

DTCC Data Repository (U.S.) LLC (« DDR ») – Demande de reconnaissance à titre de référentiel central

L'Autorité des marchés financiers (l'« Autorité ») publie la demande de reconnaissance à titre de référentiel central, déposée par DDR le 29 juillet 2014 en vertu de la *Loi sur les instruments dérivés*, L.R.Q., c. I-14.01. L'Autorité invite toutes les personnes intéressées à lui présenter leurs observations relativement à cette demande.

(Les textes sont reproduits ci-après.)

Commentaires

Les personnes intéressées à soumettre des commentaires peuvent en transmettre une copie, au plus tard le 2 septembre 2014, à :

Me Anne-Marie Beaudoin
Secrétaire de l'Autorité
Autorité des marchés financiers
800, square Victoria, 22^e étage
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Information complémentaire

Pour de plus amples renseignements, on peut s'adresser à :

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Analyste en produits dérivés
Direction de l'encadrement des structures de marchés
Autorité des marchés financiers
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July 29, 2014,

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[Application to become recognized as a Trade Repository](#)

Dear Sir,

DTCC Data Repository (U.S.) LLC (“DDR”) is pleased with the opportunity to seek recognition as a Trade Repository (“TR”) pursuant to sections 12 and 14 of the Quebec Derivatives Act, filed with the Autorité des marchés financiers (Autorité) in accordance with Autorité Regulation 91-507 Respecting Trade Repositories and Derivatives Data Reporting (the “TR Rule”).

DDR’s application attached hereto is being made solely for the purpose of facilitating compliance with the regulatory requirements prescribed by QDA and the TR Rule. Therefore, DDR is submitting to the regulatory oversight of the Autorité for the limited purpose of being recognized as providing the services of a trade repository to market participants and does not have offices or maintain a physical presence in Québec. As a TR, DDR acknowledges that it will be a “recognized regulated entity” as defined in the QDA, subject to the requirements of QDA applicable thereto and to AMF Regulation 91-507.

Yours sincerely,

Marisol Collazo
Chief Executive Officer
DTCC Data Repository (U.S.) LLC

cc: Derek West Derek.West@lautorite.qc.ca
Francis Coche francis.coche@lautorite.qc.ca
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DTCC Data Repository (U.S.) LLC (“DDR” or the “Applicant”), a company incorporated in the State of New York and domiciled and operating in the United States of America, is hereby filing an application with the Autorité des marchés financiers (the “Autorité”) to be recognized as a trade repository in the province of Quebec in accordance with Regulation 91-507 *Respecting Trade Repositories and Derivatives Data Reporting* (the “TR Rule”) and the Policy Statement to Regulation 91-507 (the “TR PS” and, together with the TR Rule, the “TR Rules”). This application is made to facilitate the use of DDR’s services in the United States by parties within and outside of Canada to satisfy their reporting obligations under the TR Rules.

In connection with this application and consistent with DDR’s operations and services for customers, all of the relevant trade repository documentation, communication and services offered to entities with trade reporting obligations under the TR Rule, whether verbal, written or electronic (including information published on the DTCC website), shall be in English only.

This letter provides an explanation of why the Applicant should be so recognized and how it will comply with the TR Rules in all material respects. In accordance with section 86 of the Quebec Derivatives Act (“QDA”) DDR has set out in Appendix A a request for exemptions from compliance with sections of the TR Rule.

History

DDR is organized as a limited liability company under the laws of the state of New York. DDR is a wholly owned subsidiary of DTCC Deriv/SERV LLC. DTCC Deriv/SERV LLC is a wholly owned subsidiary of DTCC, which is the ultimate parent of DDR.

DTCC through its subsidiaries operates companies that provide derivatives trade reporting in many jurisdictions globally. These companies and the countries in which they are incorporated and the jurisdictions they serve are listed below:

| Entity | Location | Jurisdictions where recognized or licensed as a trade repository |
|---|----------------|--|
| DTCC Data Repository (U.S.) LLC (“DDR”) | United States | United States |
| DTCC Derivatives Repository Ltd. (“DDRL”) | United Kingdom | EU and Australia |
| DTCC Data Repository (Japan) KK, (“DDRJ”) | Japan | Japan |
| DTCC Data Repository (Singapore) Pte Ltd | Singapore | Singapore |

In 2006, The Depository Trust & Clearing Corporation (“DTCC”), the ultimate parent of the Applicant, formed a subsidiary, DTCC Deriv/SERV LLC (“Deriv/SERV”) to provide services to the OTC credit derivatives market. Those services evolved over time and resulted in the creation of the Trade Information Warehouse (“TIW”) offered by Deriv/SERV’s subsidiary, The Warehouse Trust Company LLC. .

In 2009, the G20 leaders – in response to the global financial crisis – agreed on a number of principles to govern the derivatives markets. Among these was the requirement that derivatives contracts should be reported to trade repositories. DTCC has been at the forefront of the

development of trade repositories, building global capabilities across the spectrum of asset classes. In response to industry commitments made in 2011, DTCC began to offer regulatory reporting for credit default swap transactions which were voluntarily submitted to TIW to the world's regulators pursuant to guidelines established by the OTC Derivatives Regulators Forum ("ODRF"). ODRF reporting was eventually expanded to include information related to interest rate and equity derivatives.

In addition to the reporting currently provided to regulators pursuant to the ODRF guidelines, the various trade repositories that comprise DTCC's Global Trade Repository ("GTR") services span three continents, enabling users to meet their regulatory reporting obligations in an open, cost effective and efficient manner. A user of DDR's services who has signed a customer agreement is referred to as a "User" in DDRS documentation and hereinafter. DTCC's GTR services were selected as the industry's preferred provider of trade repository services after industry competitions held by the International Swaps and Derivatives Association ("ISDA") and Global Financial Markets Association ("GFMA"). DTCC's GTR services are focused on working with the industry, regulators and DTCC counterparts to create capabilities that leverage data in order to mitigate risk, enhance transparency and drive down costs in financial markets globally. DTCC offers these services through various companies incorporated in various countries. In the United States, these services are offered by DDR, which is a subsidiary of Deriv/SERV.

Description of DDR's Current Business

DDR is provisionally registered with the Commodity Futures Trading Commission ("CFTC") as a swap data repository ("SDR"). To date the CFTC has not established any standards for granting permanent registration of SDRs. DDR's SDR services deliver to market participants a robust, automated regulatory reporting solution for cleared and uncleared OTC derivatives reporting.

DDR is dedicated to bringing greater transparency, and resultant risk mitigation, along with cost efficiency, to the portion of the global OTC derivatives market that it serves. DDR's current services center on helping regulators attain a comprehensive view of the U.S. OTC derivatives market and providing market participants an effective solution for their U.S. trade reporting and regulatory requirement needs on a fair, open and equal basis.

DDR's services provide regulators with the ability to monitor in a seamless and centralized fashion certain detailed transaction data needed to fulfill their regulatory mission to safeguard the financial system. DDR's services are designed to allow market participants to meet their reporting obligations under the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (Pub.L. 111-203, H.R. 4173) (the "Dodd-Frank Act").

Upon recognition as a Trade Repository in Quebec DDR will provide a service to enable market participants to satisfy their reporting obligations in Quebec.

DDR has been granted provisional registration by the CFTC to operate as an SDR in the U.S. for five asset classes. DDR received its provisional registration from the CFTC to operate as an SDR for the credit, interest rates, equities and foreign exchange (FX) derivatives on September 19, 2012. The CFTC approved an amendment to DDR's provisional registration to add commodity derivatives on December 3, 2012.

The provisional approval allows DDR to operate as a registered SDR. Under CFTC rules, the process of reporting trades in credit and interest rate derivatives to an SDR began on October 12, 2012. Trades in all other derivatives classes started to be reported in February 2013.

Designed with scalability and flexibility in mind, the SDR services offered by DDR allow for industry compliance with current Dodd-Frank Act reporting obligations and future regulatory initiatives as well. Each asset class can be independently aggregated to provide regulators a clearer and more complete snapshot of the market's overall risk exposure.

DDR allows Users to submit trades to DDR and fulfill their regulatory reporting obligations under the Dodd-Frank Act in a cost-effective manner. An additional benefit is the ability to utilize several connectivity choices when interfacing with the SDR system, including:

- Web-based, csv. upload – usually preferred for small volume Users
- Webservices – geared for automation and higher volume Users
- FTP and sFTP – batch file processing for higher volume Users
- MQ (Message Queue) – FpML submissions – real-time solution for large volume Users
- SWIFT Network – geared for automation and higher volume Users
- Trade submissions can be accepted directly from firms or through a third-party services provider. Several formats are supported, including FpML, CpML and CSV.

To align with current CFTC regulations, DDR supports the submission of Primary Economic Terms (“PET”) and valuation data. DDR also provides a mechanism for real-time price reporting. The CFTC regulations can be found at: <http://www.cftc.gov/index.htm>.

The SDR services provide open access to third-party providers to promote efficient reporting processes – including access to:

- Swap Execution Facilities
- Designated Contract Markets
- Derivatives Clearing Organizations
- Confirmation Providers
- Middleware Providers

The provisions of the DDR Rules do not govern, and will not preclude DDR from offering, services other than SDR Services (“Other Services”), which may include services ancillary to SDR Services, to Users and other persons, to the extent permitted by Applicable Law.

DDR's Proposed Trade Reporting Services in Quebec

DDR proposes to make available from the United States trade reporting services analogous to those described above tailored to the requirements of the TR Rules and the needs of its Users and the Autorité. DDR will utilize its existing United States legal and technological infrastructure including message specification, connectivity and access protocols adjusted accordingly to provide trade reporting services to satisfy the needs of Users who need to report their trades to the Autorité.

Description of CFTC Regulatory Regime

As an SDR, DDR is subject to the requirements of Part 49 of the CFTC's regulations, which incorporate other regulatory provisions by reference, including Parts 43, 45, 46 and 50 of the CFTC's regulations. Additionally, provisions regarding SDRs contained in the Dodd-Frank Act, which amended the Commodity Exchange Act (the "CEA"), are applicable. A description of the applicable requirements imposed by each of these parts of the CFTC's regulations is set out below.

The regulations related to DDR's operations as an SDR are covered under Part 49 of the CFTC's regulations. The duties and obligations of an SDR enumerated in Part 49 include specific requirements related to: (i) acceptance of data; (ii) confirmation of data accuracy; (iii) recordkeeping requirements; (iv) monitoring, screening and analysis of swap data as required, including analysis of the utilization of end-user exception claims made to the mandatory clearing requirement; (v) the privacy, confidentiality and utilization of swap data, including use by the SDR staff, third-party service providers and U.S. and non-U.S. regulators, as well as the restriction on an SDR commercializing data which it receives; (vi) governance arrangements to facilitate appropriate representation of interests and transparency about an SDR's governance process and key decisions impacting market participants and the public; (vii) the requirement to avoid adopting any rule or other actions that may result in an unreasonable restraint of trade or imposes any material anticompetitive burdens on the trading, clearing or reporting of swaps; (viii) the management of conflicts of interest; (ix) the designation and duties of a chief compliance officer; (x) policies and procedures for the exercise of emergency authority; (xi) the implementation of system safeguards, including a risk framework, risk analysis, business continuity and disaster recovery program; (xii) the maintenance and reporting of the financial resources retained by an SDR to provide for its ongoing operation; and (xiii) provisions related to access to DDR services and fees charged, as well as disclosure of risks to potential Users.

The provisions of other parts of the CFTC's regulations provide additional clarity and supplement the requirements that are generally imposed upon SDRs under Part 49. Part 43 details the real-time public dissemination requirements of swap data reported to an SDR, including the content, timing and method of dissemination by the SDR. Part 45 details the information that reporting parties are required to provide and which an SDR is required to accept in order to provide the CFTC with the PET of each swap in a uniform and consistent manner. This Part also provides for the ongoing updating of PET data due to changes in the market (*e.g.*, valuations) or the terms of the individual swap (*e.g.*, lifecycle events, terminations, and assignments). Part 46 provides details regarding the reporting of swaps to the SDR which were entered into after the enactment of the Dodd-Frank Act but prior to the CFTC's regulations which imposed the reporting obligation under Part 45 (historical swap reporting). Finally, the relevant provisions of Part 50 describe the information that must be provided to an SDR in order support the exceptions and exemptions that have been granted to end-users to the mandatory clearing requirement.

Description of Quebec provincial regulation

DDR, through its application for recognition by the Autorité, will agree to be bound by the requirements of the TR Rule with the exception of any requirements it has been exempted from complying with under section 86 of the QDA by the Autorité and will submit to the jurisdiction of the courts of Quebec in connection therewith.

The TR Rules outline the requirements that an applicant must fulfill before it can be recognized as a trade repository in Quebec. The relevant sections of the TR Rule and DDR's responses are referenced below.

S.7 LEGAL FRAMEWORKⁱ

DDR has established implemented, maintained, and enforced rules, policies and procedures that are transparent and promote the interests of its Users, regulators and the public. These rules, policies and procedures operate to facilitate the secure and efficient operation of the trade repository. Policies and procedures are described in detail in the DDR Rulebook and Operating Procedures.ⁱⁱ The DDR Rulebook (which is publicly available) prescribes rules concerning how the trade repository operates with respect to all relevant parties such as Users, regulators and the public. User Agreements, Service Agreements, Confidentiality Agreements and myriad manuals, policies and procedures support the operation of the trade repository and clearly outline the rights and obligations of all of the relevant parties that utilize the services of the trade repository. The Rulebook and Operating Procedures establish rights of access to data (dependent upon the party) and the confidentiality of all data maintained by DDR. The Rulebook and Operating Procedures are governed by New York laws. If DDR is approved to act as a trade repository in non-U.S. jurisdictions, the Rulebook and Operating Procedures will be amended as appropriate. The Rulebook and Operation Procedures as modified for reporting in Canada will be published by DDR upon receipt of its recognition.

Transaction records in the trade repository serve regulatory reporting requirements and are not meant to represent the legally binding contract between the counterparties to the transaction

S.8 GOVERNANCEⁱⁱⁱ

DDR is governed by its Board of Directors (the "Board"). The permitted number of Directors on the Board is between 7 and 30 with the actual number set from time to time by Board Resolution. Board governance documents are well defined and transparent, and set out a clear organizational structure with consistent lines of responsibility, provide for effective internal controls, and promote the safety and efficiency of the recognized trade repository. For a current list of the members of the DDR Board and access to the publicly accessible governance document that outlines DDR governance arrangements please refer to the following website:
<http://www.dtcc.com/~media/Files/Downloads/Data-and-Repository-Services/GTR/US-DDR/ddr-governance.ashx>.

Board members include representatives of financial institutions who are also Users of the DDR's services, buy-side representatives, and DTCC management. The DTCC Governance Committee periodically reviews the composition of the DDR Board to assure that the level of representation of Directors from Users, management and non-users is appropriate for the interests of these constituencies in DDR. This review is a proactive measure designed to serve the dual purposes of balancing the interests of relevant stakeholders and supporting the stability of the broader financial system in conjunction with other relevant public interest considerations.

The Board reserves the right to establish committees as necessary and appropriate to manage its operations and provide strategic guidance.

The Board of the DDR has established an Audit Committee to assist the Board in overseeing: (i) the integrity of DDR's financial statements and financial reporting; (ii) the overall effectiveness of

DDR's control environment; (iii) the effectiveness of DDR's process for monitoring compliance with applicable laws, regulations and the code of ethics; (iv) the performance and coverage of the internal audit function; (v) the external auditor's independence, performance and coverage; (vi) legal, compliance and regulatory risks; and (vii) oversight of risk management.

S.9 BOARD OF DIRECTORS ^{iv}

Mission of the Board of Directors

The Board of DDR is responsible for providing direction to and overseeing the conduct of the affairs of DDR in the interests of the company, its shareholder and other stakeholders including entities in the financial markets which the company serves and the governmental and supervisory authorities responsible for regulating those markets.

The Board will discharge its oversight responsibilities and exercise its authority in a manner consistent with applicable legal and regulatory provisions and with regulatory expectations of the role of DDR in the infrastructure for those markets, that:

- Promotes the safe, sound and efficient operation of DDR, including activities related to swap data repository services, including trade recordkeeping, and public and regulatory reporting;
- Seeks to develop the services and businesses of DDR in a manner promoting further safety, soundness and efficiency broadly in its activities; and
- Leverages DDR's role as a leader in financial services with respect to risk management, promoting sound practices in governance and in transparency to its user community and in its role in the financial market infrastructure supporting the operation of orderly and efficient markets.

DDR shall, consider a director of DDR to be independent as long as such director has an "independent perspective" as per CFTC regulations. "Independent Perspective" as defined by the CFTC means a viewpoint that is impartial regarding competitive, commercial or industry concerns and contemplates the effect of a decision on all constituencies involved. DDR has incorporated an Independent Perspective into its nominations process, and the Board includes representatives from several constituencies impacted by the DDR operations. The Board is comprised of representatives from the dealer participants who are shareholders of DTCC, as well as firms who do not have an ownership interest in DTCC or DDR. DDR is required to consider a viewpoint that is impartial regarding competitive, commercial or industry concerns and contemplates the effect of a decision on all constituencies involved. DDR shall provide to the Autorité upon submission of its application a list of directors, and their employers, indicating if the company they are employed by holds an ownership interest in DTCC.

The CCO shall in satisfaction of the requirements of section 9(3) of the TR Rules resolve any potential conflicts of interest within DDR or related to the CCO's obligations in consultation with the Board or the CEO.

Nomination Process

The Board, in conjunction with DTCC's Governance Committee, considers possible nominations on its own initiative and invites suggestions from customers of DDR. In identifying potential Board candidates, DDR considers relevant expertise and experience in various areas, such as:

- the derivatives industry;
- strategic planning (e.g., new business development, expansion of markets/products/customers, joint ventures);
- risk management (including credit, market, liquidity, operational, and systemic risks);
- information technology (e.g. infrastructure, applications development and maintenance, information security, disaster recover);
- operations;
- management of a business unit or function;
- finance;
- audit;
- compliance/legal/regulatory matters; and
- governmental/regulatory/legislative relationship management;

Potential candidates are asked to complete a questionnaire eliciting information regarding how their experience aligns with these factors.

Board of Directors

The Board meets with the CCO at least annually and the Board or the CEO must consult with the CCO to resolve any conflicts of interests that may arise, including conflicts between business considerations and compliance requirements, conflicts between business considerations and compliance requirements for fair and open access, and conflicts between management and members of the board.

For a current list of the members of the DDR Board please refer to the following website:
<http://www.dtcc.com/~media/Files/Downloads/Data-and-Repository-Services/GTR/US-DDR/ddr-governance.ashx>.

S.10 MANAGEMENT

DDR has established, implemented, maintained and enforced documented arrangements for its governance and management that are transparent and promote the efficient and effective operation of the trade repository. The roles and responsibilities of management are clearly defined and significant consideration has been given to the qualifications of individual employees related to their ability to carry out their designated roles and functions.

In addition to governance by its Board of Directors, DDR has a dedicated officer team that provides daily management oversight. The senior officers of DDR include a Chief Executive Officer, Counsel, Chief Compliance Officer, Business Manager, and Systems Director. See

<http://www.dtcc.com/~ /media/Files/Downloads/Data-and-Repository-Services/GTR/US-DDR/ddr-governance.ashx>.

S.11 CHIEF COMPLIANCE OFFICER v

The Chief Compliance Officer (“CCO”) has been granted the authority and resources to develop and enforce policies and procedures necessary to fulfill the duties set forth in the CEA and the CFTC’s regulations and such other regulations to which DDR is or becomes subject. DDR shall, in satisfaction of the requirements of the TR Rules, have one individual serve as CCO notwithstanding its supervision by multiple regulators. The Board is responsible for the appointment and removal of the CCO, which is at the discretion of the Board. The Board is responsible for providing direction to and overseeing the conduct of the affairs of DDR in the interests of the company, its shareholders and other stakeholders. The Board also has a responsibility to comply with all applicable rules, policies and procedures of the Trade Repository in a manner consistent with effective corporate governance practices that are sufficient to support the safe and sound operation of the Trade Repository. It is implicit in the code of ethics and the principles of governance that the CCO have the requisite experience, competencies, integrity and mix of skills necessary to discharge its roles and responsibilities. The CFTC is notified within two business days of the appointment or removal of the CCO. The CCO reports to the Chief Executive Officer (“CEO”). The Board meets with the CCO at least annually. The CCO has supervisory authority over all staff acting at the direction of the CCO. The duties of the CCO include, but are not limited to, the following:

- (a) to oversee and review DDR’s compliance with section 21 of the CEA and applicable regulations;
- (b) in consultation with the Board or the CEO, to resolve any conflicts of interests that may arise, including conflicts between business considerations and compliance requirements, conflicts between business considerations and compliance requirements for fair and open access, and conflicts between the management and members of the Board;
- (c) to establish and administer written policies and procedures reasonably designed to prevent violation of the CEA and applicable regulations;
- (d) to take reasonable steps to ensure compliance with the CEA and applicable regulations relating to agreements, contracts or transactions and with applicable regulations under section 21 of the CEA, including the DDR rules and confidentiality and indemnification agreements entered into with foreign or domestic regulators;
- (e) to establish procedures for the remediation of non-compliance issues identified by the CCO through a compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint;
- (f) to establish and follow appropriate procedures for the handling, management response, remediation, retesting and closing of noncompliance issues;
- (g) to establish and administer a written code of ethics; and
- (h) to prepare and sign an annual compliance report in accordance with applicable regulations and associated recordkeeping.

S.12 FEES^{vi}

All fees currently imposed by DDR in connection with the reporting of swap data and any other supplemental or ancillary services provided are equitable and established in a uniform and non-discriminatory manner, as required by CFTC regulations. DDR's Fees Schedule is available to all market participants on DDR's website. All fees imposed by DDR, as approved by the Board, will be commensurate to DDR's costs for providing the SDR services. Any fees associated with making services available to Users in Canada will be subject to any local regulatory requirements and will be publicly available on DDR's website.

S.13 ACCESS TO TRADE REPOSITORY SERVICES^{vii}

The services offered by DDR are available to all market participants on a fair, open and equal basis. DDR does not require the use or purchase of any other service for a person or company to utilize DDR's trade reporting service. DDR does not expect to reject applications by market participants who seek to utilize its services to satisfy their reporting obligations or those of their customers, but if an application to become a User is denied, or if a User's access is terminated, the procedures to appeal such decisions are contained in Rules 10.2 and 10.3 of the DDR Rulebook.

To participate in the services offered by DDR, each User must:

- (a) enter into a User Agreement which is included in the DDR Rulebook posted on the public website at:
http://dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx and
- (b) agree to be bound by the terms of the User Agreement and Operating Procedures, which incorporate terms of the DDR Rulebook.

In addition to the legal agreements, potential Users must go through an onboarding process which includes discussions with DDR's technical team to determine the best method of data submission for the User. The DDR on-boarding team initiates the on-boarding process by forwarding the required documentation to an applicant including the required User Agreement and relevant supplements. The DDR on-boarding team reviews the information received, records the applicant's information, obtains any missing or additional information, conducts an adverse news check on the applicant and escalates any findings, as necessary and appropriate. Once the DDR on-boarding team has collected all applicable data and information, the DDR on-boarding team will provide each applicant with an id. Using the id the DDR on-boarding team will create an account for the applicant in the Trade Repository operations system. The DDR access and onboarding procedures are provided to applicants as part of the onboarding process.

S.14 ACCEPTANCE OF REPORTING

DDR supports reporting of interest rate, commodities, equities, foreign exchange and credit derivatives transactions consistent with the applicable ISDA taxonomy.

S.15 COMMUNICATION POLICIES, PROCEDURES AND STANDARDS

It is DDR's policy to accommodate market-accepted communication procedures and standards in order to facilitate the efficient exchange of data between its systems and those of its members other trade repositories, exchanges, clearing agencies, alternative trading systems, and other market places and service providers. There are multiple submission mechanisms available to facilitate Users of all levels of sophistication. Data can be submitted by connections/methods consisting of FTPs, web services, and MQ messaging protocols and private extranet or secure public internet connectivity options depending on whether they are submitting in FpML or CSV.

S.16 DUE PROCESS^{viii}

DDR rules incorporate due process measures available to parties who experience a denial of application, who have been sanctioned by DDR and whose membership has been involuntarily terminated.

Denial of Application

The due process afforded a potential User whose application has been denied is contained within DDR Rule 10.2.1. The process contained in the rules is described below.

- (a) To request a hearing on a denial of an application, a potential User shall file such a request (the "Hearing Request") with DDR within 5 business days of receipt of a notice that they have been denied access (a "Denial Notice"). The Hearing Request must set forth: (i) the action to be taken by DDR as set forth in the Denial Notice; and (ii) the name of the representative of the potential User who may be contacted with respect to a hearing.
- (b) Within 7 business days after the potential User files such Hearing Request, such potential User shall submit to DDR a clear and concise written statement (the "Applicant Statement") setting forth, with particularity: (i) the basis for objection to such action; and (ii) whether the potential User chooses to be represented by counsel at the hearing. DDR may deny the right for a hearing if the Applicant Statement fails to set forth a prima facie basis for contesting the violation.
- (c) The failure of a potential User to file either the Hearing Request and/or Applicant Statement within the time frames required under this Rule 10.2.1.1 will be deemed an election to waive the right to a hearing.
- (d) Hearings shall take place promptly after receipt of the Applicant Statement. DDR shall notify the potential User in writing of the date, place and hour of the hearing at least 5 business days prior to the hearing (unless the parties agree to waive the 5 business day requirement). Such hearing must take place in New York during business hours unless otherwise agreed by the parties.
- (e) A hearing shall be before a panel (the "Panel") of three individuals. The Panel shall consist of 3 members of the Board or their designees selected by the Chairman of the Board. At the hearing, the potential User shall be afforded an opportunity to be heard and may be represented by counsel if the potential User has so elected in the Applicant Statement. A record shall be kept of the hearing. The costs associated with the hearing may, in the discretion of the Panel, be charged in whole or in part to the potential User in the event that the decision at the hearing is adverse to the potential User.

- (f) The Panel shall advise the potential User of its decision within 10 business days after the conclusion of the hearing. The decision of the Panel shall be disclosed in a notice of the decision (the "Decision Notice") setting forth the specific grounds upon which the decision is based and shall be furnished to the potential User. A copy of the Decision Notice shall also be furnished to the Chairman of the Board. If the decision of the Panel shall be to reverse the denial, such application will be returned to the staff for processing.
- (g) Any denial as to which a potential User has the right to request a hearing pursuant to Section 10.2.1 shall be deemed final upon the earliest of: (i) when the potential User stipulates to the denial; (ii) the expiration of the applicable time period provided for the filing of a Hearing Notice and/or Applicant Statement; or (iii) when the Decision Notice is delivered to the potential User. Notwithstanding the foregoing, the Board may in its discretion modify any sanctions imposed or reverse any decision of the Panel that is adverse to a potential User. The reversal or modification by the Board of a Panel decision or reversal or modification by the Panel of any action by DDR shall not provide such potential User with any rights against DDR or its officers or Directors for determination made prior to such reversal or modification.

Imposition of Sanctions

Pursuant to the DDR rules, DDR may institute proceedings to sanction a User for violation of its rules. DDR Rule 10.4 provides a description of the process utilized before a sanction is imposed and the ability of a User to request a hearing and an appeal prior to any sanctions being imposed. The due process allows Users who may be subject to the imposition of sanctions by DDR are described below.

- (a) Before any sanction is imposed, DDR shall furnish the User against whom the sanction is sought to be imposed ("Respondent") with a concise written statement of the charges against the Respondent. The Respondent shall have 10 business days after the service of such statement to file with DDR a written answer thereto. The answer shall admit or deny each allegation contained in the statement of charges and may also contain any defense which the Respondent wishes to submit. Allegations contained in the statement of charges which are not denied in the answer shall be deemed to have been admitted, and any defense not raised in the answer shall be deemed to have been waived. If an answer is not provided to DDR within the time permitted, as determined by the CCO, in consultation with DDR's Counsel, the allegations shall be deemed to have been admitted, and the Respondent will be notified in writing of any sanction that shall be imposed. If an answer is timely filed, DDR shall (unless the Respondent and DDR shall have stipulated to the imposition of an agreed sanction) schedule a hearing before a panel comprised of a chairman of the Disciplinary Panel and 2 (two) individuals appointed by the Board to conduct disciplinary proceedings under this Rule ("Disciplinary Panel"). At the hearing, the Respondent shall be afforded the opportunity to be heard and to present evidence on its behalf and may be represented by counsel. A record of the hearing shall be prepared and the cost of the transcript may, in the discretion of the Disciplinary Panel, be charged in whole or in part to the Respondent in the event any sanction is imposed on the Respondent. As soon as practicable after the conclusion of the hearing, the Disciplinary Panel shall furnish the Respondent and the Board with a written statement of its decision. If the decision is to impose a

disciplinary sanction, the written statement shall set forth the sanction being imposed and the facts surrounding the violation of these Rules.

- (b) In the event that the Disciplinary Panel censures, fines, suspends, expels or limits the activities, functions or operations of any Respondent, any affected User may apply for review to the Board, by written motion filed with DDR within 5 business days after issuance of the Disciplinary Panel's written statement of its decision.
- (c) The granting of any such motion shall be within the discretion of the Board. In addition, the Board may determine to review any such action by a Disciplinary Panel on its own motion. Based upon such review, the Board may affirm, reverse or modify, in whole or in part, the decision of the Disciplinary Panel. The Respondent shall be notified in writing of the decision of the Board which shall be final. Once a decision of the Disciplinary Panel is final, the CCO will facilitate and coordinate the administration of any such sanctions imposed as a result of such disciplinary proceedings.
- (d) Any time limit set forth in this Rule may be extended by the body having jurisdiction over the matter in respect of which the time limit is imposed.

Involuntary Termination

Under specified circumstances, DDR Rule 10.3 permits DDR to take more expedited actions to prevent harm to the DDR Systems by terminating a User. The DDR Rules grants a User whose account is subject to involuntary termination due process to appeal this determination after this extraordinary action has been taken. The appeals process within DDR Rules is described in greater detail below.

- (a) A terminated User may appeal its termination of access by filing a written notice of appeal within 5 business days after the date of termination of access.
- (b) Appeals shall be considered and decided by the Appeal Panel (a panel comprised of a chairman and two individuals appointed by the Chairman of the Board to consider appeals under Rule 10.3 and the DDR Rules). Appeal shall be heard as promptly as possible, and in no event more than 5 business days after the filing of the notice of appeal. The appellant shall be notified of the time, place and date of the hearing not less than 3 business days in advance of such date. At the hearing, the appellant shall be afforded an opportunity to be heard and to present evidence in its own behalf, and may, if it so desires, be represented by counsel. As promptly as possible after the hearing, the Appeal Panel shall, by the vote of a majority of its members, affirm or reverse the termination of access or modify the terms thereof. The appellant shall be notified in writing of the Appeal Panel's decision; and if the decision shall have been to affirm or modify the termination, the appellant shall be given a written statement of the grounds therefor.
- (c) Any decision by the Appeal Panel to affirm or modify a termination shall be reviewable by the Board on its own motion or on written demand by the appellant filed with DDR within 3 business days after receipt of notice of the Appeal Panel's decision. The Board may, but is not required to, afford the appellant a further opportunity to be heard or to present evidence. The appellant shall be notified in writing of the decision of the Board, and if the decision shall have been to affirm or

modify the termination, the appellant shall be given a written statement of the grounds therefor.

- (d) The filing of an appeal pursuant to this Rule shall not impair the validity or stay the effect of the termination appealed from. The reversal or modification of a termination shall not invalidate any acts of DDR taken pursuant to such termination prior to such reversal or modification, and the rights of any person which may arise out of any such acts shall not be affected by such reversal or modification.
- (e) A record shall be kept of any hearing held pursuant to these procedures. The cost of the transcript may, in the discretion of the body holding the hearing, be charged in whole or in part to the terminated User in the event that the termination to access is finally affirmed.

S.17 RULES, POLICIES AND PROCEDURES^{ix}

DDR has published the DDR Rulebook in order to provide Users and potential Users with documented procedures that describe the key functions of DDR as well as the rights and obligations of its Users. We engage in compliance monitoring on an ongoing basis (please refer to the Operating Procedure.)

The DDR Rulebook, Operating Procedures and the User Agreements are governed by New York Law. New York is the forum for any legal proceedings between DDR and its Users; however, DDR will provide an agent for service of process in Quebec as required on form F2.

The DDR Rulebook is published on the DDR website and is provided to all interested parties during the onboarding process. Any planned changes to the DDR Rulebook are published in advance and currently require submission of a rule filing with the CFTC. The Rulebook, policies and procedures will be modified to address new jurisdictions in which DDR is registered. DDR shall provide to the Autorité a copy of all new rules and all material changes to its rules as such rules are released or changed.

DDR monitors use of its services on an ongoing basis through exceptions based alerting. Such monitoring is done on a message submission level to ensure proper usage of the service. The DDR Rulebook provides for the imposition of sanctions for violations of the rule as outlined in Section 10 of the DDR Rulebook.

In the event there is a conflict between the securities legislation in Quebec and any other legislation with which DDR is obligated to comply DDR may, in satisfaction of 17(1)(c) of the TR Rule, cease operating in Quebec. DDR would comply with Section 6 of the TR Rules and provide 180 days notice of such cessation. DDR would expect to work with the relevant regulators during that period to allow DDR to eliminate or minimize the impact on DDR of such conflict during that period. In the event of such a cessation, DDR will comply with its obligation to transfer historical data to a successor entity under section 20(6) of the TR Rules.

S.18 RECORDS OF DATA REPORTED*

DDR maintains all information as required by CFTC regulations. This currently includes maintaining swap data throughout the existence of the swap and for 15 years following termination of the swap. The Autorité under the TR Rule requires that data is maintained throughout the existence of the swap and for 7 years following termination of the swap well within the current standard utilized by DDR. The records are readily accessible throughout the life of a swap and for 5 years following its termination. For the remainder of the retention period, the swap record will be maintained in archival format and retrievable within 3 business days. DDR currently maintains this level of record retention for data that is stored within its databases. In addition to the primary database, data is currently also maintained in a back-up database in a secure, remote data center operated by its parent DTCC under the Service Agreement (referenced in S. 24) utilizing hardware that is similar to that deployed in the primary data center. DDR will continue to evaluate data retention needs and adjust its policies as the Trade Repository business becomes more mature.

S.19 RISK MANAGEMENT FRAMEWORK

The DDR Board is ultimately responsible for overseeing the effectiveness of DDR's risk management policies, procedures and systems. The Board (or its designated committee) is required to review the Risk Tolerance Statement, which is currently being developed; this will be derived from a portfolio view of key risks, and impact to DDR. It is expected that this will be presented on an annual basis. The Board is also provided operational risk reports, which includes key metrics and a description of incidents. The reports also include a snapshot view of the DDR Risk Profile.

DDR Management is responsible for identifying, assessing, measuring, monitoring, mitigating and reporting the risks that may arise in the management of the trade repository. To enable DDR Management to effectively identify, understand and appropriately mitigate risks, DDR is the first line of defense in DTCC's three lines of defense, as described in its corporate risk framework:

- ***the first line of defense***, which includes Product Management, Operations, Finance, Technology, Legal, Human Resources, and others, is responsible for proactively managing risk;
- ***the second line of defense***, which is comprised of control functions, is responsible for establishing risk management standards, providing advice and guidance to the first line of defense in adhering to the standards and monitoring compliance with the standards;
- ***the third line of defense***, which is comprised of the Internal Audit Department, is responsible for providing independent, objective assurance and advisory services to assist DDR in maintaining an effective system of internal controls, including the manner in which the first and second lines of defense operate.

Risk Management Tools and Governance

DDR's risks are first assessed on an inherent risk basis, i.e., the risk before any mitigants and/or controls are applied, and then on a residual risk basis, i.e., the remaining risk after controls and/or mitigants are applied. DDR conducts monthly risk assessments of its operations and determines both the inherent and residual risks from its operations. In situations where the residual risks are not sufficiently mitigated by adequate controls, determination is made to consider such other controls as might be appropriate.

S.20. GENERAL BUSINESS RISK^{xi}

DDR defines business risk as the sum of various risks the enterprise may be exposed to, including Strategic and Operational risk.

DDR management works with Finance, Operational Risk Management, Information Technology (IT), Operations, Legal, Compliance, Government Relations, and other DTCC departments on an ongoing basis to review and assess risks that could impact the business risks faced by DDR.

Moreover, DDR management and staff are also very actively involved in industry forums and working groups to identify business and regulatory requirements, and to identify and assess any risks these might pose to the DDR.

DDR holds liquid net assets based on a rolling 6 months operating expenses evaluation. Currently, DDR holds such assets as cash. In addition, for capital planning purposes, forecasts are calculated based on budget forecasts; these are presented to the DDR Board.

In the event DDR winds down its business, DDR commits to cooperating with the transfer of data to a successor registered trade repository or the regulator.

DDR will in satisfaction of sections 20(3), 20(4), and 20(5) of the TR Rules hold capital equal to a minimum of six months of operating expenses to allow for an orderly wind down if necessary. DDR shall in satisfaction of the requirement of sections 6(2) and 20(6) of the TR Rules maintain historical records not transferred to a successor entity.

S.21 SYSTEM AND OTHER OPERATIONAL RISK REQUIREMENTS^{xii}

DDR's risks are first assessed on an inherent risk basis, i.e., the risk before any mitigants and/or controls are applied, and then on a residual risk basis, i.e., the remaining risk after controls and/or mitigants are applied. DDR conducts monthly risk assessments of its operations and determines both the inherent and residual risks from its operations and tests continuity plan readiness and connectivity on a regular basis, ensuring that Users and third party vendors/service providers can connect to our primary back-up sites. The DDR Risk Profile is reviewed with DDR management and ORMD. In situations where the residual risks are not sufficiently mitigated by adequate controls, determination is made to consider such other controls as might be appropriate. DDR on a reasonably frequent basis makes reasonable current and future capacity estimates and conducts capacity stress tests prior to major releases. In satisfaction of TR Rule 21(6), DDR conducts an annual internal audit. The scope of such audit will be determined by DDR and the Autorité.

DTCC's Operational Risk Management Department ("ORMD") framework is approved by the Board, which is applied for DDR, is comprised of multiple elements, including:

- Internal Incident Data Collection
- Risk Assessment – Operational Risk Profile
- Metrics
- Issue Tracking
- Reporting

DDR, working with ORMD, has also developed a monthly operational risk profile. In addition to centralizing the key drivers of residual risk, this profile identifies the day-to day operational risks in DDR's business process flows on a more granular level. The profile also consolidates all other control findings (incidents, audit findings, compliance testing results, etc.) and mitigation action plans. Trending information on incidents as well as metrics relevant to the two risk families are incorporated and will be leveraged to map back to the overall risk tolerance statements for DDR's two risk categories. The DDR Risk Profile is reviewed with DDR management and ORMD. Changes in the business and/or risks would trigger a re-assessment of the metrics captured; the Risk profile would be updated accordingly.

DDR defines business risk as the sum of various risks the enterprise may be exposed to, which include:

- Strategic risk;
- Operational risk; and

DDR management works with Finance, Operational Risk Management, Information Technology (IT), Operations, Legal, Compliance, Government Relations, and other internal areas on an ongoing basis to review and assess risks that could impact the business risks faced by DDR. This includes:

- Ongoing review of the DDR, including revenues, expenses, actual versus target performance, financial projections and funding.
- Ongoing meetings with Information Technology to review and assess application development,
- Ongoing application maintenance, performance testing, and infrastructure.
- Ongoing meetings with Operations to review operational support and any potential risks or issues.

Moreover, DDR management and staff are also very actively involved in industry forums and working groups to identify business and regulatory requirements, and to identify and assess any risks these might pose to the DDR.

The DDR System is supported by DTCC and relies on the disaster recovery program maintained by DTCC. In satisfaction of 21(5), DDR follows these key principles for business continuity and disaster recovery, which enables DDR to provide timely resumption of critical services should there be any disruption to DDR business:

- (a) Achieve recovery of critical services within a four-hour window with faster recovery time in less extreme situations in satisfaction of 21(4);
- (b) Disperse staff across geographically diverse operating facilities;
- (c) Operate multiple back-up data centers linked by a highly resilient network technology;
- (d) Maintain emergency command and out-of-region operating control;

- (e) Utilize new technology which provides high-volume, high-speed, asynchronous data transfer over distances of 1,000 miles or more;
- (f) Maintain processes that mitigate marketplace, operational and cyber-attack risks;
- (g) Test continuity plan readiness and connectivity on a regular basis, ensuring that Users and third party vendors/service providers can connect to our primary and back-up sites;
- (h) Communicate on an emergency basis with the market, Users and government agency decision-makers; and
- (i) Evaluate, test and utilize best business continuity and resiliency practice

DDR discloses to potential Users on its website the various methods available to interface with or access the trade repository. A reasonable period of time will be allowed for testing once operations have begun and prior to the commencement of operations and a reasonable period of time will be allowed for testing and system modifications. DDR publishes notifications sufficiently in advance before implementing a material change to technology requirements and allows a reasonable period of time for testing and system modifications.

DDR provides testing facilities for accessing or connecting to the trade repository. These facilities are provided sufficiently in advance of implementing a material change to technology requirements to allow a reasonable period for testing and system modifications by Users.

In satisfaction of 21, DDR shall provide the Autorité staff timely advance notice of all: (1) Planned changes to the automated systems that may impact the reliability, security, or adequate scalable capacity of such systems: and (2) Planned changes to the swap data repository's program of risk analysis and oversight in line with its requirements to notify the CFTC of such changes.

S.22. DATA SECURITY AND CONFIDENTIALITY^{xiii}

DTCC has established a Technology Risk Management team ("TRM"), whose role is to manage information security risk and the availability, integrity and confidentiality of the organization's information assets. The TRM supports the data security and confidentiality needs of DDR pursuant to a service level agreement between DTCC and DDR.

Various policies have been developed to provide the framework for both physical and information security and are routinely refreshed. TRM carries out a series of processes to protect DDR in a cost-effective and comprehensive manner. This includes preventative controls such as firewalls, appropriate encryption technology and authentication methods. Vulnerability scanning is used to identify high risks to be mitigated and managed and to measure conformance against the existing policies and standards.

Standards for protecting DDR's information are based upon the sensitivity level of that information. Control standards specify technical requirements for protection and end user handling of information while in use, transmission and storage.

DDR does not currently engage in any commercial use of data relating to SDR Services. DDR data relating to specific counterparties may be provided to third parties subject to consent from that counterparty or submitter of the trade. DDR does not, as a condition of the reporting of swap transaction data, require a reporting party to consent to the use of reported data for commercial or business purposes.

S.23. CONFIRMATION OF DATA AND INFORMATION^{xiv}

DDR confirms accuracy of derivative data that it receives by checking inbound submissions and making available reports of data submitted available to Users. Upon submission, the DDR system will perform validation checks to ensure that each submitted record is in the proper format and will also perform validation and consistency checks against certain data elements. If the record fails these validation or consistency checks, the record will be rejected and such rejection status will be communicated to the User(s) to correct and resubmit. DDR cannot identify the duplication of records in the event both parties to a transaction report the same transaction and a unique trade identifier has not been provided. Each User is provided with access to reports showing data submitted by them, for them or naming them as counterparty to a transaction. Users can utilize these reports to confirm that data held by DDR pertaining to their transactions is accurate.

S.24 OUTSOURCING

- There is a written Service Agreement (“SLA”) between DTCC and DDR. Pursuant to this SLA, DDR receives shared support functions from its parent. DDR does not outsource any of its trade repository obligations. It does, however, operate on shared services model pursuant to which the following departmental functions are shared for all DTCC subsidiaries in accordance with the SLA.

Referenced below are some of the shared functions included in the SLA:

- Audit
- Finance
- Technology Risk Management
- Operational Risk Management
- Operation/Onboarding
- Corporate Communications
- Human Resources
- Internal Security
- IT Infrastructure Application Development and Maintenance
- Legal

S.29 UNIQUE TRANSACTION IDENTIFIERS

DDR, may, in satisfaction of section 29 of the TR Rule, utilize reporting party generated unique transaction identifiers and unique swap identifiers, whether self generated or generated by DDR in the form of existing UTI’s and USI’s, as such terms are defined in EMIR, CEA and applicable CFTC regulations.

S.37 DATA AVAILABLE TO REGULATORS^{xv}

Data is made available to regulators to the extent such regulator is eligible to receive data under relevant law and regulation. Pursuant to applicable law, the CFTC is provided with direct electronic access to DDR data to satisfy their legal and regulatory obligations. Access to DDR data by other domestic or foreign regulators or appropriate third-parties is governed by applicable regulations.

These regulations generally permit access to data that has been submitted to DDR pursuant to the regulatory requirements of another jurisdiction and for which DDR is appropriately registered with such regulators and is subject to their supervision. In that circumstance, access to such data will be granted without requiring a confidentiality and indemnification agreement. All other types of requests for data may be made and satisfied if the appropriate confidentiality and indemnification agreement has been provided to DDR pursuant to applicable CFTC regulations

DDR shall provide Users and the Autorité with prior notification of scheduled system downtime and routine system downtime on a regular basis to perform system maintenance, code deployments and/or other changes as necessary.

S.38 DATA AVAILABLE TO COUNTERPARTIES^{xvi}

DDR provides Users, and third-party service providers authorized by a User, with access to transactions in which the User is a counterparty. This information is available via reports and other messages that are provided to the Users or authorized agents of the counterparties.

S.39 DATA AVAILABLE TO THE PUBLIC^{xvii}

Data will be made available to the public on DDR's website in accordance with applicable regulations and the Order designating /recognizing DDR.

ⁱ Please refer to Section 2.1 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx

ⁱⁱ Please refer to the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx

ⁱⁱⁱ Please refer to Section 2.2 in the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx

^{iv} Please refer to the DTCC Data Repository (U.S.) LLC Governance document publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/Data-and-Repository-Services/GTR/US-DDR/DDR_Governance_012814.ashx.

^v Please refer to Section 2.3 in the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx

^{vi} Please refer to Section 1.4 in the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx

^{vii} Please refer to Sections 1.1 & 1.2 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on DTCC's website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx

^{viii} Please refer to Sections 10.2.1 & 10.2.1.1, 10.3 & 10.4 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx

^{ix} Please refer to the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx

^x Please refer to Section 1.3.1 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: <http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR Rulebook.ashx>

^{xi} In addition to the information referenced above please also refer to the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website:
<http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR Rulebook.ashx>

^{xii} In addition to the information referenced above please also refer to Section 8.1 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website:
<http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR Rulebook.ashx>

^{xiii} Please refer to Section 6.3 & 9.2 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: <http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR Rulebook.ashx>

^{xiv} Please refer to Section 10.1.1 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: <http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR Rulebook.ashx>

^{xv} Please refer to Section 6.2 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: <http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR Rulebook.ashx>

^{xvi} Please refer to the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: <http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR Rulebook.ashx>

^{xvii} Please refer to Section 6.1 and the Appendix Section V as set forth in Appendix B : Operating Procedures of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website:
<http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR Rulebook.ashx>

APPENDIX "A"

EXEMPTIONS

DDR has applied to the Autorité for recognition as a trade repository under sections 12 and 14 of the QDA, and will be subject to the TR Rule and the terms and conditions of its recognition decision by the Autorité. The Autorité, pursuant to section 86 of the QDA, may exempt DDR, in whole or in part, from a requirement in the TR Rule. Therefore DDR hereby seeks exemption from the following provisions of the TR Rule:

1. Subsection 4(1) of the TR Rule,
2. Subsection 5(1) of the TR Rule,
3. Subsection 20(2) of the TR Rule,
4. Subsections 20(4) and 20(5) of the TR Rule,
5. Subsection 39(1) of the TR Rule.

DDR is applying for these exemptions on the following basis:

1. DDR does not have audited financial statements for its most recently completed financial year; however DDR has provided to the Autorité its unaudited financial statements and audited financial statements of its ultimate parent, The Depository Trust & Clearing Corporation (DTCC), for the most recent financial year.
2. DDR is not required to file annual audited financial statements with the CFTC, but is required to file annual unaudited financial statements and to maintain liquid net assets equal to a minimum of six months of operating expenses pursuant to CFTC requirements. DDR has represented that it will provide its annually unaudited financial statements and audited financial statements of DTCC, to the Autorité concurrently with filing with the CFTC and will maintain the required liquid net assets.
3. DDR is required under CFTC's requirements to maintain sufficient financial resources to perform its SDR functions and such amount should cover its operating costs for a period of at least one year. DDR holds sufficient liquid net assets, in the amount of at least six months current operating expenses, to cover potential general business losses pursuant to TR Rule; although it does not maintain insurance coverage for this purpose, maintenance of insurance would be duplicative for the purposes of covering business risk.
4. International work on wind-down planning is ongoing at CPSS-IOSCO level, and DDR is not currently subject to CFTC's requirements relating to orderly wind-down.
5. Due to technical limitations and time constraints at this time, DDR will be unable to provide data on open positions, volume and price by October 31, 2014 but will be able to provide such data by March 31, 2014.