

B.11.2 Marketplaces

B.11.2.1 GLMX Technologies LLC – Application for Exemption from Recognition as an Exchange – Notice and Request for Comment

NOTICE AND REQUEST FOR COMMENT

APPLICATION BY GLMX TECHNOLOGIES LLC FOR EXEMPTION FROM RECOGNITION AS AN EXCHANGE

A. Background

GLMX Technologies LLC (**GLMX**) has applied to the Ontario Securities Commission (the **Commission**) for an exemption from the requirement to be recognized as an exchange pursuant to subsection 21(1) of the *Securities Act* (Ontario) (**OSA**).

GLMX is a limited liability company organized under the laws of Delaware and is registered with the U.S. Securities and Exchange Commission (**SEC**) as a security-based swap execution facility (**SBSEF**). GLMX operates a marketplace for trading security-based total return swaps (**TRSSs**) over fixed income and equity reference assets and intends to provide direct access to eligible institutional participants located in Ontario. GLMX also operates an alternative trading system (**ATS**) for securities finance transactions and was granted exemptive relief from the marketplace rules and dealer registration and prospectus requirements by the Commission on October 6, 2021 and December 16, 2024, respectively, in connection with that platform, which the current application does not seek to amend.

As GLMX now also intends to operate an SBSEF platform for Ontario participants, it has self-regulatory responsibilities and is, therefore, considered to be carrying on business in Ontario as an “exchange” and must be recognized as an exchange under the OSA or obtain an exemption from this requirement. GLMX has applied for an exemption from the recognition requirement on the basis that it is already subject to comprehensive regulatory oversight by the SEC.

B. Application and Draft Exemption Order

In its application, GLMX outlines how it meets the criteria for exemption from recognition. The specific criteria are set out in Appendix 1 to Schedule “A” of the draft exemption order. Subject to comments received, Commission staff intends to recommend that the Commission grant an exemption order with terms and conditions based on the draft exemption order. The proposed terms and conditions in Schedule “A” are consistent with those included routinely in the Commission’s exemption orders for swap execution facilities (**SEFs**) and Multilateral Trading Facilities (**MTFs**). Recently, these terms and conditions have been applied to certain Ontario-exempted SEFs, allowing them to expand their activities to include trading in security-based swaps following their SBSEF registration with the SEC. The application and draft exemption order are available on the Commission’s website at www.osc.ca.

C. Comment Process

The Commission is publishing for public comment the GLMX application and draft exemption order. Comments are invited on all aspects of the application and draft exemption order.

Please submit your comments in writing via email on or before **August 10, 2025** addressed to:

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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APPLICATION FOR EXEMPTION FROM RECOGNITION AS AN EXCHANGE

June 27, 2025

Ontario Securities Commission
20 Queen Street West, 19th Floor
Toronto, Ontario M5H 3S8

Attention: Secretary

Re: GLMX Technologies LLC ("GLMX") – Application for Exemption from Recognition as an Exchange ("Exemption")

Dear Sirs and Mesdames:

Overview

We are counsel for GLMX. GLMX, a limited liability company organized under the laws of Delaware (the "**Applicant**" or "**GLMX**"), is requesting an order for the following relief (collectively, the "**Requested Relief**") relating to the operation in Ontario by GLMX of a marketplace (the "**Platform**") for trading securities-based swaps that is regulated by the United States Securities and Exchange Commission ("**SEC**") under the terms of The Securities Exchange Act of 1934¹ ("**Exchange Act**") and the SEC Regulation on the Registration and Regulation of Security-Based Swap Execution Facilities Regulation² ("**Regulation SE**").

- exempting the Applicant from the requirement to be recognized as an exchange under subsection 21(1) of the *Securities Act* (Ontario) (the "**OSA**") pursuant to section 147 of the OSA; and
- exempting the Applicant from the requirements in National Instrument 21-101 – *Marketplace Operation* ("**NI 21-101**") pursuant to section 15.1(1) of NI 21-101, the requirements of National Instrument 23-101 – *Trading Rules* ("**NI 23-101**") pursuant to section 12.1 of NI 23-101 and the requirements of National Instrument 23-103 – *Electronic Trading and Direct Electronic Access to Marketplaces* ("**NI 23-103**") pursuant to section 10 of NI 23-103.

Under its registration in the United States as a securities-based securities swap execution facility ("**SBSEF**") GLMX intends to list the following types of security-based total return swaps (each, a "**TRS**") for trading on the Platform:

- TRS over fixed income reference assets ("**FI TRS**"), and
- TRS over equity reference assets ("**Equity TRS**", and together the "**GLMX TRSs**").

Eligible reference assets for the GLMX TRS would be all single fixed income securities (other than US Treasuries) and all single equity securities for which the Platform can obtain indicative price feeds from its vendors. This would potentially be up to 100,000 individual securities. The Platform would also support TRSs over narrow baskets and indices.

GLMX's clients are large financial institutions that engage in securities finance transactions ("**SFTs**") on a principal or agent basis, including asset managers, bank-owned and non-bank owned broker-dealers, insurance companies, hedge funds, money market funds and sovereign institutions (each a "**Participant**"), to access the GLMX Platform directly to trade and execute GLMX TRSs.

GLMX intends to provide direct access to trading on its Platform to Participants located in Ontario, including participants with their legal address in Ontario and all traders conducting transactions on behalf a Participant, regardless of the trader's physical location (inclusive of non-Ontario branches of Ontario legal entities) ("**Ontario Participants**"). The Applicant does not offer Platform access to retail clients.

The Applicant has no physical presence and does not otherwise carry on business in Ontario except for trading securities on the Platform in connection with SFTs in Ontario and the provinces of Quebec, British Columbia, Alberta and Nova Scotia. In these provinces, GLMX relies upon certain exemptive relief ("**Relief**") originally obtained in 2021 and updated and extended in 2024³ and 2025⁴. The Applicant is not seeking to amend, by way of this application, the Commission's decision dated December 16, 2024 in relation to the operation of GLMX's ATS platform.

As reflected in the diagram inserted below, the platforms are operated by the same legal entity, GLMX. The SBSEF platform is run as a division of GLMX. This division will have its own three person divisional board which will include two independent

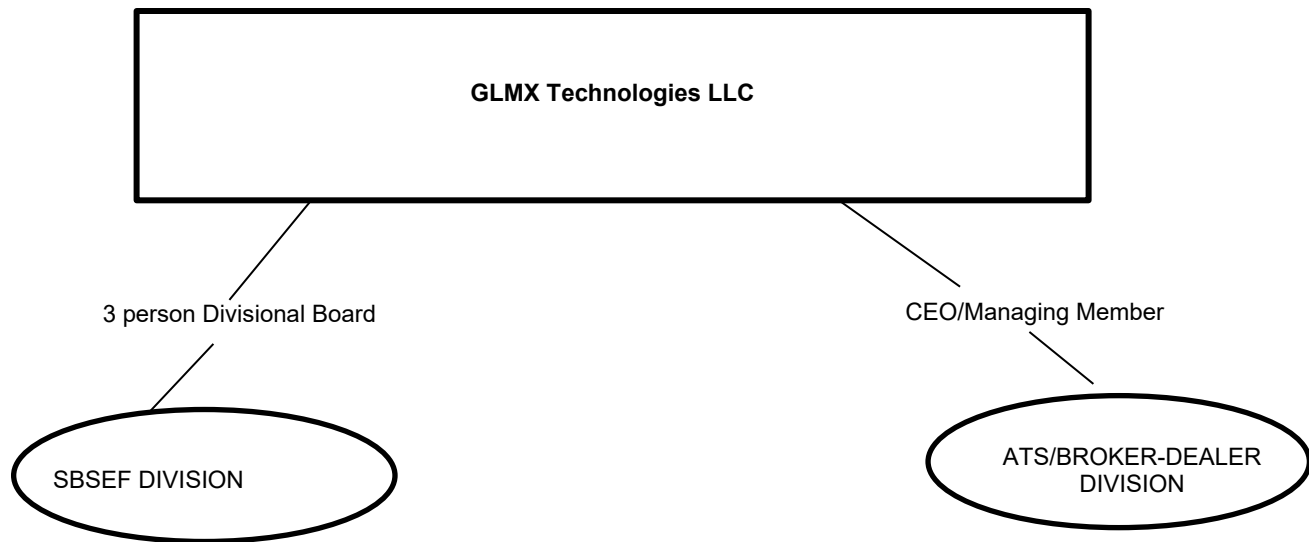
¹ 15 U.S.C. § 78a, et. seq

² 17 CFR 242.800 to 242.835

³ [GLMX Technologies, LLC | OSC: GLMX-Technologies-LLC.ashx](#)

⁴ [See Alberta Securities Commission exemption order](#) ; [BC Securities Commission order](#) and [Nova Scotia exemption order](#)

nominees. The broker-dealer business for trading SFTs is conducted by GLMX in a separate division, will be managed by the GLMX CEO Glenn Havlicek as managing member of GLMX Technologies.



The Applicant seeks the Requested Relief on the basis that it is already subject to regulatory oversight by the SEC.

This application is divided into the following Part I to Part V, Part III of which describes how the Applicant satisfies criteria set by staff of the Ontario Securities Commission (the "**Commission**") for exemption of a foreign exchange, that allows customers to trade uncleared bilateral GLMX TRSs, from recognition as an exchange.

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PART I INTRODUCTION

1. Description of the Applicant's Services to Ontarians

1.1 The Applicant operates the Platform, which is an exchange for trading TRSs known as a "security-based swap execution facility" that is regulated by the SEC for trading GLMX TRSs. The Platform offers trading of uncleared bilateral swaps in various underlying securities, which are regulated as securities-based TRSs by the SEC. Additional products may be added in the future, subject to obtaining any required regulatory approvals.

1.2 The Platform enables participants to engage in trading GLMX TRSs using the trading methodologies described in chapter 4 of the Applicant's rulebook (the "**GLMX Rulebook**"), available online at <https://www.glmx.com/regulatory>. As a registered broker-dealer and alternative trading system, GLMX is subject to a comprehensive regulatory framework in the U.S. overseen by both the SEC and FINRA which includes rules on financial and fitness requirements, reporting and record-keeping obligations, customer fund protections, market integrity standards, and prohibitions on fraud and market manipulation. In the Applicant's capacity as an SBSEF, it will have ongoing reporting and notification obligations to the SEC as required by Regulation SE, such as timely monitoring and reporting of transactions, quarterly financial reports, annual compliance reports, and the obligation to make timely notifications of any changes to products, fees, rulebooks, or company structure and to respond to any SEC examinations which may be conducted at any time.

1.3 The Platform also currently allows institutional investors to submit requests for quotations ("**RFQs**") to other institutional investors to negotiate the terms of SFTs, certificates of deposit and time deposits. The term "SFTs" refers to several different types of secured lending transactions, i.e. the party receiving the 'loan' of the cash amount typically posts securities ("**collateral**") to the other party at the start of the transaction, as security for its obligation to repay the cash amount at the end of the transaction. At the start of an SFT, ownership of the collateral temporarily changes from the "borrowing party" to the "lending party" in return for the cash amount. At the end of an SFT, the ownership of the collateral reverts to the borrowing party when the cash amount is repaid, and both counterparties are left with what they possessed originally, plus or minus a small fee depending on the purpose of the transaction (repo rate, stock borrow fee, etc.). In this regard, SFTs act like collateralized loans. SFTs can be implemented using a range of instruments, which include repurchase agreements (called "**repos**"), sale/buy-back agreements, securities lending agreements and margin lending agreements. The Platform allows its customers to negotiate SFTs collateralized by a variety of fixed income and equity securities, as the parties so determine during their negotiation. GLMX does not effect transactions in the SFTs themselves, nor the products that serve as collateral and it is not a party to any of the SFTs. GLMX does not settle or act as custodian of the SFTs or the collateral. GLMX's role is limited to operating the Platform on which the parties negotiate the SFTs, and this remains the case regardless of the type of collateral used.⁵

1.4 As set forth in Chapter 4 of the GLMX Rulebook, the Platform offers Participants the following two execution methods for GLMX TRSs:

(a) Order Book ("**Order Book**"). Rule 1.01 of the GLMX Rulebook defines GLMX's "Order Book" as: "...the portion of the SBSEF in which Participants in the trading system or platform have the ability to enter Orders designated for the Order Book, observe or receive such Orders entered by other Participants, and execute such Orders." The Order Book is one of the two forms of swap execution functionality available on the GLMX Platform for executing all GLMX TRSs. As described in Rule 4.04.A, the Order Book will allow Participants to post limit orders, which will be displayed as executable to all other Participants with which the posting Participant has already established a counterparty trading relationship. Otherwise, the limit order will be displayed as having an indicative price.

(b) RFQ Function. As described in Rule 404.B, the SBSEF also offers an RFQ system already used in the Applicant's SFT business. Institutional investors currently submit RFQs to other institutional investors to negotiate the terms of products other than TRSs. In the SBSEF context, the Platform allows a Participant to submit an RFQ seeking a firm order or a limit order with an indicative price from one or more Participants for a bid to purchase or an offer to enter into a GLMX TRS. Only a Participant chosen by the Participant to respond to an RFQ will be allowed to become a party to the GLMX TRS requested in such RFQ.

The Participant initiating an RFQ in a GLMX TRS shall be informed by GLMX of any relevant open order resting at that time in the Order Book that may be responsive to such RFQ, all as more fully described in Rule 404.B.

1.5 The Applicant will offer direct access to trading on the Platform to Participants that are located in Ontario ("**Ontario Participants**") and as further described in Part III below. Ontario Participants may include Canadian financial institutions, registered dealers and advisors, government entities, pension funds and other well-capitalized, non-regulated entities.

1.6 The Applicant has no physical presence in Ontario and does not otherwise carry on business in Ontario except pursuant to the Relief.

⁵ This description is from Executive Summary Document included in SBSEF Registration Application.

PART II BACKGROUND OF THE APPLICANT

1. Ownership of the Applicant

1.1 Global Liquid Markets LLC (“GLM”), the holding company for various GLMX entities described below, has its head office at 6 Grand Central at 666 Third Avenue, 32nd Floor, New York New York 10017. GLM has three subsidiaries: GLMX LLC, GLMX and GLMX Europe Limited. GLMX LLC licenses the Platform to GLMX.

1.2 GLMX is registered as a broker-dealer and is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation. It operates and maintains the Platform, which is registered as an Alternative Trading System (“ATS”) with the SEC.

1.3 The Platform facilitates the negotiation of GLMX TRSs, SFTs and certificates of deposit and time deposits between institutional counterparties that have pre-existing relationships with each other. Further details on SFTs and the Platform clients are set out below.

1.4 GLMX Europe Limited (“GLMX Europe”), is established in the UK, and carries on its business there. GLMX Europe’s sole function is to provide services to and for the benefit of GLMX LLC and GLMX.

1.5 GLMX has registered its Singapore branch as “GLMX Technologies, LLC, Singapore branch (UEN: T24FC0041J) (Incorporated in the United States of America with limited liability)” to operate as a foreign registered market operator.

2. Products Traded on the Applicant’s SBSEF

2.1 The Applicant will provide its customers with trading and execution services for uncleared bilateral swaps. A full list of the products traded on the Applicant’s GLMX Platform can be found on the Applicant’s website, at www.glmx.com.

3. Participants

3.1 The Applicant’s Platform will enable clients to access the Platform directly either to enter transactions on their own behalf as Participants or to enter transactions on behalf of other Participants as an agent. Persons seeking direct access to the Platform as a Participant must apply for “Trading Privileges” on the GLMX Platform under Rule 302 of the GLMX Rulebook and, if a person’s application is accepted, such person must enter into (a) a GLMX Subscriber Agreement (“**Subscriber Agreement**”) with the Applicant. To be a Participant, a person must hold Trading Privileges.

3.2 GLMX’s Participants are large financial institutions that engage in SFTs on a principal or agent basis, including asset managers, bank-owned and non-bank owned broker-dealers, insurance companies, hedge funds, money market funds and sovereign institutions

3.3 GLMX Platform participant criteria are described more fully in Part III, Paragraph 4.1 below.

PART III APPLICATION OF EXEMPTION CRITERIA TO THE APPLICANT

The following is a discussion of how the Applicant meets the criteria of the Commission for exemption of a foreign exchange from recognition as an exchange. Each of the criteria is reproduced in bold face followed by a commentary in regular font as to how a particular criterion is satisfied by the Applicant.

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”).

1.1.1 The Applicant is registered to operate as an SBSEF in the U.S. pursuant to Regulation SE effective on and after January 29, 2025. The Applicant is subject to regulatory supervision by the SEC. The Applicant is obligated to give the SEC access to all records unless prohibited by law or such records are subject to attorney-client privilege. The SEC reviews, assesses and enforces Regulation SE on an ongoing basis including the 14 core principle requirements for SBSEFs (“**SBSEF Core Principles**”) required by Part 242 of the SEC Regulations. The SBSEF Core Principles relate to the operation and oversight of the Platform, including financial resources, systems and controls, maintenance of an orderly market, execution and settlement of transactions, rule-making and investor protection.

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.

1.2.1 The SEC carries out the regulation of SBSEFs in accordance with certain provisions of the Exchange Act and Regulation SE. To implement SBSEF regulation, the SEC has promulgated regulations and guidelines (“**SB SEF Regulations**”) that further

interpret the SBSEF Core Principles and govern the conduct of SBSEFs. The SEC also undertakes periodic in-depth audits or rule reviews of a SBSEF's compliance with certain of the SBSEF Core Principles.

1.2.2 The Applicant is required to demonstrate its compliance with the SBSEF Core Principles applicable to all U.S. SB SEFs. Among other things, the SB SEF Core Principles and SB SEF Regulations require SBSEFs to have a rulebook and a compliance program, including a Chief Compliance Officer ("**CCO**") and a Compliance Manual. An SBSEF's access criteria for Participants must be impartial and transparent and must be applied in a fair and non-discriminatory manner. The SEC requires each SEF to have certain required trading protocols. A SEF must publish on its website certain daily trading data for each GLMX TRS listed on the SBSEF and must report, or cause to be reported by Participants, all transactions executed on the SBSEF to a swap data repository.

1.2.3 An SBSEF is a self-regulatory organization under SEC rules. An SBSEF is obliged under SEC rules to have requirements governing the conduct of Participants to monitor compliance with those requirements and to discipline Participants, including by means other than exclusion from the marketplace.

2. Governance

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

(a) effective oversight of the exchange

2.1.2 Pursuant to Rule 201, the board of managers (referred to herein as "directors" of the Applicant (the "**Board**"), has the power to manage the business and affairs of the Applicant in accordance with its Amended and Restated Limited Liability Company Agreement ("**LLC Agreement**"). The Board has the power to appoint such officers of the Applicant as it may deem necessary or appropriate from time to time.

2.1.3 The Board has the power including through agents, to perform all acts to promote the sound and efficient operation of the Platform including, but not limited to, the following:

- (a) ensuring that the Platform complies with all statutory, regulatory and self-regulatory responsibilities under the Exchange Act and SEC Regulations;
- (b) reviewing, approving and monitoring major strategic, financial and business activities, the Applicant's budget and financial performance;
- (c) evaluating risks and opportunities facing the Applicant and proposing options for addressing such issues;
- (d) overseeing, reviewing and acting upon recommendations from the Applicant's board committees and the CCO; and
- (e) having the sole power to set the payment dates and amounts of any dues, assessments or fees to be levied on holders of Trading Privileges, subject to all SEC regulatory authorizations.

2.1.4 Each director is expected to comply with all applicable law and Applicant's policies, and promote compliance by the Applicant and all of its employees with all applicable law and such policies. The Board discharges its responsibilities and exercises its authority in a manner, consistent with applicable legal and regulatory requirements, that promotes the sound and efficient operation of the Applicant and its securities-based swap execution activities. The Board must, to the extent consistent with such responsibilities and, as long as the Applicant remains a direct subsidiary of GLM, operate within the restraints and delegated authorities set by GLM. These delegated authorities consist of the provisions of the GLMX operating agreement establishing the divisional board structure, as well as the Rule Book adopted by the Board to oversee the SBSEF division within GLMX in accordance with Regulation SE.

2.1.5 The Board provides effective oversight of the Platform as described in greater detail below.

Fitness Standards

2.1.6 The Applicant has established eligibility standards for the Board as set forth in section 2.09 of the GLMX Rulebook (the "**Governance & Ownership Provisions**"). The Governance & Ownership Provisions have been adopted by the Board and included in the GLMX Rulebook to assist the Board in the exercise of its responsibilities with the assessment of the fitness of director candidates. The Governance & Ownership Provisions are not intended to supersede or interpret any applicable law, and operate in conjunction with the Applicant's LLC Agreement.

2.1.6 The Board is committed to conducting itself in a legal and ethical manner in fulfilling its responsibilities. Each director is expected to comply with all applicable laws, rules and regulations, and Applicant policies, and promote regulatory compliance by the Applicant and all of its employees. The Board discharges its responsibilities and exercises its authority in a manner, consistent with applicable legal and regulatory requirements, that promotes the sound and efficient operation of the Applicant and its swap execution activities.

Composition

2.1.8 The Board will consist of three directors two of whom are public directors (each, a “**Public Director**”).

2.1.9 No Public Director of GLMX is permitted to have any “material relationship” with GLMX.

A director shall be considered to have a “material relationship” with GLMX under Rule 2.01 of the GLMX Rulebook if any of the following circumstances exist or have existed within the past year preceding a determination as to whether such a relationship exists:

- (a) such director is an officer or an employee of the Applicant or an officer or an employee of an affiliate⁶ of the Applicant;
- (b) such director is a Participant or material owner of the Applicant ;
- (c) such director is a director, an officer, or an employee of a Participant or Owner (member) of the Applicant;
- (d) such director is an officer of another entity, which entity has a compensation committee (or similar body) on which any officer of the Applicant serves;
- (e) such director, or any entity of which the director is a partner, an officer, an employee, or from which a director, receives more than US\$100,000 in combined annual payments for legal, accounting, or consulting services from the Applicant or its affiliate, any Participant, or any affiliate of such Participant. Compensation for services as a director of the Applicant SBSEF or as a director of an Affiliate thereof does not count toward the \$100,000 payment limit, nor does deferred compensation for services rendered prior to becoming a director, so long as such compensation is in no way contingent, conditioned, or revocable.

Any of the relationships set forth above apply to the “immediate family” of such Director (i.e., spouse, parents, children, and siblings) in each case, whether by blood, marriage, or adoption, or any natural person residing in the home of the Director or that of his or her “immediate family.”

2.1.10 Each Director shall be appointed in accordance with the LLC Agreement and shall serve until his or her successor is duly appointed, or until his or her earlier resignation or removal, with or without cause. Any Public Director of GLMX shall be nominated and may be removed in accordance with the provisions of the LLC Agreement but, upon removal of any Public Director, the removed Public Director must be replaced by another Public Director.

Qualifications

2.1.11 In order to fulfill their responsibilities, directors (including Public Directors) are selected based on their experience, qualifications, attributes and skills and the understanding that their leadership will play an integral role in fulfilling the Applicant’s business objectives and legal obligations. In particular, directors should:

- (a) demonstrate sufficient experience in the Applicant’s scope or intended scope of financial services (including ancillary services valuable for the Applicant to fulfill its business purposes); and
- (b) be of sufficiently good repute, including the absence of any of the categories that would be disqualifying under SEC regulations.

Under Regulation SE, Public Directors have to satisfy some independence requirements. They cannot be members or salaried employees of the SBSEF, cannot primarily perform services for the SBSEF in a capacity other than as a member of the governing board and cannot be officers, principals, or employees of a firm which holds a membership at the SBSEF either in its own name or through an employee on behalf of the firm

Ineligibility

2.1.12 As set forth in Rule 2.09 of the GLMX Rulebook, no person may serve as a director, officer or member of a board of directors standing committee, disciplinary panel or appellate panel if the person:

- (a) was found within the past three years by a final decision of a self-regulatory organization, an administrative law judge, a court of competent jurisdiction or the SEC to have committed a disciplinary offense;
- (b) entered into a settlement agreement within the past three years with a court of competent jurisdiction or the SEC in which any of the findings or, in absence of such findings, any of the acts charged, included a disciplinary offense;

⁶ Under the definitions in section 1.01 of the GLMX Rulebook, an “affiliate”, of a person means a person who, directly or indirectly, controls, is controlled by, or is under common control with, such other Person. The term “Control,” including the terms “Controlling,” “Controlled by” and “under common Control with,” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of securities or otherwise.

(c) is currently suspended from trading on any contract market, is suspended or expelled from membership with any self-regulatory organization, is serving any sentence of probation or owes any portion of a fine imposed pursuant to either (A) a finding by a final decision of a self-regulatory organization, an administrative law judge, a court of competent jurisdiction or the SEC that such person committed a disciplinary offense, or (B) a settlement agreement in which any of the findings or, in absence of such findings, any of the acts charged, included a Disciplinary Offense;

(d) is currently subject to an agreement with the SEC or any self-regulatory organization not to apply for registration with the SEC or membership in such self-regulatory organization;

(e) is currently subject to or has had imposed on him within the past three years a SEC registration revocation or suspension in any capacity for any reason, or has been convicted within the past three years of any felony; or

(f) is currently subject to a denial, suspension or disqualification from serving on a Disciplinary Panel, Appellate Panel or governing board of any self-regulatory organization as that term is defined in the Exchange Act (15 USC § 78c(a)(26)).

Verification of Qualifications

2.1.13 In order to verify that each director is qualified to serve, the Applicant requires:

(a) a written statement from each prospective director containing biographical information and related background information; and

(b) each director must inform the Applicant's CCO in writing if any of the information in the statement materially changes thereafter.

Upon receipt of the written statement, the Applicant's CCO will conduct an online search to determine whether there is anything contradictory to the prospective director's statement and will attempt to resolve any inconsistencies. The CCO will report the results of this review to the Managing Member and the Board prior to the election of the prospective director.

Conflicts of Interest

2.1.14 As set forth in Rule 212 of the GLMX Rulebook, GLMX is required to (A) establish and enforce rules to minimize conflicts of interest in its decision-making process; and (B) establish a process for resolving the conflicts of interest.

2.1.15 Pursuant to Rule 212, a member of GLMX's Board, disciplinary committee, or appellate panel must abstain from such body's deliberations and voting on any matter involving a "named party in interest" (usually an individual or entity identified by name as a subject of a Rule enforcement proceeding, a disciplinary matter or an appeal being considered by a GLMX disciplinary panel or appellate panel) where such member:

(a) is a named party in interest;

(b) is an employer, employee or fellow employee of a named party in interest;

(c) has any other significant, ongoing business relationship with a named party in interest, not including relationships limited to executing transactions opposite of each other or to clearing transactions through the same clearing member;

(d) has a family relationship with a named party in interest (each of (a) through (d) being a **"Relationship Conflict of Interest"**) or

(e) has a direct and substantial financial interest in the result of the deliberations or vote of such body based upon either Applicant or non-Applicant positions that could reasonably be expected to be affected by the action (a **"Financial Conflict of Interest"**) or

(f) has a conflict between the exercise of the authority by the Director, Officer, member of any Standing Committee, Disciplinary Panel Member or Appellate Panel Member concerning such Company proceeding or and his or her personal interests due to any other circumstances.

A "family relationship" exists between a named party in interest or potential named party in interest in an Executive Proceeding and a potential Interested Person if one person is the other's spouse, former spouse, parent, stepparent, child, stepchild, sibling, stepbrother, stepsister, grandparent, grandchild, uncle, aunt, nephew, niece or in-law.

2.1.16 Prior to the consideration by GLMX's Board, disciplinary panel, or appellate panel of any matter involving a named party in interest, each member of GLMX's Board, disciplinary panel or appellate panel must disclose to GLMX's CCO whether he or she has one of the Relationship Conflicts of Interest with a named party in interest. The CCO must then determine, based upon the information disclosed by the member and any other source of information that is held by and reasonably available to GLMX, and

taking into consideration the exigency of the matter, whether the member is subject to a conflicts restriction in any matter involving the named party in interest.

2.1.17 Prior to the consideration by GLMX's Board, disciplinary panel, or appellate panel of any significant action, each member of GLMX's board of directors, disciplinary committee, or oversight panel must disclose to GLMX's CCO any positions, whether maintained at the SBSEF or elsewhere, held in such member's personal accounts or the proprietary accounts of such member's affiliated firm, that the Applicant reasonably expects could be affected by the significant action.

The CCO must then determine, based upon (i) the most recent large trader reports and clearing records available to GLMX, (ii) the information provided by the member with respect to positions, and (iii) any other source of information that is held by and reasonably available to GLMX, as well as the exigency of the significant action, whether the member is subject to a conflicts restriction in the deliberations and voting on the subject significant action.

2.1.18 With respect to Financial Conflicts of Interest only, Rule 2.12(c) allows GLMX's Board, or a disciplinary panel or oversight panel, to permit a member to participate in deliberations prior to a vote on a significant action for which he or she otherwise would be required to abstain, if such participation would be consistent with the public interest and the member recuses himself or herself from voting on such action. In making a determination as to whether to permit a member to participate in deliberations on a significant action for which he or she otherwise would be required to abstain, the deliberating body shall consider the following factors: (i) whether the member's participation in deliberations is necessary for the deliberating body to achieve a quorum in the matter; and (ii) whether the member has unique or special expertise, knowledge or experience in the matter under consideration. Prior to any such determination, the deliberating body must fully consider the position information which is the basis for the member's direct and substantial financial interest in the result of a vote on the significant action.

2.1.19 GLMX's Board, disciplinary committees and oversight panels must reflect in their minutes or otherwise document that the required conflicts determination procedures have been followed, including (i) the names of all members who attended the meeting in person or otherwise were present by electronic means, (ii) the name of any member who voluntarily recused himself or herself or was required to abstain from deliberations and/or voting on a matter and the reason for the recusal or abstention, if stated, and (iii) information on the position information that was reviewed for each member.

2.1.20 From time to time, the CCO or his delegates in the Compliance Department will review the minutes of any and all such Board, Disciplinary Panel, or Appeal Panel meetings in which the conflicts determination procedures will confirm and validate the handling of the conflict(s).

Appeals and Compliance

2.1.21 Each director must become familiar with, and abide by, the Governance & Ownership Provisions referred to in section 2.1.6 of Part III of this application. Each prospective director and director must, before taking office, acknowledge his or her receipt and understanding of the Governance & Ownership Provisions, as well as upon any publication of a revised set of Governance & Ownership Provisions or amendment thereto. In addition, (i) upon request from the Applicant, the director shall certify that the qualification information he/she provided to the Applicant before being elected as a director has not changed materially, and (ii) from time to time the director shall provide an updated statement of qualification information that reflects any material changes.

2.1.22 Directors are required to report suspected violations of the Governance & Ownership Provisions or of any applicable law, rule or regulation by any director to the Board, or the CCO (who will subsequently relay any such suspected violations to the Board, unless such reported violation is proven incorrect after a prompt initial review of its merits). The Board shall determine whether to conduct an investigation and what appropriate action should be taken. Directors may consult with the Applicant's CCO if there is any doubt as to whether a particular transaction or course of conduct complies with or is subject to the Governance & Ownership Provisions.

Self-Review

2.1.23 The Board reviews its performance and that of its individual directors on an annual basis. The Board, or a committee delegated such responsibility, shall establish criteria for the Board's evaluation, shall conduct the evaluation in accordance with such criteria, and shall make recommendations to improve deficiencies.

Removal for Cause

2.1.24 Any director failing to comply with, or certify compliance with, the Governance & Ownership Provisions, or whose conduct otherwise is likely to be prejudicial to the sound and prudent management of the Applicant, may be removed for cause at any time by the affirmative vote of a majority of the directors, other than the director whose conduct is at issue, or by the affirmative vote of the Managing Member, at the annual meeting or at a special meeting called for that purpose.

Board Committees

2.1.25 The term “Standing Committee” means each of committee of the Board that is required by the SEC. At present, the Company has no Standing Committees. The Board may from time to time constitute and appoint standing committees as it may deem necessary or advisable. The Applicant may also from time to time establish one or more special committees as it may deem necessary or advisable.

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

2.1.26 The Applicant is committed to ensuring the integrity of its Platform and the stability of the financial system in which market infrastructure plays an important role. The Applicant must ensure the integrity of a transaction that occurs on the GLMX Platform and the protection of customer funds under Core Principle 6 – *Position Limits or Accountability* (“**Core Principle 6**”). The Applicant fulfills this requirement in part through compliance with other SBSEF Core Principles, such as Core Principle 3 – *Securities-Based Swaps Not Readily Subject to Manipulation* (“**Core Principle 3**”). Stability of the market infrastructure is enhanced through compliance with Core Principle 12 – *Financial Resources* (“**Core Principle 12**”). Core Principle 13 requires the GLMX Platform to maintain adequate financial resources to discharge its responsibilities and ensure orderly operation of the market. The rules, policies and activities of the Applicant are designed and focused on ensuring that they maintain best practices and fulfil this public interest mandate. The Applicant operates on a basis consistent with applicable laws and regulations, and best practices of other SBSEFs and derivatives trading facilities.

(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,

2.1.27 At such time as determined in the discretion of the Board (or at and for such other time as may otherwise be required by SBSEF Regulations), the Board shall be composed of at least 20%, but no less than one, Public Directors, or such other percentage of Public Directors as may be required under SBSEF Regulations. The Board currently has two Public Directors. Paragraphs 2.1.14 and following under the heading “Conflicts of Interest” contains a discussion of how conflicts of interest are monitored and addressed. Paragraph 2.1.11 above contains a discussion of director qualifications.

(d) The exchange has policies and procedures to appropriately identify and manage conflicts of interest for all officers, directors and employees, and

2.1.28 The Applicant, through its conflicts of interest rules, policies and procedures in Rule 2.12 of the GLMX Rulebook, as well as its compliance with Core Principle 11 – *Conflicts of Interest* (“**Core Principle 11**”), has established a robust set of safeguards designed to ensure that the Platform operates free from conflicts of interest or inappropriate influence as described above. The SEC also conducts its own surveillance of the markets and market participants and actively enforces compliance with applicable regulations. In addition to this regulatory oversight, the Applicant separately establishes and enforces rules governing the activity of all market participants in its market. The Applicant’s conflict of interest policies are described in greater detail in Paragraphs 2.1.14 through 2.1.20 above.

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

2.1.29 See Paragraph 2.1.11 above for information on the director qualifications. The two independent Board members of the SBSEF will each be paid a monthly fee for their service. The CEO, Glenn Havlicek, will not be paid separately for his services on the Board since he is already paid a salary for his employment with GLMX.

Members of the Applicant’s Management Team are recruited for their particular position based upon their skills and expertise. Their individual goals and performance are regularly assessed by their direct manager as part of the Applicant’s performance management process.

Pursuant to the GLMX Rulebook, the liability of each employee of the Applicant to third parties for obligations of the Applicant is limited to the fullest extent provided in the Exchange Act and other applicable law. **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.**

2.1.30 See Paragraphs 2.1.6 and 2.1.7 above for a description of the Applicant’s fitness standards for the Board as a whole. See Paragraphs 2.1.12 and 2.1.13 above for a description of the Applicant’s policies and procedures for ensuring that each director is a fit and proper person.

3. Regulation of Products

3.1 Review and Approval of Products – As explained in section 7.1 of the GLMX Compliance Manual attached, the products traded on the exchange and any changes thereto are submitted to the CCO, who assesses their susceptibility to manipulation, and then to the SEC, and are either approved by the CCO or are subject to requirements established by the CCO or the SEC that must be met before implementation of a product or changes to a product.

3.1.1 The SBSEF core principles relevant to products traded on the GLMX Platform include: Core Principle 2 – *Compliance with Rules* (“**Core Principle 2**”), Core Principle 3, Core Principle 4 – *Monitoring of Trading and Trade Processing* (“**Core Principle 4**”), Core Principle 6 – *Positions Limits or Accountability* (“**Core Principle 6**”) and Core Principle 7 *Emergency Authority*. As noted previously, Core Principle 3 requires SEFs to demonstrate that new products are not susceptible to manipulation.

3.1.2 Rule 401 of the GLMX Rulebook provides that: “The Company shall determine which Security-Based Swaps can be traded from time to time pursuant to these Rules, provided that any determination in respect of listing a Security-Based Swap for trading pursuant to these Rules shall be submitted to the SEC as required by the SEC Regulations”.

3.1.3 Only uncleared bilateral swaps that are Permitted Transactions may be traded on the GLMX Platform.

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 As described in section 7.1 of its Compliance Manual, GLMX will permit trading in contracts that are listed for trading on the SBSEF. All contracts that are listed for trading on the SBSEF must first be approved by the CCO and submitted to the SEC pursuant to Rule 804 of Regulation SE. When listing a security-based swap for trading, the CCO shall review the security-based swap to determine that it is not readily susceptible to manipulation, paying special attention to the reference price used to determine the cash flow exchanges.

3.2.2 Once a security-based swap has been reviewed and approved by the CCO, the terms and conditions of the security-based swap must be submitted to the SEC in accordance with the requirements of Rule 804 of Regulation SE. The CCO shall have authority to submit a security-based swap to the SEC either with a request for prior approval pursuant to Rule 805 of Regulation SE (Voluntary submission of new products for Commission review and approval), or with a self-certification pursuant to Rule 804 of Regulation SE (Listing products for trading by certification). Where required, submissions will also be made to all other regulators of the SBSEF.

3.2.3 Among other things, the requirement that new swaps comply with the SBSEF Core Principles means that they reflect an analysis of the underlying cash market and the deliverable supply of the underlying product. In response to the Applicant’s process for introducing a new product or changing an existing product, as described above, the SEC has the right to follow up with questions requesting additional information on the underlying market including, but not limited to: supply and demand characteristics, participant composition, market concentration, deliverable supply estimates, the relation of the swap size to the underlying market, the quality of the product across various delivery facilities and the delivery facilities used for the product. If the Applicant is unable to provide satisfactory answers to the SEC’s questions, it may require the GLMX Platform to withdraw the proposed product addition or change. It is the Applicant’s experience that the terms and conditions of the GLMX TRSs that trade on the GLMX Platform are standardized, generally accepted and understood by Participants.

3.3 Risks Associated with Trading Products – The SBSEF 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.

3.3.1 Paragraph 9.4 of this application covers the way that the Applicant measures, manages and mitigates the trading risk associated with products traded on the GLMX Platform.

3.3.2 Pursuant to section 7.4 of the GLMX Compliance Manual, GLMX may, as determined necessary or appropriate by the CCO, impose controls to reduce the potential risk of market disruption, including but not limited to market restrictions that pause or halt Participants’ ability to enter into trades in specified market conditions.

3.3.3 Also pursuant to section 7.4 of the GLMX Compliance Manual, the Compliance Department will monitor market conditions and will consider whether it is appropriate to implement pre-trade limits on order size, price collars or bands around the current price of a contract, message throttles, daily price limits and intraday position limits related to financial risk to Participants. The Compliance Department may also design other types of risk controls, as well as clear error-trade and order cancellation policies. The Applicant’s compliance function is responsible for ensuring that surveillance systems monitor trading by Participants to prevent manipulation, price distortion and other violations of GLMX Platform rules and applicable law.

4. Access

4.1 Fair Access

(a) The exchange has established appropriate written standards for access to its services including requirements to ensure participants are appropriately registered as applicable under Ontario securities laws, or exempted from such 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.

4.1.2 Consistent with applicable law, including SBSEF Core Principles, the GLMX Platform provides access to participants on a fair, non-discriminatory and open basis. Participant status, access to, and usage of, the GLMX Platform in such capacity, is available to all market participants that meet the criteria set forth by the Applicant and engage in transactions on the GLMX Platform in accordance with the Platform's rules. Retail clients will not get access to the GLMX Platform. Chapter 3 of the GLMX Rulebook sets out the admission and eligibility criteria that participants must meet.

4.1.3 Under section 303 of the GLMX Rulebook, the Applicant may deny trading privileges to any Participant: if such Participant is unable to satisfactorily demonstrate a capacity to adhere to all applicable rules and applicable law; if such Participant would bring the Applicant into material disrepute, as determined by the Company in its sole but reasonable discretion; or for such other good cause as the Applicant reasonably and in good faith may decide. Any decision by the Applicant to deny, suspend, revoke or limit the trading privileges of a Participant or the status of any natural persons as an authorized user will be exercised by the Applicant in an impartial, transparent, fair and non-discriminatory manner.

4.1.4 Among other requirements, GLMX Rulebook standards in Rule 302(b) require that a person that desires to obtain trading privileges and become a Participant shall (i) be, and represent in writing to GLMX that it is, an Eligible Contract Participant; (ii) provide such information and documentation as may be reasonably requested by GLMX and comply with the procedures established by the Applicant for admission; (iii) distribute the rules and notices to Participants to its authorized users pursuant to Rule 310 of the GLMX Rulebook; (iv) submit a completed, signed Subscription Agreement to the Applicant; and (v) if such person is a Non-U.S. Person:

A. represent and certify to GLMX that it is in compliance with the registration or authorization requirements of its home country or provide a brief explanation as to why such requirements, if any, are not applicable;

B. represent and certify to GLMX that it is regulated in its home country by a financial regulatory authority with respect to the maintenance of relevant books and records or provide a brief explanation as to why such requirements, if any, are not applicable;

C. represent and certify to the Applicant that it is subject to regular inspections and examinations by such home country regulator or provide a brief explanation as to why such requirements, if any, are not applicable;

D. represent and certify to the Company that if it (i) is not registered as a Security-Based Swap Dealer or Major Security-Based Swap Participant with the SEC, and (ii) does not use U.S. Personnel to arrange, negotiate or execute Security-Based Swaps, then it will only transact in Security-Based Swaps on the SBSEF with counterparties that are U.S. Persons, registered Security-Based Swap Dealers or Major Security-Based Swap Participants, or Non-U.S. Persons who use U.S. Personnel to arrange, negotiate or execute Security-Based Swaps; and

E. make such other representations as the Applicant deems necessary to comply with applicable law.

4.1.5 Ontario Participants using the GLMX Platform must be registered under Ontario securities laws, exempt from such registration requirements, or not subject to such registration requirements.

4.1.6 Core Principle 10 requires that, unless necessary or appropriate to achieve the purposes of applicable law, a SBSEF should avoid (a) adopting any rules or taking any actions that result in any unreasonable restraints of trade; or (b) imposing any material

anticompetitive burden on trading. As such, the Applicant does not implement rules that would impose any burden on competition that is not reasonably necessary and appropriate, because such rules would not meet SBSEF Core Principle requirements.

4.1.7 The Applicant keeps records of each grant and each denial or limitation of access, including reasons for granting, denying or limiting access. Under Rule 303 of the GLMX Rulebook, GLMX shall promptly notify the Person in writing if GLMX denies or conditions the Person's application for access to the GLMX Platform.

4.1.8 Pursuant to Rule 302(e) of the GLMX Rulebook, any applicant who is denied trading privileges or any participant who has privileges removed may appeal such decision.

4.1.9 As described in Rule 718, if the CCO believes that immediate action is necessary to protect the best interests of the Company or the marketplace, the CCO, after consultation with the Board, may summarily suspend, revoke, limit, condition, restrict or qualify: (i) the trading privileges of a Participant, (ii) the exercise of such trading privileges by any of its authorized users, or (iii) take other summary action against a Participant or any of its authorized users in accordance with these Rules.

4.1.10 Whenever practicable, the Compliance Department, acting on behalf of the CCO shall provide prior written notice to the party against whom any action shall be taken. If prior notice is not practicable, the Applicant will give notice at the earliest possible opportunity to the respondent against whom the action is brought. The Compliance Department, acting on behalf of the CCO, will prepare a notice of summary action (which will state the action, the reasons for the action, and the effective time, date and duration of the action) and serve the notice on such party and advise the recipient of the notice of its right to a prompt hearing before a Disciplinary Panel and its right to be represented by legal counsel or other representative at such hearing. A request by the recipient of the notice for such a hearing shall not delay the effectiveness of the summary action.

4.1.11 As promptly as reasonably possible after the hearing, the Disciplinary Panel will issue to the respondent a written order affirming, modifying, or reversing the summary action. The order will include a description of the summary action taken, a summary of the evidence introduced at the reinstatement hearing, a statement of findings of fact and conclusions, a description of any action taken or to be taken by the Company, and the effective date, time and duration thereof.

4.1.12 Any decision of a Disciplinary Panel pursuant to Rule 718 will be the final action of the Company, and not subject to appeal within the Company upon serving the respondent with a copy of the decision.

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.

5.1.1 An SBSEF is a self-regulatory organization under Regulation SE. An SBSEF is obliged under SEC rules to have requirements governing the conduct of Participants, to monitor compliance with those requirements and to discipline Participants, including by means other than exclusion from the marketplace. Participants are required to comply with a significant number of rules governing trading on the Platform pursuant to the GLMX Rulebook. The applicable rules are primarily located in chapter 3 (Trading Privileges, Access to the SBSEF), chapter 4 (Trading Standards), and chapter 6 (Business Conduct) of the GLMX Rulebook.

5.1.2 The Applicant devotes human, technological and financial resources to the maintenance of fair, efficient, competitive and transparent markets, and the protection of all Participants from fraud, manipulation and other abusive trading practices. The Applicant's market surveillance activities include a broad range of interconnected efforts that include trade practice reviews, data quality assurance audits and enforcement activities. To fulfill its mandate to effectively monitor and enforce the GLMX Platform rules, the Applicant has established a trade surveillance system that includes some automated features as described in section 12 (Real-Time Monitoring and Automated Trade Surveillance) of the GLMX Compliance Manual. These features are capable of detecting potential trade practice violations of the Applicant's Rulebook. As noted above, participants are required to comply with a significant number of rules governing trading on the GLMX Platform pursuant to the GLMX Platform's rules, which are primarily found in chapter 3 (Trading Privileges, Access to the SBSEF), chapter 4 (Trading Standards), and chapter 6 (Business Conduct) of the GLMX Rulebook.

5.1.3 Investigating and enforcing rule violations are necessary components of regulatory safeguards. The GLMX Platform's disciplinary rules include establishing review panels, conducting investigations, prosecuting violations and imposing sanctions as set forth in chapter 7 (Discipline and Enforcement) of the GLMX Rulebook, which is discussed below in Part 7.

5.1.4 The Applicant is committed to safeguarding the integrity of its GLMX Platform, and ensuring that it is free from manipulation and other abusive practices. The efforts described in this Part 5 are a necessary component of markets that work efficiently and safely, thereby allowing participants that use the GLMX Platform to have access to a marketplace that is open, transparent and free from manipulation and market abuse.

5.1.5 Specifically with reference to regulatory technology, the Applicant has made significant investments in this area, including staff dedicated solely to the support and continuous development of its regulatory technology infrastructure, ensuring that the Applicant's regulatory and market protection capabilities anticipate and evolve with the changing dynamics of the marketplace. The Applicant has developed an audit trail of market activity and data query and analytical tools that allow its regulatory staff to examine real-time and historical orders and transaction data, maintain profiles of markets and participants, and detect trading patterns potentially indicative of market abuses.

6. Rulemaking

6.1 Purpose of Rules

6.1.1 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.

6.1.2 Pursuant to its obligations for regulatory oversight under the Exchange Act and under Regulation SE, the Applicant has implemented rules, policies and other similar instruments that govern the operations and activities of its participants. The Applicant's rules are covered in chapters 1 through 9 of its GLMX Rulebook, which include: chapter 1 (Definitions, Interpretation, Amendment), chapter 2 (Governance), chapter 3 (Trading Privileges, Access to the SBSEF), chapter 4 (Trading Standards), Chapter 5 (Obligations of Participants and their Authorized Users), chapter 6 (Business Conduct), chapter 7 (Discipline and Enforcement) and chapter 8 (Arbitration). The Applicant believes that its rules and policies that govern the activities of Participants are consistent with the rules and policies of other derivatives marketplaces and therefore do not impose any burden on competition that is not reasonably necessary or appropriate.

6.1.3 The Rules are not contrary to the public interest and are designed to:

6.1.4 The Applicant's GLMX Rulebook is subject to the standards and requirements outlined by the SEC's SBSEF Core Principles. At a high level, the Applicant's Rulebook seeks to ensure fair and orderly markets accessible to all eligible participants. This aim is accomplished by establishing rules that reflect the SEF Core Principle criteria, that are not contrary to the public interest, and are designed to:

(a) **ensure compliance with applicable legislation.** The Applicant is obligated to comply with the SBSEF Regulations). As a result, the Applicant must implement rules that require compliance with the U.S. SBSEF Regulations by its participants. SEF Core Principle 1 – *Compliance with Core Principles* requires a swaps trading facility to comply with all applicable SEC requirements and Exchange Act core principles to be designated an SBSEF and maintain such designation. The Applicant proactively ensures compliance with all applicable laws and regulations, evidenced in part by its regular dialogue with the SEC, including public commenting on proposed regulations. Core Principle 2 requires SBSEFs to ensure participants consent to SBSEF rules and jurisdiction prior to accessing its markets. Chapter 3 of the Applicant's GLMX Rulebook governs membership requirements and establishes compliance with the rules that brings market participants within the jurisdiction of the SEC and the scope of the SBSEF Core Principles.

(b) **prevent fraudulent and manipulative acts and practices.**

Core Principle 2 requires an SBSEF to enforce trading, trade processing, and participation rules that will deter abuses and to have the capacity to detect, investigate, and enforce those rules, including means to provide market participants with impartial access to the market and to capture information that may be used in establishing whether rule violations have occurred. The Applicant has instituted all these controls. Core Principle 3 requires an SBSEF to ensure the swaps it trades are not readily susceptible to manipulation. The Applicant complies with this Core Principle by including narrative descriptions of the product terms and conditions of every swap and by certifying that each swap is not readily susceptible to manipulation in accordance with Core Principle 3 and related requirements. Also, chapters 4 and 6 of the Applicant's GLMX Rulebook prescribe trading standards and business conduct requirements, including prohibited trading activities and prohibitions on fictitious trades, fraudulent activity and manipulation.

(c) **promote just and equitable principles of trade.**

Core Principle 8 requires a SBSEF to promote transparency by reporting to the SEC timely trading information. The Applicant conforms to this Core Principle by making public timely information on price, trading volume, and other trading data on security-based swaps to the extent prescribed by the SEC. GLMX will have the capacity to electronically capture and transmit and disseminate trade information with respect to transactions executed on or through the GLMX Platform. Core Principle 6 requires an SBSEF to ensure the financial integrity of transactions in security-based swaps entered on or through the facilities of the Platform. The Applicant's data and order entry feed systems offer simultaneous and equivalent access to all market participants. Core Principle 10 prohibits the imposition of unreasonable restraints or uncompetitive burdens on trade. Throughout its Rulebook, the Applicant has established transparent and objective standards to prevent unreasonable restraints on trade and foster competitive and open market participation. Additionally, section 26.1 of the Applicant's Compliance Manual requires that the CCO ensure the Applicant not adopt any rule or take

any action that would result in any unreasonable restraint of trade or impose any material anticompetitive burden on trading. The Applicant believes that compliance with these Core Principles, which require transparency, financial integrity, fair access and fair competition among participants, promotes just and equitable principles of trade.

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

Rule 1107 of the GLMX Rulebook authorizes the Applicant to enter into information-sharing arrangements as it determines necessary or advisable to obtain any necessary information, to perform any monitoring of trading or trade processing, to provide information to the SEC upon request and to carry out such international information-sharing agreements as the SEC may require. Furthermore, the Applicant may enter into any arrangement with any other person including any governmental authority (such as the Ontario Securities Commission) or trading facility where the Applicant determines such person exercises a legal or regulatory function under any applicable law or considers the arrangement to be in furtherance of the operation or duties of the Applicant under applicable law.

(e) promote a framework for disciplinary and enforcement actions.

Core Principle 2 requires an SBSEF to adopt a rule enforcement program, disciplinary procedures and sanctions. In response to this requirement, Chapter 7 of the Applicant's GLMX Rulebook describes the GLMX Platform's rules for rule enforcement and chapter 8 prescribes the Applicant's procedures for arbitration.

(f) ensure a fair and orderly market.

Core Principle 2 requires an SBSEF to establish rules governing the operation of the SBSEF, including orderly trading procedures and rule enforcement programs. Core Principle 3 requires an SBSEF to ensure that swaps traded on the facility are not readily subject to manipulation. Core Principle 4 requires an SBSEF to establish procedures for monitoring of trading and trade processing. The Applicant complies with these Core Principles by prescribing trading rules, collecting and evaluating market activity data, by maintaining and auditing its real-time monitoring program, and by auditing historical data to detect trading abuses. Core Principle 8 requires timely public disclosure of trade information, all of which is published with the frequency required by the SEC. Core Principle 14 – *System Safeguards* requires an SBSEF to establish and maintain risk analysis, emergency procedure, and periodic systems testing programs. The Applicant periodically reviews its programs and procedures, including risk analysis, emergency planning, and systems testing. The Applicant regularly audits systems and technology tests both for technical and regulatory compliance. The Applicant believes that compliance with these Core Principles, which require effective trading rules, real-time and post-trade monitoring, public data dissemination and risk management procedures and testing, ensures a fair and orderly market.

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.

7.1.2 SEF Core Principle 2 requires the Applicant to adopt a rule enforcement program, disciplinary procedures and sanctions. In response to this requirement, Chapter 7 of the Applicant's Rulebook sets out the Applicant's rules for discipline and rule enforcement and chapter 8 prescribes the Applicant's arbitration procedures. Included in these rules are rights to review evidence in advance of hearings, rights to challenge the qualifications of adjudicators and rights of appeal from decisions,

7.1.3 The Applicant has the authority to initiate and conduct investigations, and enforce remedial action for breaches, and to impose sanctions for such violations. It is the duty of the CCO to enforce the rules and keep records of the action it takes in furtherance of its investigative and enforcement efforts, but the CCO may also delegate such authority to market regulation staff, which consists of employees of the Applicant ("**Market Regulation Staff**").

7.1.4 The Market Regulation Staff have the authority to conduct investigations of possible violations of the Rulebook, prepare written reports respecting such investigations, furnish such reports to the Applicant's disciplinary panel (the "**Disciplinary Panel**") and conduct the prosecution of such violations. An investigation must be commenced upon receipt of a request from SEC staff or receipt of information by GLMX that, in the judgment of the Market Regulation Staff, indicates a reasonable basis for finding that a violation has occurred or will occur. The Applicant maintains records of all investigations conducted by the Applicant in accordance with its recordkeeping policy.

7.1.5 If it is concluded that a violation may have occurred but that disciplinary proceedings are unwarranted, the Participant may be issued a warning letter. No more than one warning letter may be issued to the same person found to have committed the same violation more than once in a rolling 12-month period. As described in Rule 703(b), the investigation report must include the reason

the investigation was initiated; a summary of the complaint, if any; the relevant facts; Market Regulation Staff's analysis and conclusions; and a recommendation as to whether or not disciplinary action should be pursued including whether the matter should be disposed of informally or by way of settlement. The report may also include the participant's disciplinary history at the GLMX Platform, including copies of any warning letters.

7.1.6 If the Compliance Department determines that a reasonable basis exists to believe that a violation within the Company's jurisdiction has occurred or is about to occur, the potential respondent will be served with a notice of charges pursuant to Rule 706. Under Rule 707, the respondent has the right to respond to the charges in writing by filing within 20 days of being served with charges a written answer to the statement of charges.

7.1.7 The Disciplinary Panel shall be composed of three individuals selected by the CCO. The Disciplinary Panel shall meet the requirements set forth in Regulation SE hear any matter referred to it by the Market Regulation Staff regarding a suspected violation and has the power to make findings, render decisions, and impose sanctions.

7.1.8 Formal hearings shall be conducted by the Disciplinary Panel selected by the CCO. The Disciplinary Panel may not include any members of the Market Regulation Staff, or any person involved in adjudicating any other stage of the same proceeding. The respondent can raise grounds before the hearing as to why a member of the Disciplinary Panel should be disqualified. The respondent is also entitled to review the evidence that will be presented by the Compliance Department to make its case that there has been no violation by the respondent.

7.1.9 Prior to the commencement of the hearing, the Disciplinary Panel may accept a written offer of settlement from the Respondent under Rule 709, whereby the Respondent, without either admitting or denying any violations must accept the jurisdiction of GLMX over it and over the subject matter of the proceedings and consent to the entry of the findings and sanctions imposed under such offer of settlement.

7.1.10 Chapter 7 of the GLMX Rulebook sets out the Applicant's procedures for holding a hearing. As promptly as reasonable following a hearing, the Disciplinary Panel will issue an order rendering its decision based on the weight of the evidence contained in the record of the disciplinary proceedings. A decision by a majority of the Disciplinary Panel will constitute the decision of the Disciplinary Panel. After the hearing is complete, Rule 714 requires the Disciplinary Panel to render a written decision based upon the weight of evidence and to provide a copy to the Respondent. Rule 716 allows a Respondent to appeal a decision by the Disciplinary Panel to be heard by an Appellate Panel appointed by the CCO. The Appellate Panel's written decision on appeal (including findings of fact and conclusions and the imposition of sanctions, remedies and costs, and the effective date of any sanction, remedy or cost) will be the final action of the Company and will not be subject to appeal within the Company.

8. Clearing and Settlement

8.1 Clearing Arrangements – Under Rule 401 of the GLMX Rulebook, the Applicant does not offer, nor does it intend to offer in the future, any GLMX TRSs that are intended to be cleared at a clearing agency.

9. Systems and Technology

9.1 System 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 and (h) financial reporting.

9.1.1 The GLMX Platform 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.

9.1.2 The Applicant has put safeguards and security tools in place to protect the critical data and system components of its GLMX Platform.

9.1.3 The Applicant captures and retains all audit trail data necessary to detect, investigate, and prevent customer and market abuses. Such data shall be sufficient to reconstruct all trades and trade-related activity within a reasonable period of time and to provide evidence of any violations of the rules of the Applicant. The Applicant has also developed risk monitoring tools and risk controls to prevent and reduce the potential risk of market disruptions, including but not limited to market restrictions that could pause or halt trading under market conditions prescribed by the Applicant.

9.1.4 The Applicant has established a Business Continuity Plan and Disaster Recovery document with respect to the GLMX Platform. The plan describes the Applicant's response to and addresses both small-scale and wide-scale service disruptions to the Applicant's GLMX Platform. The main objectives of the Applicant's Business Continuity Plan and Disaster Recovery document is to enable timely recovery and resumption of the GLMX Platform's operation and the resumption of the Applicant's fulfillment of its responsibilities and obligations following any disruptions to GLMX Platform operations, including: order processing; price reporting; market surveillance; and maintenance of a comprehensive audit trail.

9.1.5 The Applicant operates and provides to participants a robust and scalable platform. Standard system monitoring metrics include capacity and performance level alerts. In addition to system level monitoring of capacity and performance of resources, the Applicant also conducts standardized application or platform capacity tests on a regular basis. This ensures the platform is well-positioned to provide adequate responsiveness to customers. The data generated from these tests are used to establish present and historical benchmarks to identify performance and/or capacity hot spots or deficiencies. Additional resources are deployed where appropriate to resolve performance or capacity issues outside of the benchmark to bring performance back in line with benchmark expectation.

9.2 Without limiting the generality of Paragraph 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 center 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.

9.2.1 The GLMX Platform uses technology for its electronic trading platform that includes software developed internally.

9.2.2 In keeping with section 24 of the Compliance Manual, the GLMX Platform makes capacity estimates by regularly monitoring its systems usage as well as maintaining constant communications between internal parties whenever new business or possible changes in the market may increase capacity on the systems.

9.2.3 Also, in keeping with sections 24 and 25 of the Compliance Manual, the Applicant conducts regular performance and capacity tests in a production test environment which matches production in its size, scope and infrastructure. Testing is described in Paragraph 9.1.4 above.

9.2.4 The Applicant has internal policies and controls that govern system access, failures, and errors. Also, the Applicant and/or its service providers periodically conduct risk audits, internal physical security compliance inspections and covert internal and external intrusion tests. Additionally, the Applicant performs cybersecurity vulnerability testing. Such tests are designed to periodically assess the operating effectiveness of security controls as well as to monitor internal compliance with security policies and procedures. External threats such as physical hazards and natural disasters are addressed in the Applicant's Business Continuity Plan and Disaster Recovery document.

9.2.5 The Applicant and/or its service providers review the configuration of its systems as part of its regular control procedures and conducts reviews as needed when issues are identified and resolved through its enterprise risk management and governance protocols. Configuration management is the subject of internal audits and is also included in the Applicant's business continuity plan and disaster recovery tests.

9.3 The Applicant reviews and keeps current the development and testing methodology of the above systems pursuant to procedures contained in the Applicant's Compliance Manual, and Business Continuity/Disaster Recovery Plan (**BCDR Plan**) document. The BCDR Plan is designed to allow for the recovery and resumption of operations and the fulfillment of the duties and obligations of the Applicant following a disruption. The Applicant performs periodic tests to verify that the resources outlined in the BCDR Plan are sufficient to ensure continued fulfillment of all duties of the Applicant under the Exchange Act and Regulation SE.

9.4 New and existing institutional clients on the platform require ongoing due diligence and high standards for cybersecurity. Safeguards protecting GLMX's systems against unauthorized access, internal failures, human error, cyberattacks, and natural disasters are subject to an independent and ongoing audit, and such audits include the physical environment, system capacity, operating system testing, documentation, internal controls, and contingency plans, as contemplated under item (d) of Section 9.2 above. GLMX maintains reasonable procedures to review and keep current the development and testing methodology of its systems. GLMX has an industry standard cybersecurity program in place. The company has a global infrastructure team that focuses and maintains the program. GLMX undergoes a SOC2 audit and penetration testing on an annual basis on the platform.

9.5 Information Technology Risk Management Procedures – The exchange has appropriate risk management procedures in place, including those that handle trading errors and trading halts, and those that respond to market disruptions and disorderly trading.

9.5.1 The Applicant provides extensive market integrity controls to ensure fair and efficient markets. As described in Section 24 of the Compliance Manual, the Applicant through the CCO has implemented procedures to monitor trade practice surveillance, market surveillance, real-time market monitoring, compliance with audit trail requirements, and other regulatory responsibilities

with respect to Participants, authorized users, all persons using any Participant's user IDs, and all other persons subject to the jurisdiction of the SBSEF under Regulation SE.

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.

10.1.1 The Applicant confirmed in an exhibit to its SBSEF registration application supported by financial information concerning its business that it has adequate financial and staff resources to carry on its activities in full compliance with its regulatory requirements and with best practices. Under Regulation SE, an SBSEF must submit financial statements to the SEC and maintain adequate financial resources to cover its operating costs for a period of at least one year, calculated on a rolling basis. An SBSEF must also hold liquid financial assets equal to at least six months' operating costs. The Applicant maintains no less than the current minimum capital amounts needed, and will maintain any future minimum capital amounts needed, to meet SEC requirements.

11. Trading Practices

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

11.1.1 The Applicant is obligated to comply with Regulation SE, which, under Rule 501(a)(iv) of the GLMX Rulebook, requires Participants to observe high standards of market conduct, fair dealing, and just and equitable principles of trade while conducting or seeking to conduct any business connected with or concerning GLMX. Regulation SE also requires that the Applicant implement rules that require compliance with the Exchange Act and Regulation SE by its participants. The Applicant's Rulebook, which addresses SBSEF trading practices, is subject to the standards and requirements outlined by the SBSEF Core Principles. At a high level, the SBSEF Core Principles and Applicant's Rulebook both seek to ensure fair and orderly markets accessible to all eligible participants that are properly supervised and operated in a manner consistent with 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.

11.2.1 Rules pertaining to order size and limits are set forth in chapter 4 of the GLMX Rulebook. As noted in Paragraph 11.1.1 above, the Applicant's Rulebook is subject to the standards and requirements outlined by the SEF Core Principles, and are subject to periodic review by the Applicant to ensure that the limits are fair, equitable and appropriate for the market. The Applicant submits that its rules 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 the Foreign Regulator. This information is also provided to all participants on an equitable basis.

11.3.1 Core Principle 8 requires an SBSEF to make public timely information concerning swaps transactions executed on the SBSEF. The Applicant fulfills Core Principle 8 by posting trade data to its website daily, and SBSEF participants are responsible for reporting swaps data to an SBSEF swap data repository.

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 The Applicant operates a platform that is regulated by the SEC as an SBSEF. An SBSEF is a self-regulatory organization under SEC rules and has certain obligations to monitor participants' trading activity on the platform under Regulation SE.

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 Core Principle 2 requires an SBSEF to establish and enforce compliance with any rule of the SBSEF. This is reflected in rules to collect information, examine members' records, direct supervision of the market, maintain sufficient compliance staff, establish procedures for and conduct audit trail reviews, perform real-time market monitoring and market surveillance and establish an automated trade surveillance system. The Applicant has instituted all these controls and has adequate resources available to ensure that controls are properly applied. Principle 2 also requires a SEF to adopt a rule enforcement program, disciplinary procedures and sanctions. Paragraph 7 of this application describes the resources available to the platform to investigate and discipline participants for rule violations. Also, chapter 7 of the Applicant's GLMX Rulebook sets out the Applicant's disciplinary rules and chapter 8 prescribes the Applicant's dispute resolution procedures.

12.2.2 The CCO is appointed by the Board and assists the Applicant in meeting its regulatory obligations, as set out by the SEC.

12.2.3 It is the duty of the CCO to enforce the GLMX Platform's rules and to assess the quality of its compliance oversight and disciplinary policies and procedures. As noted in this application, the Applicant's Market Regulation Staff, under the direction and

direct supervision of the CCO, is responsible for conducting investigations of possible violations of any of the Applicant's rules ("Violations"), preparing written reports with respect to such investigations, furnishing such reports to the Applicant's disciplinary panels and conducting the prosecution of any Violations in accordance with chapter 7 of the Rulebook. As explained in section 10 of the Compliance Manual, the CCO, on an ongoing basis, reviews the performance of staff and, where necessary, establishes procedures for the remediation of noncompliance issues. The CCO is appointed by the GLMX Board and meets annually with the Board and reports directly to the CEO. The CCO is required to meet with the CEO at least quarterly and review the GLMX Platform's self-regulatory program, including compliance oversight and disciplinary processes. The CEO reviews the performance of the CCO and prepares an annual report to the Board and the SEC assessing the self-regulatory programs of the GLMX Platform, including a description of the program, the expenses of the program, the staffing and structure of the program, a catalog of investigations and disciplinary actions taken during the year, and a review of the performance of the disciplinary panels and the CCO.

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 Please see Paragraph 16.1.2 below.

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 The Applicant collects data on a daily basis related to its regulated activity in compliance with Core Principle 9 – *Recordkeeping and Reporting*. The Applicant is required to maintain records of all activities relating to its business, including data related to order messaging, order execution and pricing. Data is collected from across the GLMX Platform, independent of whether the transaction was privately negotiated or matched in the order book. The Applicant maintains a precise and complete data history, referred to as the audit trail, for every order entered and transaction executed across the GLMX Platform. Audit trail information for each transaction includes the order instructions, entry time, modification time, execution time, price, quantity, account identifier and parties to the transaction and must be sufficient to reconstruct RFQs, bids/offers, and trades.

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.

14.1.1 The Applicant has entered into several licensing and services agreements with affiliates (including a Shared Services Agreement with GLMX Europe and unaffiliated third parties for the use of (i) trade reporting technology, (ii) front, middle and back office functionality (including monitoring, invoicing and billing), (iii) software and (iv) various support services, including operations and compliance support, trade reporting, books and records, on-boarding of clients, telecommunications and information technology. These agreements permit the Applicant to meet its obligations and are in accordance with industry best practices. The outsourcing arrangements have terms that allow the Applicant to monitor the services provided to ensure that the Applicant meets its regulatory obligations with respect to the outsourced service and that any services are provided in accordance with industry best practices.

15. Fees

15.1 Fees – 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.

15.1.1 The SEC requires that the Applicant must charge comparable fees for participants receiving comparable access to, or services from, the GLMX Platform. GLMX may, from time to time, establish different fee structures for different categories of participants based on non-discriminatory, measurable and objective criteria, applied impartially in a fair and non-discriminatory manner, relating to such factors as: (i) the total volume traded, the numbers of trades or cumulated trading fees; (ii) the services or packages of services provided; (iii) the scope or field of use demanded; or (iv) the provision of liquidity. The Applicant complies with this requirement and therefore fees charged by the Applicant do not create an unreasonable condition or limit on access by participants.

15.1.2 The process for setting fees is fair and appropriate, and the fee model is transparent as required by applicable law of the Foreign regulator.

15.1.3 The Applicant is required by Regulation SE to charge all Participants comparable fees that are impartial, transparent and applied in a fair and non-discriminatory manner. The Board of the Applicant has the sole authority to set the times and amounts

of any assessments or fees to be paid by Participants. All fee changes must be submitted to the SEC for certification or approval under Regulation SE prior to their implementation. The Applicant provides its fee schedule to each Participant.

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 cooperate with the Commission, self-regulatory organizations, other exchanges, and other appropriate regulatory bodies.

16.1.1 It is the Applicant's policy to respond promptly and completely, through the legal and compliance departments, to any proper regulatory inquiry or request for documents. All inquiries and other communications from the SEC will be referred immediately to the Applicant's legal and compliance departments.

16.1.2 Rule 1107 of the GLMX Rulebook authorizes the Applicant to enter into information-sharing agreements or other arrangements or procedures necessary to allow the Applicant to obtain any necessary information to perform any monitoring of trading and trade processing, provide information to other markets, the SEC, the Ontario Securities Commission or any other governmental body with jurisdiction over the Applicant upon request and which allow the Applicant to carry out such international information-sharing agreements as may be required.

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

16.2.1 The SEC has entered into memorandum of understanding ("MOU") arrangements for co-operative enforcements with foreign regulatory authorities in numerous jurisdictions. The MOUs typically provide for access to non-public documents and information already in the possession of the regulatory authorities, and often include undertakings to obtain documents and to take testimony of, or statements from, witnesses on behalf of a requesting regulatory authority. The SEC and the Commission are parties to an MOU that was entered into by the parties on June 10, 2010. The MOU is available at [Memorandum of Understanding with the United States Securities and Exchange Commission and Autorité des marchés financiers du Québec \(cross border regulated entities\)](#).

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" (2022).

17.1.1 The Applicant adheres to the standards of IOSCO by virtue of the fact that it must comply with the Exchange Act and Regulation SE, which reflect the IOSCO standards. The Applicant is regularly examined by the SEC and during these examinations the IOSCO standards to which they are subject are taken into account.

PART IV SUBMISSIONS BY THE APPLICANT

1.1 The swaps that trade on the Applicant's GLMX Platform fall under the definition of "derivative" set out in Section 1(1) of the OSA. The GLMX Platform operated by the Applicant falls under the definition of "marketplace" set out in Section 1(1) of the OSA because it brings together buyers and sellers of derivatives and uses established, non-discretionary methods under which orders interact with each other.

1.2 The term "exchange" is not defined under the OSA; 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 or disciplines marketplace participants. An SBSEF is a self-regulatory organization under SEC rules and has certain obligations to monitor participants' trading activity. Because an SBSEF regulates the conduct of its participants, it is considered by the Commission to be an exchange for purposes of the OSA.

1.3 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. Since the Applicant provides Ontario Participants with direct access to trading derivatives on its Platform, it is 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.

1.4 The Applicant satisfies all the criteria for exemption from recognition as an exchange set out by Commission Staff, as described under Part III of this application. Ontario market participants that trade in swaps would benefit from the ability to trade on the Applicant's Platform, as they would have access to a range of swaps and swap counterparties that otherwise might not be available in Ontario. SEC oversight of the Applicant's GLMX Platform as well as the sophisticated information systems, regulations and compliance functions that have been adopted by the Applicant will ensure that Ontario users of the GLMX Platform are adequately protected in accordance with international standards set by IOSCO.

1.5 Based on the foregoing, we submit that it would not be prejudicial to the public interest to grant the Requested Relief.

PART V CONSENT TO PUBLICATION

The Applicant has consented to the publication of this application for public comment in the attached.

Yours very truly,

“Rene Sorell”
Counsel

c. Lauren Carroll, General Counsel and Chief Administrative Officer, GLMX LLC

ANNEX I DRAFT ORDER

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

AND

IN THE MATTER OF
LLC

ORDER
(Section 147 of the Act)

WHEREAS GLMX Technologies LLC (**Applicant or GLMX**) has filed an application dated June 27, 2025 (**Application**) with the Ontario Securities Commission (**Commission**) requesting the following relief (collectively, the **Requested Relief**):

- (a) exempting the Applicant from the requirement to be recognized as an exchange under subsection 21(1) of the Act pursuant to section 147 of the Act; and
- (b) exempting the Applicant from the requirements in National Instrument 21-101 – *Marketplace Operation* (**NI 21-101**) pursuant to section 15.1 of NI 21-101, the requirements of National Instrument 23-101 – *Trading Rules* (**NI 23-101**) pursuant to section 12.1 of NI 23-101 and the requirements of National Instrument 23-103 – *Electronic Trading and Direct Electronic Access to Marketplaces* (**NI 23-103**) pursuant to section 10 of NI 23-103;

AND WHEREAS the United States Securities and Exchange Commission (**SEC**) granted the Applicant registration as a security-based swap execution facility (**SBSEF**) on January 29, 2025;

AND WHEREAS the Applicant has represented to the Commission that:

- 1.1 The Applicant is a limited liability company organized under the laws of Delaware. The ultimate parent company of the Applicant is Global Liquid Markets LLC, a Delaware limited liability company;
- 1.2 The Applicant is a marketplace for trading securities that are regulated as security-based swaps by the SEC. Under its registration in the United States as an SBSEF, GLMX intends to list the following types of security-based total return swaps (each, a “**TRS**”) for trading on the Platform:
 - TRS over Fixed Income Reference Assets (“**FI TRS**”), and
 - TRS over Equity Reference Assets (“**Equity TRS**”, and together the “**GLMX TRSs**”).The Applicant’s SBSEF supports order book and request for quote functionality. Additional trading functionality may be added in the future, subject to obtaining any required regulatory approvals;
- 1.3 In the United States, the Applicant operates under the jurisdiction of the SEC;
- 1.4 The Applicant is obliged under SEC rules to have requirements governing the conduct of participants, to monitor compliance with those requirements and to discipline participants, including by means other than exclusion from the marketplace;
- 1.5 The Applicant performs its surveillance of trading activity directly and has not retained a third party to be a regulatory services provider (**RSP**).
- 1.6 The GLMX TRSs are not cleared through clearing houses because such clearing houses do not offer clearing for such customized products;
- 1.7 Because the Applicant regulates the conduct of its participants, it is considered by the SEC to be an exchange;
- 1.8 Because the Applicant has participants located in Ontario, including (a) participants with their headquarters or legal address in Ontario (e.g., as indicated by a participant’s Legal Entity Identifier (**LEI**)) and all traders conducting transactions on behalf of such participants, regardless of the traders’ physical location (inclusive of non-Ontario branches of Ontario legal entities), and (b) traders physically located in Ontario who conduct transactions on behalf of any other entity, it 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;

- 1.9 The Applicant does not offer access to retail clients;
- 1.10 The Applicant has no physical presence in Ontario and does not otherwise carry on business in Ontario except as described above and with respect to other securities which are the subject of an exemption decision granted in 2024 by the Commission ("**2024 Exemption**"); and
- 1.11 The Applicant satisfies all the SBSEF Criteria as described in Appendix 1 to Schedule "A".

AND WHEREAS the products traded on the Applicant are not commodity futures contracts as defined in the *Commodity Futures Act* (Ontario) and the Applicant 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 Requested Relief and the terms and conditions imposed by the Commission attached hereto as Schedule "A" to this order, or the determination whether it is appropriate that the Applicant continue to be exempted from the requirement to be recognized as an exchange, may change as a result of the Commission's monitoring of developments in international and domestic capital markets or the Applicant'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 acknowledgements of the Applicant to the Commission, the Commission has determined that Applicant satisfies the criteria set out in Appendix 1 to Schedule "A" and that the granting of the Requested Relief would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission that,

- (i) pursuant to section 147 of the Act, the Applicant is exempt from recognition as an exchange under subsection 21(1) of the Act, and
- (ii) pursuant to sections 15.1(1) of NI 21-101, 12.1 of NI 23-101 and 10 of NI 23-103, the Applicant is exempt from the requirements in NI 21-101, NI 23-101 and NI 23-103.

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

DATED _____, 2025.

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 registration as a security-based swap execution facility (**SBSEF**) with the Securities and Exchange Commission (**SEC**) and will continue to be subject to the regulatory oversight of the SEC.
3. The Applicant will continue to comply with the ongoing requirements applicable to it as a SBSEF registered with the SEC.
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, and qualifies as an "eligible contract participant" under the United States Securities Exchange Act of 1934, as amended (**1934 Act**).
6. For each Ontario User provided direct access to its SBSEF, the Applicant will require, as part of its application documentation or continued access to the SBSEF, 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 Applicant.
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 Applicant 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 security-based swaps, as defined in section 3(a)(68) of the 1934 Act 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 SEC 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's marketplace is not in compliance with this order or with any applicable requirements, laws or regulations of the SEC where it is required to report such non-compliance to the SEC;
- (e) any known investigations of, or disciplinary action against, the Applicant by the SEC or any other regulatory authority to which it is subject; 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 since the previous report by the Applicant or its RSP acting on its behalf, or, to the best of the Applicant's knowledge, by the SEC with respect to such Ontario Users' activities on the Applicant and the aggregate number of disciplinary actions taken against all participants since the previous report by the Applicant or its RSP acting on its behalf;
- (d) a list of all active investigations since the previous report by the Applicant or its RSP acting on its behalf relating to Ontario Users and the aggregate number of active investigations since the previous report 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 since the previous report, 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 Applicant 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 and, if applicable, cause its regulatory services provider (**RSP**) to 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 to SCHEDULE “A”

**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 does not offer products which are intended to be cleared.

8.2 Risk Management of Clearing House

The exchange does not offer products which are intended to be cleared.

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, and
- (h) 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 center 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, 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 Organization of Securities Commissions (IOSCO) including those set out in the "Principles for the Regulation and Supervision of Commodity Derivatives Markets" (2011).