

# SUBMISSION COVER SHEET

Registered Entity Identifier Code (optional) 2014-03D

Date: February 10, 2014

**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**

Policies and Procedures and related Rule 304(e)

**DESCRIPTION**

Please see the attached letter and Exhibits 1



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February 10, 2014

**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 Policies and Procedures regarding Post-Trade Allocation of Bunched Orders and Related Rule. (trueEX LLC submission #2014-02D).**

Dear Ms. Jurgens:

Pursuant to Commodity Futures Trading Commission (“CFTC”) Regulation 40.6(a), trueEX LLC (“trueEX” or the “Exchange”) self-certifies this amendment to trueEX Rule 304(e) regarding required use of risk controls for Persons with direct access to the trueEX DCM Trading System. An amended Table of Rulebook Amendments and Revisions and Rule 304(e) are attached as Exhibit 1.

The amendment to Rule 304(e) will become effective on February 26, 2014. The Exchange certifies that Rule 304(e) complies with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder, including, but not limited to DCM Core Principle 11 and CFTC Regulations 38.307.

There were no substantive opposing views expressed by Board or committee members, members of the Exchange, or market participants that were not incorporated into Rule 304(e). 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 Regulatory Officer

cc: dmosubmissions@cftc.gov  
submissions@cftc.gov  
Tom Smith. Deputy Director, DSIO

## Exhibit 1

### 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"><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><li>• Rule 904 – inserted new section (b) and renumbered</li></ul>

	<ul style="list-style-type: none"> <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 20, 2013	<ul style="list-style-type: none"> <li>• Rule 101 – revised rule citation of various defined terms; made distinction between DCM and SEF in certain defined terms; deleted definition of</li> </ul>

	<p>Contract Market, Trading System; added definition of Chief Compliance Officer, DCM Trading System, Designated Contract Market, End-User Clearing Exception, End-User Transaction, Permitted Transaction, Platform, Required Transaction, SEF Trading System</p> <ul style="list-style-type: none"> <li>• Use of defined term Platform, DCM Trading System and SEF Trading System clarified throughout rulebook</li> <li>• Rule references updated throughout as a result of renumbering</li> <li>• Rule 203 – Amended to include reference to Chief Compliance Officer</li> <li>• Rule 209 – added rule regarding Chief Compliance Officer</li> <li>• Remainder of chapter 2 renumbered</li> <li>• Rule 214 – added references to Rule 214 to include Chief Compliance Officer</li> <li>• Rule 401 – Added ECP requirement to trade on SEF Trading System</li> <li>• Rule 529 – Amended language</li> <li>• Rule 530 – Amended language</li> <li>• Rule 531 – deleted rule</li> <li>• Rule 532 – deleted rule</li> <li>• Remainder of Chapter 5 renumbered</li> <li>• Rule 537 (formerly 539) – language amended to include Required Transactions. SEF Trading System functionality (RFQ)</li> <li>• Rule 538 – added Rule regarding Permitted Transactions</li> <li>• Rule 545 – added Rule regarding Confirmations</li> <li>• Rule 603 thru 607, 609, 610, 616, 617, 618, – added reference to Chief Compliance Officer</li> <li>• Rule 703 – added reference to DCM only</li> <li>• Rule 801 – amended rule to reference required clearing.</li> </ul>
September 25, 2013	<ul style="list-style-type: none"> <li>• Rule 101 – amended definition</li> <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>
November 1, 2013	<ul style="list-style-type: none"> <li>• Rule 304(d) – clarifying revisions</li> <li>• Rule 304(e) – rule added</li> </ul>
November 4, 2013	<ul style="list-style-type: none"> <li>• Rule 1001 – Included additional currencies and related attributes for each currency.</li> <li>• Schedules 1001 (a), (b) and (c) and Schedule 1002 moved from Rulebook to trueEX website</li> </ul>
January 8, 2014	<ul style="list-style-type: none"> <li>• Rule 101 – amended definitions of “Emergency” and “DCM Trading System”; added definition of</li> </ul>

	<p>“Bunched Order”</p> <ul style="list-style-type: none"> <li>• Rule 201 – typographical correction</li> <li>• Rule 214 – amendment to remove redundant language</li> <li>• Rule 304 – conforming amendment to account for the possibility of uncleared Transactions</li> <li>• Rule 306(e)(iv) – amendment to confirm to previously revised rule 809 (See September 13, 2013 amendments)</li> <li>• Rule 401 – amendment to remove redundant language</li> <li>• Rule 403 – amendment clarifying what information is subject to inspection by the Exchange</li> <li>• Rule 410 – clarifying amendment</li> <li>• Rule 507 – clarifying amendment</li> <li>• Rule 510 – rule deleted</li> <li>• Rule 513 – clarifying amendment</li> <li>• Rule 524 - clarifying amendment regarding crossing orders</li> <li>• Rule 525 – amending standard of care for handling of Customer Orders; clarifying amendment</li> <li>• Rule 537 – typographical correction; clarifying amendment</li> <li>• Rule 539 – consolidation of rule addressing order execution</li> <li>• Rule 540 – rule deleted and incorporated into rule 539; subsequent rules renumbered</li> <li>• Rule 601 – amendment clarifying liability for Supervised Persons</li> <li>• Rule 809(b) &amp; (d) – typographical correction; removing rule addressing clearing acceptance for give-ups</li> <li>• Rule 903 – clarifying amendment</li> <li>• Rule 904 – typographical correction</li> </ul>
February 19, 2014	<ul style="list-style-type: none"> <li>• Rule 101 – Amended the following definitions: “Affected Person”, “Authorized Representative”, “Authorized Trader”, “Firm ID”, “Iceberg”, “Participant”, “Participant Documentation”, “Subject Person”, “Supervised Person”; inserted the following new definitions: “Participant Agreement”, “Sponsored Access Customer”, “Sponsored Designation”, “Sponsoring Participant”, “Trading Access”.</li> <li>• Rule 102(h) - Added Rule to define the rules of construction in relevant chapters that pertain to the terms Participant and Sponsored Access Customer, and Trading Privileges and Trading Access.</li> <li>• Rule 207, 210, 218 - insertion of reference to Sponsored Access Customer</li> <li>• Rule 301 – Amendment to jurisdiction language</li> <li>• Rule 302(a) - insertion of reference to Sponsoring</li> </ul>

	<p>Participant</p> <ul style="list-style-type: none"> <li>• Rule 303(d) - insertion of reference to Trading Access, Sponsored</li> <li>• Rule 303(e) - deleted</li> <li>• Rule 306(c) - correction of typos and deletion of redundant jurisdiction requirement</li> <li>• Rule 309, 310, 314 - insertion of reference to Sponsored Access Customer</li> <li>• Rule 316 - Amended rule to describe the requirements of Sponsored Access.</li> <li>• Rule 809 – amended rule to clarify applicability to trades executed by an intermediary</li> <li>• Rule 1001(u) – drafting clarification</li> <li>• Rule 1002(f) – drafting clarification</li> </ul>
February 25, 2014	<ul style="list-style-type: none"> <li>• Rule 547 – rule amended to add reference to Block Trades eligible for Post-Execution Allocation</li> </ul>
<u>February 26, 2014</u>	<ul style="list-style-type: none"> <li>• <u>Rule 304(e) – rule amended to address clarify the requirement for Clearing Firms to use Exchange provided risk controls to certain Persons with direct access to the trueEX DCM Trading System.</u></li> </ul>

#### **RULE 304. Clearing Firms**

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- (e) A Clearing Firm that is an FCM and has agreed to accept for clearing Transactions that are executed by a Participant or Sponsored Access Customer trading on the DCM Trading System for its own account or on behalf of Customers shall-must use the risk controls provided by the Exchange to set risk limits for each such ~~Customer or~~ Participant, Sponsored Access Customer or Customer, 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 if Orders are screened on a pre-trade basis using risk controls provided by the FCM or through a credit limit screening service that provides pre-trade credit checks for the FCM. ~~or Customers, if the Transactions of such Customer are executed on the DCM Trading System solely by a Participant on behalf of Customer.~~

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