

# SUBMISSION COVER SHEET

Registered Entity Identifier Code (optional) 2013-13      Date: October 10, 2013

**IMPORTANT: CHECK BOX IF CONFIDENTIAL TREATMENT IS REQUESTED.**

**ORGANIZATION** | trueEX LLC

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

## TYPE OF FILING

- **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

trueEX Rule 304

## DESCRIPTION

trueEX rule amendment to conform to CFTC Regulation 37.702(b) and written representation regarding compliance efforts with 37.702(b).

October 10, 2013

**Via E-Mail: [submissions@cftc.gov](mailto:submissions@cftc.gov)**

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

**RE: Self-Certification of Rule Amendment; Written Representation regarding 37.702(b) compliance efforts pursuant to CFTC Letter No. 13-62; submission #2013-13.**

Dear Ms. Jurgens:

On September 30, 2013, the Division of Clearing and Risk and the Division of Market Oversight jointly published CFTC Letter No. 13-62. Section III of CFTC Letter No. 13-62 provides certain relief for swap execution facilities (“SEFs”) that are temporarily registered with the CFTC as of October 2, 2013, and do not already facilitate pre-execution screening by FCM clearing members in accordance with Regulation 1.73 on an order-by-order basis. A SEF must satisfy the following conditions to avail itself of the relief provided in CFTC Letter No. 13-62:

(1) Pursuant to Commission Regulation 40.6, any rule amendments that are necessary for full compliance with Commission Regulation 37.702(b), and any rule amendments that are necessary to facilitate full compliance with Commission Regulation 1.73(a)(2)(i) and (a)(2)(ii), in accordance with the Staff Guidance on Swaps Straight-Through Processing dated September 26, 2013 (“Staff Guidance”); and

(2) A written representation that the SEF is undertaking all steps necessary to fully comply with Commission Regulation 37.702(b), and is undertaking all steps necessary to facilitate full compliance with Commission Regulation 1.73(a)(2)(i) and (a)(2)(ii), in accordance with the Staff Guidance.

In an effort to avail itself of the relief granted in CFTC Letter No. 13-62, trueEX LLC (“trueEX”) self-certifies the amendments to the Rulebook set forth in Exhibit 1 hereto, and represents that trueEX is undertaking all steps necessary to fully comply with Commission Regulation 37.702(b) and all steps necessary to facilitate full compliance with Commission Regulation 1.73(a)(2)(i) and 1.73(a)(2)(ii), in accordance with the Staff Guidance.

Revised Rule 304 will become effective November 1, 2013. The Exchange certifies that revised Rule 304 complies with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder, including, but not limited to, SEF Core Principle 7. There are no substantive opposing views that were expressed by Board or committee members, members of the Exchange or market participants that were not incorporated into revised Rule 304. The Exchange certifies that this notice has been concurrently posted on the Exchange's Website at <http://www.trueex.com/rules-and-notices>.

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

Sincerely,



Fran Kenck  
Chief Compliance Officer

cc: [dmosubmissions@cftc.gov](mailto:dmosubmissions@cftc.gov)  
[submissions@cftc.gov](mailto:submissions@cftc.gov)  
Roger Smith – Attorney Advisor, DMO  
Jonathan Lave - Associate Director, DMO  
Nancy Markowitz – Deputy Director, DMO

## EXHIBIT 1

### Table of Rulebook Amendments and Revisions

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"> <li>• Amended Rule 404(a) re: Minimum Financial Requirements</li> <li>• Added Rule 410 re: Customer Funds and Securities</li> <li>• Removed date on cover of Rulebook</li> <li>• Added Table of Amendments/Revisions to Rulebook (after Table of Contents)</li> <li>• Amended Rule 541(a)(1) re: trade cancellations</li> </ul>
May 1, 2013	<ul style="list-style-type: none"> <li>• Added Rule 1002. Standard Coupon &amp; Standard Maturity (SCSM™) interest rate swaps</li> </ul>
July 9, 2013	<ul style="list-style-type: none"> <li>• Definitions – Deleted Customer Account, Added Designated Self Regulatory Organization, Amended Eligible Contract Participant, Amended footnote 1 relating to Public Participant</li> <li>• Amended Rule 209(d) Chief Regulatory Office (added language)</li> <li>• Amended Rule 306(e) – added (iv) and renumber subsequent subparagraphs.</li> <li>• Amended Rule 309 – deleted language</li> <li>• Amended 402(a) – deleted language, 402(a)(iv)-deleted language, 402(v)-added language</li> <li>• Rule 403(a)(ii) – added language</li> <li>• Rule 406 – added language</li> <li>• Rule 523(c)-corrected transposition error</li> <li>• Rule 529 – deleted language and footnote 2 from 529(b)(i). Deleted sections re: aggregation.</li> <li>• Rule 533 – deleted language</li> <li>• Rule 534 – amended language</li> <li>• Rule 537 – amended language</li> <li>• Rule 539(c) – amended language</li> <li>• Rule 541(b)(iii) – deleted language</li> <li>• Rule 545(a) – amended language</li> <li>• Rule 801– amended language</li> <li>• Rule 802– amended language</li> <li>• Rule 804– amended language</li> <li>• Rule 805 – deleted rule</li> <li>• Rule 806 – added Rule 806(a)(iii)</li> <li>• Rule 809 – added Rule 809(a), (b) and (c)</li> <li>• Rule 902 – amended language</li> </ul>

	<ul style="list-style-type: none"> <li>• Rule 904 – inserted new section (b) and renumbered</li> <li>• Rule 1002(d)(iii) – added 3 year tenor</li> <li>• Rule 1002(d)(ix)(C) – updated table</li> <li>• Schedule 1002 – added 3 year tenor</li> </ul>
August 1, 2013	<ul style="list-style-type: none"> <li>• Rule 101 – amended language</li> <li>• Rule 313 – amended language</li> <li>• Rule 402(a)(i) – amended language, Rule 402(a)(ii) – amended language</li> <li>• Rule 403 – amended language</li> <li>• Rule 529 – amended language</li> <li>• Rule 530 – amended language</li> <li>• Rule 531 – Deleted and reserved</li> <li>• Rule 532 – Deleted and reserved</li> <li>• Rule 805 – delete language</li> <li>• Rule 1001(o)(iii) – revise section reference, Rule 1001(t) – amended table</li> </ul>
August 15, 2013	<ul style="list-style-type: none"> <li>• Rule 1001(b) – revised Trading Hours</li> <li>• Rule 1002(b) – revised Trading Hours</li> </ul>
September 13, 2013	<ul style="list-style-type: none"> <li>• Rule 101 – amended definitions of Authorized Representative, CTI, and User ID, revised regulation citation of Major Swap Participant</li> <li>• Rule 302 – removed reference to “account” as a defined term</li> <li>• Rule 304(e) – added language re: risk limits for direct access customers</li> <li>• Rule 306(c)(v) – amended to add jurisdiction requirement for customers</li> <li>• Rule 306(d) - removed guarantee language</li> <li>• Rule 306(e) – amended language in (e)(iv), deleted (d)(x) and (d)(xi)</li> <li>• Rule 507 – removed language re exchange for related positions</li> <li>• Rule 520 – removed reference to “account” as a defined term</li> <li>• Rule 528 – amended language (typo) and removed reference to “account” as a defined term</li> <li>• Rule 534 – amended language to reference clearing arrangements of Clearing Firms</li> <li>• Rule 538 – clarification regarding who can contact Control Desk</li> <li>• Rule 541 – amended (e) and added (k) vii</li> <li>• Rule 542 – updated language re: SDR reporting of block trades</li> <li>• Rule 619 – removed reference to “account” as a defined term</li> <li>• Rule 809 – amended language regarding clearing acceptance</li> <li>• Rule 1002(d)(xi)(C) – amended tick size</li> </ul>
September 25, 2013	<ul style="list-style-type: none"> <li>• Rule 101 – amended definitions of Clearing House and Emergency</li> </ul>

	<ul style="list-style-type: none"><li>• Rule 306(c) &amp; (e) – amended language</li><li>• Rule 525 – amended language</li><li>• Rule 539(b) – amended language</li><li>• Rule 541 – amended language</li><li>• Rule 802 – rule deleted</li><li>• Rule 808 – rule deleted</li><li>• Rule 809(b) – amended language</li></ul>
<u>November 1, 2013</u>	<ul style="list-style-type: none"><li>• <u>Rule 304(d) – clarifying revisions</u></li><li>• <u>Rule 304(e) – rule added</u></li></ul>

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## **RULE 304 Clearing Firms**

(a) All Contracts traded on the Exchange must be cleared through a Clearing House by a Clearing Firm. In order to operate as a Clearing Firm, an applicant must demonstrate to the satisfaction of the Exchange that it:

(i) meets the requirement of, and is approved for, clearing membership at one or more Clearing House and is authorized pursuant to the applicable Clearing House Rules to clear trades in any or all of the Contracts; and

(ii) satisfies the provisions set forth in **Error! Reference source not found.**

(b) A Clearing Firm that seeks to effect transactions on the Platform for its own account or the account of any Customer must be a Participant, in addition to satisfying the criteria set forth in (a).<sup>2</sup>

(c) The Exchange may share information with any Clearing House that would assist such Clearing House in evaluating and monitoring a Clearing Firm's compliance with these criteria. By becoming a Clearing Firm, a Clearing Firm and its Supervised Persons, agents and employees agree to cooperate with the Exchange and each relevant Clearing House in any such monitoring.

(d) Clearing Firms shall have the right to clear Contracts in accordance with all applicable Rules and Clearing House Rules.

(e) A Clearing Firm that is an FCM and has agreed to accept for clearing Transactions that are executed by a Participant trading on the ~~Exchange-DCM Trading System~~ for its own account shall use the risk controls provided by the Exchange to set risk limits for each such Customer or Participant, as applicable. A Clearing Firm shall not be required to use the risk controls provided by the Exchange to set risk limits on the DCM Trading System for Customers, if the Transactions of such Customer are executed on the ~~Exchange-DCM Trading System~~ solely by a Participant on behalf of Customer.

(e)(f) A Clearing Firm that has agreed to accept for clearing Transactions that are executed on the SEF Trading System by a Participant or a Customer of Participant, as applicable, shall establish risk-based limits for the account(s) of such Participant or Customer of Participant, and use automated means to screen Orders of such Participant of Customer of Participant using such risk-based limits in accordance with Applicable Law. The Exchange shall provide Clearing Firm means to facilitate such screening.