

CHAPTER NINE
SAFETY NET AND EXECUTION COMMISSIONERS
PART ONE
GENERAL PROVISIONS

900.00

This Chapter establishes the procedures by which the Clearinghouse may make use of the resources of Clearing Members and Traders that manage Global Accounts that fail to comply with their obligations thereto, and, when applicable, the resources of other Clearing Members and the Clearinghouse itself. This procedure shall be referred to hereinafter as the safety net.

In addition to the preceding paragraph, Clearing Members must in their respective trust indentures, and Traders that manage Global Accounts must in their respective brokerage contracts, establish the procedure through which they will make use of their resources in the event one or more of their Clients defaults on its obligations to them. This procedure shall be referred to hereinafter as the safety net of Clearing Members and Traders that manage Global Accounts.

901.00

In the brokerage contracts they sign with their Clients, Clearing Members and Traders that manage Global Accounts must include an agreement that they have the right to close the Open Contracts of said Clients and to use their Contributions to cover any of the obligations derived from the Transactions they perform on their behalf, in accordance with the Regulations.

PART TWO
SAFETY NET FOR TRADERS THAT MANAGE GLOBAL ACCOUNTS

901.01

The safety net established by Traders that manage one or more Global Accounts to cover the possibility of default by one or more of the Clients in that account must consist at least of the following elements:

I. The Trader that manages the Global Account shall immediately notify the Exchange, the Clearinghouse, and the Clearing member of the identity of the defaulting Client and the details of the default, on the same day as the default occurs. In doing so, it must supply the identity of the Client, the amount of the funds deposited as Excess Margins, and the positions open at that time.

The Clearinghouse shall then give the name of the defaulting Client to the Authorities and to other Traders and Clearing Members on the same day it becomes aware of the default.

The other Clearing Members and Traders that manage Global Accounts are then obliged to notify the Clearinghouse in writing if the defaulting Client maintains open positions in any of their Global Accounts, or as a Third-Party Position Client.

II. The Trader that manages the Global Account shall close the open positions of the defaulting Client and deliver the Client's Excess Margins to the Clearing Member through which the Clearinghouse processes the transactions of the Global Account.

The Clearing member must deliver the Excess Margins to the Clearinghouse so that it can use them, together with other funds corresponding to the defaulting Client, to settle the pending obligations. These other funds are the proceeds of the closure of open positions, resources from the Margin fund, and any realized profits. In the event that the Margins and Excess margins were contributed in the form of securities, they will be liquidated by sale at market price.

III. If the above is insufficient, the Clearinghouse shall order all Traders and Clearing Members to verify whether there are other open contracts for the defaulting Client, and if so, to close the positions that the Clearinghouse deems necessary, so that once the obligations the Client may have had with those Traders or Clearing Members have been settled, the rest can be used toward covering the outstanding debt. These funds are the proceeds of the closure of open positions, resources from the Margin Fund, and realized profits.

Traders that manage Global Accounts must close the open positions of the defaulting Client and deliver the Client's Excess Margins to the Clearing Member through which the Clearinghouse processes the transactions of the Global Account. The Clearing Members must in turn deliver to the Clearinghouse those Excess Margins, any other Excess Margins deposited, and any open positions that exist at that time.

IV. If at this point there is still an outstanding balance, the Trader that manages the Global Account shall be responsible for paying it up to the amount of its capital. In addition, the Trader must immediately notify the Clearing Member of this situation so that it can communicate the identity of the defaulting Client and the details of the default to credit bureaus.

In this case, if necessary, under the terms of Part Six of this Chapter, the Clearinghouse shall intervene in the administration of the Trader in question, in order to use its Excess margins, close the positions of the Proprietary Position Trader, use the Margins and any realized gains, immediately transfer the Global Accounts it manages in which no default was recorded, along with the Excess Margins on those accounts, to the Trader or Clearing Member that the Clients select. In the event that those transfers are not possible, the Clearinghouse shall settle the positions on the market through the Traders or Clearing Members that it designates.

V. If at this point there is still an outstanding balance, the Clearinghouse shall close the necessary positions of the other Clients in the Global Account where the default was recorded, in an amount proportional to their Margins in the Global Account, and use the proceeds to cover the obligations pending settlement. If there is any remainder, the Trader that manages the Global Account shall distribute it among the Clients of the Global account in an amount proportional to the amount of their Margins, including the value of their position at the close of that day.

VI. If the funds collected according to the procedures outlined in the preceding points are still not sufficient, the remainder must be covered by Clearing Member through which the Clearinghouse processes transactions of the Global Account in question. If necessary, under the terms of its Regulations, the Clearinghouse shall intervene in the administration of that Clearing Member, in order to immediately transfer the Open Contracts of the other Clients, including those of other Global Accounts, along with the Excess Margins on those accounts, to the Trader or Clearing Member that the Clients select. In the event that those transfers are not possible, the Clearinghouse shall settle the positions on the market through the Traders or Clearing Members that it designates. The Clearinghouse shall use up to the total equity of the Clearing Member in which it intervenes in order to settle the outstanding amount.

VII. If the trustor of the Clearing Member in which the Clearinghouse has intervened participates in another Clearing Member that trades exclusively for proprietary accounts, the equity of that Clearing Member shall also be used to cover the outstanding obligations.

VIII. In the event that the funds generated according to the procedure described above are still insufficient, the Clearinghouse shall make use of the Clearing Fund.

IX. As a last resort, the Clearinghouse may request Extraordinary Settlements of its Clearing Members in order to cover the amount of the outstanding obligations and replenish the Clearing Fund.

PART THREE SAFETY NET FOR CLEARING MEMBERS THAT MANAGE GLOBAL ACCOUNTS

901.02

The safety net established by Clearing Members that manage one or more Global Accounts to cover the possibility of default by one or more of the Clients in that account must consist at least of the following elements:

I. The Clearing Member that manages the Global Account shall immediately notify the Exchange, the Clearinghouse, and the Clearing Member of the identity of the defaulting Client and the details of the default, on the same day as the default occurs. In doing so, it must supply the identity of the Client, the amount of the funds deposited as Excess Margins, and the positions open at that time.

The Clearinghouse shall then give the name of the defaulting Client to the Authorities and to other Traders and Clearing Members on the same day it becomes aware of the default.

The other Clearing Members and Traders that manage global accounts are obliged to notify the Clearinghouse in writing if the defaulting Client maintains open positions.

II. The Clearing Member that manages the Global Account shall close the open positions of the defaulting Client and deliver the Client's Excess Margins to the Clearinghouse, so that it can use them, together with other funds corresponding to the defaulting Client, to settle the pending obligations. These other funds are the proceeds of

the closure of open positions, resources from the Margin fund, and any realized profits. In the event that the Margins and Excess margins were contributed in the form of securities, they will be liquidated by sale at their market price.

III. If the above is insufficient, the Clearinghouse shall order all Traders and Clearing Members to verify whether there are other open contracts for the defaulting Client, and if so, to close the positions that the Clearinghouse deems necessary, so that once the obligations the Client may have had with those Traders or Clearing Members have been settled, the rest can be used toward covering the outstanding debt.

Traders that manage Global Accounts must close the open positions of the defaulting Client and deliver the Client's Excess Margins to the Clearing Member through which the Clearinghouse processes the transactions of the Global Account. The Clearing Members must in turn deliver to the Clearinghouse those Excess Margins, any other Excess Margins deposited, and any open positions that exist at that time.

IV. If at this point there is still an outstanding balance, the Clearing Member that manages the Global Account shall be responsible for paying it up to the amount of its equity. In addition, the Clearing Member must immediately communicate the identity of the defaulting Client and the details of the default to credit bureaus.

If necessary, under the terms of its Regulations, the Clearinghouse may intervene in the administration of the Clearing Member in question, in order to immediately transfer the Open Contract of its other Clients, including those of other Global Accounts it manages in which no default was recorded, along with the Excess Margins on those accounts, to the Trader or Clearing Member that the Clients select. In the event that those transfers are not possible, the Clearinghouse shall settle the positions on the market through the Traders or Clearing Members that it designates.

V. If at this point there is still an outstanding balance, and the trustor of the Clearing Member in which the Clearinghouse has intervened participates in another Clearing Member that trades exclusively for its proprietary account, its equity shall also be used to cover the outstanding amount.

VI. In the even this is not sufficient, the Clearinghouse shall close the necessary positions of the other Clients in the Global Account where the default was recorded, in an amount proportional to their Margins in the Global Account, and use the proceeds to cover the obligations pending settlement. If there is any remainder, the Clearing Member that manages the Global Account shall distributed it among the Clients of the Global account in an amount proportional to the amount of their Margins, including the value of their position at the close of that day.

VII. If the funds collected according to the procedures outlined in the preceding points are still not sufficient, the Clearinghouse shall make use of the Clearing Fund.

VIII. As a last resort, the Clearinghouse may request Extraordinary Settlements of its Clearing Members in order to cover the amount of the outstanding obligations and replenish the Clearing Fund.

PART FOUR

CLEARING MEMBER SAFETY NET

902.00

The safety net established by Clearing Members must consist at least of the following elements:

I. In order to cover the amount of obligations charged to the Client and the losses that generated by its default, the Clearing Member shall proceed to apply the resources identified below to the extent that they are available, as many times as necessary and until the amount is covered:

1. Cash amounts credited to the Client in default as Excess Margin. In the event these have been submitted in the form of securities, the Clearing Member shall proceed to liquidate them by selling them at their current market price.

2. Contributions from the Client in default.

3. If the Excess Margins are not restored, or if they are insufficient to cover the Margins necessary with the Clearinghouse, the Clearing Member must immediately notify the Exchange, the Clearinghouse, and the Clearing member of the identity of the defaulting Client and the details of the default, on the same day as the default occurs, and within the hours established in the Operating Manual. In doing so, it must supply the identity of the Client, the amount of the funds deposited as Excess Margins, and the positions open at that time.

The Clearinghouse shall communicate the name of the defaulting Client to the Authorities and to other Traders and Clearing Members on the day it becomes aware of the default.

4. The Clearing Member's minimum equity may be used on the understanding that in no event may such use reduce the equity to below the amount established in the Rules, or the higher amount required by the Clearinghouse. In addition, it must immediately notify credit bureaus of the identity of the defaulting Client and the details of the default. If the minimum equity includes securities, the Clearing Member shall proceed to liquidate those securities by selling them at market value.

5. The Clearing Member may, upon notification to the Clearinghouse, exercise the line of credit it the Clearing Member has contracted with a credit institution to cover insufficient liquidity, up to one hundred percent of its minimum equity.

II. Starting from the time the default is first recorded, the Clearing Member shall proceed to close the Open Contracts maintained by the Client in default to the extent necessary to cover the remaining debits, as follows:

1. It shall use the resources that the Clearinghouse releases from the Contributions Fund.

2. In the event that the closure of Contracts results in a gain, it shall use the gain to cover pending obligations.

3. It may use the resources the Clearinghouse releases from the Clearing Fund.

4. It may use the excess minimum equity generated from the closure of positions, without reducing the required minimum equity.

5. Upon notification of the Clearinghouse, it may exercise the line of credit it has contracted with a credit institution to cover insufficient liquidity, in an amount up to one hundred percent of its minimum equity.

In no event may the amounts credited to a Client in full compliance with its obligations be held or used to cover the obligations of a Client in default.

903.00

In addition to what is stated in Article 902.00, in the event that a Trader fails to comply with its obligations, the Clearing Member safety net should provide for the following:

I. That the Clearing Member shall notify the Exchange so that it may proceed to suspend the Trader, under the terms of its own regulations.

II. That the Clearing Member shall notify the Clearinghouse so that it can order, if necessary, that the Clearing Member assume administration of the Open Contracts, as well as responsibility for performing the Transactions of Clients managed by the Trader in default, whether by itself or through another Trader with which it has signed a mercantile commission and service contract.

The Clearinghouse shall set the terms and manner in which administration of the Open Contracts and Excess Margins shall be transferred, in accordance with the Regulations.

III. That all Clients whose Transactions had been performed through the Trader in Default be informed of the decision referred to in point II, in the manner and under the terms stipulated by the Clearinghouse.

PART FIVE

CLEARINGHOUSE SAFETY NET

904.00

In the event that there is a default on payment obligations derived from the Transactions of a Clearing Member, the Clearinghouse shall order an intervention of said Clearing Member and appoint an Execution Commissioner to replace the management of the Clearing Member in default.

The Clearinghouse shall notify the National Banking and Securities Commission and the Exchange on the day it orders the intervention.

905.00

The resources that comprise the Clearinghouse safety net shall be used to the extent that they are available, and in the case of resources that may be called upon successively, as many times as necessary to cover the amount resulting from the default by a Clearing Member with the Clearinghouse.

The Chairman of the Board or, in his absence, the Chief Executive Officer, may declare the use of the available resources to cover conventional penalties referred to in article 230.00.

PART FIVE SAFETY NET OF THE CLEARINGHOUSE

906.00

In the event of default by a Third-Party Position Clearing Member, the designated Execution Commissioner shall proceed to make use of the Clearing Member's resources as follows:

- I. Applying the Margins corresponding to the Client in default, simultaneously ordering the closure of Open Contracts in default. Margin Securities shall be liquidated at the current market price.
- II. In the event that a gain is obtained on the closure of the Contracts, the gain shall be used to cover pending obligations.
- III. In the event that the other funds are insufficient, the Clearing Member must use its excess equity, and immediately notify credit bureaus of the identity of the defaulting Client and the details of its default. If this is insufficient to cover the outstanding amount, under the terms of its Regulations, the Clearinghouse may intervene in the administration of the Clearing Member in question, in order to immediately transfer the Open Contracts of its other Clients, along with the Excess Margins on those accounts, to the Clearing Members that the Clients select. In the event that those transfers are not possible, the Clearinghouse shall settle the positions on the market through the Traders or Clearing Members that it designates. Once it has intervened in the Clearing Member, the Clearinghouse shall use the minimum equity of the Clearing Member to settle the outstanding obligations..
- IV. Applying Contributions to the Clearing Fund released by the closure of Open Contracts and Default and by the transfer of Open Contracts, including the rights and obligations pertaining thereto, of Clients that are in compliance with their obligations.
- V. Applying the excess minimum equity released by the closure of Open Contracts in default and by the transfer of Open Contracts, including the rights and obligations pertaining thereto, of Clients that are in compliance with their obligations.
- VI. Applying the excess minimum equity in cash.
- VII. Applying the excess minimum equity in securities, liquidated at the current market price.
- VIII. Applying the minimum equity in liquid assets.
- IX. Requesting the Exchange to exercise the guarantee on the stocks of the same corresponding to the Clearing Member.

- X. Applying the non-liquid resources of the minimum equity of the Third-Party Position Clearing Member.

907.00

In the event that the resources mentioned in article 906.00 are insufficient to cover the obligations of the Third-Party Position Clearing Member and there is a Proprietary Position Clearing Member in the same financial group, the Clearinghouse shall order the Execution Commissioner designated for the Third-Party Position Clearing Member to apply the resources of the Proprietary Position Clearing Member, as follows:

- I. Applying the excess minimum equity in cash.
- II. Applying the excess minimum equity in securities, liquidated at the current market price.
- III. Ordering the transfer of administration of Open Contracts, including the rights and obligations pertaining thereto, and the Excess Margins, of the Group Account and the Trader Account.
- IV. Ordering that Closing Trades be performed on all Open Contracts in the Proprietary Account under the terms of article 921.00.

In the event that the closure of the Contracts results in a gain, the gain shall be used to cover pending obligations.

- V. Applying the Margins released by the closure of Open Contracts.
- VI. Applying contributions to the Clearing Fund released by the closure of Open Contracts.
- VII. Applying the excess minimum equity released by the closure of Open Contracts.
- VIII. Applying the minimum equity in liquid assets.
- IX. Requesting the Exchange to exercise the guarantee on shares of the same, corresponding to the Clearing Member.
- X. Applying the non-liquid resources of the equity of the Proprietary Position Clearing Member.

908.00

In the event the resources mentioned in article 907.00 are insufficient to cover the obligations of the Third-Party Position Clearing Member, the Clearinghouse shall take the following actions:

- I. Apply the resources contributed to the Clearing Fund by the other Clearing Members, proportionally to the amount that each Clearing Member has contributed to that Fund, in order to cover the debit balance.
- II. Order that contributions to the Clearing Fund be replenished in the amount corresponding to each Clearing Member from the other Clearing Members, proportionally to the amount that each Clearing Member has contributed to that fund, and apply the proportional resources contributed by each Clearing Member to cover the debit balance.
- III. If the resources contributed to replenish the Clearing Fund are insufficient, order a second replenishment of the contributions to the Clearing Fund and apply the resources contributed proportionally by each Clearing Member to cover the debit balance.
- IV. If the Technical Committee authorizes it, the Clearing Fund may be replenished as many times as necessary.

909.00

If the resources mentioned in article 908.00 are insufficient to cover the obligations of the Third-Party Position Clearing Member, the Clearinghouse shall take the following actions:

- I. Order the Execution Commissioners to close all Open Contracts maintained by the Clearing Members in default of the terms established in article 921.00, and apply the cash Margins of each client in default and the net balance of the positions to the debit balance.
- II. Use the equity in remaining cash and securities of Clearing Members in default.
- III. Use the non-liquid resources of the Clearing members in default.
- IV. Once the actions indicated in points I, II, and III, above, have been repeated up to two times and any subsequent repetitions authorized by the Technical Committee, and when all Clearing Members have entered into default, it shall declare the liquidation of the Clearinghouse and use its Minimum Equity in cash and securities to cover the debit balance.
- V. Use the non-liquid resources of the equity of the Clearinghouse.

910.00

In the event of default by a Proprietary Position Clearing Member, the Clearinghouse must notify the Authorities and other Traders and Clearing Members of the fact on the day it becomes aware of the default. The Execution Commissioner that has been designated will dispose of the Clearing Member's resources as follows:

:

- I. Applying the excess minimum equity in cash.

- II. Applying the excess minimum equity in securities, liquidating them at the current market price.
- III. Ordering the transfer of administration of Open Contracts, including the rights and obligations pertaining thereto, as well as the Excess Margins, of Clients in compliance with their obligations, belonging to the Group Account.
- IV. Ordering the closure of Open Contracts of the Client in default, under the terms established in article 921.00,m in order to release their margins, and closing the Open Contracts in the Proprietary Account and Trader Account. Margin securities shall be liquidated at the current market price.
- V. In the event that the closure of the Contracts results in a gain, the gain shall be used to cover pending obligations.
- VI. Applying the contributions to the Clearing Fund released by the closure and transfer of Open Contracts referred to in the preceding points.
- VII. Applying the excess minimum equity in cash and securities released by the closure and transfer of Open Contracts.
- VIII. Applying the minimum equity in liquid assets.
- IX. Requesting the Exchange to exercise the guarantee on shares of the same, corresponding to the Clearing Member.
- X. Applying the non-liquid resources of the equity of the Proprietary Position Clearing Member.

911.00

If the resources mentioned in article 910.00 are insufficient to cover the obligations of the Proprietary Position Clearing Member and there is a Third-party Position Clearing Member in the same financial group, the Clearinghouse shall order the designated Execution Commissioner for the Proprietary Position Clearing Member to take the following actions with respect to the Third-Party Position Clearing Member:

- I. Transferring administration of all the Open Contracts of Clients, including the rights and obligations pertaining thereto, and the Excess Margins, to the Third-Party Position Clearing Member designated by the Clearinghouse.
- II. Making use of the excess minimum equity in cash.
- III. Making use of the excess minimum equity in securities.
- IV. Applying contributions to the Clearing Fund released by the transfer of positions.
- V. Applying the excess minimum equity released by the closure of Open Contracts.
- VI. Applying the minimum equity in liquid assets.

VII. Requesting the Exchange to exercise the guarantee on shares of the same, corresponding to the Clearing Member.

VIII. Applying the non-liquid resources of the equity.

912.00

In the event the resources mentioned in article 911.00 are insufficient to cover the obligations of the Proprietary Position Clearing Member, the Clearinghouse shall take the following actions:

- I. Apply the resources contributed to the Clearing Fund by the Clearing Members, proportionally to the amount that each Clearing Member has contributed to that Fund, in order to cover the debit balance.
- II. Order that contributions to the Clearing Fund be replenished in the amount corresponding to each Clearing Member from the other Clearing Member, proportionally to the amount that each Clearing Member has contributed to that fund, and apply the proportional resources contributed by each Clearing Member to cover the debit balance.
- III. If the resources contributed to replenish the Clearing Fund are insufficient, order a second replenishment of the contributions to the Clearing Fund and apply the resources contributed proportionally by each Clearing Member to cover the debit balance.
- IV. If the Technical Committee authorizes it, the Clearing Fund may be replenished as many times as necessary.

913.00

If the resources mentioned in article 912.00 are insufficient to cover the obligations of the Proprietary Position Clearing Member, the Clearinghouse shall take the following actions:

- I. Order the Execution Commissioners to close all Open Contracts maintained by the Clearing Members in default of the terms established in article 921.00, and apply the cash Margins of each client in default and the net balance of the positions to the debit balance.
- II. Use the equity in remaining cash and securities of Clearing Members in default.
- III. Use the non-liquid resources of the Clearing members in default.
- IV. Once the actions indicated in points I, II, and III, above, have been repeated up to two times and any subsequent repetitions authorized by the Technical Committee, and when all Clearing Members have entered into default, it shall declare the liquidation of the Clearinghouse and use its Minimum Equity in cash and securities to cover the debit balance.
- V. Use the non-liquid resources of the equity of the Clearinghouse.

914.00

Under the terms established in the Regulations, Clearing Members may secure a line of credit with some financial institution for an amount equivalent to up to 100 per cent of their minimum equity, to cover insufficiencies of liquidity. The Clearinghouse must authorize the exercise of this line of credit.

915.00

The Technical Committee must issue a resolution, approved by at least two-thirds of its members, on the intervention of a Clearing Member. Nevertheless, the Chairman of the Board, or, in his absence, the Chief Executive Officer, may at his discretion declare the intervention of a Clearing Member, on the understanding that his decision must be ratified by the Technical Committee within 5 (five) Business Days from the date on which the intervention takes effect.

916.00

In the intervention of a Clearing Member, the Chairman of the Board, or, in his absence, the Chief Executive Officer, shall appoint one or more members from among the remaining Third-Party Position Clearing Members to handle the transfer of administration of Open Contracts in default that are held by the Clearing Member under intervention. The Open Contracts shall be transferred jointly with the corresponding Margins and Excess Margins, including the rights and obligations pertaining thereto.

The transfer of administration of Open Contracts referred to in this provision may only be performed by the Clearinghouse with respect to Third-Party Position Clearing Members that, in its opinion, have an adequate level of economic solvency.

For the purposes of this article, the Clearing Member that receives the Open Contracts must increase its minimum equity and its contributions to the Clearing Fund in relation to the same, within the term and in the form established by the Clearinghouse.

917.00

The transfer of administration of the Open Contracts, along with the rights and obligations pertaining thereto, shall be considered complete at the moment which the Third-Party Position Clearing Member receiving the Contracts credits the Excess Margins in its account, and the Clearinghouse credits the Margins in the Accounts of the Clients of said Clearing Member.

918.00

The Execution Commissioner must notify the Clients and entities of the financial group of the Clearing Member under intervention, of the identity of the Third-Party Position Clearing Members to whose accounts the administration of their Open Contracts has been transferred, on the same day the transfer is performed. In addition, the Clearinghouse must publish a notice in a nationally-circulated newspaper on three separate occasions and at the cost of the Clearing Member under intervention, announcing the intervention of the Clearing member. At least 5 (five) Business Days must elapse between the publication of each successive notice.

919.00

Third-Party Position Clearing Members to whom the administration of Open Contracts are transferred, must perform the functions the Clearing Member under intervention had been performing with the Clients, and assume all the rights and obligations pertaining thereto. This shall not prevent the receiving Clearing Member from agreeing with the Clients on the terms and conditions under which it will be able to continue supplying these services or, when applicable, on the transfer of their Open Contracts to another Clearing Member.

920.00

If, at the conclusion of the intervention of the Clearing Member, and after all the obligations owed by it are settled, a credit balance remains, the Clearinghouse shall deliver the remainder to the Clearing Member, except its contribution to the Minimum Equity and its pre-trading contribution to the Clearing Fund. These shall be delivered once a period of six months has elapsed from the time they were excluded as a Clearing Member, under the terms of the Regulations.

921.00

Open Contracts should be closed as expeditiously as possible, seeking to reduce the impact on market prices in accordance with the circumstances of each case.

The Execution Commissioner shall have the authority to decide not to immediately close the Open Contracts of the Clearing Member under intervention, when such action is not advisable in his opinion. This may be by virtue of the size of the positions, prevailing market conditions, the effects the settlement of the Transactions might have, and/or other similar circumstances. In this case, the Execution Commissioner should promptly notify the Technical Committee that such measures have been adopted.

PART FOUR

INTERVENTION OF CLEARING MEMBERS

922.00

A Clearing Member shall be subject to intervention and special investigation by the Compliance Officer when:

- I. It fails to comply with its obligation to make cash payments; to deliver Underlying Assets; to make contributions to the Clearing Fund, or to create or restore Margins.
- II. It fails to comply with the preventive measures established by the Clearinghouse.
- III. A brokerage firm or credit institution acting as a trustee and/or trustor of the Clearing Member is suspended by the Exchange, under the terms of its regulations, or by a securities exchange, to act as a broker or intermediary.
- IV. The competent Authorities revoke the authorization for the Clearing Members' trustee brokerage firm or trustor brokerage firm to be organized and operate as such. When the Ministry of Finance and Public Credit has revoked the

authorization of the trustor or trustee credit institution of the Clearing Member to act as a credit institution.

- V. When it has been found to have concealed some material event affecting its operations, by making false or misleading statements; presenting or using falsified documents; and/or supplying false information to the Technical Committee, the Sub-Committees, or, in general, any body or employee of the Clearinghouse.
- VI. When it refused to submit to an audit by the Clearinghouse.
- VII. When it is considered a repeat offender under the terms of Chapter Eleven.
- VIII. When the competent authorities so request.
- IX. When it refuses to remove members from its technical committee, directors or employees upon the request of the Authorities.
- X. When it refuses to dismiss members of its technical committee, directors or employees upon instruction by the Authorities.

**PART SIX
INTERVENTION IN CLEARING MEMBERS
AND TRADERS THAT MANAGE GLOBAL ACCOUNTS**

922.01

A Trader that manages Global Accounts will be subject to intervention by the Clearinghouse and submitted to a special investigation by the Compliance Officer when:

- I. It fails to comply with its obligations to create or replenish Margins.
- II. It fails to comply with the preventive measures imposed by the Clearinghouse.
- III. It is a brokerage firm or credit institution that has been suspended by the Exchange, under the terms of its regulations, or by a securities exchange, to act as a broker or intermediary.
- IV. It is a brokerage firm that acts as a Trader that manages Global Accounts and the Ministry of Finance and Public Credit has revoked its authorization to act as a brokerage firm.
- V. It is a bank that acts as a Trader that manages Global Accounts and the Ministry of Finance and Public Credit has revoked its authorization to act as a credit institution.
- VI. It has been found to have concealed some material event affecting its operations, by making false or misleading statements; presenting or using falsified documents; and/or supplying false information to the Technical Committee, the Sub-Committees, or, in general, any body or employee of the Clearinghouse.
- VII. It refuses to submit to an audit by the Clearinghouse.
- VIII. It is considered a repeat offender under the terms of Chapter Eleven.

- IX. The competent authorities so request.
- X. It refuses to remove members from its technical committee, directors or employees upon the request of the Authorities.
- XI. It fails to comply with the minimum capital requirement established by the authorities.

923.00

The Execution Commissioners must perform their duties as expeditiously as possible, protecting the interests of Clients, other Clearing Members and the Clearinghouse, at all times, and, whenever possible, the Clearing Member or Trader that manages Global Accounts itself.

924.00

The duration of the intervention shall be indefinite, and the Execution Commissioner must notify the Compliance Officer in order for it to begin an investigation into the activities of the Clearing Member or Trader that manages Global Accounts under intervention, and if it finds that it has violated any obligation contained in the Regulations, the Operating Manual, or any resolution issued by the Chairman, Chief Executive Officer, Technical Committee or Sub-Committees of the Clearinghouse, it must assist the Compliance Officer in initiating a procedure against the Clearing Member or Trader that manages Global Accounts with the Sub-Committee on Discipline and Arbitration.

In addition to the above paragraph, in the event that the investigation by the Compliance Officer shows that the Clearing Member or Trader that manages Global Accounts violated some obligation contained in the Rules or Provisions, the Execution Commissioner is responsible for notifying the Authorities of this circumstance.

925.00

In each intervention, the Chairman of the Board or, in his or her absence, the Chief Executive Officer, must file an official report detailing the causes that prompted the intervention and the grounds for doing so, and, when applicable, the date and time that the report was sent to the Clearing Member or Trader that manages Global Accounts containing the amount in cash or securities of the defaulted obligation. The supporting documentation relative to the intervention should be attached to the official report.

The Chairman of the Board or, in his or her absence, the Chief Executive Officer, must supply a copy of the official report filed on the Clearing Member or Trader that manages Global Accounts affected by the resolution, with the Execution Commissioner in charge of the intervention, to the competent Authorities, and the Exchange. It must also inform the other Clearing Members of the intervention.

The Clearinghouse is not obliged to register any Transactions by a Clearing Member or Trader that manages Global Accounts under intervention after the notification has been made, unless the Clearinghouse itself ordered the Transaction under the terms provided for in the Regulations.

926.00

The Sub-Committee on Discipline and Arbitration shall have the faculty to order studies or audits following the intervention, and to request any information it considers necessary. The process shall take place in accordance with the regulations of the Exchange and with the provisions issued for this purpose by the Clearinghouse. In the event that it is found guilty of any of the above-mentioned actions, and independently of the disciplinary measures that it may impose, the Sub-Committee on Discipline and Arbitration must notify the corresponding financial authorities so that they can take the measures they deem necessary.

927.00

The Clearinghouse shall suspend the intervention when the Technical Committee revokes it and when the Clearing Member or Trader that manages Global Accounts demonstrates that its financial and operating situation has been restored and meets all the necessary requisites for being a Clearing Member or Trader that manages Global Accounts.

PART SEVEN EXECUTION COMMISSIONERS

928.00

The Clearinghouse shall keep a list of Execution Commissioners, and shall appoint one of these to act under the terms of this Chapter when a Clearing Member or Trader that manages Global Accounts is to subject to intervention.

Clearing Members and Traders that manage Global Accounts must grant the Execution Commissioner an irrevocable power of attorney, with the broadest administrative and control faculties, either at the time it receives the authorization to act as Clearing Member or as a Trader that manages Global Accounts, or during the twenty Business Days following the date on which it receives notification from the Chief Executive Officer regarding the inclusion of a new Execution Commissioner on the list.

929.00

Execution Commissioners must meet the following requirements:

- I. They must be of legal age.
- II. They must be specialists in the field of derivative products.
- III. They must be economically solvent and of sound moral character.
- IV. They must not be under prohibition to perform any job, post or commission in the federal or state public administration, nor in the financial sector.
- V. Any other established by the Technical Committee in its Bulletin.

930.00

Under no circumstances may a person be an Execution Commissioner if any of the following apply:

- I. Are dependents or trustors of any of the Clearing Members or Traders that manage Global Accounts.
- II. They are advisors to the trust institution that manages the Clearing Member or the trustor brokerage firm or credit institution of the Clearing Member or Trader that manages Global Accounts.
- III. They are related by blood in direct ascendancy or descendancy without limitation as to degree, or collateral to the fourth degree; or by marriage to the second degree or are the spouse of a trustor, Technical Committee member or director of some Clearing Member, or member or director of some Trader that manages Global Accounts.
- IV. They are involved in pending litigation with the Clearinghouse, the Exchange, or some Clearing Member or Trader that manages Global Accounts.

931.00

The Execution Commissioner shall have the following obligations:

- I. To perform the intervention under the terms of this Chapter.
- II. To take any actions indicated by the Chairman of the Board or, in his absence, the Chief Executive Officer.
- III. To inform the Technical Committee on his activities as often and with the frequency that it determines.

In addition, Execution Commissioners must abide at all times by the content of articles 906.00, 907.00, section I of article 909.00, 910.00, 911.00, section I of article 913.00, 918.00 and 921.00.