

THE SECURITIES ACT

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Order No. 7378

)

Section 20

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August 24, 2016

THOMSON REUTERS (SEF) LLC

WHEREAS

(A) The Manitoba Securities Commission (the "Commission") issued Order No. 6811 dated October 1, 2013 exempting TR SEF LLC ("TR SEF") on an interim basis from recognition as an exchange under subsection 139(1) of the Act (the "Interim Order");

The Interim Order was varied by Order No. 6994 dated September 10, 2014, Order No. 7076 dated March 24, 2015, and Order No. 7371 dated July 20, 2016;

TR SEF has filed an application (the "Application") with the Commission requesting;

- (a) an order, pursuant to section 20 of the Act, permanently exempting TR SEF from the requirement to be recognized as an exchange under section 139(1) of the Act (the "Permanent Order");

(B) AND WHEREAS TR SEF has represented to the Commission that:

1. TR SEF is an indirect wholly-owned subsidiary of Thomson Reuters Corporation. TR SEF was established to provide an appropriate SEF platform for the execution of foreign exchange non-deliverable forwards ("NDFs") and foreign exchange options, two kinds of instruments that are classified as swaps under Title VII of the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (the "DFA"), and are subject to the requirement of trading on a registered SEF.
2. TR SEF's trading platform contains an SEF Central Limit Order Book, an SEF Request for Quote Platform and an SEF Request for Stream Platform.
3. TR SEF is available to Manitoba participants as of October 2, 2013, the date on which TR SEF became a recognized SEF with respect to foreign exchange NDF trades and foreign exchange option trades that are executed by eligible contract participants ("Participants") covered by the DFA. TR SEF offers both order book and RFQ/RFS functionality for these instruments by using the FX Alliance ("FXall") system. FXall and TR SEF are sister companies.
4. In the United States, TR SEF operates under the jurisdiction of the Commodity Futures Trading Commission (the "CFTC") and has obtained

permanent registration with the CFTC to operate a swap execution facility (a "SEF");

5. TR SEF 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, and TR SEF has retained the National Futures Association as a regulatory services provider;
6. TR SEF has no physical presence in Manitoba and does not otherwise carry on business in Manitoba, except as described above.

(C) AND WHEREAS because TR SEF regulates the conduct of its participants, it is considered by the Commission to be an exchange;

(D) AND WHEREAS because TR SEF 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;

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

(F) AND WHEREAS based on the Application and the representations TR SEF has made to the Commission, the Commission has determined that TR SEF satisfies the criteria for exemption from the requirements to register as an exchange and that the granting of exemptions from recognition and registration to TR SEF would not be prejudicial to the public interest;

(G) AND WHEREAS TR SEF has acknowledged to the Commission that the scope of the exchange relief and the terms and conditions imposed by the Commission set out in Appendix "A" to this order may change as a result of the Commission's monitoring of developments in international and domestic capital markets or TR SEF's activities, or as a result of any changes to the laws in Manitoba affecting trading in derivatives or securities; and

(H) AND WHEREAS the Commission's Interim Order will be replaced by the Permanent Order;

IT IS ORDERED:

1. **THAT** pursuant to section 20 of the Act, TR SEF is exempt from recognition as an exchange under subsection 139(1) of the Act, provided that:
 - (a) TR SEF complies with the terms and conditions contained in Schedule "A"; and
2. **THAT** the Interim Order be and is hereby revoked.

BY ORDER OF THE COMMISSION

Director

APPENDIX “A”
TERMS AND CONDITIONS
REGULATION OF TR SEF LLC

Regulation and Oversight of TR SEF

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

Access

5. TR SEF 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. For each Manitoba User provided direct access to its SEF, TR SEF 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.
7. TR SEF 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, provided TR SEF notifies such Manitoba 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 TR SEF.
8. TR SEF will require Manitoba Users to notify TR SEF 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, TR SEF will promptly restrict the Manitoba User’s

access to TR SEF if the Manitoba User is no longer appropriately registered or exempt from those requirements.

9. TR SEF must make available to Manitoba Users appropriate training for each person who has access to trade on TR SEF's facilities.

Trading by Manitoba Users

10. TR SEF will not provide access to an Manitoba 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 TR SEF in Manitoba, TR SEF will submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Manitoba and (ii) an administrative proceeding in Manitoba.
12. TR SEF 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, related to, or concerning or in any other manner connected with the Commission's regulation and oversight of TR SEF's activities in Manitoba.

Disclosure

13. TR SEF will provide to its Manitoba Users disclosure that states that:
 - (a) rights and remedies against TR SEF 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; and
 - (b) the rules applicable to trading on TR SEF may be governed by the laws of the U.S., rather than the laws of Manitoba.

Prompt Reporting

14. TR SEF 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 TR SEF;
 - (iii) the access model, including eligibility criteria, for Manitoba Users;
 - (iv) systems and technology; and

- (v) the clearing and settlement arrangements for TR SEF;
 - (b) any change in TR SEF'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 requirements for ongoing registration as a SEF;
 - (c) any condition or change in circumstances whereby TR SEF 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, TR SEF by the CFTC or any other regulatory authority to which it is subject;
 - (e) any matter known to TR SEF that may materially and adversely affect its financial or operational viability, including, but not limited to, any declaration of an emergency pursuant to TR SEF's rules;
 - (f) any default, insolvency, or bankruptcy of a participant of TR SEF known to TR SEF or its representatives that may have a material, adverse impact upon TR SEF; and
 - (g) any material systems outage, malfunction or delay.
15. TR SEF will promptly provide staff of the Commission notice of any made available to trade determination that it files with the CFTC under the regulations pertaining to self-certification and/or approval.
16. TR SEF will promptly provide staff of the Commission 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 TR SEF;
 - (b) notification that TR SEF has instituted a petition for a judgment of bankruptcy or insolvency or similar relief, or to wind up or liquidate TR SEF 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. TR SEF will promptly file with staff of the Commission copies of any Rule Enforcement Review report regarding TR SEF once issued as final by the CFTC.

Quarterly Reporting

18. TR SEF 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 and whether the Manitoba User is registered under Manitoba securities laws or is exempt from or not subject to registration, and, to the extent known by TR SEF, other persons or companies located in Manitoba trading as customers of participants (Other Manitoba Participants);
- (b) the legal entity identifier assigned to each Manitoba User, and, to the extent known by TR SEF, to Other Manitoba Participant in accordance with the standards set by the Global Legal Entity Identifier System;
- (c) a list of all Manitoba Users against whom disciplinary action has been taken in the last quarter by TR SEF or its RSP acting on its behalf, or, to the best of TR SEF's knowledge, by the CFTC with respect to such Manitoba Users' activities on TR SEF and the aggregate number of disciplinary actions taken against all participants in the last quarter by TR SEF or its RSP acting on its behalf;
- (d) a list of all active investigations during the quarter by TR SEF or its RSP acting on its behalf relating to Manitoba Users and the aggregate number of active investigations during the quarter relating to all participants undertaken by TR SEF;
- (e) a list of all Manitoba applicants for status as a participant who were denied such status or access to TR SEF during the quarter, together with the reasons for each such denial;
- (f) copies of all amendments to TR SEF's Form SEF filed with the CFTC during the quarter, including, but not limited to, any amendments to TR SEF 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,
 - (i) the total trading volume and value originating from Manitoba Users, and, to the extent known by TR SEF, from Other Manitoba Participants, presented on a per Manitoba User or per Other Manitoba Participant basis; and
 - (ii) the proportion of worldwide trading volume and value on TR SEF conducted by Manitoba Users, and, to the extent known by TR SEF, by Other Manitoba Participants, presented in the aggregate for such Manitoba Users and Other Manitoba 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 15(g) of this Appendix) 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 TR SEF, for the failure, malfunction or delay, and noting any corrective action taken.

Annual Reporting

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

Information Sharing

21. TR SEF 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.