

(d) shows such other cause as the Exchange may reasonably determine.

- 3.3.4 If the Exchange decides to deny or condition an applicant’s access to the Exchange’s System, the Exchange shall promptly notify the applicant in writing to the address provided by the applicant on the Exchange application form. Any such denial or condition placed by the Exchange may be appealed by the applicant and shall be promptly considered by the Exchange Participant Committee. In each case, the Exchange Participant Committee shall determine the specific procedures to be applied, provided that the applicant shall be afforded the opportunity to present such evidence as the Committee deems relevant. The rules of evidence shall not apply and a transcript shall not be created.
- 3.3.5 If the Participant is not an Individual Clearing Member, the Participant must also be party to an agreement with a FCM Clearing Member in accordance with Rule 5.2.1.
- 3.3.6 A Person approved as a Participant shall be subject to all of the Rules of the Exchange.
- 3.3.7 Each applicant and each Participant agrees (i) promptly to provide, or procure the provision of, such information and documents as the Exchange may reasonably request, and (ii) that the Exchange, without being prevented by any duty of confidentiality by any holder of information, may obtain such information and documents from any Clearing Member or from the Clearing House.
- 3.3.8 The Exchange shall grant access to independent software vendors that meet the requirements for Participants set out in this Rule 3.3.
- 3.3.9 FCM Participants shall effect any transfer of transactions and/or positions in accordance with the Rules and CFTC Regulation 1.65.

3.4 Minimum Financial, Segregation and Related Reporting Requirements

- 3.4.1 All Participants (including FCM Participants) executing Block Trades must be an ECP and must immediately notify the Exchange or the Regulatory Service Provider, if any, if they it or its Customer, as applicable, no longer meets the requirements of an ECP. Likewise, FCM Participants must ensure that only Customers that are ECPs are enabled to execute Block Trades.
- 3.4.2 Each Participant that is acting as an FCM Participant, a Participant that and/or is registered with the CFTC as an FCM, and each FCM Clearing Member must:

- (a) comply with the minimum financial and related reporting requirements of Commission Regulations, including Commission Regulations 1.10, 1.12, 1.17 and 1.18;
- (b) comply with the Customer funds segregation requirements of Commission Regulations 1.20 through 1.30, 1.32 and 1.49;
- (c) file with the Exchange and the Regulatory Service Provider, if any, a copy of any notice or written report that it is required to file with the Commission pursuant to Commission Regulations 1.10 or 1.12; ~~and~~
- (d) comply with all applicable provisions of the CEA, Commission Regulations, and NFA Rules including, but not limited to, rules and regulations regarding registration, customer protection, risk management, supervision, reporting and recordkeeping; ~~and~~
- ~~(d)~~(e) comply with and adopt risk management requirements the same as, or more stringent than, the requirements contained in Commission Regulation 1.11.

3.4.3 A Participant that is registered with or authorized or supervised by a Governmental Authority shall comply with the rules and regulation of such Governmental Authority relating to minimum financial and related reporting and recordkeeping requirements and shall provide to the Exchange and to the Regulatory Service Provider, if any, a copy of such Participant’s regulatory capital report, reasonably contemporaneously with the filing of such report and substantially in the form such report was filed with such Governmental Authority. A Participant that is not subject to such filing requirements shall provide the Exchange with such financial information as the Exchange may require from time to time.

3.4.4 A Participant that is not registered with the CFTC, or registered with or authorized or supervised by a Governmental Authority other than the CFTC, shall submit to the Exchange upon request annual audited financial statements for the Participant or, if applicable, its parent company certified by a certified independent public accountant (or by a Person having similar qualifications if the Participant’s books of account are kept outside the United States) within ninety calendar days of the Participant’s fiscal year-end.

3.5 Requirements for Engaging in Physical Delivery of Environmental Products

3.5.1 All futures contracts on environmental products will settle through physical delivery if positions remain open at the end of the Last Trading Day. The seller, or its designee, is responsible for delivery through the designated registry associated with the Deliverable Product as defined in Appendix A. The delivery is processed between the parties per the rules of