

13.2 Marketplaces

13.2.1 Refinitiv Transaction Services Pte. Ltd. – Application for Exemption from Recognition as an Exchange – Notice and Request for Comment

NOTICE AND REQUEST FOR COMMENT

APPLICATION BY REFINITIV TRANSACTION SERVICES PTE. LTD. FOR EXEMPTION FROM RECOGNITION AS AN EXCHANGE

A. Introduction

This notice requests comment on (i) the application filed by Refinitiv Transaction Services Pte. Ltd. (the **Applicant**) as operator of Refinitiv FXall Quicktrade RFQ facility and the Refinitiv FXall Pricestream facility (together the **Platform**) under section 147 of the *Securities Act* (Ontario) (**Act**) for an exemption from the requirement to be recognized as an exchange contained in section 21 of the Act (**Recognition Requirement**); and (ii) the draft order exempting the Applicant from the Recognition Requirement.

The Applicant is a private limited company that is a wholly-owned subsidiary of a holding company indirectly owned by the London Stock Exchange Group plc. The Applicant is registered in Singapore and is principally regulated by the Monetary Authority of Singapore (the **MAS**) as a Recognized Market Operator (**RMO**). The Platform is a request for quote and request for stream trading system that facilitates transactions in precious metals derivatives and foreign exchange derivatives instruments, including options, forwards, swaps, and non-deliverable forwards. The Applicant offers direct access in Ontario to the Platform to participants in Ontario.

As the Applicant is carrying on business in Ontario, it is required either to be recognized as an exchange under the Act or to apply for an exemption from the Recognition Requirement. The Applicant has applied for an exemption from the Recognition Requirement on the basis that it is already subject to regulatory oversight by the MAS.

B. Background

In Singapore, RMOs are regulated under Part II, Division 3 of the Securities and Futures Act (the **SFA**) and the Securities and Futures (Organised Markets) Regulations (2018) (the **SFA Regulations**). In 2019, the regulatory regime was revised to impose new requirements on RMOs. These include a number of new requirements that introduce obligations more akin to those previously applicable only to Approved Exchanges (as defined in the SFA) in Singapore.

The Applicant was recognized as an RMO by the MAS effective June 5, 2020. The Applicant has confirmed that all of the participants of the Platform are sophisticated investors such as banks, dealers, government institutions, advisers and large corporations.

RMOs provide a facility for bringing together orders from multiple buyers and sellers for types of over-the-counter derivatives and other securities and use established non-discretionary methods under which the orders interact with each other. They meet the definition of “marketplace.”

An RMO has a responsibility to regulate the conduct of its participants with respect to trading on the RMO and to set rules governing trading on the system. Because of these self-regulatory responsibilities, under the Act they would be considered an exchange.

C. Application and Draft Exemption Order

In the application, the Applicant has outlined how it meets the criteria for exemption from the Recognition Requirement. The specific criteria can be found in Appendix 1 of the draft exemption order. Subject to comments received, Staff intend to recommend that the Commission grant an exemption order with terms and conditions based on the draft exemption order. The application can be found on our website at www.osc.ca and the draft exemption order is attached to this Notice.

D. Comment Process

The Commission is publishing for public comment the Applicant’s application and the draft exemption order for 30 days. We are seeking comment on all aspects of the application and draft exemption order.

Please provide your comments in writing, via e-mail, on or before May 3, 2021, to the attention of:

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Email: comments@osc.gov.on.ca

The confidentiality of submissions cannot be maintained as the comment letters and a summary of written comments received during the comment period will be published.

Questions may be referred to:

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IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S. 5, AS AMENDED

AND

IN THE MATTER OF
REFINITIV TRANSACTION SERVICES PTE. LTD.

ORDER
(Section 147 of the Act)

WHEREAS Refinitiv Transaction Services Pte. Ltd. (**RTSPL** or the **Applicant**) has filed an application dated March 18, 2021 (the **Application**) with the Ontario Securities Commission (the **Commission**) pursuant to section 147 of the *Securities Act* (Ontario) (the **Act**) requesting an order exempting the Applicant from the requirement to be recognized as an exchange under subsection 21(1) of the Act in order to operate the Refinitiv FXall Quicktrade RFQ facility and the Refinitiv FXall Pricestream facility (together the **Platform**) in Ontario (the **Order**);

AND WHEREAS the Applicant has represented to the Commission that:

1. The Platform is currently operated by RTSPL, a private limited company which is a wholly-owned subsidiary of a holding company indirectly owned by the London Stock Exchange Group plc. RTSPL is registered in Singapore;
2. The Platform is a “request for quote” and “request for stream” platform operated by Refinitiv’s Singapore entity, which enables participants to request quotes and orders from other participants for a variety of over-the-counter foreign exchange instruments on both a one-off and streaming basis. The following types of investment are offered for trading on the Platform: FX Spot, FX Forwards, FX Swaps, FX Non-deliverable Forwards, FX Options and Spot, Forwards, Swaps and Options based on underlying precious metals (gold, silver, platinum and palladium). The Applicant may add other types of financial instruments in the future, subject to obtaining the required regulatory approvals;
3. The Platform is provided through the Refinitiv FXall platform (**FXall**). RTSPL only provides the software and infrastructure to facilitate transactions in these products between participants. It does not act as a counterparty to any such transactions, nor does it play any part in deciding which participants transact with each other or in determining the price at which participants agree to transact. RTSPL does not hold customer money or customer assets;
4. In addition, any clearing and settlement is performed outside of the environment of the Platform. The Platform facilitates transactions between what are referred to on the Platform as Takers and Makers in foreign exchange instruments on a bilateral basis based on existing credit relationships formed outside of RTSPL or the Platform;
5. The Applicant is regulated as a Recognized Market Operator (**RMO**) by the Monetary Authority of Singapore (**MAS**);
6. In Singapore, RMOs are regulated under Part II, Division 3 of the *Securities and Futures Act* (**SFA**) and the *Securities and Futures (Organised Markets) Regulations (2018)* (the **SFA Regulations**);
7. As an RMO, RTSPL is obliged to:
 - (a) as far as is reasonably practicable, ensure that every organized market it operates is a fair, orderly and transparent organized market;
 - (b) manage any risks associated with its business and operations prudently;
 - (c) in discharging its obligations under the SFA, not act contrary to the interests of the public, having particular regard to the interests of the investing public;
 - (d) ensure that access for participation in its facilities is subject to criteria that are (i) fair and objective; and (ii) designed to ensure the orderly functioning of its organized market and to protect the interests of the investing public;
 - (e) maintain business rules and, where appropriate, listing rules that make satisfactory provision for (i) the organized market to be operated in a fair, orderly and transparent manner; and (ii) the proper regulation and supervision of its members;
 - (f) enforce compliance with its business rules and, where appropriate, listing rules;
 - (g) have sufficient financial, human and system resources to (i) to operate a fair, orderly and transparent organized market; (ii) to meet contingencies or disasters; and (iii) to provide adequate security arrangements;

- (h) maintain governance arrangements that are adequate for its organized market to be operated in a fair, orderly and transparent manner; and
 - (i) ensure that it appoints or employs fit and proper persons as its chairman, chief executive officer, directors and key management officers;
8. RTSPL is also required to notify MAS of certain matters (spelled out in section 34 of the SFA and section 21 of the SFA Regulations), manage risks prudently, submit periodic reports, assist MAS with respect to certain matters, maintain confidentiality, and maintain proper records;
9. The Applicant is subject to regulatory supervision by MAS and is required to comply with MAS's regulatory framework set out in the SFA Act and the SFA Regulations. In addition, the FXall Operational Procedures (the **Rules**) provide 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 platform activity, including all applicable laws and regulations relating to money laundering, proceeds of crime and any other financial crime legislation. In addition, the Rules provide for fair and orderly trading and objective criteria for the efficient execution of orders;
10. Participants are sophisticated and well-capitalized investors such as banks, dealers, government institutions, advisers and large corporations. Participants are required to satisfy the admission criteria in the Rules. Participants are required to either be "accredited investors" or "expert investors" as defined in the SFA, or to belong to the categories listed in the Rules. These categories are roughly equivalent to the categories for designation as a "permitted client" or "accredited investor" under Ontario law. RTSPL takes steps to ensure that Ontario participants are either registered or exempt from registration under Ontario law;
11. As a result of its compliance obligations under the MAS regulatory regime, 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 MAS rules. These policies and procedures are set forth in the RTSPL Compliance Manual and associated internal policies and procedures;
12. 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 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;
13. The Platform provides certain Ontario participants with 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;
14. Because the Platform sets requirements for the conduct of its participants and surveils the trading activity of its participants, it is considered by the Commission to be a marketplace;
15. Since the Applicant seeks to provide Ontario Participants with direct access to trading on the Platform, the Platform 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;
16. The Platform 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 Platform are not commodity futures contracts as defined in the *Commodity Futures Act* (Ontario) and the Platform is not considered to be carrying on business as a commodity futures exchange in Ontario;

AND WHEREAS the Commission will monitor developments in international and domestic capital markets and the Applicant's activities on an ongoing basis to determine whether it is appropriate for the Requested Relief to continue to be granted subject to the terms and conditions set out in Schedule "A" to this order;

AND WHEREAS the Applicant has acknowledged to the Commission that the scope of the Order 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 Platform'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:

- a) the Applicant satisfies the criteria for exemption set out in Attachment 1 to Schedule A; and

b) the granting of the Requested 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 Applicant is exempt from the requirement to be recognized as an exchange under subsection 21(1) of the Act in order to operate the Refinitiv FXall Quicktrade RFQ facility and the Refinitiv FXall Pricestream facility;

PROVIDED THAT the Applicant complies with the terms and conditions contained in Schedule "A" to this Order.

DATED *

SCHEDULE A

Terms and Conditions

Meeting Criteria for Exemption

1. The Applicant will continue to meet the criteria for exemption included in Appendix 1 to this Schedule.

Regulation and Oversight of the Applicant

2. The Applicant will maintain its permission to operate as a Recognized Market Operator (**RMO**) from the Monetary Authority of Singapore (**MAS**) and will continue to be subject to the regulatory oversight of the MAS.

3. The Applicant will continue to comply with the ongoing requirements applicable to it as a RMO.

4. 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

5. 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.

6. For each Ontario User provided direct access to the Platform, the Applicant will require, as part of its application documentation or continued access to the Platform, 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.

7. 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 on the Platform.

8. 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 Platform if the Ontario User is no longer appropriately registered or exempt from those requirements.

Trading by Ontario Users

9. The Applicant will not provide access to an Ontario User to trading in products other than FX Spot, FX Forwards, FX Swaps, FX Non-deliverable Forwards, FX Options and Spot, Forwards, Swaps and Options based on underlying precious metals (gold, silver, platinum and palladium) 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 submit to 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.

Prompt Reporting

12. The Applicant will notify staff of the Commission promptly of:

- a) any authorization to carry on business granted by the MAS is revoked or suspended or made subject to terms or conditions on the Applicant's operations;
- b) the Applicant institutes 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;
- c) a receiver is appointed for the Applicant or the Applicant makes any voluntary arrangement with creditors;

- d) the Applicant or the Platform is not in compliance with this order or with any applicable requirements, laws or regulations of the MAS where it is required to report such non-compliance to the MAS;
- e) any investigations of, or disciplinary action against, the Applicant by the MAS or any other regulatory authority to which it is subject become known to the Applicant; and
- f) the Applicant makes any material change to the eligibility criteria for Ontario Users.

Semi-Annual Reporting

13. The Applicant will maintain the following updated information and submit such information in a manner and form acceptable to the Commission on a semi-annual basis (by July 31 for the first half of the calendar year and by January 31 of the following year for the second half), 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 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 against whom disciplinary action has been taken in the last semi-annual period by the Applicant, or, to the best of the Applicant's knowledge, by the MAS with respect to such Ontario Users' activities on the Platform and the aggregate number of disciplinary actions taken against all participants in the last semi-annual period by the Applicant;
- d) a list of all active investigations during the semi-annual period by the Applicant relating to Ontario Users and the aggregate number of active investigations during the semi-annual period 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 semi-annual period, together with the reasons for each such denial; and
- f) for each product,
 - (i) the total trading volume and value 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 Platform 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.

Information Sharing

14. 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.

APPENDIX 1

CRITERIA FOR EXEMPTION OF A FOREIGN EXCHANGE TRADING OTC DERIVATIVES FROM RECOGNITION AS AN EXCHANGE

PART 1 REGULATION OF THE EXCHANGE

1.1 Regulation of the Exchange

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 for all officers, directors and employees, 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 submitted to 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 that may include, but are not limited to, 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 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

8.1 Clearing Arrangements

The exchange has or requires its participants to have appropriate arrangements for the clearing and settlement of transactions for which clearing is mandatory through a clearing house.

8.2 Risk Management of Clearing House

The exchange has assured itself that the clearing house has established appropriate risk management policies and procedures, contingency plans, default procedures and internal controls.

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 respond to market disruptions and disorderly trading.

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 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 Organisation of Securities Commissions (**IOSCO**) including those set out in the "Principles for the Regulation and Supervision of Commodity Derivatives Markets" (2011).