

## **Appendix A to Part 37 – Form SEF**

### **COMMODITY FUTURES TRADING COMMISSION**

#### **FORM SEF**

#### **SWAP EXECUTION FACILITY APPLICATION OR AMENDMENT TO APPLICATION FOR REGISTRATION**

#### **REGISTRATION INSTRUCTIONS**

**Intentional misstatements or omissions of material fact may constitute federal criminal violations (7 U.S.C. § 13 and 18 U.S.C. § 1001) or grounds for disqualification from registration.**

#### **DEFINITIONS**

Unless the context requires otherwise, all terms used in this Form SEF have the same meaning as in the Commodity Exchange Act, as amended (“Act”), and in the General Rules and Regulations of the Commodity Futures Trading Commission (“Commission”) thereunder.

For the purposes of this Form SEF, the term “Applicant” shall include any applicant for registration as a swap execution facility, any applicant amending a pending application, or any registered swap execution facility that is applying for an amendment to its order of registration.

#### **GENERAL INSTRUCTIONS**

1. This Form SEF, which includes instructions, a Cover Sheet, and required Exhibits (together, “Form SEF”), is to be filed with the Commission by all Applicants, pursuant to section 5h of the Act and the Commission’s regulations thereunder. Applicants may prepare their own Form SEF but must follow the format prescribed herein. Upon the filing of an application for registration or a registration amendment in accordance with the instructions provided herein, the Commission will publish notice of the filing and afford interested persons an opportunity to submit written data, views, and arguments concerning such application. No application for registration or registration amendment shall be effective unless the Commission, by order, grants such registration or amended registration.
2. Individuals’ names, except the executing signature, shall be given in full (Last Name, First Name, Middle Name).
3. Signatures on all copies of the Form SEF filed with the Commission can be executed electronically. If this Form SEF is filed by a corporation, it shall be signed in the name of the corporation by a principal officer duly authorized; if filed by a limited liability company, it shall be signed in the name of the limited liability company by a manager or member duly authorized to sign on the limited liability company’s behalf; if filed by a partnership, it shall be signed in the name of the partnership by a general partner duly authorized; if filed by an unincorporated organization or association which is not a partnership, it shall be signed in the name of such organization or association by the managing agent, i.e., a duly authorized person who directs or manages or who participates in the directing or managing of its affairs.
4. If this Form SEF is being filed as an application for registration, all applicable items must be answered in full. If any item is inapplicable, indicate by “none,” “not applicable,” or “N/A,” as appropriate.
5. Under section 5h of the Act and the Commission’s regulations thereunder, the Commission is authorized to solicit the information required to be supplied by this Form SEF from any Applicant seeking registration as a swap execution facility and from any registered swap execution facility. Disclosure by the Applicant of the information specified on this Form SEF is mandatory prior to the start of the processing of an application for, or an amendment to, registration as a swap execution facility. The information provided in this Form SEF will be used for the principal purpose of determining whether the Commission should grant or deny

registration to an Applicant. The Commission may determine that additional information is required from the Applicant in order to process its application. **A Form SEF which is not prepared and executed in compliance with applicable requirements and instructions may be returned as not acceptable for filing. Acceptance of this Form SEF, however, shall not constitute a finding that the Form SEF has been filed as required or that the information submitted is true, current, or complete.**

6. Except in cases where confidential treatment is requested by the Applicant and granted by the Commission pursuant to the Freedom of Information Act and the rules of the Commission thereunder, information supplied on this Form SEF will be included routinely in the public files of the Commission and will be available for inspection by any interested person.

#### **APPLICATION AMENDMENTS**

1. An Applicant amending a pending application for registration as a swap execution facility or requesting an amendment to an order of registration shall file an amended Form SEF electronically with the Secretary of the Commission in the manner specified by the Commission. Otherwise, a swap execution facility shall file any amendment to this Form SEF as a submission under part 40 of the Commission's regulations or as specified by the Commission.
2. When filing this Form SEF for purposes of amending a pending application or requesting an amendment to an order of registration, Applicants must re-file the Cover Sheet, amended if necessary and including an executing signature, and attach thereto revised Exhibits or other materials marked to show changes, as applicable. The submission of an amendment represents that the remaining items and Exhibits that are not amended remain true, current, and complete as previously filed.

#### **WHERE TO FILE**

This Form SEF must be filed electronically with the Secretary of the Commission in the manner specified by the Commission.

**COMMODITY FUTURES TRADING COMMISSION**

**FORM SEF**

**SWAP EXECUTION FACILITY  
APPLICATION OR AMENDMENT TO APPLICATION FOR REGISTRATION**

**COVER SHEET**

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**Exact name of Applicant as specified in charter**

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**Address of principal executive offices**

- If this is an **APPLICATION** for registration, complete in full and check here.
- If this is an **AMENDMENT** to an application, or to an existing order of registration, list all items that are amended and check here.

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**GENERAL INFORMATION**

1. Name under which the business of the swap execution facility is or will be conducted, if different than name specified above (include acronyms, if any):

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2. If name of swap execution facility is being amended, state previous swap execution facility name:

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3. Contact information, including mailing address if different than address specified above:

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Number and Street

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City State Country Zip Code

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Main Phone Number Fax

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Website URL E-mail Address

4. List of principal office(s) and address(es) where swap execution facility activities are/will be conducted:

**Office**

**Address**

_____	_____
_____	_____
_____	_____

5. If the Applicant is a successor to a previously registered swap execution facility, please complete the following:

a. Date of succession

\_\_\_\_\_

b. Full name and address of predecessor registrant

\_\_\_\_\_

Name

\_\_\_\_\_

Number and Street

\_\_\_\_\_

City

\_\_\_\_\_

State

\_\_\_\_\_

Country

\_\_\_\_\_

Zip Code

\_\_\_\_\_

Main Phone Number

\_\_\_\_\_

Website URL

**BUSINESS ORGANIZATION**

6. Applicant is a:

- Corporation
- Partnership
- Limited Liability Company
- Other form of organization (specify) \_\_\_\_\_

7. Date of incorporation or formation: \_\_\_\_\_

8. State of incorporation or jurisdiction of organization: \_\_\_\_\_

9. The Applicant agrees and consents that the notice of any proceeding before the Commission in connection with this application may be given by sending such notice by certified mail to the person named below at the address given.

\_\_\_\_\_

Print Name and Title

\_\_\_\_\_

Name of Applicant

\_\_\_\_\_

Number and Street

\_\_\_\_\_

City

\_\_\_\_\_

State

\_\_\_\_\_

Zip Code

**SIGNATURES**

10. The Applicant has duly caused this application or amendment to be signed on its behalf by the undersigned, hereunto duly authorized, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_. The Applicant and the undersigned represent hereby that all information contained herein is true, current, and complete. It is understood that all required items and Exhibits are considered integral parts of this Form SEF and that the submission of any amendment represents that all unamended items and Exhibits remain true, current, and complete as previously filed.

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Name of Applicant

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Signature of Duly Authorized Person

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Print Name and Title of Signatory

# COMMODITY FUTURES TRADING COMMISSION

## FORM SEF

### SWAP EXECUTION FACILITY APPLICATION OR AMENDMENT TO APPLICATION FOR REGISTRATION

#### EXHIBITS INSTRUCTIONS

The following Exhibits must be filed with the Commission by each Applicant applying for registration as a swap execution facility, or by a registered swap execution facility amending its registration, pursuant to section 5h of the Act and the Commission's regulations thereunder. The Exhibits must be labeled according to the items specified in this Form SEF.

The application must include a Table of Contents listing each Exhibit required by this Form SEF and indicating which, if any, Exhibits are inapplicable. For any Exhibit that is inapplicable, next to the Exhibit letter specify "none," "not applicable," or "N/A," as appropriate.

If the Applicant is a newly formed enterprise and does not have the financial statements required pursuant to Items 9 and 10 (Exhibits I and J) of this Form SEF, the Applicant should provide *pro forma* financial statements for the most recent six months or since inception, whichever is less.

#### LIST OF EXHIBITS

##### **EXHIBITS – BUSINESS ORGANIZATION**

1. Attach as **Exhibit A**, the name of any person who owns ten percent (10%) or more of the Applicant's stock or who, either directly or indirectly, through agreement or otherwise, in any other manner, may control or direct the management or policies of the Applicant.

Provide as part of Exhibit A the full name and address of each such person and attach a copy of the agreement or, if there is none written, describe the agreement or basis upon which such person exercises or may exercise such control or direction.

2. Attach as **Exhibit B**, a list of the present officers, directors, governors (and, in the case of an Applicant that is not a corporation, the members of all standing committees, grouped by committee), or persons performing functions similar to any of the foregoing, of the swap execution facility or of any entity that performs the regulatory activities of the Applicant, indicating for each:
  - a. Name
  - b. Title
  - c. Dates of commencement and termination of present term of office or position
  - d. Length of time each present officer, director, or governor has held the same office or position
  - e. Brief account of the business experience of each officer and director over the last five (5) years
  - f. Any other business affiliations in the derivatives and securities industry
  - g. For directors, list any committees on which they serve and any compensation received by virtue of their directorship
  - h. A description of:
    - (1) Any order of the Commission with respect to such person pursuant to section 5e of the Act;
    - (2) Any conviction or injunction against such person within the past ten (10) years;
    - (3) Any disciplinary action with respect to such person within the last five (5) years;
    - (4) Any disqualification under sections 8b and 8d of the Act;
    - (5) Any disciplinary action under section 8c of the Act; and
    - (6) Any violation pursuant to section 9 of the Act.

3. Attach as **Exhibit C**, a narrative that sets forth the fitness standards for the Board of Directors and its composition including the number and percentage of public directors.
4. Attach as **Exhibit D**, a narrative or graphic description of the organizational structure of the Applicant. Include a list of all affiliates of the Applicant and indicate the general nature of the affiliation. Note: If the swap execution facility activities of the Applicant are or will be conducted primarily by a division, subdivision, or other separate entity within the Applicant, corporation, or organization, describe the relationship of such entity within the overall organizational structure and attach as Exhibit D a description only as it applies to the division, subdivision, or separate entity, as applicable. Additionally, provide any relevant jurisdictional information, including any and all jurisdictions in which the Applicant or any affiliated entity are doing business, and registration status, including pending applications (e.g., country, regulator, registration category, date of registration). Provide the address for legal service of process for each jurisdiction, which cannot be a post office box.
5. Attach as **Exhibit E**, a description of the personnel qualifications for each category of professional employees employed by the Applicant or the division, subdivision, or other separate entity within the Applicant as described in Item 4.
6. Attach as **Exhibit F**, an analysis of staffing requirements necessary to carry out the operations of the Applicant as a swap execution facility and the name and qualifications of each key staff person.
7. Attach as **Exhibit G**, a copy of the constitution, articles of incorporation, formation, or association with all amendments thereto, partnership or limited liability agreements, and existing by-laws, operating agreement, rules or instruments corresponding thereto, of the Applicant. Include any additional governance fitness information not included in Exhibit C. Provide a certificate of good standing dated within one week of the date of this Form SEF.
8. Attach as **Exhibit H**, a brief description of any material pending legal proceeding(s), other than ordinary and routine litigation incidental to the business, to which the Applicant or any of its affiliates is a party or to which any of its or their property is the subject. Include the name of the court or agency where the proceeding(s) are pending, the date(s) instituted, the principal parties involved, a description of the factual basis alleged to underlie the proceeding(s), and the relief sought. Include similar information as to any proceeding(s) known to be contemplated by the governmental agencies.

## **EXHIBITS — FINANCIAL INFORMATION**

9. Attach as **Exhibit I**:
  - a. (i) Balance sheet, (ii) Statement of income and expenses, (iii) Statement of cash flows, and (iv) Statement of sources and application of revenues and all notes or schedules thereto, as of the most recent fiscal year of the Applicant, or of its parent company, if applicable. If a balance sheet and any statement(s) certified by an independent public accountant are available, that balance sheet and statement(s) should be submitted as Exhibit I.
  - b. Provide a narrative of how the value of the financial resources of the Applicant is at least equal to a total amount that would enable the Applicant to cover its operating costs for a period of at least one year, calculated on a rolling basis, and whether such financial resources include unencumbered, liquid financial assets (i.e., cash and/or highly liquid securities) equal to at least six months' operating costs.
  - c. Attach copies of any agreements establishing or amending a credit facility, insurance coverage, or other arrangement evidencing or otherwise supporting the Applicant's conclusions regarding the liquidity of its financial assets.
  - d. Representations regarding sources and estimates for future ongoing operational resources.
10. Attach as **Exhibit J**, a balance sheet and an income and expense statement for each affiliate of the swap execution facility that also engages in swap execution facility activities or that engages in designated contract market activities as of the end of the most recent fiscal year of each such affiliate.

11. Attach as **Exhibit K**, the following:
  - a. A complete list of all dues, fees, and other charges imposed, or to be imposed, by or on behalf of the Applicant for its swap execution facility services that are provided on an exclusive basis and identify the service or services provided for each such due, fee, or other charge.
  - b. A description of the basis and methods used in determining the level and structure of the dues, fees, and other charges listed in paragraph (a) of this item.
  - c. If the Applicant differentiates, or proposes to differentiate, among its customers or classes of customers in the amount of any dues, fees, or other charges imposed for the same or similar exclusive services, describe and indicate the amount of each differential. In addition, identify and describe any differences in the cost of providing such services and any other factors that account for such differentiations.

## **EXHIBITS — COMPLIANCE**

12. Attach as **Exhibit L**, a narrative and any other form of documentation that may be provided under other Exhibits herein, that describes the manner in which the Applicant is able to comply with each core principle. Such documentation must include a regulatory compliance chart setting forth each core principle and providing citations to the Applicant's relevant rules, policies, and procedures that address each core principle. To the extent that the application raises issues that are novel or for which compliance with a core principle is not self-evident, include an explanation of how that item and the application satisfy the core principles.
13. Attach as **Exhibit M**, a copy of the Applicant's rules (as defined in § 40.1 of the Commission's regulations) and any technical manuals, other guides, or instructions for users of, or participants in, the market, including minimum financial standards for members or market participants. Include rules citing applicable federal position limits and aggregation standards in part 151 of the Commission's regulations and any facility set position limit rules. Include rules on publication of daily trading information with regards to the requirements of part 16 of the Commission's regulations. The Applicant should include an explanation and any other form of documentation that the Applicant thinks will be helpful to its explanation, demonstrating how its rules, technical manuals, other guides, or instructions for users of, or participants in, the market, or minimum financial standards for members or market participants as provided in this Exhibit M help support the swap execution facility's compliance with the core principles.
14. Attach as **Exhibit N**, executed or executable copies of any agreements or contracts entered into or to be entered into by the Applicant, including third party regulatory service provider or member or user agreements that enable or empower the Applicant to comply with applicable core principles. Identify: (1) the services that will be provided; and (2) the core principles addressed by such agreement.
15. Attach as **Exhibit O**, a copy of any compliance manual and any other documents that describe with specificity the manner in which the Applicant will conduct trade practice, market, and financial surveillance.
16. Attach as **Exhibit P**, a description of the Applicant's disciplinary and enforcement protocols, tools, and procedures and, if applicable, the arrangements for alternative dispute resolution.
17. Attach as **Exhibit Q**, an explanation regarding the operation of the Applicant's trading system(s) or platform(s) and the manner in which the system(s) or platform(s) satisfy any Commission rules, interpretations, or guidelines regarding a swap execution facility's execution methods, including the minimum trading functionality requirement in § 37.3(a)(2) of the Commission's regulations. This explanation should include, as applicable, the following:
  - a. For trading systems or platforms that enable market participants to engage in transactions through an order book:
    - (1) How the trading system or platform displays all orders and trades in an electronic or other form, and the timeliness in which the trading system or platform does so;
    - (2) How all market participants have the ability to see and have the ability to transact on all bids and offers; and

- (3) An explanation of the trade matching algorithm, if applicable, and examples of how that algorithm works in various trading scenarios involving various types of orders.
  - b. For trading systems or platforms that enable market participants to engage in transactions through a request for quote system:
    - (1) How a market participant transmits a request for a quote to buy or sell a specific instrument to no less than three market participants in the trading system or platform, to which all such market participants may respond;
    - (2) How resting bids or offers from the Applicant's Order Book are communicated to the requester; and
    - (3) How a requester may transact on resting bids or offers along with the responsive orders.
  - c. How the timing delay described under § 37.9 of the Commission's regulations is incorporated into the trading system or platform.
18. Attach as **Exhibit R**, a list of rules prohibiting specific trade practice violations.
19. Attach as **Exhibit S**, a discussion of how trading data will be maintained by the swap execution facility.
20. Attach as **Exhibit T**, a list of the name of the clearing organization(s) that will be clearing the Applicant's trades, and a representation that clearing members of that organization will be guaranteeing such trades.
21. Attach as **Exhibit U**, any information (described with particularity) included in the application that will be subject to a request for confidential treatment pursuant to § 145.9 of the Commission's regulations.

#### **EXHIBITS — OPERATIONAL CAPABILITY**

22. Attach as **Exhibit V**, information responsive to the Technology Questionnaire. This questionnaire focuses on information pertaining to the Applicant's program of risk analysis and oversight. Main topic areas include: information security; business continuity-disaster recovery planning and resources; capacity and performance planning; systems operations; systems development and quality assurance; and physical security and environmental controls. The questionnaire will be provided to Applicants on the Commission's website.