

THE SECURITIES ACT) Order No. 6812
)
Section 20) October 1, 2013

tpSEF Inc.

WHEREAS

(A) tpSEF Inc. (tpSEF) **has** filed an application dated September 27, 2013 (**Application**) with the Manitoba Securities Commission (**Commission**) requesting an interim order pursuant to section 20 of The Securities Act (Act) exempting tpSEF from the requirement to be recognized as an exchange under Section 139(1) of the Act (**Exchange Relief**);

(B) **AND WHEREAS** tpSEF has represented to the Commission that:

(1) tpSEF is a corporation organized and existing under and by virtue of the provisions of the General Corporate Law of the State of Delaware with a principal place of business located 101 Hudson Street, Jersey City, NJ 07302; and tpSEF will provide execution services for swap transactions, including interest rate swaps, credit swaps, foreign exchange swaps, commodity swaps and equity swaps;

(2) In the United States, tpSEF operates under the jurisdiction of the Commodity Futures Trading Commission (CFTC) and has obtained (temporary) registration with the CFTC to operate a swap execution facility (SEF)

(3) tpSEF 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;

(4) tpSEF is operating or plans to operate as an exchange in Manitoba;

(5) Because tpSEF has participants located in Manitoba, it is considered by the Commission to be carrying on business as an exchange in Manitoba and is required to be recognized as such or exempted from recognition pursuant to section 139(1) of the Act;

(6) tpSEF has no physical presence in Manitoba and does not otherwise carry on business in Manitoba except as described above; and

(7) tpSEF intends to file a full application to the Commission for a subsequent order exempting it from the requirement to be recognized as an exchange pursuant to section 20 of the Act (**Subsequent Order**);

(C) AND WHEREAS the products traded on tpSEF are not commodity futures contracts as defined in the Act (Manitoba) and tpSEF is not considered to be carrying on business as a commodity futures exchange in Manitoba;

(D) AND WHEREAS the Commission will monitor developments in international and domestic capital markets and tpSEFs activities on an ongoing basis to determine whether it is appropriate for the Exchange Relief to continue to be granted subject to the terms and conditions set out in Schedule A to this order;

(E) AND WHEREAS tpSEF has acknowledged to the Commission that the scope of the Exchange Relief and the terms and conditions imposed by the Commission set out in Schedule A to this order may change as a result of the Commissions monitoring of developments in international and domestic capital markets or tpSEFs activities, or as a result of any changes to the laws in Manitoba affecting trading in derivatives or securities;

(F) AND WHEREAS based on the Application, together with the representations made by and acknowledgements of tpSEF to the Commission, the Commission has determined that the granting of the Exchange Relief would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission that pursuant to Section 20 of the Act, tpSEF is exempt on an interim basis from recognition as an exchange under Section 139(1) of the Act, **PROVIDED THAT:**

1. This Order terminates on the earlier of (i) October 2, 2014 and (ii) the effective date of the Subsequent Order;
2. tpSEF complies with the terms and conditions contained in Schedule A.; and
3. tpSEF shall file a full application to the Commission for the Subsequent Order by January 31, 2014.

BY ORDER OF THE COMMISSION

Director - Legal

**SCHEDULE A
TERMS AND CONDITIONS**

Regulation and Oversight of tpSEF

1. tpSEF 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. tpSEF will continue to comply with the ongoing requirements applicable to it as a SEF registered with the CFTC.
3. tpSEF will 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. tpSEF must do everything within its control, which includes cooperating with the Commission as needed, to cause tpSEF to carry out its activities as an exchange exempted from recognition under Section 139(1) of the Act in compliance with Manitoba securities law.

Access

5. tpSEF will not provide direct access to a participant in Manitoba (**Manitoba User**) unless the Manitoba User is appropriately registered as applicable under Manitoba 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 (**CEA**).
6. tpSEF may reasonably rely on a written representation from the Manitoba User that specifies either that it is appropriately registered as applicable under Manitoba securities laws or is exempt from or not subject to those requirements.
7. For each Manitoba User provided direct access to its SEF, tpSEF will require, as part of its application documentation or continued access to the SEF, the Manitoba User to represent that it is appropriately registered as applicable under Manitoba securities laws or is exempt from or not subject to those requirements.
8. tpSEF will require Manitoba Users to notify tpSEF if their registration as applicable under Manitoba 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 Manitoba User and subject to applicable laws, tpSEF will promptly restrict the Manitoba Users access to tpSEF if the Manitoba User is no longer appropriately registered or exempt from those requirements.
9. tpSEF must make available to Manitoba Users appropriate training for each person who has access to trade on tpSEFs facilities.

Trading by Manitoba Users

10. tpSEF will not provide access to a Manitoba User to trading in products other than swaps and security-based swaps, as defined in section 1a of the CEA, 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 tpSEF in Manitoba, tpSEF will submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Manitoba and (ii) an administrative proceeding in Manitoba.

12. tpSEF will file with the Commission a valid and binding appointment of an agent for service in Manitoba 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 or relating to or concerning the Commission's regulation and oversight of tpSEF's activities in Manitoba.

Disclosure

13. tpSEF will provide to its Manitoba Users disclosure that states that:

(a) rights and remedies against tpSEF may only be governed by the laws of the U.S., rather than the laws of Manitoba and may be required to be pursued in the U.S. rather than in Manitoba;

(b) the rules applicable to trading on tpSEF may be governed by the laws of the U.S., rather than the laws of Manitoba; and

(c) tpSEF is regulated by the CFTC, rather than the Commission.

Prompt Notice or Filing

14. tpSEF will promptly notify staff of the Commission of any of the following:

(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 tpSEF;

(iii) the access model, including eligibility criteria, for Manitoba Participants;

(iv) systems and technology; and

(v) the clearing and settlement arrangements for tpSEF;

(b) any change in tpSEF regulations or the laws, rules and regulations in the U.S. relevant to futures and options where such change may materially affect its ability to meet the criteria set out in Appendix 1 to this schedule;

(c) any condition or change in circumstances whereby tpSEF is unable or anticipates it will not be able to continue to meet the SEF Core Principles established by the CFTC or any other applicable requirements of the Commodity Exchange Act or CFTC regulations;

(d) any known investigations of, or disciplinary action against, tpSEF by the CFTC or any other regulatory authority to which it is subject;

(e) any matter known to tpSEF that may affect its financial or operational viability, including, but not limited to, any significant system failure or interruption; and

(f) any default, insolvency, or bankruptcy of tpSEF participant known to tpSEF or its representatives that may have a material, adverse impact upon tpSEF, a clearing agency or any Manitoba Participant.

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

Quarterly Reporting

16. tpSEF 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 Manitoba Users;

(b) a list of all Manitoba Users against whom disciplinary action has been taken in the last quarter by tpSEF, or, to the best of tpSEF's knowledge, by the CFTC or SEC with respect to such Manitoba Users activities on tpSEF;

(c) a list of all investigations by tpSEF relating to Manitoba Users;

(d) a list of all Manitoba applicants for status as a participant who were denied such status or access to tpSEF during the quarter, together with the reasons for each such denial;

(e) a list of all products available for trading during the quarter, identifying any additions, deletions, or changes since the prior quarter;

(f) for each product,

(i) the total trading volume and value originating from Manitoba Users, presented on a per Manitoba User basis, and

(ii) the proportion of worldwide trading volume and value on tpSEF conducted by Manitoba Users, presented in the aggregate for such Manitoba Users; and

(g) a list outlining each incident of a material systems failure, malfunction or delay 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 for the failure, malfunction or delay, and noting any corrective action taken.

Annual Reporting

17. tpSEF will arrange to have the annual report and annual audited financial statements of tpSEF filed with the Commission promptly after their issuance.

18. tpSEF will arrange to have the annual Service Organization Controls 1 report prepared for tpSEF filed with the Commission promptly after the report is issued as final by its independent auditor.

Information Sharing

19. tpSEF will provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information.