or FX Instruments; the current list is available in the documentation maintained on the MTF Website.

3.2.7 The term FX Instrument is used to denote a specific tenor and currency pair within a Financial Instrument, and the admission or removal of a Financial Instrument or an FX Instrument is at the discretion of Refinitiv. The Instrument Lists and any changes to such lists are published on the MTF Website (Rules Ch 1.7).

3.2.8 In the event that FRTSIL sought to add additional financial or FX instruments then a regulatory approval from the CBI would be sought. In this case, Refinitiv Compliance and FRTSIL Compliance would work with internal stakeholders to seek the required approvals. Seeking such an approval would require Board approval. Prior to Board approval a number of steps would be taken. For example, the FRTSIL Head of Product Management will analyze whether any amendment to the Rules is required and would work collaboratively with the FRTSIL Compliance Director and the wider group legal function whose advice and review would be sought as needed. The FRTSIL Risk Committee and Executive Committee would also be engaged in the process.

3.2.9 The terms and conditions of trading these products are in conformity with the usual commercial customs and practices for trading.

For NDFs, the usual commercial customs and practices include:

- Fixing date;
- Settlement procedure;
- Quoting Convention and Trading Increment;
- Minimum Size;
- Forward Rate; and
- Trading Hours.

For FX Options, the usual commercial customs and practices include:

- Option Style - European only;
- Option Type (put or call); and
- Expiration Date and Time.

3.2.10 Conformity to usual commercial customs and practice is also evidenced by the fact that Refinitiv is one of the world's leading providers of trading platforms in a highly competitive industry. Participants expect that the instruments offered by and through Refinitiv's platforms are traded on the terms that are customary for the particular instrument in question.

3.2.11 FRTSIL will also have robust procedures in place to ensure that client feedback is captured and reflected, including any feedback arising from Participant concerns that the terms and conditions are not in conformity with the usual customs and practices for trading in the products offered through the MTF.

3.2.12 FRTSIL's Head of Product Management will be responsible for overseeing the design of enhancements and changes to the system that are required as a result of either regulatory change

requests by the Compliance Director or client changes requested by the three Heads of Sales and Relationship Management (driven by client feedback).

3.2.13 In addition, RTSL was an early and enthusiastic adopter of the FX Global Code, to which FRTSIL will also adhere. This set of global principles of good practice in the foreign exchange market was developed to provide a common set of guidelines to promote the integrity and effective functioning of the wholesale foreign exchange market. It is intended to promote a robust, fair, liquid, open, and appropriately transparent market in which a diverse set of market participants, supported by resilient infrastructure, are able to confidently and effectively transact at competitive prices that reflect available market information and in a manner that conforms to acceptable standards of behaviour.

3.2.14 Lastly, the Rules are designed to ensure MiFID II compliance and compliance with the rules of the FCA. Once the migration occurs, the Rules will be designed to ensure compliance with the rules of the CBI. In doing so, Refinitiv seeks to ensure that the rules that apply to trading on the MTF are aligned with Participants' commercial expectations of a robust, well-regulated trading environment in conformity with the MiFID rules.

3.3 Risks Associated with Trading Products – The MTF maintains adequate provisions to measure manage and mitigate the risks associated with trading products on the exchange, including, but not limited to, margin requirements, intra-day margin calls, daily trading limits, price limits, position limits, and internal controls.

3.3.1 Rule 5.4.1 requires all Participants to implement their own pre- and post-trade controls consistent with the regulatory requirements of MiFID II.

3.3.2 Rule 5.4.2 states that as a minimum, Participants must apply the following pre-trade controls on all Order entry for all FX Instruments in real-time as follows:

- a) price collars, which automatically block or cancel Orders that do not meet set price parameters differentiating between Financial Instruments, both on an Order-by-order basis and over a specified period of time;
- b) maximum Order Sizes, which prevent Orders with an uncommonly larger Order size from being submitted into the system;
- c) for Forwards Matching only, maximum messages limits, which prevent sending an excessive number of messages to Order books pertaining to the submission, modification, or cancellation of an Order.

3.3.3 As per Rule 2.4.1 and Section 5.4 of the Rules, all Participants are required to implement their own pre and post trade controls consistent with the regulatory requirements of MIFID II. Pre-trade controls are required to be notified to the MTF during the pre-onboarding process. Compliance with this requirement is checked at onboarding.

3.3.4 Refinitiv takes a risk-based approach to auditing pre-trade and post-trade controls among Participants or applicants for access. Accordingly, while all applicants for access are required to meet the eligibility criteria, at onboarding only non-European Economic Area-authorized Participants must provide documentation with respect to pre-trade and post-trade controls. This documentation must demonstrate evidence of the control environment implemented to meet pre-trade price collar controls, maximum volume and value order size controls, in addition to Forwards Matching trading segment maximum message limit controls and the obligation to continuously operate post-trade monitoring controls to identify disorderly markets and erroneous trades.

3.3.5 In addition, Rule 1.2.1 requires that Participants agree to provide the MTF all information it reasonably requests in order to satisfy the requirements of applicable law or perform its obligations under the Rules or as Refinitiv may reasonably require. Accordingly, while the MTF does not conduct routine audits of Participants' pre-trade and post-trade controls, it may request information from Participants with respect to such controls in the event there are concerns about the adequacy of a Participant's controls.

3.3.6 Rule 5.5.1 states that Participants must implement and continuously operate post-trade monitoring consistent with their own regulatory requirements in order to monitor for market abuse, poor market conduct, disorderly markets and unethical trading practices (together **Market Abuse**) and to prevent disorderly markets. In addition, Participants must monitor their Transactions for Erroneous Trades, and as per Rule 5.7.6, all amendments to erroneous Transactions executed on the MTF must be agreed with the counterparty and reported to the Applicant.

3.3.7 The MTF does not impose daily trading limits or position limits. While these requirements exist in MiFID for MTF operators, they are restricted to commodity derivatives and not to the FX derivatives admitted to the MTF.

3.3.8 The MTF has its own pre-trade controls in place that check the price and the order size and prevent the order or RFQ from being executed if the price is deemed off-market or the order size is above a certain threshold.

3.3.9 In addition, the MTF also uses volatility controls on its central limit order book, and can also impose order throttling controls if necessary.

3.3.10 Rule 5.6.1 states that in order to prevent disorderly trading, the Applicant has implemented Trading Activity Controls (**TACs**) in relation to maximum Order size and Order price tolerance checks. Once triggered, these controls will prevent Orders from being executed. TACs are not applied to Options Offers-To-Deal (**OTD**) on the FXall Trading Segment. See Section 11.2.5 for further information on the TACs.

3.3.11 FRTSIL will be able to halt trading in an instrument on its own volition in situations that do not constitute emergencies (e.g. an unexplained price movement).

3.3.12 The Head of Product Management for FRTSIL will be responsible for systems and controls for managing trading halts, the suspension of financial instruments, pre-trade controls including price and order size checks at order entry, and order throttling. The Chief Technology Officer will be responsible for ensuring that the changes required by the Head of Product Management are properly implemented.

3.3.13 FRTSIL's CEO will communicate with the CBI regarding suspensions and removals and trading halts, engaging with the Compliance Director. The FRTSIL Board will also further empower the Compliance Director to communicate directly with the CBI on such matters.

4 ACCESS

4.1 Fair Access

(a) The exchange has established appropriate written standards for access to its services including requirements to ensure:

- (i) Participants are appropriately registered as applicable under Ontario securities laws or Ontario commodity futures laws, or exempted from these requirements,
- (ii) The competence, integrity and authority of systems users, and
- (iii) Systems users are adequately supervised.

4.1.1 FRTSIL will not provide direct access to an Ontario participant in Ontario unless the Ontario Participant is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements, and qualifies as an “eligible counterparty” (either “per se” or “elective”), as defined by Regulation 38 of the European Union (Markets in Financial Instruments) Regulations 2017.

4.1.2 For each Ontario Participant provided direct access to its MTF, as part of its application documentation or continued access to the MTF, the Applicant will require the Ontario Participant to represent that it is appropriately registered as applicable under Ontario securities laws, or is exempt from or not subject to those requirements. FRTSIL will reasonably rely on a written representation from the Ontario Participant that specifies either that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements. FRTSIL will notify each Ontario Participant that this representation is deemed to be repeated each time it enters an order, request for quote or response to a request for quote or otherwise uses the Applicant’s MTF.

4.1.3 FRTSIL will require that Ontario Participants notify the applicable Applicant if their registration as applicable under Ontario securities laws has been revoked, suspended, or amended by the OSC or if they are no longer exempt from or become subject to those requirements and, following notice from the Ontario Participant and subject to applicable laws, the Applicant will promptly restrict the Ontario Participant’s access to the MTF if the Ontario Participant is no longer appropriately registered or exempt from those requirements.

4.1.4 FRTSIL will make available to Ontario Participants appropriate training for each person who has access to trade on the Applicant’s facilities.

4.1.5 Admission to the MTF is subject to Refinitiv due diligence (**Know Your Client**) checks on Participants, the Participant’s compliance with the Eligibility and Operational Criteria set out in Chapter 2 of the Rules, and the Participant’s execution of the Participant Agreement (including the commitment to abide by the Rules).

4.1.6 Part of the Eligibility Criteria is meeting the criteria of an Eligible Counterparty, either “per se” or “elective” as defined by Regulation 38 of the European Union (Markets in Financial Instruments) Regulations 2017. All Participants are required to notify the Applicant immediately if they cease to meet the criteria of an Eligible Counterparty.

4.1.7 The other Eligibility Criteria are:

- Participants must be deemed to be fit and proper, must act with honesty and integrity at all times, and must be of sufficiently good repute.
- Participants must ensure their users have a sufficient level of trading ability, skill, competence and experience to conduct activities on the MTF.
- In particular, as a minimum, Participants must ensure their Users are sufficiently trained in the application of the Rules, relevant Market Abuse regulations, e.g. Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse (market abuse regulations), and the FX Global Code. Participants may be asked to provide evidence to confirm that their Users have completed this training.
- Participants must be of adequate financial soundness⁶ during both the application process and during the terms of the Participant Agreement.
- Participants must ensure that they have sufficient resources⁷ for the role they are to perform in meeting the operational requirements of using the MTF and for guaranteeing settlement of transactions.
- Participants must, where applicable, have adequate organizational arrangements commensurate with meeting their own regulatory obligations.
- Participants must have in place adequate systems and controls to ensure their on-going compliance with the Rules and management of their trading activities.
- Participants wishing to access the MTF via the TR API must have the technical ability to install and use the API to access the MTF.
- Participants must ensure they meet any local regulatory requirements with respect to trading financial instruments on the MTF, including ensuring that their users hold the correct regulatory approvals where relevant.

4.1.8 The eligibility criteria are designed among other things to help ensure that Participants have the competence, integrity and authority to trade that other Participants expect of counterparties on a platform of the size, complexity and importance of the MTF.

4.1.9 The eligibility criteria do not require yearly renewal or sign-off. However, under Self Assessment (Article 48, MiFID II Directive; Commission Delegated Regulation 2017/584) FRTSIL upon operational go-live will on an annual basis be required to check a sample of Participants for eligibility.

⁶ With respect to the meaning of “adequate financial soundness” and how it is assessed, Forwards Matching subscribers allocate a willingness to trade on a counterparty by counterparty basis before being able to match with a counterparty’s price. This responsibility is at participant level, not at the Refinitiv level. Matching subscribers will only trade with each other once matched and where counterparty names are declared and confirmation of trading terms including credit lines are mutually accepted. Matching is an anonymous trading system. Therefore, continual assessment is being made by the counterparties as to the “credit limit” e.g. financial soundness of each counter party before they commit to the match. FXall RFQ works on a different basis as trading is based on established relationships set by the counterparties. If there is no available credit then the bank will not price.

⁷ The admission criteria are designed to ensure that the MTF admits well-resourced Participants of the sort who are fit to participate in a trading platform of the size and scope of the MTF. Once Participants are admitted, Refinitiv entrusts Participants with ensuring they have sufficient resources to trade, meet their reporting obligations, and comply with the Rules. While Refinitiv does not actively monitor the resources of Participants, it may investigate in the event there is a breach of the Rules or market surveillance raises concerns about the adequacy of a Participant’s resources.

4.1.10 Operational Criteria include (i) conformance testing using the MTF testing facilities to ensure that the functioning of their trading systems, algorithms and trading strategies properly communicate and interact with, and are in compliance with the MTF's conditions and (ii) providing requested information in regards to, among other matters: pre-trade controls on price, Volume and value of Orders and OTDs, and usage of the system; post-trade controls on trading activity; qualifications required of staff in key positions (i.e. Users); and Participant policy on the use of the kill switch functionality.

4.1.11 Participants must also supply any information requested by the Applicant to enable monitoring of responsibilities with respect to the Eligibility and Operational Criteria.

4.1.12 FRTSIL will implement a surveillance system, known as "Medusa" and processes designed to detect patterns of behaviour by platform participants that may indicate Market Abuse in general.

(b) The access standards and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.

4.1.13 FRTSIL will develop transparent and non-discriminatory rules based on objective criteria that govern access to the MTF; these are published in the Rules with additional information set out in the MTF Supplementary Annex. These rules apply equally to applicants for participation and are made clear to all applicants for access. Any decision to limit or deny access is subject to the general disciplinary process and appeal process outlined in section 7 below.

4.1.14 See 4.1(a) for the Eligibility and Operational Criteria that all Participants must meet.

(c) The exchange does not unreasonably prohibit, condition or limit access by a person or company to services offered by it.

4.1.15 There is no unreasonable prohibition, condition or limitation on access by a person or company to services offered on the MTF. To the extent access is prohibited, conditioned, or limited, it is to ensure the stability and integrity of the MTF.

4.1.16 Applicants for access to the MTF will have the right to appeal a denial of access or a grant of conditional or limited access. The process for appealing a denial of access or a grant of conditional or limited access are outlined in section 7 below, and are the same as for appeals of disciplinary decisions with respect to the MTF generally.

4.1.17 Apart from any initial decisions with respect to the granting of access, the MTF may take actions to restrict or limit the access of a Participant once granted if that Participant's conduct on the MTF constitutes a breach of the Rules or poses risks to the functioning of the Platform or other Participant. In the interests of maintaining a fair and orderly market, the Refinitiv Disciplinary Committee may impose any of the following sanctions with respect to any breaches of the Rules at its discretion: verbal warning, written warning, temporary suspension or termination of access to the MTF.

4.1.18 In addition, a Participant's access to the MTF may be suspended or terminated if: the Participant's API is responsible for impacting the normal operation, performance, or quality of the MTF, in any respect; there is unauthorized use of the market data feed; there is unauthorized access to components within the distribution network; or Participants do not provide the required information to enable RTSL to perform ongoing due diligence.

(d) The exchange does not

- a. permit unreasonable discrimination among participants, or**

b. impose any burden on competition that is not reasonably necessary and appropriate.

4.1.19 Unreasonable discrimination amount Participants is not permitted on the MTF. Both of the trading segments, Forwards Matching and FXall RFQ, permit Participants to interact and trade with any other Participant.

4.1.20 The Rules are designed to avoid unreasonable restraints of trade or the imposition of any material anticompetitive burden on trading, as will the specification for each contract approved for trading on the MTF. In particular, access to the MTF does not require the acquisition of any equity interest and is available to a broad range and potentially unlimited number of Participants on a fair, equitable and timely basis.

4.1.21 With regards to MiFID II, although there is no specific restraint of trade provision, one of the core planks of MiFID II's drive towards transparency and greater choice is its open access regime. This regime obliges trading venues and clearing houses to allow non-discriminatory access to their services, meaning traders can trade a future on one exchange and clear it at a central counterparty (CCP) owned by a completely separate group.

4.1.22 Encouraging competition and preventing anti-competitive practices are not explicit objectives of the CBI. There is a separate state body which has responsibility in this area, which is the Competition and Consumer Protection Commission (**CCPC**). The CCPC covers all industries, including financial services.

4.1.23 However, through the CBI's responsibilities to guard the "Stability of the Financial System" and the "Regulation of Financial Institutions and Enforcement Actions," the CBI aims to ensure that regulated firms are financially sound and safely managed ensuring a level playing field for regulated firms (and their clients), which in turn encourages competition within the financial services sector. Through its Administrative Sanctions regime (i.e. enforcement action), the CBI has a wide range of powers and tools to take action against regulated firms and individuals in those firms, where behaviour falls short of the CBI's expected standards of behaviour, including where anti-competitive practices occur.

(e) The exchange keeps records of each grant and each denial or limitation of access, including reasons for granting, denying or limiting access.

4.1.24 Records of each grant and each denial or limitation of access, including reasons for granting, denying or limiting access, are kept for a period of seven years.

5 REGULATION OF PARTICIPANTS ON THE EXCHANGE

Regulation – The MTF has the authority, resources, capabilities, systems and processes to allow it to perform its regulation functions, whether directly or indirectly through a regulation services provider, including setting requirements governing the conduct of its participants, monitoring their conduct, and appropriately disciplining them for violations of exchange requirements.

5.1 Members and other participants are required to demonstrate their compliance with these requirements

5.1.1 Working in close conjunction with Competent Authorities, Refinitiv maintains the authority, resources, capabilities and processes to regulate the MTF and ensure a fair and orderly marketplace. The MTF does not employ a regulation services provider. As part of the wider Refinitiv Group, the MTF is able to leverage the scale and resources of the wider Group to help

perform their regulatory function, including Group-wide resources with respect to compliance, information technology, and knowledge of market practices.

5.1.2 By executing a Participant Agreement, each Participant agrees to abide by the Rules. The Rules set requirements governing, among other matters: Participant Access and Responsibility, Trading Market, Fair and Orderly Markets, Conduct and Integrity, Investigations, Sanction and Appeals, and Contractual Obligations.

5.1.3 Participants are required as a condition of continued access to comply with the Rules. In the first instance, they are required to keep information accurate and up-to-date by providing information through the MTF.

5.1.4 Further, section 1.6.3 of the Rules requires that all Participants comply with both the Rules applicable to the MTF as a whole, and the rules applicable to the specific trading segment the Participant is authorized to and wishes to access.

5.1.5 Failure to adhere to the Rules may result in disciplinary action being taken. However, the MTF's procedures allow Participants to be heard and make submissions before being subjected to any final disciplinary measures. Participants may appeal against the outcome of a meeting of the Disciplinary Committee on grounds that: (i) the sanction imposed is unreasonable; (ii) not all relevant evidence presented to the Disciplinary Committee was appropriately considered; or (iii) the Disciplinary Committee misdirected itself or did not follow its own procedures correctly.

5.1.6 For a description of the disciplinary process in detail, please see section 7 of this Application.

6 RULEMAKING

6.1 Purpose of Rules

(a) The exchange has rules, policies and other similar instruments (Rules) that are designed to appropriately govern the operations and activities of participants and do not permit unreasonable discrimination among participants or impose any burden on competition that is not reasonably necessary or appropriate.

6.1.1 FRTSIL will maintain a comprehensive set of rules and policies designed to govern the operation of the MTF. The Rules sets out obligations of Participants, including Trading Rules (Chapter 4), Fair and Orderly Markets (Chapter 5) and Conduct and Integrity (Chapter 6). The Rules do not impose an unreasonable, unnecessary or inappropriate burden on competition.

6.1.2 FRTSIL is not required to provide proposed changes to the Rules to the CBI for approval. However, any such proposed changes must remain in compliance with all legal and regulatory obligations. As part of standard supervisory engagement between FRTSIL and the CBI, the CBI may request a copy of the current version of the Rules at any time and seek from FRTSIL any information or explanations the CBI deems necessary.

(b) The Rules are not contrary to the public interest and are designed to

(i) ensure compliance with applicable legislation,

6.1.3 The Rules are designed to ensure compliance with applicable legislation.

6.1.4 Section 11.1.1 of the Rules requires that Participants must comply with the Rules and with all applicable laws, regulations, codes of conduct and market practice to which Participants are

bound in relation to their MTF activity, including all applicable laws and regulations relating to money laundering, proceeds of crime and any other financial crime legislation.

6.1.5 Further, pursuant to Section 11.1.2 of the Rules, where an Applicant is of the view that by continuing to provide access to the MTF to a Participant it would be at risk of becoming involved in an arrangement which it knows or suspects facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person, it may terminate access to the MTF, either temporarily or permanently, without prior notice and with immediate effect.

6.1.6 Each Applicant will monitor Participants' activity on the MTF to identify breaches of compliance with the Rules, including identifying disorderly trading conditions or abusive conduct. RTSL will comply with its regulatory obligations to report suspicious activity to the relevant Competent Authority or Law Enforcement Agency.

(ii) prevent fraudulent and manipulative acts and practices,

6.1.7 Section 6.2 of the Rules prohibits the following types of behaviour (collectively described as **abusive conduct**), whether intentional, accidental, manual or automated, and whether they occur individually, or in collusion with others:

- a) committing any act or course of conduct that creates, or is likely to create, a false or misleading impression of the market in, or the price, supply or value of, any FX Instrument traded on the MTF, or any FX Instrument, benchmark or reference, whose value depends on that FX Instrument including using layering and spoofing strategies;
- b) submitting fictitious Orders, i.e. with a fictitious quantity or price, or entering into, or attempting to enter into, artificial Transactions;
- c) committing any act or engaging in any course of conduct that causes, or contributes to, a breach of the Rules by another Participant;
- d) effecting a pre-arranged Transaction that is designed to give the market a false view of supply, demand or pricing of an FX Instrument;
- e) credit manipulation, for example, adjusting credit limits with other Participants on a temporary basis, with the purpose of entering Orders that cannot be traded in order to give a false view of the current market;
- f) dealing in FX Instruments based on confidential information about impending events or transactions in those Instruments;
- g) committing any act of deception, fraud, or contrivance in relation to the use of the MTF, or to any markets, benchmarks, or references whose values depend on FX Instruments admitted to the MTF;
- h) any activity whatsoever that could be interpreted by a Competent Authority or Law Enforcement Agency as a breach of abusive conduct laws or regulations or defined as Market Abuse or equivalent under global regulations; and
- i) committing any act that is likely to damage the fairness or integrity of the markets available on the MTF.

(iii) promote just and equitable principles of trade,

6.1.8 Chapter 6 of the Rules deals with Conduct and Integrity. In addition to the prohibited practices described above, Participants are required to:

- a) ensure all Orders are made with a clear and genuine intent to trade;
- b) all Orders are entered correctly; and
- c) act with integrity and mutual respect to resolve disputes directly with their counterparty promptly.

(iv) foster co-operation and co-ordination with persons or companies engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in products traded on the exchange,

6.1.9 Chapter 3.4.7 of the Rules requires that Participants must provide any information, data, records or audit trails requested by the Applicant in connection with an investigation into a breach of the Rules.

6.1.10 Participants must cooperate with the Applicant, and the FCA or the CBI, as applicable, and any other relevant Competent Authority or Law Enforcement Agency in any regulatory investigation, including facilitating the monitoring of compliance with conduct rules, in an open and honest manner and promptly provide either soft or hard copies of data or records upon request (Chapter 7.2.1).

6.1.11 It is noted that Participants are responsible for (i) ensuring the prompt exchange and processing of Transaction confirmations directly with their counterparties in accordance with market practice and (ii) for the post-trade settlement of all executed Transactions bi-laterally, and are responsible for providing one another with any information or documentation that is reasonably required to complete a Transaction.

(v) provide a framework for disciplinary and enforcement actions, and

6.1.12 Chapter 7 of the Rules sets out the procedures for investigations, sanctions and appeals.

(vi) ensure a fair and orderly market.

6.1.13 Chapter 5 of the Rules deals with Fair and Orderly Markets. As part of the Rules, Participants are required to implement their own pre- and post-trade controls consistent with the regulatory requirements of MiFID II. In addition, to prevent disorderly trading, Refinitiv has implemented TACs in relation to maximum Order size and Order price tolerance checks (See Section 11.2.5). Once triggered, these controls will prevent Orders from being executed.

6.1.14 In addition, Chapter 5 sets out (i) the actions that the Applicant may take to maintain orderly and proper markets and (ii) the actions that the Applicant may take to restore the proper operation of, and the orderly business conduct of, the MTF. The Applicant may also suspend trading in an admitted Financial Instrument in one or more FX Instruments where it is considered necessary for the maintenance of a fair and orderly market, unless such suspension or removal would be likely to cause significant damage to investors' interests or the orderly functioning of the markets, for instance, if it were likely to create a systemic risk that could undermine financial stability.

6.1.15 As per the Rules, the obligation is on the Participant to administer and monitor their own credit lines. Refinitiv has no access to clients' credit files. Refinitiv does however continually

monitor Participants to ensure they have sufficient credit for the instruments markets they are set up to trade in. See section 3.2.4 of the Rules. If a Participant wishes to access the Refinitiv MTF solely from a Refinitiv API at a given Site, the Participant must have a method of credit management from their primary Site.

6.1.16 Participants must set market and credit risk limits based on their capital base, their settlement arrangements, their trading strategy, their risk tolerance, experience and other relevant variables, such as the length of time they have been engaged in Algorithmic Trading and their reliance on third party vendors. Participants must adjust their market and credit risk limits to account for the changing impact of their Orders on the relevant Trading Segment due to different price and liquidity levels. Post-trade controls must include the continuous assessment and monitoring of market and credit risk of the Participants in terms of effective exposures. FXall RFQ Makers must have an appropriate level of risk management and operations infrastructure to enable them to monitor both trading activity during the Refinitiv MTF opening hours described in Chapter 4 of the Rules and their credit limits and credit limitations for other Takers.

7 DUE PROCESS

7.1 Due Process – For any decision made by the exchange that affects a participant, or an applicant to be a participant, including a decision in relation to access, exemptions, or discipline, the exchange ensures that:

- (a) parties are given an opportunity to be heard or make representations, and**
- (b) it keeps a record of, gives reasons for, and provides for appeals or reviews of its decisions.**

7.1.1 The MTF's procedures allow Participants to be heard and make submissions before being subjected to any final disciplinary measures.

7.1.2 In the first instance, Compliance will investigate the facts of each suspected Breach based on the available evidence to the extent possible, seek to understand whether and why the suspected Breach occurred and assess any remedial action the Participant has already taken to prevent future similar Breaches.

7.1.3 The Disciplinary Committee and Review Panel will conduct Disciplinary Proceedings (via Review meetings) in relation to acts or omissions amounting to potential serious, persistent or intentional breaches of any of the Rules or inappropriate market conduct by any definition (as reasonably determined by FRTSIL) by a client or an individual user in respect of any Breaches, and to determine the appropriate outcome. The Disciplinary Committee will attend Review meetings on an ad hoc basis when requested to do so by the Compliance Director to review the evidence in relation to alleged Breaches.

7.1.4 Where Compliance believes there has been a serious or repeated Breach, and there is no requirement to provide a regulatory referral to a Competent Authority or Law Enforcement Agency, the Breach will be escalated to the Disciplinary Committee for further review and potential disciplinary action. The procedures for the Disciplinary Committee, and any appeals from its findings, are provided in the F&R Disciplinary Committee and Appeal Panel Terms of Reference.

7.1.5 Prior to requesting a Review meeting, Refinitiv Compliance will investigate the facts of each suspected Breach based on the available evidence to the extent possible, seek to understand whether and why the suspected Breach occurred and assess any remedial action the client has already taken to prevent future similar Breaches. Refinitiv Compliance will, where appropriate, conduct interviews beforehand with the client in order to confirm the facts of the situation

7.1.6 The client is provided with a Summary of Findings describing the suspected Breach(es) and summarizing the main points of the investigation and detailing the evidence that was relied upon. The client has 15 business days to provide a response and will be provided with at least 10 business days' notice of any Review meeting. Clients may continue to submit evidence to the Disciplinary Committee for consideration until two business days before the Review meeting. Each party may choose to be legally represented at a Review meeting.

7.1.7 At the Review Meeting, each suspected Breach will be considered on its own merits and a decision will be made based on the available facts; however the Disciplinary Committee will consider the relevance of prior or repeated Breaches or findings by the same client or individual user. This is in addition to taking account of any remedial action or internal disciplinary actions taken by clients against employee users.

7.1.8 The Disciplinary Committee will comprise the following individuals or their designated alternate(s):

- The Board Chairperson, who is an INED and who will also act as Chairperson of the Disciplinary Committee;
- The FRTSIL Risk Committee Chairperson, who is also an INED; and
- An independent industry expert.

7.1.9 Participants may appeal against the outcome of a meeting of the Disciplinary Committee on grounds that: (i) the sanction imposed is unreasonable; (ii) not all relevant evidence presented to the Disciplinary Committee was appropriately considered; or (iii) the Disciplinary Committee misdirected itself or did not follow its own procedures correctly.

7.1.10 The appeal will be heard by an Appeals Panel. A meeting may be held to discuss the appeal, at the request of the appellant or the Appeals Panel.

7.1.11 The Appeals Panel will comprise the following people or their designated alternate(s):

- Refinitiv's Chief Counsel – Europe;
- Refinitiv's General Counsel; and
- An independent industry expert.

7.1.12 The Appeals Panel will seek to conclude an appeal within twenty business days following receipt of the notice of the appeal. The Appeals Panel will review the appeal and determine, based on a majority decision, whether to uphold the decision, overturn the decision, or vary the decision. The Appeals Panel will decide whether to publish the findings of the Disciplinary Committee and Appeals Panel, with or without disclosing the identity of the Participant or User concerned, in part, in summary, or in full, where it believes that to do so would be of assistance to the market.

7.1.13 Participants will not have the right to appeal against warnings issued by the Compliance Director.

7.1.14 The Applicant is required to notify its regulator of significant Breaches.

7.1.15 This process is the same for both RTSL and FRTSIL, with the only difference being that the Disciplinary Committee and Appeals Panel is a committee of the FRTSIL Board, whereas for RTSL, the committee is part of the broader Refinitiv Group.

7.1.16 RTSL did not undertake any litigation against Participants in 2018 with regard to breaches of the MTF Rulebook. There have been no MTF Rulebook violations or incidents during 2016, 2017 or 2018.

7.1.17 Any failure to complete an investigation in a timely manner would significantly jeopardize the integrity of the MTF. Because the Disciplinary Panel consists of the Chair of the Board, the Chair of the Risk Committee, and an independent industry expert, any failure to complete an investigation in a timely manner would be known to senior directors and officers and adequately considered at the highest levels of FRTSIL, including by the Board and Risk Committee if appropriate.

8 CLEARING AND SETTLEMENT

FRTSIL will provide the MTF for FX instruments which are bilaterally settled between the counterparties to the transaction. FRTSIL does not offer access to settlement, clearing or payment systems as part of the transaction process. As a consequence of its business model, the information asked for in section 8 is not applicable to FRTSIL.

All the transactions concluded via the MTF and systems operated by the Applicant are settled and cleared by the individual parties to the transactions directly without intervention from the Applicant, i.e. each participant of the MTF is subject to bilateral settlement arrangements.

The MTF is not connected to a clearing facility and none of the FX instruments admitted to trading is subject to clearing mandates in any jurisdiction in which the MTF operates.

9 SYSTEMS AND TECHNOLOGY

NOTE: Section 9 reflects the systems and technology of RTSL. However, as FRTSIL intends to utilize the same systems and adapt the same technology, the disclosure applies equally to FRTSIL and regulation by the CBI.

9.1 Systems and Technology – Each of the exchange’s critical systems has appropriate internal controls to ensure completeness, accuracy, integrity and security of information, and, in addition, has sufficient capacity and business continuity plans to enable the exchange to properly carry on its business. Critical systems are those that support the following functions:

- a) order entry,
- b) order routing,
- c) execution,
- d) trade reporting,
- e) trade comparison,
- f) data feeds,
- g) market surveillance,
- h) trade clearing, and
- i) financial reporting.

9.1.1 As a general matter, RTSL maintains controls used to ensure the proper function, adequate security and capacity of automated trading systems and related systems such as those used for dissemination of market data and recording and safe storage of audit trail information. These controls include periodic, objective testing and the review of automated systems to ensure that these systems are reliable, secure and have adequate scalable capacity.

9.1.2 With respect to the specific critical functions listed above, FRTSIL will maintain robust controls to ensure that each function is overseen in a manner consistent with a multilateral trading venue of the MTF's size and importance. With respect to order entry, routing and execution, FRTSIL has a reporting structure designed to ensure the technical integrity of the trading system. The Head of Product Management, who will be based in Ireland and part of a larger Refinitiv Group team, will be responsible for overseeing the design of enhancements and changes to the system that are required as a result of either regulatory changes requested by the Compliance Director or client changes requested by the Heads of Sales and Relationship Management (driven by client feedback). This will include systems and controls for managing trading halts, the suspension of financial instruments, pre-trade controls including price and order size checks at order entry, and order throttling. The Chief Technology Officer (who will report to the Chief Operating Officer) will be responsible for ensuring that the changes required by the Head of Product Management are properly implemented.

9.1.3 The Chief Technology Officer will, under the supervision of the Chief Operating Officer, also liaise with the Firm's Head of Product Management regarding how technical changes to the trading system will be implemented and will be involved in technical remediation where issues occur with the operation of the trading system.

9.1.4 The Chief Operating Officer will be responsible for the day-to-day operations of FRTSIL and the trading system, and will be supported by the Head of Service Management, the Chief Technology Officer, the Head of Outsourcing Oversight and the Senior Programme Manager. Day-to-day operations will include accountability and responsibility for, among other things:

- the delivery of all technical changes to the trading system;
- on-going operation of the trading system (supported by the Head of Service Management and the Chief Technology Officer); and
- management of operational and outsourcing risk (supported by the Head of Outsourcing Oversight).

9.1.5 With respect to trade reporting, the MTF will be required to publish post-trade reports under MiFIR. In order to leverage efficiencies within the wider Refinitiv Group and ensure that sufficient resources are devoted to trade reporting, FRTSIL proposes to enter into an outsourcing arrangement with TradeWeb EU BV (Netherlands) (**TradeWeb**), a Refinitiv Group company that operates an approved publication arrangement (**APA**). As an APA and also the operator of an MTF, TradeWeb has built and operates the systems, controls, and procedures to effectively carry out post-trade reporting in compliance with MiFID II / MiFIR on behalf of third parties. FRTSIL will outsource post-trade reporting to TradeWeb so that it can leverage existing post-trade reporting capabilities within the Refinitiv Group and share the set-up and operational costs of post-trade reporting systems with TradeWeb and its other third party users. This is the same arrangement that RTSL currently uses for regulatory trade reporting with TradeWeb Europe Limited.

9.1.6 With respect to market surveillance, FRTSIL will have a Monitoring & Surveillance Officer, who will assist the Compliance Director with identifying and where necessary reporting any potential instances of market abuse. The Compliance Director may refer the matter to the Surveillance Review Team, which will convene at least once each week to review and discuss cases.

9.1.7 The purpose of the Surveillance Review Team will be to review investigations, add market expertise, and discuss whether to submit a suspicious transaction report. However, it is the Compliance Director who will make a Suspicious Transaction and Order Report (STOR) and will be responsible for doing so, and will consider whether there may be other issues relating to money laundering or fraud. The Surveillance Review Team will not be a committee of the Firm's Board. It will however, provide the Firm's Compliance Director and its Monitoring & Surveillance Officer with a forum to canvass the views of other Group experts who may have previously encountered a similar situation. The Surveillance Review Team will include a number of members with different key roles, including: (i) Surveillance Analysts; (ii) a Trading Behaviour and Rules Manager; (iii) Compliance Directors in FRTSIL and in Refinitiv, including FRTSIL's Compliance Director; and (iv) FRTSIL's Monitoring & Surveillance Officer.

9.1.8 With respect to clearing, as noted in section 8, the MTF does not engage in clearing.

9.1.9 With respect to financial reporting, certain financial reporting and audit functions are outsourced to the wider Refinitiv Group, as detailed under section 2.1. This is done in order to leverage efficiencies within the wider Refinitiv Group and ensure that sufficient resources are devoted to financial reporting.

9.1.10 Apart from controls pertaining to the specific critical functions noted above, on an information technology level, RTSL adopts principles and elements of practice from industry IT control and risk management frameworks across its critical functions, including elements based on the ISO 27001 framework to manage the business risks arising from the use of information technology and change management in support of its critical business processes.

9.1.11 The IT risk management program strives to:

- protect RTSL systems and customer information at a level commensurate with its value;
- enable secure access to information resources;
- collaborate with RTSL business management team to nurture a strong culture of IT risk management;
- balance the cost of developing and deploying a solution with the risk the solution mitigates; and
- comply with corporate information security policies, standards and relevant regulations.

9.1.12 IT compliance function targets environments including critical business environments, business applications, information systems and networks. The Refinitiv IT compliance role is part of the Information Security Risk Management function, which reports to the Chief Information Security Officer (CISO) and regularly provides input reporting to the RTSL Risk Committee. The RTSL Information Security Office employs dedicated experienced staff with certifications from ISACA. In the course of performing audits, FXall also contracts an independent and licensed certified public accountant (**CPA**) and Public Company Accounting Oversight Board (PCAOB) registered firm for the audit of Service Organization Controls (**SOC**) for FXall. The scope of the audits includes:

- SOC 1, which assesses the internal control over financial reporting
- SOC 2, which reports information and the CPA firm's opinion about controls relevant to security, availability, processing integrity, confidentiality and privacy.

9.1.13 Regularly scheduled internal audits include the access recertification process for all critical systems. Findings from audits are tracked to resolution and regularly reported to executive management.

9.1.14 With respect to ensuring that Participants have proper systems in place, while there is no direct requirement that Participants regularly test their backup equipment, the MTF makes available tools that allow Participants to test their critical systems. Moreover, insofar as Participants are required to maintain adequate books and records, the MTF expects Participants to test their backup systems as appropriate.

9.1.15 Rule 2.4.2 requires Participants accessing the MTF via an application programming interface (API) to test their systems prior to the deployment of a change to their systems. The MTF provides an integration environment in which Participants may test their connectivity and the functioning of their systems for this purpose; access to the integration environment is managed on a scheduled basis.

9.1.16 Chapter 3.4 of the Rules prescribes ongoing obligations to maintain adequate books and records or system change and developments and order entry to the MTF, and to have adequate execution and settlement systems and procedures in place. The MTF monitors adherence to the Rules annually using a risk based approach, including on-site inspections of Participants' systems where deemed necessary, and questionnaires designed to test the Participant's adherence to the Rules.

9.2 System Capability/Scalability - Without limiting the generality of section 9.1, for each of its systems supporting order entry, order routing, execution, data feeds, trade reporting and trade comparison, the exchange:

- (a) makes reasonable current and future capacity estimates;**
- (b) conducts capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner;**

9.2.1 In order to ensure adequate capacity and performance planning, RTSL employs a process of determining the production capacity needed by monitoring usage trends and peaks, which can trigger follow-up actions for increasing capacity where there are indications that established thresholds are being exceeded. Additional resources are typically triggered at 50% of capacity at face value. The results and remediation are reported monthly to the Refinitiv operating committee. RTSL undertakes capacity stress tests to ensure systems can adequately process transactions.

9.2.2 The TR Matching performance testing uses a combination of obfuscated production data and synthesized load. Based on testing through June 2015, the MTF could sufficiently support doubling its historical peak without experiencing issues.

9.2.3 In regards to software releases, RTSL has developed a system testing approach. Such approach is designed to control the commencement of development pending the sign-off by all stakeholders to agree the requirements are clear, scope is defined and quality risks are known and understood and that regression testing of existing capabilities are considered and included as necessary whatever the change. Each phase of the testing has key auditable outputs and reporting is required as to what testing has been executed, how it compares with the originally planned testing and what the results/outcomes were.

(c) reviews the vulnerability of those systems and data centre computer operations to internal and external threats, including physical hazards and natural disasters;

9.2.4 Consistent with article 48 of MiFID II, the MTF has disaster recovery plans in place that would ensure trading can be resumed within 2 hours of a major service disruption.

9.2.5 RTSL uses an industry leading commercial Vulnerability Management (**VM**) to help automate the lifecycle of network auditing and VM. Network perimeter unauthenticated scans are performed monthly on all external facing IP addresses for the RTSL data centers and offices.

9.2.6 Each time a scan is run, reports are generated to identify new, fixed, and un-remediated vulnerabilities. This serves for tracking successful remediation of previous findings. High severity or high risk vulnerabilities are flagged and targeted to be remediated as priority. For lower severity vulnerabilities, reports are distributed to security personnel in various infrastructure groups to review, track, and remediate where practical and provided there is no adverse business impact. Interior network authenticated scans are scheduled to be performed quarterly on hosts in the data centre.

9.2.7 In the event of a physical or natural disaster, the data centre facility has contingencies in place to keep the infrastructure functioning. To maintain power availability, high-capacity, redundant generators are utilized that guarantee power availability even during regional power outages. In addition, the data centers are built on raised floors and have high- volume, zoned temperature and humidity control systems which are monitored on a 24/7 basis. Redundant HVAC units are employed with emergency electrical systems to maintain availability. The fire suppression system utilized in the data centers is built around the Very Early Smoke Detection Apparatus detection system - a state-of-the-art "sniffer" system that detects smoke from the earliest stages of combustion. Finally, leak detection is built into the data centre's building automation management system.

(d) ensures that safeguards that protect a system against unauthorized access, internal failures, human errors, attacks and natural catastrophes that might cause improper disclosures, modification, destruction or denial of service are subject to an independent and ongoing audit which should include the physical environment, system capacity, operating system testing, documentation, internal controls and contingency plans;

9.2.8 RTSL's Information Security Risk Management Practices are established upon an information security framework which utilizes an information security management system to guide the implementation, operation and continuous improvement of policies, standards and practices which are applicable to its IT operations.

9.2.9 The RTSL Information Security policy is endorsed by the Executive Committee⁸ and outlines the security principles applying to RTSL's people, processes, and technology that address all aspects of the service delivery. These policies and standards are regularly reviewed to take into account evolving technical risks as well as regulatory changes and RTSL's customers' needs for information security. The policies and standards cover, the following:

- Product assurance;
- Infrastructure security;
- Virus protection;

⁸ For FRTSIL, this will be endorsed by its Board of Directors.

- Patch management;
- Incident response;
- Device lockdown;
- Systems monitoring;
- Vulnerability scanning;
- Physical security; and
- Privacy and regulatory compliance.

9.2.10 The Information Security Handbook outlines the policies, guidance and best practices all employees should follow to protect Refinitiv's assets, employee information and customer data. On an annual basis, all employees are required to review the Information Security Handbook and to complete an assessment, as part of the RTSL learning strategy to ensure that everyone understands and complies with the policy. The MTF systems (Forwards Matching and FXall RFQ) are classified as Business Critical and the data is classified as Strictly Confidential and is therefore subject to data confidentiality protections. Customer information is stored on the servers in the data centre and is accessible via business application to authorized personnel on a need to know basis with least privileges granted.

9.2.11 RTSL utilizes Synopsys Security (**Synopsys**) to perform application security penetration tests and code review. The objectives of the review are to find security vulnerabilities, validate the proper use of security mechanisms, and evaluate the use of best practices in the application. Synopsys uses a combination of source code analysis and manual penetration testing to identify the issues in the application. Synopsys analyzes the application's security mechanisms for architecture, implementation, and configuration issues. In addition, Synopsys searches the application for vulnerabilities common to similar applications.

9.2.12 RTSL uses the veracode (**Veracode**) solution for application security scans to identify security flaws using automated static, automated dynamic and/or manual security analysis techniques. RTSL has integrated Veracode security review into its Software Development Life Cycle (**SDLC**) to improve security posture. From the application security scans, identified risks ranked high and above are prioritized for remediation and require a security re-scan to validate the fixes. The vulnerability findings are reviewed and validated by security personnel, distributed to system owners as appropriate and material risk items are tracked for remediation through the trouble ticketing system. Issues with a medium risk or below are remediated after the threat has been reviewed, and no adverse business impact determined.

(e) ensures that the configuration of the system has been reviewed to identify potential points of failure, lack of back-up and redundant capabilities;

9.2.13 RTSL maintains control over the configuration of its IT system and applications through a defined set of processes and procedures. A tool is used to automate the process of inventory information gathering. Information gathered includes hardware attributes (manufacturer, model, serial number, processor, and memory), software attributes (operating system, version number, patch and/or release level), and operational information (system hostname, network interfaces, IP addresses). The inventory information is regularly archived.

(f) maintains reasonable procedures to review and keep current the development and testing methodology of those systems; and

9.2.14 RTSL adopts compliance requirements and industry standard SDLC concepts and practices. The development team is responsible for system design and development. Upon completion, the development team performs full functional testing of the system before formally handing it over to the Quality Assurance Team (the **QA Team**). The QA Team reviews the system upon formal hand-over from the development team. If acceptable to the QA Team, the system is subject to the team's own independent testing. QA testing focuses on functionality, security and performance. Issues uncovered during QA are documented and tracked for resolution. Additionally, where there is a regulatory requirement being included in the software update, the Compliance Group also performs a review and approval.

9.2.15 Upon passing QA, the system is promoted to RTSL's integration environment where it is subject to stress testing and user acceptance testing. The application support team, a part of the trading operations department, determines when the system under testing in the integration environment is ready for production release with formal sign-off.

9.2.16 RTSL reviews the configuration of its MTF systems as part of its regular control procedures and conducts reviews as needed when issues are identified and resolved through its Information Technology Service Management protocols. Configuration management is the subject of internal audits and is also included in RTSL's Disaster Recovery tests.

9.2.17 RTSL reviews and keeps current development and testing methodology of the systems pursuant to procedures contained in the RTSL's Compliance Manual, and Business Continuity Plan and Disaster Recovery document.

9.2.18 RTSL Business Continuity Plan and Disaster Recovery document is designed to allow for the recovery and resumption of operations and the fulfilment of the duties and obligations of RTSL following a disruption.

9.2.19 RTSL performs periodic tests to verify that the resources outlined in the Business Continuity Plan and Disaster Recovery document are sufficient to ensure continued fulfilment of all duties of RTSL under the CEA and CFTC Regulations. See (g) below for further information on business continuity and disaster recovery plans.

(g) maintains reasonable back-up, contingency and business continuity plans, disaster recovery plans and internal controls.

9.2.20 Per Chapter 13 of the MiFID II Art. 48 Procedures, RTSL has well developed and rehearsed business continuity plans for all of its service offerings, and works on the basis of two key failure scenarios as detailed below.

Widespread hardware or infrastructure failure

9.2.21 **Total loss of any one data centre:** RTSL operates robust and detailed disaster recovery (**DR**) processes, and key products are believed to be recoverable within hours (or less) following total loss of a single data centre. It is plausible that difficulties could arise that extend recovery to a period of the order of a day. One or more products lines could be affected for up to one day. No estimate of likelihood is attempted (because there is no evident basis for any such estimate). Client contracts do not mandate that proximity hosting clients dual connect at the DR site. As a result, some significant liquidity providers may no longer be able to connect to RTSL trading services in the event of disaster recovery being invoked. This could result in a significant loss of liquidity.

9.2.22 **Loss of multiple data centres:** this could result in an extended loss of service, depending on the data centres lost. Loss of a primary data centre and its corresponding DR site might result from terrorist or rogue state activity, but while possible this is not considered to be plausible.

Key supplier failure

9.2.23 **Hardware:** Catastrophic loss of service is highly unlikely to result from failure of a hardware supplier. This is discounted as a plausible cause.

9.2.24 **Communications provider:** The loss of a single provider would have negligible impact on the main communications infrastructure. However, in some areas there is no alternative last-mile communications provider. Nevertheless, the effect of losing a single last-mile provider would be geographically very limited, and the impact would be correspondingly limited. This is therefore discounted as a plausible cause.

9.2.25 **Data centre provider:** FXall RFQ services are currently provided through a Cyxtera (CenturyLink) datacentre (NJ2, New Jersey) and Disaster recovery is another Cyxtera datacentre (Virginia, DC3). The Forwards Matching services are currently hosted in Refinitiv datacentres; Primary site located in Docklands, London and the Secondary datacentre in Geneva. In 2018, RTSL migrated the Matching service to Equinix datacentres—primary datacentre in Slough, United Kingdom, and the DR datacentre in Secaucus, New Jersey, U.S.A.

9.2.26 RTSL commissions independent communications from other third parties to its datacenters to ensure that if a global communications issue affected either Cyxtera or Equinix it would not affect both their live and disaster recovery sites.

9.2.27 **Unanticipated single point of failure (SPOF) occurring within a data centre:** Although architectural standards seek to eliminate and/or mitigate against single points of failure, it is conceivable that an unrecognised common mode failure could occur, with a consequent need to restore otherwise redundant systems, leading to an extended system outage. No estimate of likelihood is attempted (because there is no evident basis for any such estimate). The consequence is assumed to be an outage of at most one day (otherwise DR would be invoked). Only a single set of capabilities is likely to be affected.

9.2.28 **Unanticipated SPOF across multiple data centres:** Although architectural standards seek to eliminate and/or mitigate against single points of failure, it is conceivable that an unrecognised common mode failure could occur, with a consequent need to restore elements of both the primary and DR systems, leading to an extended system outage. No estimate of likelihood is attempted (because there is no evident basis for any such estimate). The likely consequence is believed to be an outage of at most one day. Only a single set of capabilities is likely to be affected

9.3 Information Technology Risk Management Procedures – The exchange has appropriate risk management procedures in place including those that handle trading errors, trading halts and circuit breakers.

9.3.1 RTSL monitoring applications are in place to help ensure that trading application and system anomalies are detected. The monitoring application is configured to send an e-mail notification to Client Interaction Center (**CIC**) personnel in the event a trading error occurs. CIC personnel will investigate, escalate as necessary, and resolve identified errors in accordance with documented policies and procedures that are in place to guide personnel in resolving the errors that are detected. Policies and procedures are also in place to guide personnel in dealing with the disruption of trades due to the loss of network connectivity. Customers are also able to monitor their trading activities as they have access to the reporting portal where they can generate reports and view trading activity.

9.3.2 Operations personnel utilize enterprise monitoring applications to monitor the performance of servers and network devices. These applications are configured to generate onscreen alerts and e-mail notifications to the operations team when predefined thresholds are exceeded. IT operations personnel will investigate the notifications and use documented procedures to respond to issues and outages.

9.3.3 Reported incidents are logged in a tracking system to document, escalate, and resolve the incidents according to documented policies and procedures. On a daily basis, shift turnover reports are completed by CIC personnel, and reviewed by CIC management to help ensure that CIC personnel respond to reported incidents in a timely manner. The CIC group also completes a review of application functionality on a daily basis to verify that applications are functioning correctly and to identify any possible issues that were not previously reported.

9.3.4 The Quote Monitor reads the application logs for trading activity in real-time and displays each trade as a color-coded line. These can be expanded to see the trade details. Each person on the CIC desk runs this application on their desktop. The program colour codes errors yellow or red based on the severity of the issue. As the CIC team addresses each potential issue, the Quote Monitor displays who is addressing it and the ticket number associated with the issue.

10 FINANCIAL VIABILITY AND REPORTING

10.1 Financial Viability – The exchange has sufficient financial resources for the proper performance of its functions and to meet its responsibilities.

10.1.1 FRTSIL will maintain capital resources at the higher of:

- Pillar 1, which is the minimum capital requirement established by the CBI. It will cover operational, credit and market risks and will be calculated using the CBI's prudential standards;
- Pillar 2 (internal assessment to cover for risk exposures); and
- Winding down (capital to close the company down in orderly manner).

11 TRADING PRACTICES

11.1 Trading Practices - Trading practices are fair, properly supervised and not contrary to the public interest.

11.1.1 The MTF has transparent and non-discretionary rules and procedures for fair and orderly trading and objective criteria for the efficient execution of Orders, and may undertake a number of actions in order to maintain orderly and proper markets from time to time, without limitation, including (Rule 5.1):

- the suspension or restriction in some way of business on the MTF or any related systems;
- the closure of the MTF for any period;
- the cancellation or amendment of any Transaction(s) carried out on the MTF; and/or
- the suspension of Participant access rights and/or termination of the Participant Agreement.

This is irrespective of whether these actions result from Refinitiv's own determination or are made at the request of a Participant or Competent Authority.

11.1.2 As set out in Section 6.1.6, the Rules also prohibit abusive conduct.

11.1.3 The Applicant monitors Participants' activity on the MTF to identify breaches of compliance with the Rules, including identifying disorderly trading conditions or abusive conduct (as defined in Section 6.1.7). The Applicant will comply with its regulatory obligations to report suspicious activity to the relevant Competent Authority or Law Enforcement Agency. Furthermore, Participants must report actual or suspected Rule breaches, whether accidental or otherwise, to marketconduct@thomsonresuters.com providing all relevant information in a timely manner to enable the matter to be investigated. This obligation is in addition to any obligations Participants have to make a Suspicious Transaction and Order Report (**STOR**) to relevant Competent Authorities themselves where they reasonably suspect that an Order(s), or a Transaction(s) (or a pattern thereof) might be indicative of Market Abuse, including insider dealing or market manipulation (Rule 7.1).

11.1.4 Participants must also cooperate with the Applicant and the CBI, as applicable, and any other relevant Competent Authority or Law Enforcement Agency in any regulatory investigation, including facilitating the monitoring of compliance with conduct rules, in an open and honest manner and promptly provide either soft or hard copies of data or records upon request. The Applicant has a regulatory obligation to report significant Rule Book breaches, disorderly trading conditions and suspicions of Market Abuse to the CBI and any other relevant Competent Authority or Law Enforcement Agency, and will assist any Competent Authority or Law Enforcement Agency in any investigation of Market Abuse or fraudulent conduct as requested (Rule 7.2).

11.1.5 To assist in the maintenance of orderly trading, the Applicant (Rule 12.7):

- may, either on its own initiative, or further to instructions from the Participant concerned, or at the request of a Competent Authority, suspend a Participant's or a User's access to the MTF;
- will operate a kill functionality to cancel unexecuted Orders submitted by a Participant:
- upon request of the Participant where the User is technically unable to delete its own Orders;
 - where the Order book contains erroneous or duplicated Orders;
 - where the Participant has consistently breached TACs (see Chapter 9 of the MTF Supplementary Annex);
 - a suspension initiated by either the Applicant or the Competent Authority; and/or
- may cancel or revoke Transactions in case of malfunction of the MTF mechanisms to manage volatility or of the operational functions of the trading system.

11.2 Orders - Rules pertaining to order size and limits are fair and equitable to all market participants and the system for accepting and distinguishing between and executing different types of orders is fair, equitable and transparent.

11.2.1 All Participants are required to implement their own pre- and post-trade controls consistent with the regulatory requirements of MiFID II. See Section 3.3.2 for a description of certain pre-trade controls.

11.2.2 Participants must ensure that all Orders are made with a clear and genuine intent to trade and that all Orders are entered correctly (Rule 6.1), and must also ensure the application being used to access Forwards Matching correctly enters all Orders into Forwards Matching (Rule 12.3).

11.2.3 Participants must be able to identify which trading algorithm and which User or trading desk is responsible for each Order that has been sent to the MTF (Rule 12.7), and must, during the hours they are sending Orders to the MTF, monitor in real time all Algorithmic Trading activity that takes place under their trading codes, for signs of disorderly trading (Rule 4.4).

11.2.4 The Forwards Matching Trading Segment has systems, procedures and arrangements to reject Orders, cancellations and modifications that exceed a defined level (**Order Throttle Limits**). These arrangements apply limits per Participant on the number of Orders, cancellations and modifications that can be received per second, and the Applicant applies this policy equally among Participants unless the throttle is directed to individual Participants on a case-by-case basis. RTSL is not required to disclose the specific number of Orders per second on pre-defined time intervals and the specific parameters of its mechanisms to manage volatility (Rule 12.6).

11.2.5 To prevent disorderly trading, FRTSIL will implement TACs in relation to maximum Order size and Order price tolerance checks. Once triggered, these controls will prevent Orders from being executed (Rule 5.6.1). These TACs are outlined in Chapter 11 of the MiFID II Article 48 Procedures as follows:

For RFQ:

Venue Maximum Order Size

FRTSIL will set an RFQ maximum order size on the MTF trading venue. The RFQ maximum order size is currently set to 61 billion USD. The maximum order size is checked against the dealt currency amount requested on the eligible FXall MTF RFQ, converted in USD equivalent. For multi-leg instruments, the maximum order size is checked against each individual leg; if one leg fails, the entire order fails the TACs controls.

Price Tolerance

FRTSIL will set a price tolerance maximum percentage to the MTF trading venue. The price tolerance maximum percentage value is currently 40%. A check will be done to ensure that the trade rate is no more than a pre-defined percentage from a reference rate.

For Matching:

Venue Maximum Order Size

A venue defined maximum order size has been applied to the initial FX Swap order submitted to Forwards Matching. Venue Maximum order sizes are configurable by RTSL on an FX Swap instrument basis. The Matching service monitors all initial FX Swap orders and automatically rejects an FX Swap order that exceeds the maximum size allocated to that FX Swap instrument. A notification message will be sent to the FXT GUI informing it of the rejection and the reason for it.

Price Collar

A venue Price Collar mechanism has been applied to the Forwards Matching service. Price Collars ranges are recalculated on a frequent basis using the reference rate mechanism. For each FX Swap instrument, a reference rate value is determined, and defined

percentages applied to provide the range for the Price Collar and Volatility controls tolerances for that time period.

For all FX Swap orders, a check that the rate does not deviate by more than a calculated amount from a reference rate is made and the system will reject any FX Swap order that exceeds the tolerance.

Price check parameters are configurable by the Applicant for each individual FX Swap instrument. The Matching service monitors the incoming FX Swap order, and automatically rejects any FX Swap order that exceeds the tolerance. A notification message will be sent to the FXT GUI informing it of the rejection and the reason for it.

11.3 Transparency – The MTF has adequate arrangements to record and publish accurate and timely trade and order information. This information is provided to all participants on an equitable basis.

11.3.1 The MTF currently operates under a pre-trade waiver under MiFID II; this applies to both Trading Segments on the basis of liquidity of FX derivatives. As such, RTSL is not required to provide MiFID II pre-trade transparency data; nevertheless, to enable Participants to form investment decisions, available rates for Forwards Matching can be viewed in TR Eikon or via accessing FX Trading for the Forwards Matching API, and/or FXall RFQ (MTF Operating Procedures document Ch 3.1). FRTSIL applied for and received from the CBI the same waiver.

11.3.2 Transactions concluded via the MTF are reported by RTSL to (and post-trade data is published via) Tradeweb APA under a post-trade publication deferral under MiFID II. Participants for Forwards Matching are also able to access last price traded via TR Eikon. (MTF Operating Procedures document Ch 3.1). FRTSIL applied for and received from the CBI the same waiver.

11.3.3 On a quarterly basis, RTSL publishes information on the MTF Website on the quality of execution of Transactions effected via the MTF for the immediately preceding quarter. (Rule 5.10/5.11). FRTSIL intends to publish the same information.

11.3.4 FRTSIL will report to both the CBI and ESMA to meet its regulatory reporting obligations with respect to transaction reporting and reference data. FRTSIL proposes to enter into outsourcing arrangements with TradeWeb with respect to post-trade reporting. TradeWeb is part of the Refinitiv Group. FRTSIL will arrange to provide post-trade data to TradeWeb, who will manage the publication and apply the relevant deferrals. This is the same arrangement that RTSL currently uses for regulatory trade reporting.

12 COMPLIANCE, SURVEILLANCE AND ENFORCEMENT

12.1 Jurisdiction - The exchange or the Foreign Regulator has the jurisdiction to perform member and market regulation, including the ability to set rules, conduct compliance reviews and perform surveillance and enforcement.

12.1.1 See Section 6.1(b) regarding ensuring compliance with applicable legislation.

12.1.2 Failure to adhere to the Rules may result in the Applicant imposing one of the following sanctions in accordance with Section 7.3.2 of the Rules: a verbal warning; a written warning; a temporary suspension; or a termination of access to the MTF.

12.1.3 In addition to the Rules imposed by the MTF, the CBI has the jurisdiction to enforce rules governing the MTF and the conduct of Participants, independently of any disciplinary or enforcement action undertaken by Refinitiv.

12.2 Member and Market Regulation - The exchange or the Foreign Regulator maintains appropriate systems, resources and procedures for evaluating compliance with exchange and legislative requirements and for disciplining participants.

12.2.1 The MTF devotes significant resources to evaluating compliance with exchange and legislative requirements and for disciplining Participants, which are detailed throughout this Application. In particular, FRTSIL will have a dedicated Compliance Director with responsibility for FRTSIL's day-to-day compliance function and for any compliance reporting required to be submitted to regulators. The Compliance Director's specific duties in relation to FRTSIL will include providing routine reports and regulatory updates to FRTSIL's Board, ensuring regulatory obligations are met in a correct and timely fashion, and managing regulatory relationships. As previously noted, the FRTSIL Board will empower the Compliance Director to communicate directly with the CBI on certain matters.

12.2.2 Chapter 7 of the Rules (Investigations, Sanctions and Appeals) provides for a comprehensive system to monitor and investigate compliance with exchange and legislative requirements, and if appropriate, discipline Participants. See Sections 11.1.3 and 11.1.4 for further descriptions of Rule 7.1 and 7.2.

12.2.3 Where appropriate, and in its absolute discretion, the Applicant may refer instances of breaches and suspected breaches of the Rules to the Refinitiv Disciplinary Committee for consideration. As noted above, failure to adhere to the Rules may result in the Applicant imposing one of the following sanctions in accordance with Section 7.3.2 of the Rules: a verbal warning; a written warning; a temporary suspension; or a termination of access to the MTF.

12.3 Availability of Information to Regulators - The exchange has mechanisms in place to ensure that the information necessary to conduct adequate surveillance of the system for supervisory or enforcement purposes is available to the relevant regulatory authorities, including the Commission, on a timely basis.

12.3.1 As indicated above, Chapter 7 of the Rules states that the Applicant will monitor Participants' activity on the MTF to identify breaches of compliance with the Rules, including identifying disorderly trading conditions or abusive conduct (as defined in Section 6.2 of the Rules). See Sections 11.1.3 and 11.1.4 for further descriptions of Rule 7.1 and 7.2.

12.3.2 RTSL also has a mandatory obligation under the rules of the FCA and Principle 11 to make the FCA aware of any material information that RTSL feels the FCA ought to know. FRTSIL, has a mandatory obligation under the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Investment Firms) Regulations 2017 to notify the CBI as soon as it becomes aware of, inter alia, any breach of supervisory and regulatory requirements and any situation or event which impacts, on the investment firm to a significant extent.

13 RECORD KEEPING

13.1 Record Keeping – The exchange has and maintains adequate systems in place for the keeping of books and records, including, but not limited to, those concerning the operations of the exchange, audit trail information on all trades, and compliance with, and/or violations of exchange requirements.

13.1.1 Section 4.5 of the Rules specifies practices for record keeping with respect to the MTF. Section 4.5.1 of the Rules states that as a matter of best practice, Participants should keep records of their Order and Transactions activity adequate to meet compliance with their regulatory record keeping obligations. It is recommended that Participants maintain those records for a minimum of five years. Some jurisdictions may require records to be kept for seven years or longer. Both RTSL and FRTSIL maintain their records for seven years.

13.1.2 Section 4.5.2 of the Rules states that in addition to the Personal Data for Investment Decision Makers and Executing Users, all Participants must provide all the relevant fields required for Order record keeping purposes to the Applicant, including:

- the trading capacity of the executing Participant (with reference to Section 5.2 of the MTF Supplementary Annex); and
- the client entity on whose behalf the Participant submitted the Order to the MTF where the Participant is trading as agent (to be provided at Order entry).

13.1.3 Section 4.5.3 of the Rules states that the Applicant may record and maintain records of telephone conversations between Participants and the Helpdesk, and will retain such records for seven years.

13.1.4 With respect to the internal audit program of FRTSIL itself, FRTSIL's CFO, who is a Finance Director within the Refinitiv Group, will be ultimately responsible for FRTSIL's financial reporting, leveraging the large Refinitiv Group finance and accounting team.

13.1.5 The FRTSIL's primary approach to auditing its control environment will be to use the independent internal audit services of Refinitiv CCA. The Refinitiv CCA personnel who will be providing internal audit services will be employed by Refinitiv Limited.

13.1.6 To ensure adequate financial oversight by the Board, the Board will maintain oversight of the internal audit arrangements, including monitoring the implementation of an internal audit plan. The Board may request input from CCA on matters related to risk, internal controls and compliance with applicable rules. In executing the audit plan, CCA will specifically examine and evaluate the adequacy and effectiveness of FRTSIL's systems, internal control mechanisms and arrangements in accordance with the MiFID framework. CCA auditors performing the reviews on behalf of FRTSIL will have unrestricted access to all individuals, information and data.

13.1.7 The FRTSIL Board will also maintain a Risk Committee. The Risk Committee is charged with identifying potential risks and assessing their impact and likelihood of crystallization, as well as deciding the action required to mitigate the risks identified. The risks that the committee will be responsible for identifying and mitigating include financial risks and systemic and market risks.

13.1.8 RTSL has to submit audited financial statements to FCA within 80 working days. The 2017 accounts are the latest submitted to FCA and this was done on time. 2018 are under audit review and in the work in progress stage.

14 OUTSOURCING

14.1 Outsourcing – Where the MTF has outsourced any of its key services or systems to a service provider, it has appropriate and formal arrangements and processes in place that permit it to meet its obligations, and that are in accordance with industry best practices.

14.1.1 Since August 5, 2015, RTSL has had in place an Outsourcing Policy (the **Outsourcing Policy**), which applies to all directors of RTSL and all Group employees, consultants, agents, and appointed representatives acting on behalf of RTSL. The second version of this policy was adopted January 3, 2018 to reflect updates relevant to MiFID implementation.

14.1.2 Section 2.2 of the Outsourcing Policy requires that the RTSL Board of Directors remain fully responsible and accountable for ensuring that RTSL continues to meet its regulatory obligations and cannot delegate any part of this responsibility to a third party. It also requires that RTSL avoid undue operational risk when outsourcing operational functions that are critical for the performance of regulated activities, and that RTSL not outsource critical or important operational

functions if it materially impairs the quality of RTSL’s internal control environment and the FCA’s ability to monitor RTSL’s compliance with its regulatory obligations.

14.1.3 In addition, Chapter 3 of the Outsourcing Policy imposes additional requirements in relation to the MTF. Among these, where RTSL outsources all or part of its operational functions, RTSL will ensure that the outsourcing agreement put in place to govern those relationships purely relate to the operational functions in question and do not alter any responsibilities of the RTSL Board of Directors.

14.1.4 RTSL must ensure that the rights and obligations of RTSL and the service provider are clearly set out and quantitative and qualitative service standards are documented in a Service Level Agreement. In addition to commercial and legal obligations, the agreement must have provisions to address the regulatory themes contained in the following (*indicates item is specifically relevant to the MTF and algorithmic trading in addition to be generally relevant):

Regulatory Obligation
Service provider obligation to comply with the regulatory environment.
*Responsibilities assumed by each party and a clear description of outsourced functions.
Choice of law.
*Assignment of rights and obligations.
Provision of warranties, guarantees and indemnities.
Fees and payment arrangements.
Subcontracting conditions.
Service standard levels and performance monitoring process.
IT security, data protection and data confidentiality obligations.
Service standard levels and performance monitoring process
Protection of RTSL proprietary information and software.
Dispute resolution arrangements.
Agreement breach remedies.
Business continuity management arrangements.
*Access to data, premises, books and records.
*Termination, amendment, early exit and substitution.
Notification of adverse developments.
*Cooperation with the FCA and any other relevant competent authority.
Record of personal transactions.
*Conflicts of interest.

14.1.5 RTSL must notify the FCA when it intends to either enter into a new, or materially change a, critical or important material outsourcing arrangement.

14.1.6 An outsourcing policy and framework is also being developed for FRTSIL which will incorporate all of the matters in the RTSL policy (as described herein) with some enhancements in respect of the monitoring and oversight of the outsourcing arrangements, which have been made to reflect current best practice.

14.1.7 It is proposed that FRTSIL enter into seven outsourcing agreements (**OAs**) with affiliates:

- two transaction services and technology agreements (TSTAs), one with Thomson Reuters (GRC) Inc. (TRGRC) in respect of FRTSIL’s Forward Matching services and the other with Financial & Risk Organisation Limited (FROL) in respect of the Firm’s FXall RFQ services. These provide for the provision of the Platform and certain IT services. The intellectual property in the Group’s common technology platforms is collectively held by TRGRC and FROL, which are the Group’s intellectual property holding companies, as the Platform is used by multiple regulated entities within the Group;

14.1.8 An additional four proposed OAs are as follows:

- two outsourcing agreements with Refinitiv Limited (RL) (United Kingdom) for the provision of human resources, accounting, legal, tax, anti-money laundering, surveillance, internal audit and compliance services to FRTSIL in respect of the Firm's Forwards Matching and FXall RFQ services, respectively;
- two outsourcing agreements with Thomson Reuters Markets LLC (TRM) (United States) for the provision of legal, anti-money laundering, surveillance and compliance services to FRTSIL in respect of FRTSIL's Forward Matching and FXall RFQ services; and
- a post-trade reporting agreement (PTRA) with TradeWeb (Netherlands), which will be modelled on one that is currently in place between RTSL and Tradeweb Europe Limited (UK). This will provide for services in relation to both Forwards Matching and FXall RFQ.

14.1.9 These arrangements largely replicate the arrangements in place for RTSL, but not exactly. The FRTSIL TSTAs contain service level schedules which were drafted specifically for FRTSIL'S TSTAs in order to make clear what the services being outsourced are, and the standards that they should be performed at and measured against. The services provided to FRTSIL and RTSL are largely similar in practice but FRTSIL has an opportunity to update the format and granularity of the service descriptions, and this format may be replicated for RTSL once the FRTSIL agreements have been put in place.

14.1.10 The OAs also do not replicate the agreements currently in place for RTSL for the same reasons. Again, these were drafted specifically for the FRTSIL OAs in order to make clear what the services being outsourced are, and the standards that they should be performed at and measured against.

14.1.11 Arrangements to ensure the ongoing adequacy and effectiveness of outsourcing arrangements will be in place, in line with the requirements discussed in Chapter 4 of the Outsourcing Policy and section 3.8.2 of the Programme of Operations. FRTSIL will maintain a Monitoring Team with respect to outsourcing, which will comprise the following individuals:

- FRTSIL's Head of Outsourcing Oversight;
- FRTSIL's Compliance Director;
- FRTSIL's Chief Technology Officer;
- FRTSIL's Chief Operating Officer; and
- FRTSIL's Head of Product Management.

14.1.12 FRTSIL's Monitoring Team will be led by the Head of Outsourcing Oversight and will be responsible for monitoring the provision of the services against the service levels and day-to-day interaction with the service provider's technology teams.

14.1.13 FRTSIL is satisfied that the Head of Outsourcing Oversight will be sufficiently senior and experienced to ensure that the services are provided as required and to ensure that any problems are resolved. The Monitoring Team will provide periodic reporting information to FRTSIL's Risk Committee on past and ongoing issues in the delivery of the Platform.

14.1.14 All marketing and promotion of the Platform will be undertaken by intra-group entities with which FRTSIL will enter marketing support service agreements (**MSSAs**). These MSSAs will ensure a direct contractual relationship through which to control the marketing efforts of the sales

teams and pursuant to which the sales teams will have clear and enforceable contractual parameters setting out what they are permitted to do in relation to FRTSIL's products. The MSSAs will clearly set out, amongst other things, the products that the sales staff are allowed to market for FRTSIL (i.e. Matching Forwards and FXAll RFQ), the scope of such marketing activities and the parameters within which they will take place and the liability and indemnity provisions in respect of any breach by either party.

15 FEES

15.1 Fees

- (a) **All fees imposed by the exchange are reasonable and equitably allocated and do not have the effect of creating unreasonable condition or limit on access by participants to the services offered by the exchange.**

15.1.1 See 15.1(b) immediately below.

- (b) **The process for setting fees is fair and appropriate, and the fee model is transparent.**

15.1.2 For FRTSIL, fees will be set according to the FRTSIL Rate Cards, posted on the MTF's website. The fee structure is standard for a service of this type and available to all participants equally. The MTF offers three pricing plans, which are available to all Makers. Each plan also specifies a tariff of per-transaction fees.

15.1.3 Appendix C contains the proposed Rate Cards for FRTSIL.

15.1.4 Fees are subject to regulation under MiFID. MiFID II RTS 10 Article 3 requires that:

- the same fees/discounts be charged for all types of users for MTF transactions – determined by objective criteria.
- fee structures must be granular – each fee for each service must be stated separately;
- services must be made available without being bundled with other services;
- there be no cliff-edge pricing; and
- market operators publish objective criteria for establishment of fees / and fee structures.

INFORMATION SHARING AND OVERSIGHT ARRANGEMENTS

- 15.2 Information Sharing and Regulatory Cooperation – The exchange has mechanisms in place to enable it to share information and otherwise co-operate with the Commission, self-regulatory organizations, other exchanges, clearing agencies, investor protection funds, and other appropriate regulatory bodies.**

15.2.1 The MTF does not have any formal information sharing arrangement with anyone. The only time the MTF would provide details is if compelled to do so by regulators due to an investigation or if there is a market issue.

15.2.2 As noted under 12.3 above, Sections 7.2.2 and 7.2.3 of the Rules state that FRTSIL has a regulatory obligation to report material Rules breaches, disorderly trading conditions and suspicions of Market Abuse to the CBI and any other relevant Competent Authority or Law Enforcement Agency charged with the detection or investigation of a criminal offence. FRTSIL will also assist any investigation as requested and may disclose any information, data or documents

received from any Participant in connection with its use of the MTF to any Competent Authority or Law Enforcement Agency for these purposes. FRTSIL has a mandatory obligation under the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Investment Firms) Regulations 2017 to notify the CBI as soon as it becomes aware of, inter alia, any breach of supervisory and regulatory requirements and any situation or event which impacts, on the investment firm to a significant extent.

15.2.3 The Applicant undertakes to make information requested by regulators in Canada available on a timely basis, provided that it is required by the exemption order, provincial or Canadian federal law or regulations.

15.3 Oversight Arrangements – Satisfactory information sharing and oversight agreements exist between the Ontario Securities Commission and the Foreign Regulator.

15.3.1 The OSC and CBI are signatories of the Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information of the International Organization of Securities Commissions dated May 2002 as revised in May 2012, which sets forth the signatory authorities' intent with regard to mutual assistance and the exchange of information for the purpose of enforcing and securing compliance with the respective laws and regulations of the jurisdictions of the signatory authorities.

16 IOSCO PRINCIPLES

16.1 IOSCO Principles – To the extent it is consistent with the laws of the foreign jurisdiction, the exchange adheres to the standards of the International Organization of Securities Commissions (IOSCO) including those set out in the “Principles for the Regulation and Supervision of Commodity Derivatives Markets” (2011).

16.1.1 The MTF adheres to the IOSCO principles set out in the “Objectives and Principles of Securities Regulation” (2003) applicable to exchanges and trading systems. The MTF maintains operations to achieve the following:

- a. ensure the integrity of trading through fair and equitable rules that strike an appropriate balance between the demands of different market Participants;
- b. promote transparency of trading;
- c. detect and deter manipulation and other unfair trading practices; and
- d. ensure proper management of large exposures, default risk and market disruption.

Part III Submissions by Applicant

Submissions Concerning the MTF Relief

- 1 The instruments for which the Applicant seeks approval for Ontario Participants to trade on the MTF fall under the definition of “derivative,” as set forth in subsection 1(1) of the Act.
- 2 The MTF falls under the definition of “marketplace” set out in subsection 1(1) of the Act because it brings together buyers and sellers of derivatives and uses established, non-discretionary methods under which orders interact with each other.
- 3 An “exchange” is not defined under the Act; however, subsection 3.1(1) of the companion policy to National Instrument 21-101 — Marketplace Operation provides that a “marketplace” is considered to be an “exchange” if it, among other things, sets requirements governing the

conduct of marketplace participants. A multilateral trading facility has certain obligations to monitor participants' trading activity. Because a multilateral trading facility sets requirements for the conduct of its participants and surveils the trading activity of its participants, it will be considered by the Commission to be an exchange for purposes of the Act.

- 4 Pursuant to OSC Staff Notice 21-702 — Regulatory Approach for Foreign-Based Stock Exchanges, the Commission considers an exchange located outside Ontario to be carrying on business as an exchange in Ontario if it provides Ontario Participants with direct access to the exchange.
- 5 The Applicant understands that since the MTF provides Ontario Participants with direct access to trading of the MTF Instruments on the MTF it will be considered by the Commission to be “carrying on business as an exchange” in Ontario, and therefore must either be recognized or exempt from recognition by the Commission.
- 6 The Applicant submits that an exemption from recognition is appropriate for the MTF because the Applicant is subject to regulation by the CBI and full regulation by the Commission would be duplicative and inefficient. In addition, the MTF provides certain Ontario Participants with significant access to liquidity for which, at least for certain types of transactions, there is no appropriate alternative platform, and the Ontario capital markets will be disrupted if the Requested Relief is not granted.
- 7 The Applicant understands that this Application will be reviewed and discussed with Staff and that it will be published, along with a draft order, for a 30-day comment period.
- 8 Based on the foregoing, we submit that it would not be prejudicial to the public interest to grant the Requested Relief.

Similar Relief has been Granted

The Applicant notes that exemptive relief similar to the Requested Relief has been granted by the OSC in (i) *In the Matter of ICE Futures* (September 1, 2006), (ii) *In the Matter of Onechicago, LLC* (October 14, 2016), and (iii) *In the Matter of Nodal Exchange, LLC* (October 7, 2014).

Part IV Other Matters

1. In support of this Application, we are enclosing the following: (a) a verification statement from an officer of each Applicant confirming our authority to prepare and file this Application, and certifying the truth of the facts contained herein as Appendix A; and (b) a draft Order for the Requested Relief, including draft terms and conditions.
2. The Applicant consents to the publication of this Application for public comment in the OSC Bulletin.

Appendix A

Verification Certificate

To: Ontario Securities Commission

Dear Sirs/Mesdames:

Re: Application by Financial & Risk Transaction Services Ireland Limited

I, **Graham MacGregor**, as Chief Executive Officer of Financial & Risk Transaction Services Ireland Limited, do hereby certify that the preparation and compilation of the attached application to the Ontario Securities Commission is authorized and confirm the truth of the facts contained therein as they relate to the operation of the Refinitiv Multilateral Trading Facility by Financial & Risk Transaction Services Ireland Limited.

DATED _____, 2019

Graham MacGregor
Chief Executive Officer, Financial & Risk Transaction Services Ireland
Limited

Appendix B

Draft Order for FRTSIL

WHEREAS Financial & Risk Transaction Services Ireland Limited ("**FRTSIL**" or the "**Applicant**") have filed an application on behalf of the Refinitiv Multilateral Trading Facility (the "**Facility**" or "**MTF**") dated ●, 2019 ("**Application**") with the Ontario Securities Commission ("**Commission**") pursuant to section 147 of the Ontario *Securities Act* ("**Act**") requesting an order exempting the Facility from the requirement to be recognized as an exchange under subsection 21(1) of the Act ("**Order**");

AND WHEREAS the MTF is currently offered to Participants in Ontario pursuant to an Interim Order (the "**Interim Order**") granted to Reuters Transaction Services Limited dated August 17, 2018, terminating on the earlier of (i) August 16, 2019 and (ii) the effective date of a subsequent permanent order to FRTSIL exempting the MTF from the requirement to be recognized as an exchange;

AND WHEREAS on April 15, 2019, Refinitiv Transaction Services Limited (the successor to Reuters Transactions Services Limited as a result of a name change effective March 28, 2019) applied for a variation order under section 144 of the Act to have the Interim Order extended, in light of uncertainties over Brexit and in order to ensure that appropriate regulatory approvals have been secured before the migration of the MTF from RTSL, a UK-incorporated entity, to FRTSIL, an Irish-incorporated entity;

AND WHEREAS on May ● the Commission granted a variation order extending the termination date of the Interim Order to the earlier of (i) March 1, 2020 and (ii) 90 days after the effective date of the Order.

AND WHEREAS the Applicant has represented to the Commission that:

- 1 The Facility is currently operated by FRTSIL. The following types of investment are offered for trading on the Facility: foreign exchange FX forwards (swaps), FX forwards (outrights), FX swaps, FX non-deliverable forwards ("**NDFs**") and FX options;
- 2 FRTSIL received authorization on March 28, 2019 from the Central Bank of Ireland ("**CBI**"), the Irish financial services regulator, under Part 2 of the Irish European Union (Markets in Financial Instruments) Regulations 2017 ("**2017 Regulations**") as an investment firm, to act as the operator of the MTF and, on ● the operations of the Facility migrated from RTSL to FRTSIL;
- 3 On January 3, 2018, the Markets in Financial Instruments Directive (Directive 2014/65/EU of the European Parliament and of the Council) ("**MiFID II**") entered into force as implemented in the Republic of Ireland with the transposition into national law of the 2014 Regulations, The 2017 Regulations, together with the Markets in Financial Instruments Regulation (Regulation (EU) No 600/2014 of the European Parliament and of the Council) ("**MiFIR**") which is directly applicable in the Republic of Ireland, contain the key requirements governing the regulatory framework for the operator of a multilateral trading facility.
- 4 Without the Requested Relief, participants in Ontario will be precluded from trading with EU/EEA participants on the MTF, a EU regulated trading venue;
- 5 The MTF comprises two trading segments known as Forwards Matching and FXall RFQ. All trading segments are governed by the MTF Rule Book ("**Rules**") applicable to the MTF as a whole. Each trading segment further has its own Rules specific to that trading segment. A client who enters into a Participant Agreement in respect of the MTF (a "**Participant**") must comply with both the Rules applicable to the Facility as a whole, and the Rules applicable to the specific trading segment to which the Participant is authorized and wishes to access. Trading on the Facility is offered in the Financial Instruments listed in the following table:

Trading Segment	Financial Instruments (as defined in MiFID II)
Forwards Matching	FX forwards (swaps)
FXall RFQ	FX forwards (outright), FX swaps, FX NDFs, FX options

These Financial Instruments are admitted in various currency pairs;

- 6 The Applicant is subject to regulatory supervision by the CBI, pursuant to an authorization to operate a multilateral trading facility granted March 28, 2019.
- 7 Accordingly, the Applicant is required to comply with the CBI's regulatory framework, which includes, among other things, rules on (i) the conduct of business (including rules regarding client categorization, communication with clients and other investor protections and client agreements), (ii) market conduct (including rules applicable to firms operating a multilateral trading facility), and (iii) systems and controls (including rules on outsourcing, governance, record-keeping and conflicts of interest). The CBI requires the Applicant to comply at all times with a set of threshold conditions for authorization, including requirements that the Applicant is "fit and proper" to be authorized and that it has appropriate resources for the activities it carries on. The Applicant is subject to prudential regulation, including minimum regulatory capital requirements, and is capitalized in excess of regulatory requirements. The Applicant is required to maintain a permanent and effective compliance function. The Applicant's Compliance Department is responsible for implementing and maintaining adequate policies and procedures designed to ensure that the Applicant (and all associated staff) comply with their obligations under the CBI rules. These policies and procedures are set forth in the FRTSIL Compliance Manual and associated internal policies and procedures;
- 8 The MTF is obliged to have requirements governing the conduct of Participants, to monitor compliance with those requirements and report to the CBI (a) significant breaches of the Facility's Rules, (b) disorderly trading conditions, and (c) conduct that may involve market abuse. The Applicant may also notify the CBI when a Participant's access is terminated, temporarily suspended or subject to condition(s). As required, the Applicant has implemented a trade surveillance program. As part of the program, the Applicant's Compliance Department conducts real-time market monitoring of trading activity on the MTF to identify disorderly trading and market abuse or anomalies. The trade surveillance program is designed to maintain a fair and orderly market for MTF participants;
- 9 Participants may only connect to the Facility using a connection method permitted by FRTSIL. These connection methods are described more fully in the rules relevant to each specific trading segment. The Forwards Matching trading segment currently permits connections through a Refinitiv GUI application and the Matching application programming interface ("API") for FX Forwards. Participants may allow remote-manned use of Refinitiv APIs if the Participant ensures that the API applications in use at the remote site are at all times monitored and managed from that remote monitoring site. The Facility offers publicly available pricing plans based on trading segment, rate engine or pricing tool selected. The rate stated is purely for the MTF transaction component and does not include any pricing for the rates engine or pricing tools used;
- 10 Participants are responsible for ensuring the prompt exchange and processing of transaction confirmations directly with their counterparties in accordance with market practice. Failure to settle transactions will constitute a breach of the Facility Rules. Participants are also responsible for ensuring that transactions are not required to be cleared pursuant to applicable law. If Participants are required or choose to clear a transaction, they are responsible for making the necessary arrangements;
- 11 The Applicant requires that all Participants meet the criteria of an Eligible Counterparty, either "per se" or "elective" as defined in Regulation 38 of the European Union (Markets in Financial

Instruments) Regulations 2017. Each prospective participant must (i) comply and ensure that its authorized traders comply, and, in each case, continue to comply, with the Rules and applicable law (ii) have a sufficient level of trading ability, skill, competence and experience to conduct activities on the Facility; (iii) must be of adequate financial soundness; (iv) have adequate organizational arrangements commensurate with meeting their own regulatory obligations (v) have in place adequate systems and controls to ensure their on-going compliance with the Rules and management of their trading activities, and (vi) must satisfy any other criteria that FRTSIL may reasonably require from time to time;

- 12 FRTSIL offers direct access to trading on the MTF to participants that are located in Ontario (“**Ontario Participants**”) and are appropriately registered as applicable under Ontario securities laws or are exempt from or not subject to those requirements, and qualify as an “eligible counterparty” (either “per se” or “elective”), as defined in Regulation 38 of the European Union (Markets in Financial Instruments) Regulations 2017. Ontario Participants are required to notify immediately the Applicant if they cease to meet the criteria of an Eligible Counterparty. Participants must also supply any information requested by the Facility or Applicant to enable monitoring of responsibilities with respect to eligibility and operational criteria;
- 13 The Facility also requires information to be provided regarding the operational functions of the participants, including the qualifications required of staff in key position and pre and post-trade controls;
- 14 Ontario Participants may include financial institutions, asset managers, dealers, government entities, pension funds and other well-capitalized entities that meet the criteria described above;
- 15 The MTF provides certain Ontario Participants with significant access to liquidity for which, at least for certain types of transactions, there is no appropriate alternative platform, and the Ontario capital markets will be disrupted if the Order is not granted;
- 16 Because the Facility sets requirements for the conduct of its participants and surveils the trading activity of its Participants, it is considered by the Commission to be an exchange;
- 17 Since the Applicant seeks to provide Ontario Participants with direct access to trading on the Facility, the Facility is considered by the Commission to be "carrying on business as an exchange" in Ontario and is required to be recognized as such or exempted from recognition pursuant to section 21 of the Act;
- 18 The Facility has no physical presence in Ontario and does not otherwise carry on business in Ontario except as described herein;

AND WHEREAS the products traded on the Facility are not commodity futures contracts as defined in the *Commodity Futures Act* (Ontario) and the Facility is not considered to be carrying on business as a commodity futures exchange in Ontario;

AND WHEREAS the Applicant has acknowledged to the Commission that the scope of the Exchange Relief and the terms and conditions imposed by the Commission set out in Schedule "A" to this order may change as a result of the Commission's monitoring of developments in international and domestic capital markets or the Applicant or the Facility's activities, or as a result of any changes to the laws in Ontario affecting trading in derivatives or securities;

AND WHEREAS based on the Application, together with the representations made by and acknowledgments of the Applicant to the Commission, the Commission has determined that the granting of the Exchange Relief would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission that, pursuant to section 147 of the Act, the Facility is exempt from recognition as an exchange under subsection 21(1) of the Act,

PROVIDED THAT:

1. The Applicant complies with the terms and conditions contained in Schedule "A".

Schedule A

Terms and Conditions

Regulation and Oversight of the Applicant

- 1 The Applicant will maintain its permission to operate as a multilateral trading facility (MTF) with the Central Bank of Ireland (CBI) and will continue to be subject to the regulatory oversight of the CBI.
- 1 The Applicant will continue to comply with the ongoing requirements applicable to it as the operator of an MTF authorized by the CBI.
- 2 The Applicant will promptly notify the Commission if its permission to operate an MTF has been revoked, suspended, or amended by the CBI, or the basis on which its permission to operate an MTF has been granted has significantly changed.
- 3 The Applicant must do everything within its control, which includes cooperating with the Commission as needed, to carry out its activities as an exchange exempted from recognition under subsection 21(1) of the Act in compliance with Ontario securities law.

Access

- 4 The Applicant will not provide direct access to a participant in Ontario (Ontario User) unless the Ontario User is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements and qualifies as an “eligible counterparty” (either “per se” or “elective”), as defined by Regulation 38 of the European Union (Markets in Financial Instruments) Regulations 2017.
- 5 For each Ontario User provided direct access to its MTF, the Applicant will require, as part of its application documentation or continued access to the MTF, the Ontario User to represent that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements.
- 6 The Applicant may reasonably rely on a written representation from the Ontario User that specifies either that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements, provided the Applicant notifies such Ontario User that this representation is deemed to be repeated each time it enters an order, request for quote or response to a request for quote or otherwise uses the Applicant’s MTF.
- 7 The Applicant will require Ontario Users to notify the Applicant if their registration as applicable under Ontario securities laws has been revoked, suspended, or amended by the Commission or if they are no longer exempt from or become subject to those requirements and, following notice from the Ontario User and subject to applicable laws, the Applicant will promptly restrict the Ontario User’s access to the MTF if the Ontario User is no longer appropriately registered or exempt from those requirements.
- 8 The Applicant must make available to Ontario Users appropriate training for each person who has access to trade on the Applicant’s facilities.

Trading by Ontario Users

- 9 The Applicant will not provide access to an Ontario User to trading in products other than swaps, as defined in section 1a(47) of the United States Commodity Exchange Act as amended, without prior Commission approval.

Submission to Jurisdiction and Agent for Service

- 10 With respect to a proceeding brought by the Commission arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the activities of the Applicant in Ontario, the Applicant will submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario.
- 11 The Applicant will file with the Commission a valid and binding appointment of an agent for service in Ontario upon whom the Commission may serve a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the Applicant's activities in Ontario.

Disclosure

- 12 The Applicant will provide to its Ontario Users disclosure that:
- (a) rights and remedies against the Applicant may only be governed by the laws of the Republic of Ireland, rather than the laws of Ontario and may be required to be pursued in the Republic of Ireland rather than in Ontario; and
 - (b) the rules applicable to trading on MTF may be governed by the laws of the Republic of Ireland rather than the laws of Ontario.

Prompt Reporting

- 13 The Applicant will notify staff of the Commission promptly of:
- (a) any material change to its business or operations or the information provided in the Application, including, but not limited to material changes to:
 - (i) the regulatory oversight by the CBI;
 - (ii) the corporate governance structure of the Applicant;
 - (iii) the access model, including eligibility criteria, for Ontario Users;
 - (iv) systems and technology; and
 - (v) the clearing and settlement arrangements for the Applicant;
 - (b) any change in the Applicant's regulations or the laws, rules and regulations in the Republic of Ireland relevant to the financial instruments available for trading on the Applicant's MTF where such change may materially affect its ability to meet the criteria set out in Attachment I to this Schedule;
 - (c) any condition or change in circumstances whereby the Applicant is unable or anticipates it will not be able to continue to meet any of the relevant rules and regulations of the CBI, as set forth in the regulatory guidance issued by the CBI or applicable legislation (including

the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) and related Irish and European legislation, the Markets in Financial Instruments Regulation (EU) No 600/2014, applicable anti-money laundering, financial sanctions and market abuse legislation).

- (d) any known investigations of, or any disciplinary action against the Applicant by the CBI or any other regulatory authority to which it is subject;
 - (e) any matter known to the Applicant that may materially and adversely affect its financial or operational viability, including, but not limited to, any declaration of an emergency pursuant to the Applicant's rules;
 - (f) any default, insolvency, or bankruptcy of a participant of the Applicant known to the Applicant or its representatives that may have a material, adverse impact upon the Applicant; and
 - (g) any material systems outage, malfunction or delay.
- 14 The Applicant will promptly provide staff of the Commission with the following information to the extent it is required to provide to or file such information with the CBI:
- (a) details of any material legal proceeding instituted against the Applicant;
 - (b) notification that the Applicant has instituted a petition for a judgment of bankruptcy or insolvency or similar relief, or to wind up or liquidate the Applicant or has a proceeding for any such petition instituted against it; and
 - (c) the appointment of a receiver or the making of any voluntary arrangement with creditors.

Quarterly Reporting

- 15 The Applicant will maintain the following updated information and submit such information in a manner and form acceptable to the Commission on a quarterly basis (within 30 days of the end of each calendar quarter), and at any time promptly upon the request of staff of the Commission:
- (a) a current list of all Ontario Users and whether the Ontario User is registered under Ontario securities laws or is exempt from or not subject to registration, and, to the extent known by the Applicant, other persons or companies located in Ontario trading on the Applicant's MTF as customers of participants (**Other Ontario Participants**);
 - (b) the legal entity identifier assigned to each Ontario User, and, to the extent known by the Applicant, to Other Ontario Participants in accordance with the standards set by the Global Legal Entity Identifier System;
 - (c) a list of all Ontario Users whom the Applicant has referred to the CBI, or, to the best of the Applicant's knowledge, whom have been disciplined by the CBI with respect to such Ontario Users' activities on the Applicant's MTF and the aggregate number of all participants referred to the CBI in the last quarter by the Applicant;
 - (d) a list of all active investigations during the quarter by the Applicant relating to Ontario Users and the aggregate number of active investigations during the quarter relating to all participants undertaken by the Applicant;
 - (e) a list of all Ontario applicants for status as a participant who were denied such status or access to the Applicant during the quarter, together with the reasons for each such denial;

- (f) a list of all additions, deletions, or changes to the products available for trading since the prior quarter;
 - (g) for each product,
 - (i) the total trading volume and value on the MTF originating from Ontario Users, and, to the extent known by the Applicant, from Other Ontario Participants, presented on a per Ontario User or per Other Ontario Participant basis; and
 - (ii) the proportion of worldwide trading volume and value on the MTF conducted by Ontario Users, and, to the extent known by the Applicant, by Other Ontario Participants, presented in the aggregate for such Ontario Users and Other Ontario Participants;
- provided in the required format; and
- (h) a list outlining each material incident of a security breach, systems failure, malfunction, or delay (including cyber security breaches, systems failures, malfunctions or delays reported under section 14(g) of this Schedule) that occurred at any time during the quarter for any system relating to trading activity, including trading, routing or data, specifically identifying the date, duration and reason, to the extent known or ascertainable by the Applicant, for the failure, malfunction or delay, and noting any corrective action taken.

Annual Reporting

- 16 The Applicant will file with the Commission any annual financial report or financial statements (audited or unaudited) of the Applicant provided to or filed with the CBI promptly after filing with the CBI.

Information Sharing

- 17 The Applicant will provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information.

Attachment 1

CRITERIA FOR EXEMPTION

PART 1 REGULATION OF THE EXCHANGE

1.1 Regulation of the MTF

The exchange is regulated in an appropriate manner in another jurisdiction by a foreign regulator (Foreign Regulator).

1.2 Authority of the Foreign Regulator

The Foreign Regulator has the appropriate authority and procedures for oversight of the exchange. This includes regular, periodic oversight reviews of the exchange by the Foreign Regulator.

PART 2 GOVERNANCE

2.1 Governance

The governance structure and governance arrangements of the exchange ensure:

- (a) effective oversight of the exchange,
- (b) that business and regulatory decisions are in keeping with its public interest mandate,
- (c) fair, meaningful and diverse representation on the board of directors (Board) and any committees of the Board, including:
 - (i) appropriate representation of independent directors, and
 - (ii) a proper balance among the interests of the different persons or companies using the services and facilities of the exchange,
- (d) the exchange has policies and procedures to appropriately identify and manage conflicts of interest, and
- (e) there are appropriate qualifications, remuneration, limitation of liability and indemnity provisions for directors, officers and employees of the exchange.

2.2 Fitness

The exchange has policies and procedures under which it will take reasonable steps, and has taken such reasonable steps, to ensure that each director and officer is a fit and proper person and past conduct of each officer or director affords reasonable grounds for belief that the officer or director will perform his or her duties with integrity.

PART 3 REGULATION OF PRODUCTS

3.1 Review and Approval of Products

The products traded on the exchange and any changes thereto are reviewed by the Foreign Regulator, and are either approved by the Foreign Regulator or are subject to requirements established by the Foreign Regulator that must be met before implementation of a product or changes to a product.

3.2 Product Specifications

The terms and conditions of trading the products are in conformity with the usual commercial customs and practices for the trading of such products.

3.3 Risks Associated with Trading Products

The exchange maintains adequate provisions to measure, manage and mitigate the risks associated with trading products on the exchange including, but not limited to, margin requirements, intra-day margin calls, daily trading limits, price limits, position limits, and internal controls.

PART 4 ACCESS

4.1 Fair Access

- (a) The exchange has established appropriate written standards for access to its services including requirements to ensure
 - (i) participants are appropriately registered as applicable under Ontario securities laws or Ontario commodity futures laws, or exempted from these requirements,
 - (ii) the competence, integrity and authority of systems users, and
 - (iii) systems users are adequately supervised.
- (b) The access standards and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.
- (c) The exchange does not unreasonably prohibit, condition or limit access by a person or company to services offered by it.
- (d) The exchange does not
 - (i) permit unreasonable discrimination among participants, or
 - (ii) impose any burden on competition that is not reasonably necessary and appropriate.
- (e) The exchange keeps records of each grant and each denial or limitation of access, including reasons for granting, denying or limiting access.

PART 5 REGULATION OF PARTICIPANTS ON THE EXCHANGE

5.1 Regulation

The exchange has the authority, resources, capabilities, systems and processes to allow it to perform its regulation functions, whether directly or indirectly through a regulation services provider, including setting requirements governing the conduct of its participants, monitoring their conduct, and appropriately disciplining them for violations of exchange requirements.

PART 6 RULEMAKING

6.1 Purpose of Rules

- (a) The exchange has rules, policies and other similar instruments (Rules) that are designed to appropriately govern the operations and activities of participants and do not permit unreasonable

discrimination among participants or impose any burden on competition that is not reasonably necessary or appropriate.

- (b) The Rules are not contrary to the public interest and are designed to
 - (i) ensure compliance with applicable legislation,
 - (ii) prevent fraudulent and manipulative acts and practices,
 - (iii) promote just and equitable principles of trade,
 - (iv) foster co-operation and co-ordination with persons or companies engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in the products traded on the exchange,
 - (v) provide a framework for disciplinary and enforcement actions, and
 - (vi) ensure a fair and orderly market.

PART 7 DUE PROCESS

7.1 Due Process

For any decision made by the exchange that affects a participant, or an applicant to be a participant, including a decision in relation to access, exemptions, or discipline, the exchange ensures that:

- (a) parties are given an opportunity to be heard or make representations, and
- (b) it keeps a record of, gives reasons for, and provides for appeals or reviews of its decisions.

PART 8 CLEARING AND SETTLEMENT

N/A

PART 9 SYSTEMS AND TECHNOLOGY

9.1 Systems and Technology

Each of the exchange's critical systems has appropriate internal controls to ensure completeness, accuracy, integrity and security of information, and, in addition, has sufficient capacity and business continuity plans to enable the exchange to properly carry on its business. Critical systems are those that support the following functions:

- (a) order entry,
- (b) order routing,
- (c) execution,
- (d) trade reporting,
- (e) trade comparison,
- (f) data feeds,

- (g) market surveillance,
- (h) trade clearing, and
- (i) financial reporting.

9.2 System Capability/Scalability

Without limiting the generality of section 9.1, for each of its systems supporting order entry, order routing, execution, data feeds, trade reporting and trade comparison, the exchange:

- (a) makes reasonable current and future capacity estimates;
- (b) conducts capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner;
- (c) reviews the vulnerability of those systems and data centre computer operations to internal and external threats, including physical hazards and natural disasters;
- (d) ensures that safeguards that protect a system against unauthorized access, internal failures, human errors, attacks and natural catastrophes that might cause improper disclosures, modification, destruction or denial of service are subject to an independent and ongoing audit which should include the physical environment, system capacity, operating system testing, documentation, internal controls and contingency plans;
- (e) ensures that the configuration of the system has been reviewed to identify potential points of failure, lack of back-up and redundant capabilities;
- (f) maintains reasonable procedures to review and keep current the development and testing methodology of those systems; and
- (g) maintains reasonable back-up, contingency and business continuity plans, disaster recovery plans and internal controls.

9.3 Information Technology Risk Management Procedures

The exchange has appropriate risk management procedures in place including those that handle trading errors, trading halts and circuit breakers.

PART 10 FINANCIAL VIABILITY

10.1 Financial Viability

The exchange has sufficient financial resources for the proper performance of its functions and to meet its responsibilities.

PART 11 TRADING PRACTICES

11.1 Trading Practices

Trading practices are fair, properly supervised and not contrary to the public interest.

11.2 Orders

Rules pertaining to order size and limits are fair and equitable to all market participants and the system for accepting and distinguishing between and executing different types of orders is fair, equitable and transparent.

11.3 Transparency

The exchange has adequate arrangements to record and publish accurate and timely information as required by applicable law or the Foreign Regulator. This information is also provided to all participants on an equitable basis.

PART 12 COMPLIANCE, SURVEILLANCE AND ENFORCEMENT

12.1 Jurisdiction

The exchange or the Foreign Regulator has the jurisdiction to perform member and market regulation, including the ability to set rules, conduct compliance reviews and perform surveillance and enforcement.

12.2 Member and Market Regulation

The exchange or the Foreign Regulator maintains appropriate systems, resources and procedures for evaluating compliance with exchange and legislative requirements and for disciplining participants.

12.3 Availability of Information to Regulators

The exchange has mechanisms in place to ensure that the information necessary to conduct adequate surveillance of the system for supervisory or enforcement purposes is available to the relevant regulatory authorities, including the Commission, on a timely basis.

PART 13 RECORD KEEPING

13.1 Record Keeping

The exchange has and maintains adequate systems in place for the keeping of books and records, including, but not limited to, those concerning the operations of the exchange, audit trail information on all trades, and compliance with, and/or violations of exchange requirements.

PART 14 OUTSOURCING

14.1 Outsourcing

Where the exchange has outsourced any of its key services or systems to a service provider, it has appropriate and formal arrangements and processes in place that permit it to meet its obligations and that are in accordance with industry best practices.

PART 15 FEES

15.1 Fees

- (a) All fees imposed by the exchange are reasonable and equitably allocated and do not have the effect of creating an unreasonable condition or limit on access by participants to the services offered by the exchange.
- (b) The process for setting fees is fair and appropriate, and the fee model is transparent.

PART 16 INFORMATION SHARING AND OVERSIGHT ARRANGEMENTS

16.1 Information Sharing and Regulatory Cooperation

The exchange has mechanisms in place to enable it to share information and otherwise co-operate with the Commission, self-regulatory organizations, other exchanges, clearing agencies, investor protection funds, and other appropriate regulatory bodies.

16.2 Oversight Arrangements

Satisfactory information sharing and oversight agreements exist between the Ontario Securities Commission and the Foreign Regulator.

PART 17 IOSCO PRINCIPLES

17.1 IOSCO Principles

To the extent it is consistent with the laws of the foreign jurisdiction, the exchange adheres to the standards of the International Organization of Securities Commissions (**IOSCO**) including those set out in the "Principles for the Regulation and Supervision of Commodity Derivative Markets" (**2011**).