

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

- AND -

IN THE MATTER OF  
REFINITIV US SEF LLC

ORDER  
(Section 151A)

**WHEREAS** Refinitiv US SEF LLC (the “**Applicant**”) has filed an application on behalf of the Refinitiv Swap Execution Facility (the “**Facility**”) dated August 11, 2020 (the “**Application**”) with the Nova Scotia Securities Commission (the “**Commission**”) pursuant to section 151A of 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 organized under the laws of the State of Delaware in the United States (“**US**”) and is an indirect wholly-owned subsidiary of Thomson Reuters Corporation and Blackstone Group Inc.;
2. The Applicant is a marketplace for trading swaps. The Facility supports central limit order book and request for quote functionality for foreign exchange swaps;
3. In the US, 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;
6. Because the Applicant regulates the conduct of its participants, it is considered by the Commission to be an exchange;
7. Because the Applicant has participants located in Nova Scotia, it is considered by the Commission to be carrying on business as an exchange in Nova Scotia and is required to be recognized as such or exempted from recognition pursuant to section 151A of the Act;
8. The Applicant does not facilitate the trading of anything subject to clearing;
9. The Applicant has no physical presence in Nova Scotia and does not otherwise carry on business in Nova Scotia except as described above;

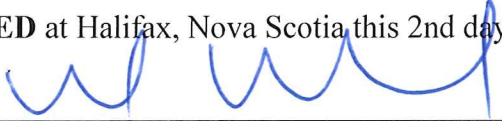
**AND WHEREAS** the Commission will monitor developments in international and domestic capital markets and the Applicant's activities on an ongoing basis to determine whether it is appropriate for the Order to continue to be granted subject to the terms and conditions set out in Schedule A to this Order;

**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.

**DATED** at Halifax, Nova Scotia this 2nd day of September, 2020.



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Paul Radford, Q.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 Commodity Futures Trading Commission (“**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 will promptly notify the Commission if its registration as a SEF has been revoked, suspended, or amended by the CFTC, or the basis on which its registration as a SEF has been granted has significantly changed.
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 Section 30J of the Act in compliance with Nova Scotia securities laws.

#### Access

5. 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**”).
6. 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.
7. 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.
8. 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.

9. The Applicant must make available to Nova Scotia Users appropriate training for each person who has access to trade on the Applicant's facilities.

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

10. 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**

11. 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.
12. The Applicant will file with 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.

### **Disclosure**

13. The Applicant will provide to its Nova Scotia Users disclosure that states that:
  - a. rights and remedies against the Applicant may only be governed by the laws of the U.S., rather than the laws of Nova Scotia and may be required to be pursued in the U.S. rather than in Nova Scotia; and
  - b. the rules applicable to trading on the Applicant may be governed by the laws of the U.S., rather than the laws of Nova Scotia.

### **Prompt Reporting**

14. The Applicant will notify staff of the Commission promptly of:
  - a. any material change to its business or operations or the information provided in the Application, including, but not limited to:
    - i. changes to the regulatory oversight by the CFTC;

- ii. the corporate governance structure of the Applicant;
    - iii. the access model, including eligibility criteria, for Nova Scotia Users;
    - iv. systems and technology; and
    - v. the clearing and settlement arrangements for the Applicant;
  - b. any change in the Applicant's regulations or the laws, rules and regulations in the U.S. relevant to swaps where such change may materially affect its ability to meet the terms of this Order;
  - c. any condition or change in circumstances whereby the Applicant is unable or anticipates it will not be able to continue to meet the SEF Core Principles established in section 5h of the CEA and Part 37 of the CFTC's regulations or any other applicable requirements of the CEA or CFTC regulations;
  - d. any known investigations of, or any disciplinary action against the Applicant by the CFTC or any other regulatory authority to which it is subject;
  - e. any matter known to the Applicant that may materially and adversely affect its financial or operational viability, including, but not limited to, any declaration of an emergency pursuant to the Applicant's rules;
  - f. any default, insolvency, or bankruptcy of a participant of the Applicant known to the Applicant or its representatives that may have a material, adverse impact upon the Applicant; and
  - g. any material systems outage, malfunction or delay.
- 15. The Applicant will promptly provide staff of the Commission with notice of any made available to trade determinations that it files with the CFTC under the regulations pertaining to self-certification and/or approval.
- 16. The Applicant will promptly provide staff of the Commission with the following information to the extent it is required to provide to or file such information with the CFTC:
  - a. details of any material legal proceeding instituted against the Applicant;
  - b. notification that the Applicant has instituted a petition for a judgment of bankruptcy or insolvency or similar relief, or to wind up or liquidate the Applicant or has a proceeding for any such petition instituted against it; and
  - c. the appointment of a receiver or the making of any voluntary arrangement with creditors.

17. The Applicant will promptly file with staff of the Commission copies of any Rule Enforcement Review report regarding the Applicant once issued as final by the CFTC.

### **Quarterly Reporting**

18. The Applicant will maintain the following updated information and submit such information in a manner and form acceptable to the Commission on a quarterly basis (within 30 days of the end of each calendar quarter), and at any time promptly upon the request of staff of the Commission:
  - a. a current list of all Nova Scotia Users and whether the Nova Scotia Users are registered under Nova Scotia securities laws or are 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 in the last quarter by the Applicant or its regulatory services provider (**RSP**) acting on its behalf, or, to the best of the Applicant's knowledge, by the CFTC with respect to such Nova Scotia User's activities on the Applicant and the aggregate number of disciplinary actions taken against all participants in the last quarter by the Applicant or its RSP acting on its behalf;
  - d. a list of all active investigations during the quarter by the Applicant or its RSP acting on its behalf relating to Nova Scotia Users and the aggregate number of active investigations during the quarter 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 during the quarter, together with the reasons for each denial;
  - f. copies of all amendments to the Applicant's Form SEF filed with the CFTC during the quarter, including, but not limited to, any amendments to the Applicant's trading rules;
  - g. a list of all additions, deletions, or changes to the products available for trading since the prior quarter;
  - h. for each product,

- (1) 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
- (2) 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; and

- i. a list outlining each incident of a systems failure, malfunction or delay (including systems failures, malfunctions or delays reported under section 14(g) of this Schedule) that occurred at any time during the quarter for any system relating to trading activity, including trading, routing or data, specifically identifying the date, duration and reason, to the extent known or ascertainable by the Applicant, for the failure, malfunction or delay, and noting any corrective action taken.

### **Annual Reporting**

19. The Applicant will file with the Commission any annual report or annual financial statements (audited or unaudited) of the Applicant provided to or filed with the CFTC promptly after filing with the CFTC.
20. The Applicant will arrange to have any annual "Service Organization Controls 1" report prepared for the Applicant filed with the Commission promptly after the report is issued as final by its independent auditor.

### **Information Sharing**

21. The Applicant will provide and 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.