

IN THE MATTER OF  
THE *SECURITIES ACT*, R.S.N.S. 1989, C. 418, AS AMENDED

AND

IN THE MATTER OF  
DW SEF LLC

ORDER  
(Section 151A)

**WHEREAS** DW SEF LLC (the “**Applicant**”) has filed an application dated December 1, 2022 (the “**Application**”) regarding its swap execution facility (the “**Facility**”) with the Nova Scotia Securities Commission (the “**Commission**”) pursuant to section 151A of the *Securities Act* (Nova Scotia) (the “**Act**”) requesting an order (the “**Order**”):

- a) exempting the Facility from the requirements to be recognized as an exchange and as a derivatives trading facility under Section 30J of the Act; and
- b) exempting the Facility from the requirements in National Instrument 21-101 Marketplace Operation (“**NI 21-101**”) pursuant to Section 15.1(1) of NI 21-101 and the requirements in National Instrument 23-101 Trading Rules (“**NI 23-101**”) pursuant to Section 12.1 of NI 23-101

(the “**Requested Relief**”).

**AND WHEREAS** the Applicant has represented to the Commission that:

1. The Applicant is a limited liability company formed pursuant to the laws of Delaware that is an indirect wholly-owned subsidiary of Tradeweb Markets LLC;
2. The Applicant provides an electronic platform for trading interest rate swaps using a central limit order book with advanced functionality and a voice request-for-quote system;
3. In the United States, the Applicant operates under the jurisdiction of the Commodity Futures Trading Commission (the “**CFTC**”) and has obtained registration with the CFTC to operate a swap execution facility;
4. The Applicant is obliged under CFTC 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;

5. The Applicant has retained the National Futures Association to be a regulatory services provider (“RSP”);
6. Through the Facility, the Applicant carries on activities as an exchange and as a derivatives trading facility within the meaning of the Act;
7. The Applicant intends to provide eligible Nova Scotia participants with access to the Facility;
8. The Applicant does not have an office or establishment in Nova Scotia and has no intention of establishing one; and
9. The Applicant obtained an exemption from recognition as an exchange from the Ontario Securities Commission on June 13, 2016 and such exemption was subsequently varied on March 11, 2021;

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

**AND WHEREAS** the Applicant has acknowledged to the Commission that the scope of the Order and the terms and conditions imposed by the Commission set out in Schedule "A" to this Order may change as a result of the Commission's monitoring of developments in international and domestic capital markets or the Applicant's activities, or as a result of any changes to the laws in Nova Scotia 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 the granting of the Order would not be prejudicial to the public interest;

**IT IS HEREBY ORDERED**, pursuant to Section 151A of the Act, that the Requested Relief is granted provided that the Applicant complies with the terms and conditions contained in Schedule "A" to this Order.

**DATED** at Halifax, Nova Scotia this 26<sup>th</sup> day of June, 2023.



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Paul Radford, K.C.

Chair

Nova Scotia Securities Commission

## SCHEDULE A

### TERMS AND CONDITIONS

#### Regulation and Oversight of the Applicant

1. The Applicant will maintain its registration as a swap execution facility (“SEF”) with the CFTC and will continue to be subject to the regulatory oversight of the CFTC.
2. The Applicant will continue to comply with the ongoing requirements applicable to it as a SEF registered with the CFTC.
3. The Applicant must do everything within its control, which includes cooperating with the Commission as needed, to carry out its activities as an exchange and as a derivatives trading facility exempted from recognition under Section 30J of the Act in compliance with Nova Scotia securities law.

#### Access

4. The Applicant will not provide direct access to a participant in Nova Scotia (a “**Nova Scotia User**”) unless the Nova Scotia User is appropriately registered as applicable under Nova Scotia securities laws or is exempt from or not subject to those requirements, and qualifies as an “eligible contract participant” under the United States Commodity Exchange Act, as amended (the “**CEA**”).
5. For each Nova Scotia User provided direct access to its SEF, the Applicant will require, as part of its application documentation or continued access to the SEF, the Nova Scotia User to represent that it is appropriately registered as applicable under Nova Scotia securities laws or is exempt from or not subject to those requirements.
6. The Applicant may reasonably rely on a written representation from the Nova Scotia User that specifies either that it is appropriately registered as applicable under Nova Scotia securities laws or is exempt from or not subject to those requirements, provided the Applicant notifies such Nova Scotia 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.
7. The Applicant will require Nova Scotia Users to notify the Applicant if their registration as applicable under Nova Scotia 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 Nova Scotia User and subject to applicable laws, the Applicant will promptly restrict the Nova Scotia User's access to the Applicant if the Nova Scotia User is no longer appropriately registered or exempt from those requirements.

### **Trading by Nova Scotia Users**

8. The Applicant will not provide access to a Nova Scotia User to trading in products other than swaps, as defined in section 1a(47) of the CEA (and for greater certainty, excluding security-based swaps), without prior Commission approval.

### **Submission to Jurisdiction and Agent for Service**

9. 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 Nova Scotia, the Applicant will submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Nova Scotia and (ii) an administrative proceeding in Nova Scotia.
10. The Applicant will submit to the Commission a valid and binding appointment of an agent for service in Nova Scotia 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 Nova Scotia.

### **Prompt Reporting**

11. The Applicant will notify staff of the Commission promptly of:
  - a. any authorization to carry on business granted by the CFTC 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 marketplace is not in compliance with this order or with any applicable requirements, laws or regulations of the CFTC where it is required to report such non-compliance to the CFTC;
  - e. any known investigations of, or disciplinary action against, the Applicant by the CFTC or any other regulatory authority to which it is subject; and
  - f. the Applicant makes any material change to the eligibility criteria for Nova Scotia Users.

## Semi-Annual Reporting

12. 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 Nova Scotia Users and whether the Nova Scotia User is registered under Nova Scotia 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 Nova Scotia trading as customers of participants (**Other Nova Scotia Participants**);
- b. the legal entity identifier assigned to each Nova Scotia User, and, to the extent known by the Applicant, to Other Nova Scotia Participants in accordance with the standards set by the Global Legal Entity Identifier System;
- c. a list of all Nova Scotia 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 CFTC with respect to such Nova Scotia 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 Nova Scotia 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 Nova Scotia 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 Nova Scotia Users, and, to the extent known by the Applicant, from Other Nova Scotia Participants, presented on a per Nova Scotia User or per Other Nova Scotia Participant basis; and
  - ii. the proportion of worldwide trading volume and value on the Applicant conducted by Nova Scotia Users, and, to the extent known by the Applicant, by Other Nova Scotia Participants, presented in the aggregate for such Nova Scotia Users and Other Nova Scotia Participants;

provided in the required format.

## **Information Sharing**

13. The Applicant will provide and, if applicable, cause its 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.