

SUBMISSION COVER SHEET

Registered Entity Identifier Code (optional) 13-03

Date: March 22, 2013

IMPORTANT: CHECK BOX IF CONFIDENTIAL TREATMENT IS REQUESTED.

ORGANIZATION

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FILING AS A: **DCM** **SEF** **DCO** **SDR** **ECM/SPDC**

TYPE OF FILING

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• **Rules and Rule Amendments**

- Certification under § 40.6 (a) or § 41.24 (a)
- “Non-Material Agricultural Rule Change” under § 40.4 (b)(5)
- Notification under § 40.6 (d)
- Request for Approval under § 40.4 (a) or § 40.5 (a)
- Advance Notice of SIDCO Rule Change under § 40.10 (a)

• **Products**

- Certification under § 39.5(b), § 40.2 (a), or § 41.23 (a)
- Swap Class Certification under § 40.2 (d)
- Request for Approval under § 40.3 (a)
- Novel Derivative Product Notification under § 40.12 (a)

RULE NUMBERS

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Rule 404(a), Rule 410, Rule 541(a)(1)

DESCRIPTION

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This submission contains the following revisions to the trueEX Rulebook dated March 11, 2013:

- Amendment to Rule 404(a) Minimum Financial Requirements
- Added Rule 410 Protection of Customer Funds and Securities
- Removed date on cover of rulebook and inserted Table of Amendments/Revisions to Rulebook (after Table of Contents)
- Amended Rule 541(a)(1) Trade Cancellations and Price Adjustments

March 22, 2013

Via E-Mail: submissions@cftc.gov

Melissa Jurgens
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: trueEX LLC Rule Amendment Self-Certification Rule 404 (Minimum Financial Requirements), Rule 410 (Protection of Customer Funds and Securities), Rule 541 (Trade Cancellations and Price Adjustments), Removal of date from cover page of Rulebook and addition of Table of Amendments/Revisions to Rulebook after Table of Contents (trueEX LLC submission #2013-03)

Dear Ms. Jurgens:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, (the “Act”) and Commission Regulation 40.6(a), trueEX, LLC (“trueEX” or the “Exchange”) hereby submits to the Commodity Futures Trading Commission (the “Commission”) amendments to the trueEX Rulebook Rule 404, Rule 410, and Rule 541, the removal of the date from the cover page of the rulebook and the addition of Table of Amendments/Revisions to the Rulebook (the “Amendments”). These Amendments will be effective on April 8, 2013.

Summary of Amendments

Rules 404 and 410:

Rules 404 and 410 deal with minimum financial requirements and protection of customer funds. Rule 404 was amended and Rule 410 added at the request of the Division of Market Oversight in conjunction with trueEX’s request to allow intermediated trading.

Rule 541:

Rule 541(a) has been amended to allow trueEX to exercise discretion to cancel trades that are not due to erroneous use of the Trading System or system malfunction. This revision was made primarily in response to concerns of prospective market participants regarding the disposition of a trade executed on trueEX that is rejected for clearing. Because the rule was originally written to allow for trade cancellations to be made due erroneous used of the Trading System or system malfunction, trueEX deemed it necessary to broaden the scope by inserting language to allow trueEX to cancel trades for other reasons. Such language is consistent with other language in the

rule which allows trueEX to cancel a trade if allowing the trade to stand as executed may have a material, adverse effect on the integrity of the market.

Cover Page of Rulebook and insertion of Table of Amendments/Revisions to Rulebook:

For ease of use, trueEX has determined to remove the date of the rulebook from the cover page of the Rulebook and instead track all rulebook changes in a table inserted just after the table of contents.

The amended Rules are consistent with the Act, the Core Principles, and the Commission Regulations thereunder. The Exchange certifies that the amendments and Advisory comply with the Act and the regulations thereunder and that this submission has been concurrently posted on the Exchange's website

If you have questions regarding this submission, please contact me at (312) 320-8934 or by email at fran@trueex.com.

Sincerely,



Fran Kenck
Chief Regulatory Officer

cc: dmosubmissions@cftc.gov
Alexis Hall-Bugg – Attorney, DMO

Rule 404. Minimum Financial and Related Reporting Requirements

(a) Each Participant ~~and Clearing Firm~~ that is registered with any Government Agency or Self-Regulatory Organization and all Clearing Firms shall comply with the provisions of CFTC Regulation 1.17, applicable Clearing House Rules and other Applicable Law, including but not limited to the rules and regulation such Government Agency or Self-Regulatory Organization imposes on a Participant or Clearing Firm relating to ~~(i) minimum financial and related reporting and recordkeeping requirements, and (ii) the treatment of Customer funds and the maintenance of books and records with respect thereto.~~

(b) Any Participant that is an FCM or IB and any Clearing Firm shall be required to deliver to the Exchange a copy of any notice or written report required to be filed with the CFTC pursuant to CFTC Regulations §§ 1.10 and 1.12 within the time periods prescribed for such filing or delivery in CFTC Regulations §§ 1.10 and 1.12.

(c) A Participant or Clearing Firm that violates any provisions of Applicable Law (including any CFTC Regulations) shall be deemed to have violated this 0.

Rule 410. Treatment of Customer Funds and Securities

Each Participant and Clearing Firm that is registered with any Government Agency or Self-Regulatory Organization shall comply with the provisions of CFTC Regulations, applicable Clearing House Rules and other Applicable Law related to the protection of customer funds, including the segregation of customer and proprietary funds, the custody of customer funds, the investment standards for customer funds, intermediary default procedures and related recordkeeping. This includes, but is not limited to CFTC Regulations 1.20(a) and 1.25. Any Participant or Clearing Firm that violates any of the aforementioned CFTC Regulations, Clearing House Rules and other Applicable Law shall be deemed to have violated this Rule 410.

RULE 541. Trade Cancellations and Price Adjustments

(a) Authority Over Trade Cancellations and Price Adjustments.

(i) The Board or a designee of the Board has authority to adjust trade prices or cancel (“bust”) trades when such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the Trading System, ~~or by system defects.~~ or for any reason deemed necessary by the Exchange.

(ii) Notwithstanding any other provisions of this Rule, the Board or a designee of the Board may adjust trade prices or bust any trade if it determines that allowing the trade to stand as executed may have a material, adverse effect on the integrity of the market.

(iii) All decisions of the Board or a designee of the Board under this Rule 541 shall be final.

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Amendments/Revisions to Rulebook

Effective Date	Amendment(s) and/or Revision(s)
September 7, 2012	Rulebook approved by the CFTC as part of trueEX DCM application
March 11, 2013	Added Chapter 10, Rule 1001 as self certification of Fixed for Floating Interest Rate Swaps
April 8, 2013	<ul style="list-style-type: none">• Amended Rule 404(a) re: Minimum Financial Requirements• Added Rule 410 re: Customer Funds and Securities• Removed date on cover of Rulebook• Added Table of Amendments/Revisions to Rulebook (after Table of Contents)• Amended Rule 541(a)(1) re: trade cancellations