

# SUBMISSION COVER SHEET

Registered Entity Identifier Code (optional) 2014-04

Date: March 11, 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**

101, 203, 216, 302, 303, 304, 305, 306, 307, 308, 310, 316, 403, 407, 518, 519, 520, 522, 523, 524, 527, 529, 536, 537, 538, 541, 542, 544, 547, 619, 704, 806, 906, and 1001.

**DESCRIPTION**

Non-substantive and typographical rulebook revisions.



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March 11, 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: Weekly Notification of Rule Amendments: Submission Pursuant to Regulation 40.6(d)**

Dear Ms. Jurgens:

Pursuant to Commodity Futures Trading Commission (“CFTC”) Regulation 40.6(d), trueEX LLC (“**trueEX**”) submits this weekly notification of the following rule amendments made effective on the date set forth below during the calendar week preceding the date of this notice.

- On March 3, 2014, trueEX revised the rulebook as follows:
  - trueEX revised Rule 101 by removing the defined term “Authorized Broker”; revising the defined term “Supervised Person”; relocating the defined term “trueEX Party”; and correcting typographical errors;
  - trueEX revised Rules 216; 302; 304; 310; 520; 529; 537; 541; 542; 544; 547; 704; 806; and 906, in each case, to correct typographical errors;
  - trueEX revised Rules 203; 316; 403; 407; 523; 524; and 538, in each case, to clarify the intent and operation of those rules;
  - trueEX revised Rules 303; 305; 306; 307; 308; 518; 522; 527; 536; and 619, in each case, by removing reference to the term “Authorized Broker” so as to conform to the amendment made to Rule 101 described above; and
  - trueEX revised Rule 1001 by decreasing both the minimum notional amount and minimum notional increment from 5 million USD to 1 million USD.

Text that has been added or deleted due to an amendment is underlined or overstruck, respectively, in Exhibit A attached hereto.

If you have questions regarding this notice, please contact me at (347) 292-6078 or by email at [gloria.flinn@trueex.com](mailto:gloria.flinn@trueex.com).

Sincerely,

/s/ Gloria Flinn

Gloria J. Flinn  
Acting Chief Legal Officer

cc: [dmosubmissions@cftc.gov](mailto:dmosubmissions@cftc.gov)  
[submissions@cftc.gov](mailto:submissions@cftc.gov)  
Fran Kenck, trueEX LLC

March 11, 2014

**EXHIBIT A**

**TRUEEX LLC**

**RULEBOOK**

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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"> <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> </ul>

	<ul style="list-style-type: none"> <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 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</li> <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> </ul>

	<ul style="list-style-type: none"> <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 “Bunched Order”</li> <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 547 – rule added regarding Orders Eligible for Post-Execution Allocation</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> </ul>

	<ul style="list-style-type: none"> <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 Participant</li> <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>
February 26, 2014	<ul style="list-style-type: none"> <li>• 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.</li> </ul>

March 3, 2014

- Rule 101 – Removed the term “Authorized Broker”; revised the term “Supervised Person”, added the term “trueEX Party”; and corrected typographical errors
- Rules revised to correct typographical errors: 216; 302; 304; 310; 520; 529; 537; 541; 542; 544; 547; 704; 806; and 906
- Rules that underwent drafting revisions to add clarity: 203; 316; 403; 407; 523; 524; and 538
- Rules revised to remove reference to “Authorized Broker”: 303; 305; 306; 307; 308; 518; 219; 522; 527; 536; and 619
- Rule 1001 – Minimum notional amount and minimum notional increment both decreased from 5 million USD to 1 million USD

## CHAPTER 1 DEFINITIONS

### RULE 101. Definitions

When used in this Rulebook the following terms shall have the respective meanings as follows:

“Affected Person” means a Person whose Trading Privileges or Trading Access, as applicable, or status as a Participant or Sponsored Access Customer, Authorized Trader, ~~Authorized Broker~~, or Clearing Firm is denied, revoked or conditioned by the Exchange.

...

~~“Authorized Broker” means a person who is either employed or is an agent of a Participant and who is authorized to utilize the Exchange to place orders and execute transactions on behalf of Customers of such Participant.~~

...

“Block Trade” means a privately negotiated transaction in a Contract that meets (i) certain quantity thresholds and (ii) is permitted to be executed off the centralized market pursuant to Rule ~~543542~~.

...

“Emergency” means any occurrence or circumstance which, in the opinion of the Board, or a designee duly authorized by the Board to issue such an opinion, requires immediate action, and which threatens, or may threaten, such things as the fair and orderly trading in, or the liquidation of or delivery pursuant to, any Contract, or the timely collection and payment of funds in connection with clearing and settlement by a Clearing House, including ~~without limitation~~:

- (i) any circumstance that may materially affect the performance of any Contract or Contracts, including ~~without limitation~~ failure of the payment system or the bankruptcy or insolvency of any Participant or Clearing Firm;
- (ii) any action taken by any governmental body (whether national, state or municipal), including ~~without limitation~~ the United States or foreign regulatory, self-regulatory, judicial, arbitral, or quasi-governmental authority, or any agency, department, instrumentality, or sub-division thereof; or other Person exercising, or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or any other entity registered with the CFTC, board of trade, market or facility which may have a direct impact on trading on the Exchange or clearing and settlement of any Contract;
- (iii) any actual, attempted or threatened corner, squeeze, congestion, or undue concentration of positions in any Contract or Contracts;

(iv) any other circumstance that may have a severe, adverse effect upon the functioning of the Exchange; or

(v) any manipulative or attempted manipulative activity.

...

“End-User Clearing Exception” means the exemption from the clearing requirement set forth in Section 2(h)(7) of the ~~Aet~~CEA.

“End-User Transaction” shall mean a Transaction exempt from the clearing requirement of Section 2(h)(1) of the ~~Aet~~CEA because one of the counterparty to the Transaction is entitled to and has elected to use the End-User Clearing Exception.

...

“Participant” means a person with Trading Privileges that is authorized by the Exchange under a Participant Agreement to access or utilize the Platform. A reference to a Participant includes any natural person who is either employed by or is an agent of such Participant (~~including, but not limited to an Authorized Trader, an Authorized Broker or any other Supervised Person of such Participant~~), or any person who is authorized to access or utilize the Platform pursuant to authority granted by a Participant. Subject to applicable law, a Participant may trade for its own proprietary account or on behalf of a Customer.

...

“Supervised Person” means ~~any Person that accesses the Platform for, or on behalf of, Participant, Clearing Firm or Sponsored Access Customer, as applicable, and any Person responsible for overseeing such access. (a) with respect to a Participant, any Authorized Trader, director, officer, employee or agent of such Participant as the case may be and (b) with respect to a Clearing Firm, any director, officer, employee or agent of such Clearing Firm, (c) with respect to Sponsored Access Customer any Authorized Trader, any director or officer of such Sponsored Access Customer.~~

...

“Transfer Trade” has the meaning set forth in Rule ~~542541~~542541(h).

“trueEX Group” means trueEX Group LLC.

“trueEX Party” has the meaning set forth in Rule 537(a).

“User ID” means the unique identifier included on each Order which enables the Exchange to identify the individual entering such Orders.

“Web Site” means either the trueEX homepage or a web site to which the trueEX homepage has a link.

### **RULE 203. Officers**

(a) The Board shall appoint a Chief Compliance Officer, a Chief Executive Officer, a Chief Regulatory Officer, and such other officers of the Exchange (each, an “Officer”) as it may deem necessary or appropriate from time to time, in accordance with the Operating Agreement.

(i) The Board shall approve the compensation of the Chief Compliance Officer and the vote of the majority of the Board is required to remove the Chief Compliance Officer.

(ii) The Exchange shall notify the CFTC of the appointment or removal of the Chief Compliance Officer within two Business Days of such appointment or removal.

(b) Any Officer may also be a director, officer, partner or employee of the Exchange or any of its Affiliates.

(c) The Officers shall have such powers and duties in the management of the Exchange as the Board may prescribe from time to time, subject to the terms of the Operating Agreement.

(d) Each Officer is entitled to indemnification pursuant to the Operating Agreement with respect to matters relating to the Exchange.

...

### **RULE 216. Material, Non-Public Information**

(a) Absent prior written consent from the Exchange, a direct or indirect owner of the Exchange, a Director, Officer, member of any committee or panel established by the Board (including any Disciplinary Panel and Appeal Panel), member of the Exchange Regulation Department, or other employee of the Exchange shall not during his or her association with the Exchange or thereafter:

(i) trade, directly or indirectly, any Contracts traded on the Exchange;

(ii) trade, directly or indirectly, a contract, which is related to any Contract;

(iii) trade, directly or indirectly, in a contract, which is related to any Contract, traded on or cleared by contract markets, swap execution facilities, or clearing organizations other than the Exchange if the employee has access to material, non-public information concerning such contract;

(iv) trade, directly or indirectly, in a commodity interest traded on or cleared by a linked exchange if the employee has access to material, non-public information concerning such commodity interest; or



(v) disclose for any purpose (other than exercise of such person's ownership rights or performance of such person's official duties for the Exchange, as applicable) any non-public information obtained as a result of the individual's ownership interest or performance of official duties for the Exchange

The written consent from the Exchange shall specify the scope of information that may be disclosed, whom such information may be disclosed to, and the conditions, if any, that the recipient of such information must agree to prior to receiving such information.

(b) With prior written consent from the Exchange, a direct or indirect owner of the Exchange, and each Director, Officer, member of any committee or panel established by the Board (including any Disciplinary Panel and Appeal Panel), member of the Exchange Regulation Department, and other employee of the Exchange may participate in a pooled investment vehicle or other investment vehicle whose investments are directed by a third-party advisor if the individual has no direct or indirect control over transactions executed by the investment vehicles.

(c) Each direct or indirect owner of the Exchange, and each Director, Officer, member of any committee or panel established by the Board (including any Disciplinary Panel and Appeal Panel), member of the Exchange Regulation Department, and other employee of the Exchange shall take all appropriate steps to safeguard all non-public information obtained as a result of the individual's ownership interest or performance of official duties for the Exchange, as applicable, and to protect such information against disclosure, misuse, espionage, loss and theft.

(d) Each employee of the Exchange shall be required to adhere to the policies and guidelines of the Exchange as in effect from time-to-time and shall, when and as requested, execute an acknowledgement of the Exchange's conflict of interest policy in the form provided by the Exchange.

(e) Any employee that trades in a commodity interest, under the limited circumstances as permitted by this Rule 216, shall provide to the Exchange an annual certification that the employee has not traded in any Exchange Contracts or in any related commodity interest or other commodity interest covered by this Rule 216, and shall provide records of the commodity interest trades conducted by the employee in the past year.

(f) Notwithstanding anything to the contrary in this Rule 216, any direct or indirect owner of the Exchange, and any Director, Officer, member of any committee or panel established by the Board (including any Disciplinary Panel and Appeal Panel), member of the Exchange Regulation Department, and other employee of the Exchange may disclose any non-public information to any (i) Director, Officer, member of any committee or panel established by the Board (including any Disciplinary Panel and Appeal Panel), member of the Exchange Regulation Department, or any other employee of the Exchange to the extent necessary or useful for such person to perform his or her official duties for the Exchange, (ii) any outside advisor to the Exchange to the extent necessary or useful for such outside advisor to perform his or her official duties for the Exchange provided that such outside advisor is subject to confidentiality obligations substantively the same as those

imposed on employees of the Exchange by this Rule 216 if required by the CFTC or another government agency or Self-Regulatory Organization, or (iv) if compelled to do so by valid legal process, provided that the individual or entity making such disclosure notifies the Exchange.

(g) For the purposes of Rule 216, the terms “material information,” “non-public information,” “linked exchange,” “commodity interest” and “pooled investment vehicle” shall each have the meaning set forth in CFTC Regulation § 1.59(a).

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## **RULE 302. Participants**

(a) Each Participant shall have the right to access electronically the Platform, including the right to place Orders for each of its Proprietary Accounts and Customer accounts provided that such Participant is eligible for and has applied and received Trading Privileges. A Participant may serve as a Sponsoring Participant for one or more Sponsor~~ed~~ Access Customer pursuant to Rule 316.

(b) The Exchange may deny an application by any Person to become a Participant or revoke or condition a Person’s status as a Participant if such Person:

(i) lacks good reputation and business integrity;

(ii) fails to maintain adequate financial resources and credit;

(iii) is, or is expected to become, the subject of a petition for bankruptcy, liquidation, dissolution, winding up, conservatorship, receivership, trusteeship or a similar action;

(iv) is prohibited from using the services of the Exchange for any reason whatsoever;

(v) lacks any registrations required under Applicable Law, including any registration required of an Introducing Broker or Futures Commission Merchant;

(vi) if a De-Registration Basis exists with respect to such Person; or

(vii) fails to comply with the CEA and CFTC Regulations in connection with opening and maintaining customer accounts.

(viii) fails to satisfy any other criteria that the Exchange may require from a Participant.

(ix) is not an ECP.

(c) In the event that an applicant to become a Participant or a Participant becomes aware that one of the conditions for denying, revoking or conditioning an application to become a Participant or a Person's status as a Participant enumerated under Rule 302(b) is reasonably likely to exist, such applicant or Participant, as the case may be, shall promptly notify the Exchange of the relevant facts and circumstances.

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**RULE 303. Authorized Traders ~~and Authorized Brokers~~**

(a) *Authorized Traders ~~and Authorized Brokers~~*. Each Participant may from time to time appoint one or more natural persons to act as an Authorized Trader ~~or an Authorized Broker~~, and any such Authorized Trader ~~or Authorized Broker~~ shall be entitled to exercise Trading Privileges on behalf of such Participant, subject to the terms and conditions of these Rules. Any Participant wishing to appoint an Authorized Trader ~~or Authorized Broker~~ shall notify the Exchange and each such Authorized Trader ~~or Authorized Broker, as the case may be~~, will consent, in a form satisfactory to the Exchange, to abide by the Rules of the Exchange and Applicable Law prior to accessing the Platform. Each Authorized Trader ~~and Authorized Broker~~ must satisfy such requirements as may be prescribed by the Exchange from time to time and shall be subject to the disciplinary authority of the Exchange and possible fine or restriction or revocation of Trading Privileges.

(b) *Revocation by Participant*. Each Participant may at any time revoke an authorization granted by it to any Authorized Trader ~~or Authorized Broker~~ by providing written notice of such revocation to the Exchange. The Exchange shall specify the effective date of the revocation. The Exchange may, in its sole discretion, refuse to accept a request to revoke the registration of an Authorized Trader ~~or Authorized Broker~~, or may postpone the effective date of the termination of registration if the Exchange considers it necessary for the protection of the best interests of the relevant Participant or the Exchange. Based on the information provided to, and other information gathered by, the Exchange regarding the request to revoke the registration of an Authorized Trader ~~or Authorized Broker~~—the Exchange will determine whether to:

- (i) accept the request to revoke the designation;
- (ii) postpone the effective date of revocation of the designation; or
- (iii) impose any terms or conditions before or after the effective date of revocation of the designation.

The Participant shall take immediate measures appropriate to ensure that, after the effective date of any such revocation, (i) the affected Authorized Trader ~~or Authorized Broker~~ shall not have access to the Platform and (ii) the affected Authorized Trader ~~or Authorized Broker~~ shall not utilize its Firm ID or User ID, as applicable. The Exchange shall act promptly, but in any event within one Business Day of the effective date of such revocation, to disallow Order entry by the affected Authorized Trader, ~~Authorized Broker~~.

(c) *Responsibility of Participants:* All Obligations of Participants shall also apply to each of their Supervised Persons, and each Participant shall be responsible for the actions and omissions, including but not limited to violations of Applicable Law or these Rules, of each of its Supervised Persons. Each Participant will ensure on an ongoing basis that none of its Supervised Persons is subject to a disqualification pursuant to any Applicable Law (unless an appropriate exemption has been obtained with respect thereto) and that each of its Supervised Persons will, as applicable, be technically proficient in the use of the Platform. Each Participant shall have procedures for performing day-to-day monitoring of its Supervised Persons to ensure that each will conduct its business in a fair and equitable manner and in accordance with the Rules. Each Participant shall be responsible to the Exchange for any failures by any of such Participant's, Supervised Persons to comply with any Obligation or Applicable Law.

(d) *References to Trading Privileges, Participant, Orders, and Knowledge:* For purposes of this Rule 303, any reference to the Trading Privileges of a Participant shall also be deemed to refer to Trading Access of a Sponsored Access Customer and apply to the exercise of Trading Privileges or Trading Access by any of the applicable Supervised Persons, a Participant submitting or receiving Orders, bids, offers or message traffic into or from the Platform or engaging in transactions in Contracts on the Platform, shall be deemed to also refer and apply to any such actions engaged in by any of such Participant's Supervised Persons and; the knowledge of, or matters known to, any Participant shall be deemed to also refer to and include the knowledge of, or matters known to, its Supervised Persons.

(e) *List of Authorized Traders ~~and Authorized Brokers~~:* The Exchange will maintain a list of all designated Authorized Traders ~~and Authorized Brokers~~.

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

(a) In order to operate as a Clearing Firm, an applicant must demonstrate to the satisfaction of the Exchange that it:

(i) meets the requirements 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 Rule 306(e).

(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 Rule 304(a).

(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 or Sponsored Access Customer trading on the DCM Trading System for its own account or on behalf of Customers must use the risk controls provided by the Exchange to set risk limits for each such 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 provided by the FCM or through a credit limit screening service that provides pre-trade credit checks for the FCM.

(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 ~~or~~ Customer of Participant using such risk-based limits in accordance with Applicable Law. The Exchange shall provide Clearing Firm means to facilitate such screening.

#### **RULE 305. Eligibility to obtain Trading Privileges**

(g) Each applicant for Trading Privileges must: (i) be a juridical entity, (ii) be validly organized, (iii) be in good standing, (iv) have the legal authority and be duly authorized and empowered to become a Participant and to effect transactions on the Exchange and satisfy its Obligations and (v) satisfy such other requirements or criteria as may from time to time be adopted by the Exchange.

(h) The Exchange may deny Trading Privileges to any Person:

(i) if such Person is unable satisfactorily to demonstrate a capacity to adhere to all applicable Rules, Clearing House Rules and Applicable Law, including, to the extent applicable, those concerning registration, record-keeping, reporting, finance and trading procedures;

(ii) if such Person would bring the Exchange into disrepute, as determined by the Exchange in its sole discretion; or

(iii) for such other cause as the Exchange reasonably may decide.

(i) The Exchange may determine not to permit any Person to keep its Trading Privileges, or may condition such Trading Privileges if such Person:

(i) fails to meet any of the qualification requirements for Trading Privileges after such Trading Privileges have been approved;

(ii) fails to meet any condition placed by the Exchange on such Trading Privileges or association;

(iii) violates any agreement with the Exchange, a Clearing Firm or any Clearing House;

(iv) is a Participant through which an Customer trades and, in any such case, any such Customer maintains a position in any Contract that, when considered in light of the other positions maintained by the Participant through which such Customer trades and any other factors that the Exchange reasonably deems relevant, including, as applicable, (A) the positions maintained by such Participant, such Participant's Authorized Traders and such Participant's other Customers, (B) the required financial information provided by such Participant and (C) the level of margin maintained by such Participant at such Participant's Clearing Firm, the Exchange reasonably believes could jeopardize the financial safety of such Participant or any of such Participant's other Customers; or

For the avoidance of doubt, any limitation, suspension or revocation of Trading Privileges pursuant to Rule 305(c)(iv) may, in the sole discretion of the Exchange, (1) take the form of (x) a full suspension or revocation of Trading Privileges (y) a requirement that the positions at issue be immediately liquidated in full or reduced to a reasonable level to be set by the Exchange as a condition to the Trading Privileges remaining in effect or (z) a prohibition on the use of such Trading Privileges in respect of the trades of any Customer identified by the Exchange and (2) be applied to the Trading Privileges of the Participant at issue and Authorized Traders ~~and Authorized Brokers~~ of such Participant, in each case, as deemed reasonably necessary by the Exchange for the protection of such Persons and other Participants of the Exchange.

(j) In the case of any suspension, revocation or limitation of the Trading Privileges of any Participant pursuant to this Rule 305 or Rule 307, the Exchange, in its sole discretion, may also suspend, revoke or limit the Trading Privileges of such Participant's Authorized Trader ~~and Authorized Broker~~ as the Exchange deems necessary to protect its other Participants, Customers of Participants and the integrity of the Platform.

(k) In the case of any suspension, revocation or limitation of the Trading Privileges of any Authorized Trader ~~or Authorized Broker~~ of any Participant pursuant to this Rule 305 or Rule 307, the Exchange, in its sole discretion, may also suspend, revoke or limit the Trading Privileges of such Participant or such Participant's Authorized Traders ~~or Authorized Brokers~~ as the Exchange deems necessary to protect its other Participants and the integrity of the Platform.

## **RULE 306. Applications**

(a) *Application Generally:* Each application to obtain Trading Privileges, ~~or~~ become a Clearing Firm, Participant, or Authorized Trader ~~or Authorized Broker~~ shall be in such form as may from time to time be prescribed by the Exchange. Each applicant shall promptly update its application materials if any of the information provided therein becomes inaccurate or incomplete after the date of submission and prior to any approval of the application. The Exchange shall act upon, and approve or disapprove, any such application without unreasonable delay.

shall: (b) *Application for Trading Privileges:* Each applicant for Trading Privileges shall:

(i) submit to the Exchange a complete application form in the manner prescribed by the Exchange;

(ii) agree in writing to abide by the Rules of the Exchange and Applicable Law; and

(iii) furnish all other documents as may be requested by the Exchange and answer completely and accurately all questions posed by the Exchange.

shall: (c) *Applications for Participants:* Each Person applying to become a Participant shall:

(i) enter into a Participant Agreement with the Exchange;

(ii) be a Clearing House member who is eligible to clear the Contract(s) that such Person will execute on the Exchange at such Clearing House, or establish a clearing relationship with a Clearing Firm;

(iii) ensure that the documentation required under Rule 304 has been received by the Exchange; and

(iv) if such Participant is organized or located outside of the United States, enter into a written agreement acceptable to the Exchange appointing a third party as its U.S. agent for service of process for purposes of CFTC Regulation § 15.05, and shall provide the Exchange with a copy of the agreement.

(d) *Applications for Authorized Traders, ~~Authorized Broker~~:* Applications for Trading Privileges for Authorized Traders ~~and Authorized Brokers~~ must be authorized by a Participant.

(e) *Applications for Clearing Firms:* Any applicant desiring to become a Clearing Firm shall:

(i) submit to the Exchange a complete application form in the manner prescribed by the Exchange;

(ii) enter into a user license agreement with each relevant Clearing House, if applicable;

(iii) agree in writing to abide by the Rules of the Exchange and Applicable Law;

(iv) agree in writing that it shall fulfill its clearing obligations in accordance with Rule 809;



(v) agree to assist the Exchange in any investigation into potential violations of Obligations or Applicable Law which occur through or with respect to any Transaction cleared by a Clearing Firm; provided that such assistance must be timely and may include, but not be limited to, the Clearing Firm and any of its Supervised Persons being required to produce documents, to answer questions from the Exchange, or to appear in connection with an investigation;

(vi) agree to, upon request by the Exchange, suspend or terminate a Subject Person's access if the Exchange determines that the actions of such Subject Person threaten the integrity or liquidity of any Contract or violate any Obligation of such Subject Person or Applicable Law, or if the Subject Person fails to cooperate in an Investigation;

(vii) maintain all required and necessary regulatory approvals or licenses to operate as a Clearing Firm.

(viii) employ practices to monitor and enforce compliance with risk limits for Participants; and

(ix) provide such information and documentation as may be requested by the Exchange, and follow the procedures established by the Exchange. Additionally, any Clearing Firm organized or located outside of the United States shall enter into a written agreement acceptable to the Exchange appointing a third party as its U.S. agent for service of process for purposes of CFTC Regulation § 15.05, and shall provide the Exchange with a copy of the agreement.

(f) *Additional Information:* In considering an application under this Rule 306, the Exchange may require additional information from the applicant or conduct an Investigation to verify information submitted by the applicant.

(g) *Grant of Application:* If the Exchange decides to grant an applicant Trading Privileges or admit an applicant as a Clearing Firm or Participant, or designate such applicant as an Authorized Trader ~~or Authorized Broker~~, the Exchange shall promptly notify such applicant and state in such notice the date on which such approval becomes effective and any conditions thereto. If the application process is not completed within six months of the applicant's initial submission, the application shall be deemed to be withdrawn, unless extended by the Exchange.

### **RULE 307. Denial, Revocation, and Conditioning**

(a) *Denial, Revocation, Conditioning:* The Exchange may deny an application to obtain Trading Privileges or to become a Clearing Firm, Participant, or an Authorized Trader ~~or Authorized Broker~~, as well as revoke or condition a Subject Person's Trading Privileges or status as a Clearing Firm, Participant, or Authorized Trader ~~or Authorized Broker~~, if such applicant or Subject Person, as the case may be:



(i) is unable to satisfactorily demonstrate its ability to satisfy the eligibility criteria to obtain or retain Trading Privileges, or become or remain a Clearing Firm, Participant, or an Authorized Trader ~~or Authorized Broker~~;

(ii) is unable to satisfactorily demonstrate its capacity to satisfy its Obligations;

(iii) would bring the Exchange into disrepute as determined by the Exchange in its sole discretion; or

(iv) for such other cause as the Exchange may reasonably determine.

(b) *Review of Denial, Revocation, Conditions:* If the Exchange decides to deny, revoke or condition a Person's Trading Privileges or ~~thea Person's~~ status as a Clearing Firm, Participant, or Authorized Trader ~~or Authorized Broker~~, the Exchange shall promptly notify the Affected Person in a writing sent to the address provided by the applicant to the Exchange. Such Affected Person may, within seven (7) calendar days, request in writing that the Exchange provide the reasons for the denial, revocation or conditioning of its Trading Privileges or status as a Clearing Firm, Participant, or Authorized Trader ~~or Authorized Broker~~. Within fourteen (14) calendar days after receiving such written request, the Exchange shall send a written response to the Affected Person setting forth the reasons for the denial, revocation or conditioning. Within fourteen (14) calendar days of receiving the Exchange's written response, the Affected Person may request in writing that the Exchange Access Committee reconsider the determination.

Within twenty-eight (28) calendar days of receiving the request for reconsideration, the Exchange Access Committee shall either confirm, reverse or modify the denial, revocation or conditioning of the Trading Privileges or status of the Affected Person, and shall promptly notify the Affected Person accordingly in writing. The Exchange Access Committee may, within its discretion, schedule a hearing (in-person or by teleconference); request additional information from the Affected Person; or establish any other process that it believes is necessary and appropriate to consider the request for reconsideration.

The Exchange Access Committee's decision is the final action of the Exchange and is not subject to appeal within the Exchange.

(c) *Re-application:* Any Person applying for Trading Privileges or to become a Clearing Firm, Participant, or an Authorized Trader ~~or Authorized Broker~~ who has been rejected by the Exchange pursuant to these Rules shall not be eligible for re-application during the six months immediately following such rejection.

### **RULE 308. Scope and Continuation of Rights and Privileges**

(a) By virtue of obtaining Trading Privileges, becoming a Participant, or an Authorized Trader ~~or Authorized Broker~~, a Person shall not obtain any equity or other interest in the Exchange, including voting rights or rights to receive any dividends or other distributions, whether arising from a dissolution, merger, consolidation involving the Exchange or otherwise. All such rights shall be owned exclusively as specified in the Operating Agreement.

(b) Each Person with Trading Privileges, and each Subject Person must execute such documentation as required from time to time by the Exchange, and such documentation must remain in effect for such Subject Person to maintain its Trading Privileges and its status as a Clearing Firm, Participant, ~~Authorized Trader~~ and/or Authorized ~~Broker~~Trader, as applicable.

(c) Any Person that is temporarily or permanently revoked, terminated or suspended as a Clearing Firm, Participant, Authorized Trader, ~~Authorized Broker~~ or other Subject Person, or whose Trading Privileges are temporarily or permanently revoked, terminated or suspended, shall remain bound by its Obligations and subject to Applicable Law and the jurisdiction of the Exchange and each relevant Clearing House with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Person prior to such revocation, termination or suspension. Any Exchange Proceeding relating to any Subject Person that is temporarily or permanently revoked, terminated or suspended, or whose Trading Privileges are temporarily or permanently revoked, terminated or suspended, shall occur as if the Subject Person were still registered as such, and the same shall be true of any Supervised Person of any Subject Person that is temporarily or permanently revoked, terminated or suspended, or whose Trading Privileges are temporarily or permanently revoked, terminated or suspended.

(d) All Trading Privileges, and all other rights and privileges of a Subject Person terminate upon, and all obligations of such Subject Person shall survive, the death or incapacity of such Subject Person (if an individual) or the dissolution of such Person (if an entity).

(e) All Trading Privileges, and all other rights and privileges of a Subject Person are non-transferable, non-assignable and may not be sold or leased.

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#### **RULE 310. Authorized Representatives**

(a) Each Clearing Firm, Participant or Sponsored Access Customer shall designate one or more Authorized Representative who will represent such Clearing Firm, Participant or Sponsored Access Customer, as the case may be, before the Exchange and its committees and receive notices on behalf of such Clearing Firm ~~or~~, Participant or Sponsored Access Customer, as the case may be.

(b) The Authorized Representative shall be empowered by the Clearing Firm, Participant or Sponsored Access Customer, as the case may be, to act on its behalf and the Exchange shall be entitled to rely on the actions of the Authorized Representative as binding on such Clearing Firm, Participant or Sponsored Access Customer, as the case may be.

(c) Each Clearing Firm, Participant or Sponsored Access Customer shall provide the Exchange with current contact and other requested information for each of its Authorized Representatives so that the Exchange is able to immediately contact the Authorized Representatives.

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### **RULE 316. Sponsored Access**

(a) *Sponsored Designation.* Upon Sponsored Designation, the Exchange will provide Trading Access to the relevant Sponsored Access Customer. “Sponsored Designation” in respect of a Person means:

(i) such Person has delivered to the Exchange, the relevant annex (or other form acceptable to the Exchange) identifying a Participant that can serve as Sponsoring Participant ~~of Customer~~;

(ii) such Participant has delivered to the Exchange, the relevant annex (or other form of direct access authorization acceptable to the Exchange) identifying such Person as a Sponsored Access Customer; and

(iii) confirmation by the Exchange that all requested information has been received by the Exchange and ~~is~~ such information is satisfactory in form and substance.

(b) *Termination.*

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(i) Unless otherwise provided in this Rule 316, Sponsoring Participant may at any time request that the Exchange suspend the Trading Access or terminate the Sponsored Designation of any of its Sponsored Access Customers, by providing written notice (a “Termination Request”) to the Exchange requesting such suspension or termination, as applicable. After the Exchange has received a Termination Request, the Exchange shall either promptly suspend the Trading Access or promptly terminate the Sponsored Designation of the relevant Sponsored Access Customer(s), as set forth in the relevant Termination Request. Notwithstanding the foregoing, a Sponsoring Participant shall remain responsible for all activity of its Sponsored Access Customer that occurs by means of Trading Access prior to the receipt of a Termination Request in respect of such Sponsored Access Customer by the Exchange from Sponsoring Participant. Upon termination or suspension, the Exchange shall have the right to cancel all resting Orders placed by or on behalf of Sponsored Access Customer on the Platform.

(ii) The Exchange shall have the right to suspend or terminate access to Sponsored Access Customer in accordance with Rules after notifying each of Sponsoring Participant and the relevant Sponsored Access Customer.

(c) *Obligations.* For so long as Sponsored Designation has not been terminated, Sponsored Access Customer and the Sponsoring Participant identified by such Sponsored Access Customer pursuant to Rule 316(a)(i) agree as follows.

(i) Sponsored Access Customer shall:

(A) maintain all registrations, licenses and consents required by Applicable Law for it and its Authorized ~~Trades~~Traders to place Orders and enter into Transactions on the Platform;

(B) cooperate with the Exchange, any regulatory or any self-regulatory organization in any inquiry, investigation, audit, examination or proceeding related directly or indirectly to the Trading Access of Sponsored Access Customer, and authorize the Exchange to provide information regarding Sponsored Access Customer to the Regulatory Service Provider, the CFTC or any self-regulatory organization; and

(C) access the Platform exclusively through a password protected internet portal using the unique login credentials assigned to Authorized Traders of Sponsored Access Customer by Exchange.

(ii) Sponsoring Participant shall:

(A) assume financial responsibility for all activity of its Sponsored Access Customers on the Platform, including ~~without limitation~~ Transactions executed, by means of Trading Access;

(B) deliver a Termination Request to the Exchange in respect of any of its Sponsored Access Customers with Trading Access promptly after becoming aware that that any actions or omissions of any of its Sponsored Access Customer violate any applicable Rules or Applicable Law; and

(C) assist the Exchange in a timely manner in any investigation into potential or actual violations of the Rules or the ~~Aet~~CEA which occur through or with respect to the Trading Access of any of its Sponsored Access Customers, including ~~without limitation~~ requiring any Sponsored Access Customer to produce documents, answer questions from the Exchange, or appear in connection with an investigation.

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**RULE 403. Ability to Obtain Information~~Inspections by the Exchange~~**

(a) The Exchange and the Regulatory Services Provider, acting directly or through authorized representatives, shall have the right, ~~in connection with determining whether all Rules and Obligations are being, will be, or have been complied with by each Participant as is necessary to detect and investigate an actual or alleged violation of any Rule or Obligation by a Participant or Person that is the subject of an investigation by the Exchange~~ to:

(i) inspect systems, equipment and software operated by such Participant in connection with Exchange Activity, wherever located;

(ii) access the systems, equipment, software referenced in (i) above, and the premises on which such systems, equipment, and software are located, any data in connection with Exchange Activity stored in any of the systems or equipment, during the regular business hours and the Trading Hours of the Exchange, without prior notice to such Participant; and

(iii) copy or reproduce any data to which the Exchange has access under this Rule.

~~(b) — Each Participant shall provide the Regulatory Services Provider with the same access to their books and records and offices as they are required to provide the Exchange under the Rules and Applicable Law.~~

~~(e)(b) The Exchange Regulation Department may require a Participant to furnish (periodically or on a particular occasion) information to the Exchange or the Regulatory Service Provider relating to the Exchange Activity (periodically or upon request) information that is necessary to perform the enforcement obligations of such Participant the Exchange under the Rules or Applicable Law any of its Customers including without limitation, information regarding Contracts to which such Participant or Customer, as applicable, is a party, open trading positions related to such Contracts, all trading activity of Participant or Customer, as applicable, in the commodity underlying such Contracts and related derivatives markets, as well as all books and records, files, documents and other materials relating to any of the foregoing.~~

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**RULE 407. Customers**

~~(a) — No Participant shall carry an account for a Customer unless the Participant has entered into a written agreement with the Customer containing such terms as may from time to time be prescribed in the Rules, the CEA and CFTC Regulations.~~

~~(b) — Without prejudice to the generality of Rule 407(a), each written agreement with a Customer must incorporate into every Contract carried for the Customer all the terms of the Rules, the CEA and CFTC Regulations, insofar as they are applicable to that Contract.~~

~~(e) — No A Participant shall have the necessary authority from its Customers prior to initiating or executing Transactions for such Customer on or subject to the Rules of the Exchange, engage in soliciting or accepting an Order for the Contract for any Customer unless the Participant has entered into a written agreement with such Customer containing such terms as may from time to time be prescribed in the Rules, the CEA and CFTC Regulations.~~

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#### **RULE 518. Handling of Customer Orders**

(a) *General Prohibition* - No Participant ~~or Authorized Broker~~ in possession of a Customer Order shall knowingly take, directly or indirectly, the opposite side of such Order for its own account, an account in which it has a direct or indirect financial interest, or an account over which it has discretionary trading authority.

(b) *Exceptions* - The foregoing restriction shall not apply to the following:

(i) On the Platform, a Participant ~~or Authorized Broker~~ may knowingly trade against a Customer Order for its own account, an account in which it has a direct or indirect financial interest, an account over which it has discretionary trading authority, or a Proprietary Account of its employer, only if the Customer Order has been entered immediately upon receipt and has first been exposed on the Platform for a minimum of 5 seconds.

(ii) Transactions where the Customer has consented in writing no more than 12 months prior to the transaction to waive the application of Rule 520 as long as the Participant ~~or Authorized Broker~~ has clearly notified the Customer that the Participant ~~or Authorized Broker, as the case may be,~~ will take, directly or indirectly, the opposite side of such Order for its own account, an account in which it has a direct or indirect financial interest, or an account over which it has discretionary trading authority.

#### **RULE 519. Disclosing Orders Prohibited**

No Participant ~~or Authorized Broker~~ shall disclose any Customer Order to buy or sell except to a designated Exchange Official or the CFTC, and no Subject Person shall solicit or induce a Participant ~~or Authorized Broker~~ to disclose any Customer's Order information. No Person shall take action or direct another to take action based on non-public Order information, however acquired. The mere statement of opinions or indications of the price at which a market may open or resume trading does not constitute a violation of this Rule.

#### **RULE 520. Simultaneous Buy And Sell Orders For Different Beneficial Owners**

(a) No Person shall enter through the Platform into a pre-discussed transaction for illegal or improper purposes (including, ~~without limitation,~~ any conduct prohibited by Chapter 4 or Chapter 5 of these Rules) or knowingly assume on its own behalf or on behalf of a Customer account the opposite side of its own Order or its Customer's Order (a "Cross Trade"), except (i) in the case of transactions effected pursuant to Rule 543542, (ii) where the Person is entering into

both sides of a Customer Order on a non-discretionary basis, or (iii) the Person (A) has obtained prior written blanket or transaction specific consent has been obtained in respect of any relevant Customer; and (B) waits for a reasonable period of time, which shall be presumed to be not less than 5 seconds, after the initial Order is submitted before submitting the opposite side Order.

(b) Notwithstanding the foregoing, a Participant shall not be in violation of this Rule 520 due to Cross Trades executed by two Participants trading for the same account, or for separate accounts of the same beneficial owner, where neither Participant has knowledge of the other's Order and there is no coordination or prearrangement of the Cross Trade, provided that the relevant Participant shall be responsible, upon the request of the Exchange, to demonstrate to the reasonable satisfaction of the Exchange, that neither Participant had knowledge of the other's Order.

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## **RULE 522. Recordkeeping Requirements for Entering Orders into the Platform**

### (a) *General Requirements.*

(i) Orders must be entered by electronic transmission to the Platform, and the Exchange shall maintain an electronic record of those entries. Each Subject Person entering Orders into the Platform shall input for each Order:

(A) the Firm ID identifying the Participant placing such Order, the User ID identifying the individual placing such Order, and an identifier of the Clearing Firm that will clear any resultant contracts (which identifier may be part of the Firm ID);

(B) its type, price or yield, quantity, product, maturity or expiration month or date, customer type indicator ("CTI") code and account number (except as provided in Section (d)); and

(C) such additional information as may be prescribed from time to time by the Exchange.

(ii) With respect to Orders received by a Participant ~~or Authorized Broker~~ that are immediately entered into the Platform, no record other than that set forth above need be made. However, if a Participant ~~or Authorized Broker~~ receives an Order that cannot be immediately entered into the Platform, such Participant ~~or Authorized Broker, as the case may be,~~ must (x) prepare a written Order ticket in non-erasable ink and include the account designation, date, an electronic timestamp reflecting the time of receipt, an indication of whether such Order is a bunched order, an order number and other information required pursuant to Rule 522(a)(i), (y) enter such Order into the Platform when such Order becomes executable and (z) if such Order is for a Customer, retain all consents and instructions from such Customer to delay entry of such Order.

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### **RULE 523. Modification and Cancellation of Orders**

(a) Any Order that has been entered into the Platform may be modified or cancelled unless and until it has been executed or has otherwise expired. Any such modification or cancellation requires that a modification order or cancellation order, as the case may be, with respect to the original Order be entered into the Platform. Such modification or cancellation will become effective upon receipt by the Platform of the modification order or cancellation order, as the case may be.

(b) Every Order automatically expires at the end of the Trading Hours on the calendar day such Order is placed, in the event of any suspension or curtailment of trading, or in the case of any failure of the Platform.

~~(c) — A Block Trade automatically expires after 5 minutes if such Order has not been reported to the Exchange pursuant to Rule 543(b).~~

### **RULE 524. Prearranged, Pre-Negotiated and Noncompetitive Trades Prohibited**

(a) No Person shall prearrange or pre-negotiate any purchase or sale or noncompetitively execute any transaction except in accordance with Rule 524(b) or Rule 524(c).

(b) The foregoing restriction shall not apply to Block Trades affected pursuant to Rule ~~543~~542(a).

(c) *Pre-Execution Communications Regarding Platform Trades.* Parties may engage in pre-execution communications, directly or indirectly, with regard to transactions executed on the Platform where one party (the first party) wishes to be assured that a contra party (the second party) will take the opposite side of the Order subject to the following restrictions:

(i) A person may not engage in pre-execution communications with other market participants on behalf of another party unless the party for whose benefit the trade is being made has previously consented to permit such communications.

(ii) Parties to, and persons involved in, a pre-execution communications shall not:

(A) disclose to a nonparty the details of such communications or

(B) enter an Order to take advantage of information conveyed during such communications except in accordance with this Rule ~~524~~524(c).

(iii) The Order details will be entered by one of the parties into the Platform. The first party's Order will be displayed in a public session to give other Participants the opportunity to participate in the Order. The second party's Order will not be matched against the first party's Order until a period of 5 seconds has



elapsed from the time of entry of both party's Orders. After the 5 seconds have elapsed, any portion of the first party's Order that was unfilled during the public session will be matched by the second party's Order.

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#### **RULE 527. Priority of Execution**

Non-discretionary Customer Orders received by a Participant, ~~or an Authorized Trader or~~ ~~Authorized Broker~~ shall be entered into the Platform in the sequence received; provided, however, that a Customer may request that a Participant delay submission of its Order in which case such Customer shall provide such Participant with written consent to delay submission of its Order. Non-discretionary Orders that cannot be immediately entered into the Platform must be entered when the Orders become executable in the sequence in which the Orders were received.

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#### **RULE 537. Position Limits And Exemptions**

(a) The Exchange may establish position limits for any Contract.

(b) Except as otherwise provided by the Exchange Rules, no Person, including a Participant, may hold or control a position in excess of such position limits and a Participant may not maintain a position in excess of such position limits for a Customer if such Participant knows, or with reasonable care should know, that such position will cause such Customer to exceed the applicable position limits.

(c) Position limits shall apply to (i) all positions in accounts for which any Person, by power of attorney or otherwise, directly or indirectly holds positions or controls trading, and (ii) positions held by two or more Persons acting pursuant to an expressed or implied agreement or understanding, as if the positions were held by, or the trading of the positions were done by, a single Person.

(d) Any Person seeking an exemption from the position limits referred to above must file an application with the Exchange in the manner and within the time limits prescribed by the Exchange. The Exchange shall notify the applicant whether the exemption has been approved and whether the Exchange has imposed any limitations or conditions on the exemption. The decision of the Exchange shall be final.

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#### **RULE 536. Responsibilities for Firm IDs and User IDs**

(a) Each Participant shall be solely responsible for controlling and monitoring the use of all Firm IDs issued to it by the Exchange.

(b) Each Participant shall ensure that each Supervised Person accessing the Platform using the Firm ID of such Participant is assigned a unique password and that each password is used only by the Person to whom it is assigned.

(c) Each Participant shall notify the Exchange promptly upon becoming aware of any unauthorized disclosure or use of any Firm ID or User ID assigned to it or any of its Supervised Persons and of any other reason for deactivating a Firm ID or User ID. Each Participant shall notify the Exchange of any unauthorized access to the Platform by any Supervised Person of such Participant or by any Person using a Firm ID or User ID assigned to such Participant or any Supervised Person of such Participant as the case may be. Each Participant shall be bound by any actions taken through the use of a Firm ID assigned to such Participant (other than any such actions resulting from the fault or negligence of the Exchange), including the submission of Orders and/or execution of transactions, whether or not such actions were taken or authorized by (i) such Participant or (ii) any of the Supervised Persons of such Participant.

(d) Each Participant shall be solely responsible for ensuring that any front-end interface connecting to the Platform that is not provided by the Exchange, and that is used by the Participant and Supervised Persons of such Participant is in compliance, in design and operation, with Applicable Law and the Obligations of such Participant. Each Authorized Trader ~~or Authorized Broker~~ shall be identified to the Exchange, in the manner prescribed by the Exchange, and shall be subject to Rules.

(e) It is the duty of every Participant to ensure that each registration of (i) a Firm IDs assigned to such Participant is current and accurate at all times; and (ii) a User ID assigned to any Supervised Person of such Participant is current and accurate at all times.

(f) Each individual must use a unique User ID to access the Platform. In no event may a Person enter an Order or permit the entry of an Order by an individual using a User ID other than the individual's own User ID.

(g) Each Participant that is not an individual shall ensure that policies required under Rule 535 are developed, authorized and implemented by such Participant and that the Supervised Persons of such Participant comply with such policies and procedures.

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**RULE 537. Limitation of Liability, No Warranties**

(a) EXCEPT AS OTHERWISE PROVIDED:

(1) IN THIS RULEBOOK; OR

(2) IN ANY WRITTEN AGREEMENT IN EFFECT BETWEEN THE EXCHANGE AND ANY PARTICIPANT, CUSTOMER, SUBJECT PERSON OR OTHER PARTY ACCESSING THE ~~TRADING-SYSTEM~~ PLATFORM, EXCHANGE SERVICES OR EXCHANGE IN WHICH THE PARTIES AGREE TO SUPERSEDE THE TERMS OF THIS RULE 537,

SUBJECT TO CLAUSES (e) AND (f) OF THIS RULE 537, EXCEPT IN INSTANCES WHERE A PARTY HAS BEEN FINALLY ADJUDICATED TO HAVE ENGAGED IN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT (IN WHICH CASE THE PARTY FOUND TO HAVE ENGAGED IN SUCH CONDUCT CANNOT AVAIL ITSELF OF THE PROTECTIONS IN THIS RULE 537(a)), NEITHER THE EXCHANGE, ITS SUBSIDIARIES AND AFFILIATES, NOR ANY TECHNOLOGY SERVICE PROVIDER OR CONTRACTOR PROVIDING SERVICES TO THE EXCHANGE, NOR ANY OF THEIR RESPECTIVE SUCCESSORS OR ASSIGNS, NOR ANY OF THEIR RESPECTIVE EMPLOYEES, OFFICERS, DIRECTORS, MEMBERS, PARTNERS, MANAGERS, AGENTS OR SUPPLIERS PROVIDING SERVICES TO THE EXCHANGE (EACH, A "TRUEEX PARTY") SHALL BE LIABLE TO ANY PERSON OR ENTITY FOR:

(i) ANY LOSSES, DAMAGES, COSTS OR EXPENSES (INCLUDING, ~~WITHOUT LIMITATION,~~ LOSS OF PROFITS, LOSS OF USE, BUSINESS INTERRUPTION, THE COST OF PROCUREMENT OF SUBSTITUTE GOODS, SERVICES OR TECHNOLOGY, CORRUPTION OR LOSS OF DATA) ARISING FROM OR IN CONNECTION WITH, IN EACH CASE:

(A) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, ERROR, TERMINATION, OR ANY OTHER CAUSE, IN CONNECTION WITH THE PROVISION, PERFORMANCE, MAINTENANCE, OR USE OF, THE ~~TRADING-SYSTEMPLATFORM,~~ WEBSITE, ANY INFORMATION OR SERVICES PROVIDED BY THE EXCHANGE OR ANY FACILITIES OR TECHNOLOGY USED TO SUPPORT THE ~~TRADING—SYSTEMPLATFORM,~~ WEBSITE, EXCHANGE OR EXCHANGE SERVICES INCLUDING, ~~WITHOUT LIMITATION,~~ ANY FAILURE TO PROVIDE ALL OR ANY PART OF THE ~~TRADING-SYSTEMPLATFORM,~~ OR ANY INABILITY OF ANY PERSON TO VIEW, ENTER, EXECUTE OR CANCEL ORDERS OR TRANSACTIONS IN WHOLE OR IN PART;

(B) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY A TRUEEX PARTY, ~~THE EXCHANGE,~~ ~~THE TRADING-SYSTEMPLATFORM~~ OR ANY ~~EXCHANGEPLATFORM~~ SYSTEMS, SERVICES OR FACILITIES, ANY ELECTRONIC COMMUNICATION OF MARKET DATA OR INFORMATION, PRICE REPORTING SYSTEMS AND ANY AND ALL TERMINALS, COMMUNICATIONS NETWORKS, SERVERS, SOFTWARE, HARDWARE, AND FIRMWARE, WHETHER SUCH ERRORS OR INACCURACIES ARE A RESULT OF ANY ACTION OR INACTION OF A TRUEEX PARTY OR AN INDEPENDENT THIRD PARTY;

(C) THE CREDITWORTHINESS OF ANY PARTICIPANT OR CUSTOMER;

(D) ACTS OR OMISSIONS OF ANY SUBJECT PERSON, AUTHORIZED TRADER, AUTHORIZED ~~BROKER, AUTHORIZED REPRESENTATIVE,~~ OR CUSTOMER THEREOF; OR

(E) ANY UNAUTHORIZED ACCESS TO OR UNAUTHORIZED USE OF ANY EXCHANGE SYSTEMS, SERVICES OR FACILITIES BY ANY PERSON.

THE FOREGOING LIMITATION OF LIABILITY SHALL APPLY REGARDLESS OF WHETHER A CLAIM ARISES IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE AND REGARDLESS OF WHETHER THE EXCHANGE HAS BEEN ADVISED OF, OR OTHERWISE MIGHT HAVE ANTICIPATED, THE POSSIBILITY OF SUCH LOSSES, DAMAGES, COSTS OR EXPENSES.

(b) ~~NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS RULE 537,~~ THE EXCHANGE SHALL NOT BE LIABLE TO ANY PARTY FOR ANY DAMAGES, COSTS, LOSSES OR EXPENSES AND THE PARTICIPANT, CUSTOMER OR CLEARING FIRM (AS THE CASE MAY BE) SHALL INDEMNIFY, PROTECT AND HOLD THE EXCHANGE AND ANY TRUEEX PARTY HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, DAMAGES, COSTS OR EXPENSES BASED UPON, OR IN CONNECTION WITH ANY CLAIM BY A THIRD PARTY BASED UPON THE ~~PARTICIPANT'S, CUSTOMER'S OR SUBJECT PERSON'S~~ DELAY, OMISSION, SUSPENSION, INACCURACY, ERRORS OR TIMELINESS OR OTHER ACTS OR OMISSIONS OF SUCH PARTICIPANT, CUSTOMER OR CLEARING FIRM, OR ANY OF ITS OR THEIR SUPERVISED PERSONS (AS THE CASE MAY BE) IN RESPECT OF TRANSACTIONS OR ANY RELATED DATA, INCLUDING, ~~WITHOUT LIMITATION,~~ IN CONNECTION WITH QUOTES, BIDS, OFFERS OR OTHER PRICE INFORMATION PROVIDED IN CONNECTION WITH OR RELATING TO ANY TRANSACTION.

(c) NEITHER THE EXCHANGE NOR ANY TRUEEX PARTIES MAKE ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS RELATING TO THE EXCHANGE, THE TRADING SYSTEM PLATFORM OR ANY EXCHANGE SERVICES OR FACILITIES USED TO SUPPORT THE TRADING SYSTEM PLATFORM, INCLUDING, ~~WITHOUT LIMITATION~~ ANY WARRANTIES OF MERCHANTABILITY OR WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR USE. THE EXCHANGE WILL PROVIDE ALL SERVICES ON AN "AS IS" AND "AS AVAILABLE" BASIS AT THE SOLE RISK OF THE PARTICIPANT, CUSTOMER, OR OTHER SUBJECT PERSON, AS THE CASE MAY BE. FURTHERMORE, THE EXCHANGE DOES NOT GUARANTEE OR MAKE ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE VALIDITY, SEQUENCE, TIMELINESS, COMPLETENESS, ACCURACY OR CONTINUED AVAILABILITY OF ANY INFORMATION OR DATA MADE AVAILABLE ON OR THROUGH THE EXCHANGE. THE EXCHANGE SHALL HAVE NO DUTY OR OBLIGATION TO VERIFY ANY INFORMATION DISPLAYED ON THE TRADING PLATFORM SYSTEM OR OTHERWISE. EACH PARTICIPANT, CUSTOMER, OR OTHER SUBJECT PERSON ACKNOWLEDGES AND AGREES

THAT NEITHER THE EXCHANGE NOR ANY TRUEEX PARTY SERVES OR SHALL SERVE AS THE PRIMARY BASIS FOR ANY DECISIONS MADE BY SUCH PARTICIPANT, CUSTOMER, OR OTHER SUBJECT PERSON, AS THE CASE MAY BE, NOR SHALL ANY OF THEM BE DEEMED TO ACT AS AN ADVISOR OR FIDUCIARY OF ANY PARTICIPANT, CUSTOMER, OR OTHER SUBJECT PERSON, AS THE CASE MAY BE.

(d) ANY DISPUTE ARISING OUT OF THE USE OF THE ~~TRADING SYSTEM~~PLATFORM OR EXCHANGE SERVICES OR FACILITIES USED TO SUPPORT THE ~~TRADING SYSTEM~~PLATFORM TO WHICH ~~THE EXCHANGE OR~~ ANY TRUEEX PARTY IS A PARTY SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. ANY ACTIONS, ARBITRATIONS, SUITS OR PROCEEDINGS SHALL BE BROUGHT WITHIN TWO YEARS FROM THE TIME THEY FIRST ARISE. ANY SUCH ACTION, SUIT OR PROCEEDING MUST BE BROUGHT IN ANY FEDERAL OR STATE COURTS LOCATED IN THE BOROUGH OF MANHATTAN, THE CITY OF NEW YORK. THIS PROVISION SHALL IN NO WAY CREATE A CAUSE OF ACTION AND SHALL NOT AUTHORIZE ANY ACTION THAT WOULD OTHERWISE BE PROHIBITED BY THE RULES OF THE EXCHANGE.

(e) UNDER NO CIRCUMSTANCES WILL ANY TRUEEX PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES.

(f) NOTWITHSTANDING ANY OF THE FOREGOING PROVISIONS, THIS RULE 537 SHALL IN NO WAY LIMIT THE LIABILITY OF ANY PERSON ARISING FROM ANY VIOLATION BY SUCH PERSON OF THE CEA OR CFTC REGULATIONS THEREUNDER.

**RULE 538. Control Desk**

(a) *Customer Support.*

(i) The control center of the Exchange ( the “Control Desk”) provides the Platform customer support and problem management only to Clearing Firms and Participants.

(ii) In order to be eligible for Control Desk support, a Supervised Person must first be identified by the relevant Participant or Clearing Firm, as the case may be, as an authorized contact (“Authorized Contact”) with the Control Desk. The Control Desk provides customer support via a specified telephone number and during specified hours.

(iii) Control Desk employees may not always be available to assist Authorized Contacts.

(iv) Individuals other than Authorized Contacts and Persons with a User ID must contact a Participant's or a Clearing Firm's Authorized Contact to make support requests.

(b) *Control Desk Communications.*

(i) As provided in Rule 537, the Exchange shall not be liable for any loss resulting from any inability to communicate with the Control Desk.

(ii) The liability of the Exchange for the negligent acts of Control Desk staff shall be subject to the limitations and conditions of Rule 537.

(iii) In no event shall the Exchange be liable for the negligence of the Control Desk if the Person claiming to have suffered a loss could have secured the support it sought from the Control Desk through its own administrative terminal, a terminal of its Clearing Firm or a terminal of an ~~independent software vendor~~ (“ISV”)-ISV.

(iv) For purposes of this Rule, a Person is deemed able to take action through its own administrative terminal, a Clearing Firm's terminal or an ISV's terminal unless such terminal was inoperative or such terminal service was interrupted at the time the Control Desk took action.

(c) *Order Status.*

(i) A Person who believes it has received an incorrect Order status or does not receive an appropriate status shall immediately notify the Control Desk. Additionally, such Person shall take any necessary and appropriate market action to mitigate any potential losses arising from the incorrect Order status or lack of appropriate Order status immediately after the Person knew or should have known that the Order status information was incorrect or should have been received. Any liability of the Exchange for incorrect Order status shall be subject to the limitations and conditions of Rule 537.

(ii) Notwithstanding the above, the Exchange shall not be liable for losses related to incorrect Order status information if the Exchange provides prior notification that an Exchange system, service or facility may produce such incorrect information and also provides notification of a means to obtain correct Order status information from such system, service or facility. In the event that the Control Desk and an Exchange system, service or facility provide conflicting information relating to an Order status, a Person may only reasonably rely on the information received from the Control Desk. Any liability of the Exchange shall be subject to the liability caps and conditions of Rule 537.

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## **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 Platform, by system defects, or for any reason deemed necessary by the Exchange.

(ii) Notwithstanding any other provisions of this Rule [541](#), 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 [542541](#) shall be final.

### *(b) Review of Trades.*

(i) The Board or a designee of the Board may determine to review a trade based on its independent analysis of market activity or upon request for review by a user of the Platform. A request for review must be made within 15 minutes of the execution of the trade.

(ii) The Board or a designee of the Board shall determine whether or not a trade will be subject to review. In the absence of a timely request for review, during volatile market conditions, upon the release of significant news, or in any other circumstance in which the Board or a designee of the Board deems it to be appropriate, the Board or a designee of the Board may determine, in its sole discretion, that a trade shall not be subject to review.

### *(c) Price Adjustments and Cancellations.*

(i) In reviewing a trade, the Board or a designee of the Board will first determine whether the trade price is within the No Bust Range for the Contract.

(ii) In applying the No Bust Range, the Board or a designee of the Board shall determine the fair value market price for that Contract at the time the trade under review occurred (the “Market Price”). The Board or a designee of the Board may consider any relevant information, including, but not limited to, the last trade price in the contract or a better bid or offer price on the Platform, a more recent price for a different maturity date, the price of the same or related contract established in another venue or another market and the market conditions at the time of the trade.

(iii) *Trade Price Inside the No Bust Range.* If the Board or a designee of the Board determines that the price of the trade is inside the No Bust Range, then it will issue an alert indicating that the trade shall stand.

(iv) Trade Price Outside the No Bust Range.

(A) *Swaps.* If the Board or a designee of the Board determines that a trade price is outside the No Bust Range for a swap, the trade price shall be adjusted to a price that equals the fair value market price for that contract at the time the trade under review occurred, plus or minus the No Bust Range. In the event there are multiple parties, prices or contracts involved in the transactions at issue, the Board or a designee of the Board has the authority, but not the obligation, to bust rather than price adjust such transactions. The Board or a designee of the Board will issue an alert regarding its decision.

(B) Busted trade prices and any prices that have been adjusted shall be cancelled in the Exchange's official record of time and sales. Trades that are price adjusted shall be inserted in the time and sales record at the adjusted trade price.

(d) *Alternative Resolution by Agreement of Parties.*

(i) With the approval of the Board or a designee of the Board, parties to a trade that is price adjusted may instead mutually agree to cancel the trade.

(ii) With the approval of the Board or a designee of the Board, parties to a trade that is busted may instead mutually agree to price adjust the trade to a price consistent with the adjustment provisions of Rule [542541](#)(c).

(iii) Subject to Rule [542541](#)(d)(i) and Rule [542541](#)(d)(ii), parties to a trade that is cancelled or price adjusted may mutually agree to a cash adjustment provided that such adjustments are reported to the Board or a designee of the Board and the parties maintain a record of the adjustment.

(iv) An executed trade may not be reversed via transfer except where such trade is determined by the Board or a designee of the Board to be outside of the No Bust Range but not reported timely, subject to agreement of the parties and approval of the Board or a designee of the Board. Any such transfer must occur at the original trade price and quantity; however the parties may mutually agree to a cash adjustment.

(e) *Liability for Losses Resulting from Price Adjustments or Cancellations.*

(i) A party entering an order that results in a price adjustment or trade bust shall be responsible for demonstrated claims of realized losses incurred by persons whose trade prices were adjusted or busted; provided, however, that a claimant shall not be entitled to compensation for losses incurred as a result of the claimant's failure to take reasonable actions to mitigate the loss.

(ii) A claim for a loss pursuant to this section must be submitted to the Exchange on an Exchange claim form within one business day of the event giving



rise to the claim. The Exchange will reject any claim that is not filed in a timely manner and such decisions shall be final. Eligible claims shall be forwarded by the Exchange to the party responsible for the order(s) that resulted in a trade bust or a price adjustment and to the Participant through which the trade was submitted for clearing. Such party shall, within ten business days of receipt of the claim, admit or deny responsibility in whole or in part. Failure to respond to the claim within ten business days shall be considered a denial of liability.

(iii) To the extent that liability is admitted, payment shall be made within ten business days. Unless otherwise agreed upon in writing by the parties, failure to make the payment within ten business days shall be considered a denial of liability for purposes of this Rule 541. A copy of any such written agreement must be provided to the Exchange.

(iv) To the extent that liability is denied, the party making the claim may submit the claim for arbitration pursuant to Chapter 7 of the Rules. Such claims must be submitted to the Board or a designee of the Board within ten business days of the date the party was issued notification that liability was denied.

(f) *Schedule of Administrative Fees.* When the Board or a designee of the Board busts or price adjusts a trade, the party responsible for entering the order into the Platform that gave rise to the trade bust or price adjustment shall pay an administrative fee to the Exchange in the amount of \$500 for each such occurrence.

(g) *Exchange No Bust Ranges.*

<b>Contract</b>	<b>No Bust Range</b>
Interest Rate Swap	The price equivalent of 5 basis points from the determination of fair market value by the Board or a designee of the Board.

(h) *Transfer Trades.* Positions that result from a trade determined by the Board or a designee of the Board to be outside the No Bust Range that cannot be busted because the trade was not reported within five minutes of the execution of the trade may be transferred between the parties using a transfer trade upon agreement of the parties (a “Transfer Trade”). Such Transfer Trades must comply with the trading requirements in these Rules. The Transfer Trade must use the original trade price and quantity. Any party may, but is not required to, include a cash adjustment to another party to the trade. Trades determined by the Board or a designee of the Board to be inside the No Bust Range may not be reversed using a Transfer Trade.

(i) *Voluntary Adjustment of Trade Price.* When a trade outside of the No Bust Range is busted in accordance with this Rule 540, the parties to the trade may agree voluntarily to reestablish the trade but to adjust its price and make a cash adjustment provided that all of the following conditions are met:

(i) The Board or a designee of the Board approves the adjustment.

(ii) The quantity of the position being reestablished is the same as the quantity of the trade that was busted.

(iii) In the case of a trade below the Market Price, the adjusted price must be the lowest price that traded at or about the time of the trade without being busted. In the case of a trade above the Market Price, the adjusted price must be the highest price that traded at or about the time of the trade without being busted.

(iv) The parties to the adjusted trade must report it to the Exchange using a Transfer Trade not later than the close of business on the Business Day after the trade occurred.

(j) *Busting Trades After System Malfunction.* In the event that the matching engine malfunctions with live Orders in the queue waiting to be matched, such Orders may be matched when the system is restored before the Board or a designee of the Board halts the matching engine. The Board or a designee of the Board is authorized to bust trades resulting from such matches if the price of such trades is outside of the No Bust Range at the time that a confirmation of the trades was sent.

(k) *Busting Trades That Have Not Been Accepted for Clearing.*

(i) The Board or a designee of the Board has the authority to bust any trade that is not accepted for clearing by either the relevant Clearing Firm or Clearing House after application of the Exchange's policies and procedures on clearing certainty.

(ii) Notwithstanding anything to the contrary in this Rule [542541](#), the Exchange's policies and procedures on clearing certainty shall govern resolution of all issues involving trades that have been busted pursuant to Rule [542541](#)(k)(i). In the event of any conflict or inconsistency between these Rules and the Exchange policies and procedures on clearing certainty, the policies and procedures on clearing certainty shall prevail solely with respect to trades that have been busted pursuant to Rule [542541](#)(k)(i).

#### **RULE 542. Block Trades on the DCM Trading System**

(a) The Exchange shall designate the products in which Block Trades shall be permitted on the DCM Trading System and determine the minimum quantity thresholds for such transactions.

(b) The following shall govern Block Trades:

(i) A Block Trade must be for a quantity that is at or in excess of the applicable minimum threshold. Orders may not be aggregated in order to achieve

the minimum transaction size; except by those entities described in sections (ix) and (x) below.

(ii) Each Person party to a Block Trade must be an Eligible Contract Participant.

(iii) A broker for a Person shall not execute any order by means of a Block Trade for a Person unless such Person has specified that the order be executed as a Block Trade on the DCM Trading System.

(iv) The price at which a Block Trade is executed must be fair and reasonable in light of (i) the size of the Block Trade, (ii) the prices and sizes of other transactions in the same contract at the relevant time, (iii) the prices and sizes of transactions in other relevant markets, including the related swap markets, at the relevant time, and (iv) the circumstances of the markets or the Participants to the Block Trade.

(v) Block Trades shall not set off conditional orders (e.g., Limit Orders) or otherwise affect orders in the regular market.

(vi) Parties to a Block Trade must ensure that each Block Trade is reported to the Exchange as soon as technologically practicable. For the purposes of this rule, a Block Trade is reported to the Exchange immediately following 1) the entry of the trade details of the Block Trade into the Block Trade reporting module of the Platform for the DCM Trading System by one party and 2) the acceptance by counterparty to the terms of the Block Trade through the Platform for the DCM Trading System. The trade details reported to the Exchange must include the execution time, which is the time at which the parties agreed to the terms of the Block Trade prior to entry of the trade details into the Block Trade reporting module of the Platform for the DCM Trading System.

(vii) Block Trades must be reported to the Exchange in accordance with an approved reporting method. Block Trades reported to the Exchange will be reported to the SDR as soon as technologically practicable. The SDR will delay the public dissemination of swap transaction and pricing data relating to the Block Trade in accordance with the timeframe set forth in Part 43 of CFTC Regulation and Applicable Law.

(viii) Clearing Firms and Participants involved in the execution of Block Trades must maintain a record of the transaction in accordance with Rule 545.

(ix) A commodity trading advisor (“CTA”) registered or exempt from registration under the ~~Act~~CEA, including any investment advisor registered or exempt from registration under the Investment Advisors Act of 1940, shall be the applicable entity for purposes of Rule 543542(b)(i), (ii), (iii) and (iv), provided such advisors have total assets under management exceeding \$25 million and the Block Trade is suitable for the customers of such advisors.

(x) A foreign Person performing a similar role or function to a CTA or investment advisor as described in Rule [543542](#)(b)(ix), and subject as such to foreign regulation, shall be the applicable entity for purposes of Rule [543542](#)(b) (i), (ii), (iii) and (iv), provided such Persons have total assets under management exceeding \$25 million and the Block Trade is suitable for the customers of such Persons.

(xi) Parties to any Block Trade involving swaps shall comply with the requirements of Part 43 and Part 45 of the CFTC Regulations (including real time public reporting and recordkeeping requirements thereunder).

(c) *Products designated for Block Trades.* The following product(s) are designated for Block Trades:

(i) INTEREST RATE SWAPs

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#### **RULE 544. Recordkeeping Requirements for Privately Negotiated Trades**

(a) All transactions executed pursuant to Rule [538539](#) and Rule [543542](#), unless otherwise exempted by Rule, are subject to the following recordation requirements (in addition to any other recordation requirements applicable under the Rules and Applicable Law):

(i) At the time of execution, every Order received from a Customer must be in the form of a written or electronic record and include an electronic timestamp reflecting the date and time such Order was received and must identify the specific account(s) for which the Order was placed. Such record shall also include an electronic timestamp reflecting the date and time such Order was executed or cancelled.

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#### **RULE 547. Orders Eligible for Post-Execution Allocation**

(a) No Participant shall enter a Bunched Order on the Platform unless at the time of entering such Bunched Order, such Participant:

(i) (A) is within at least one of the categories of entities enumerated in CFTC Regulation 1.35(b)(5)(i); and

(B) has been granted written investment discretion with regard to the Customer accounts to which Participant will allocate the Transaction that results from such Bunched Order;

(ii) has an agreement in place with the Clearing Firm or Clearing Firms of such Customers on whose behalf the Bunched Order is being placed requiring

Participant to screen the orders of its Customers for compliance with the risk-limits established by the relevant Clearing Firm of each such Customer pursuant to CFTC Regulation 1.73; and

(iii) has clearing arrangements in place with a Clearing Firm establishing an account for the clearing of Transactions resulting from Bunched Orders after it is executed but before it is allocated to the relevant Customer accounts.

(b) All Bunched Orders and Transactions resulting from Bunched Orders must be allocated and recorded in accordance with CFTC Regulation 1.35 and consistent with the principles of NFA's Interpretative Notice 9029 related to Compliance Rule 2-10 as amended from time to time, and as if its terms applied to swaps.

(c) Participants that are eligible to execute Bunched Orders pursuant to subsection (a) of this Rule [547](#) shall identify the account established pursuant to paragraph (a)(iii) of this Rule [547](#) as the account through which the resulting Transactions are intended to be cleared.

(d) Participants shall provide allocation instructions to the Clearing Firm that has agreed to accept the Bunched Order for clearing, and Clearing Firm shall affirm such allocation instructions as soon as practicable after the Bunched Order is filled, but in any event no later than 30 minutes prior to the relevant Clearing House's trade submission deadline for the business day the Bunched Order is executed.

(e) The provisions of (a)(ii) and (iii), (b), (c) and (d) above shall also apply to Block Trades in which orders have been aggregated to meet the minimum transaction size as allowed by trueEX Rule 542(b)(i), (ix) and (x).

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#### **RULE 619. Rights and Responsibilities after Suspension or Termination**

(a) When a Subject Person's Trading Privileges or ability to otherwise access the Platform are suspended for a period of 12 months or less, none of its rights (including the right to hold oneself out to the public as a Subject Person of the relevant type, enter Orders into the Platform and receive rates for fees, costs, and charges and deposit margin that are conditional on its status as a Subject Person of the relevant type) will apply during the period of the suspension, except for the right such Subject Person to assert claims against others as provided in the Rules. Any suspension does not affect the rights of creditors of the Subject Person under the Rules or relieve the Subject Person of its, his or her Obligations (including Obligations to perform under any Contract to which such Subject Person is a party, or Obligations to pay any Exchange fees, costs, or charges incurred during the suspension). The Exchange may discipline a suspended Subject Person under this Chapter 6 for any violation by such Subject Person of its Obligations or any provision of Applicable Law committed by such Subject Person before, during or after the suspension.

(b) When a Subject Person's status as a Clearing Firm, Participant, Authorized Trader, ~~Authorized Broker~~ or other Supervised Person has been terminated, or when the Trading Privileges or ability to otherwise access the Platform of a Subject Person have been

terminated, (i) all of such Subject Person's related rights will terminate, except for the right of such Subject Person to assert claims against others, as provided in the Rules, and (ii) the status, Trading Privileges or ability to otherwise access the Exchange of such Subject Person may only be reinstated by such Subject Person applying for such status, Trading Privileges or ability to otherwise access the Exchange pursuant to Rule 306. Any such termination will not affect the rights of creditors of such Subject Person under the Rules.

(c) The Exchange will not consider the application of a terminated Subject Person if such Subject Person continues to fail to appear at disciplinary proceedings without good cause or continues to impede the progress of disciplinary proceedings.

(d) In the event of the suspension or revocation of a Participant's ~~or Authorized Broker's~~ Trading Privileges or ability to otherwise access the Platform, the Exchange shall seek to facilitate the transfer of any Customer accounts held by such Participant ~~or Authorized Broker~~ to other Participants ~~or Authorized Brokers, as the case may be,~~ with Trading Privileges or ability to otherwise access the Platform (as applicable).

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#### **RULE 704. Claims Relating to Trade Cancellations or Price Adjustments**

All claims relating to trade cancellations or price adjustments pursuant to Rule 542541 shall be resolved in accordance with this Chapter.

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#### **RULE 806. Transfers of Trades**

(a) Subject to the limitations of Rule 807, existing trades may be transferred either on the books of a Clearing Firm or from one Clearing Firm to another Clearing Firm provided:

(i) the transfer merely constitutes a change from one account to another account, provided the underlying beneficial ownership in said accounts remains the same; or

(ii) an error has been made in the clearing of a trade and the error is discovered and the transfer is completed within two Business Days after the trade date; or

(iii) the transfer constitutes a transfer of positions from a Customer to the Clearing Firm's house account in the event of a Customer default.

(b) Subject to the limitations of Rule 807, Exchange Officials may, upon request by the Clearing Firm(s), approve a transfer of existing trades either on the books of the same Clearing Firm, or from the books of one Clearing Firm to the books of another Clearing Firm if the transfer is in connection with, or as a result of, a merger, asset purchase,

consolidation or similar non-recurring transaction between two or more entities where one or more entities become the successor in interest to one or more other entities.

(c) Provided that the transfer is permitted pursuant to Sections (a), ~~(b)~~ or ~~(eb)~~ above, the transactions must be recorded and carried on the books of the receiving Clearing Firm at the original trade dates. Trades may be transferred using either the original trade price or the most recent settlement price.

(d) All transfers shall be reported to each relevant Clearing House in a form acceptable to the Exchange for the type of transactions involved. The proper indicator must be included in the transfer such that the transactions, including the transaction(s) to reverse an error, clear as transfers. The Clearing Firms involved shall maintain a full and complete record of all transactions together with all pertinent memoranda.

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#### **RULE 906. Governing Law, Jurisdiction and Dispute Resolution**

(a) The law of the State of New York governs the Rules.

(b) Any dispute between the Exchange and a Subject Person arising from or in connection with the Rules must be brought to arbitration through ~~by~~ the NFA Arbitration Program or another arbitration program permitted by the CFTC Regulations within two (2) years from the occurrence of the event giving rise to the dispute. This Rule shall in no way create a cause of action nor authorize an action that would otherwise be prohibited by the Rules.

(c) Any dispute between the Exchange and a Subject Person arising from or in connection with the Rules will be settled by arbitration administered through the NFA Arbitration Program or another arbitration program permitted by the CFTC Regulations. Each party to the dispute will bear its own costs and expenses in connection with any arbitration hereunder, as well as an equal share of the administrative fees and the fees of the arbitrator; provided, however, that the arbitrator will be entitled to include in any award a full reimbursement for the prevailing party's costs and expenses, such party's share of the administrative fees and the fees of the arbitrator, or any combination of any or all of the above. In the event that this Rule 906(b) is held to be unenforceable in connection with any dispute, (i) exclusive jurisdiction for any such dispute will reside in any state or federal court sitting in the New York, NY metropolitan area, (ii) the Exchange and the Subject Person involved in the dispute will be presumed to have submitted to the personal jurisdiction of any such court, and (iii) an action to enforce any judgment or decision of such court may be brought in the same court or in any other court with jurisdiction or venue. Finally, all Subject Persons unconditionally and irrevocably waive any and all right to trial by jury in connection with any such dispute.

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## **RULE 1001. Fixed for Floating Interest Rate Swap Contracts**

(a) **Contract Description.** Fixed for Floating Interest Rate Swap. This is an Interest Rate Swap for which settlement is in the form of periodic fixed interest payments and a stream of periodic floating interest payments based on floating rate index over a term to maturity. The interest rate payments are exchanged for a specified period based on a notional amount. This Rule 1001 contains general information about the Contract terms and conditions. Contracts eligible for trading on the DCM Trading System and SEF Trading System, as well as the attributes related to each Currency can be found on Schedule 1001 on the trueEX website at [www.trueex.com](http://www.trueex.com).

(b) **Trading Hours.** 8:00 am to 5:00 pm New York time

(c) **Currency.**

(i) **Super-Major Currencies**

- United States dollar (USD)
- European Union Euro Area euro (EUR)
- Japan yen (JPY)
- United Kingdom pound sterling (GBP)

(ii) **Major Currencies**

- Australia dollar (AUD),
- Canada dollar (CAD)
- Denmark krone (DKK).
- Kingdom of Norway krone (NOK),
- Kingdom of Sweden krona (SEK)
- New Zealand dollar (NZD)
- Republic of South Africa rand (ZAR)
- Switzerland franc (CHF)

(iii) **Non-Major Currencies**

- Czech Koruna (CZK)
- Hong Kong dollar (HKD)
- Hungarian Forint (HUF)
- Polish Zloty (PLN)
- Singapore dollar (SGD)

(d) **Trading Conventions.**



(i) Buyer (Payer) pays fixed interest rate and receives floating interest rate.

(ii) Seller (Receiver) receives fixed interest rate and pays floating interest rate.

(e) Swap Leg Conventions. The terms of Fixed vs. Floating Interest Rate Swaps are based on a number of combinations of the criteria below. Approved contracts available for trading on the Exchange can be found on the website at [www.trueex.com](http://www.trueex.com).

(i) Fixed Leg

(A) Payment Frequency. Monthly (1M), Quarterly (3 M), Semi-Annually (6 M), Annually (12 M), One Time (1T)

(B) Day Count Convention.

- 30/360
- 30E/360
- ACT/360
- ACT/365.Fixed
- ACT/365.ISDA
- ACT/ACT.ISMA
- ACT/ACT.ISDA
- 30E/360.ISDA
- ACT/ACT.ICMA

(C) Holiday Calendar. Dependent on Currency

- US – New York (USNY)
- Europe – Target (EUTA)
- Great Britain – London (GBLO)
- Japan – Tokyo (JPTO)
  
- Australia – Sydney (AUSY)
- Canada – Toronto (CATO)
- Denmark – Copenhagen (DKCO)
- New Zealand – Wellington (NZWE)
- New Zealand – Auckland (NZAU)
- Norway – Oslo (NOOS)
- South Africa – Johannesburg (ZAJO)
- Sweden – Stockholm (SEST)
- Switzerland – Zurich (CHZU)

- Czech Republic – Prague (CZPR)
- Hong Kong –(HKHK)
- Hungary – Budapest (HUBU Singapore – (SGSI)
- Poland – Warsaw (PLWA)

(D) Business Day Convention. Modified Following with adjustment to period end dates. Business days in this convention must be valid business days in respect to Holiday Calendar associated with Currency for effective and payment dates. If not, it will be the next day that is a business day. If the adjusted end dates fall at the end of the month, the day rolls to the preceding day.

(E) Fixed Rate. The traded interest rate yield or basis points on Trade Date.

(ii) Floating Leg

(A) Reset Frequency. Monthly (1M), Quarterly (3 M), Semi-Annually (6 M), or Annually (12 M).

(B) Day Count Convention.

- 30/360
- 30E/360
- ACT/360
- ACT/365.Fixed
- ACT/ACT.ISDA
- 30E/360.ISDA

(C) Holiday Calendar. Dependent on Currency

- US – New York (USNY)
- Europe – Target (EUTA)
- Great Britain – London (GBLO)
- Japan – Tokyo (JPTO)
  
- Australia – Sydney (AUSY)
- Canada – Toronto (CATO)
- Denmark – Copenhagen (DKCO)
- New Zealand – Wellington (NZWE)
- New Zealand – Auckland (NZAU)
- Norway – Oslo (NOOS)
- South Africa – Johannesburg (ZAJO)
- Sweden – Stockholm (SEST)
- Switzerland – Zurich (CHZU)

- Czech Republic – Prague (CZPR)
- Hong Kong –(HKHK)
- Hungary – Budapest (HUBU Singapore – (SGSI)
- Poland – Warsaw (PLWA)

(D) Business Day Convention. Modified Following with adjustment to period end dates. Business days in this convention must be valid business days in respect to Holiday Calendar associated with Currency for effective and payment dates. If not, it will be the next day that is a business day. If the adjusted end dates fall at the end of the month, the day rolls to the preceding day.

(E) Payment Frequency. Monthly (1M), Quarterly (3 M), Semi-Annually (6 M), Annually (12 M), One Time (1T)

(F) Float Rate Index.

- USD-LIBOR-BBA
- EUR-EURIBOR-REUTERS
- EUR-EURIBOR-Telerate
- EUR-LIBOR
- JPY-LIBOR-BBA
- GBP-LIBOR-BBA
- AUD-BBR-BBSW
- CAD-BA-CDOR
- DKK-CIBOR-DKNA13
- DKK-CIBOR2-DKNA13
- NOK-NIBOR-NIBR
- SEK-STIBOR-SIDE
- NZD-BBR-FRA
- ZAR-JIBAR-SAFEX
- CHF-LIBOR-BBA
- CZK-PRIBOR-PRBO
- HKD-HIBOR-HKAB
- HUF-BUBOR-REUTERS
- PLN-WIBOR-WIBO
- SGD-DOR-REUTERS

(f) Effective Date. The first date from which fixed and floating interest amounts accrue. It is also referred to as the Start Date. The Effective Date of the Swap must be a business day subject to the appropriate Business Day Convention.

(g) Trade Start Type

(i) Spot Starting. A swap whose Effective Date follows market convention per each Currency, ranging from T+0 to T+2. For example USD is 2 business days from the Trade Date (T+2).

(ii) Forward Starting. A swap whose Effective Date is anything after than the Effective Date for a Spot Starting swap.

(h) Maturity Date. The final date until which Fixed and Floating amounts accrue. The Maturity Date may also be referred to as the Termination Date or End Date.

(i) Tenor. The duration of time from the Effective Date to the Maturity Date. The Exchange will support Tenors of any duration greater than 0 years up to 50 years.

(i) Listed Tenors, with respect to the DCM Trading System, also referred to as On-the-Run, means whole year Spot Starting Contracts with a Tenor of 2 through 10, 12, 15, 20, 25 and 30 years.

(ii) Other Tenors, also referred to as Off-the-Run, means any whole year Tenors other than the Listed Tenors and any partial year Tenor. Transactions in Other Tenors, (with the exception of Block Trades) are executed through the System's Off-the-Run trading functionality. All such trades will be subject to the requirements of Exchange Rule 524(c).

(A) Standard Off-the-Run means any whole year Other Tenor that is Spot Starting.

(B) Non-Standard (or Custom) Off-the-Run means any partial year Tenor that is Spot Starting and all Forward Starting Contracts (whole and partial year Tenors).

(j) Roll Day Convention. The date used for determining all fixed and floating Reset Dates. Roll Days define the beginning and end of Fixed and Floating interest accrual periods. For On-the-Run Contracts, the Roll Day is the same date of the month as the Effective Date. For Off-the-Run Contracts, it can be any date of the month, subject to the provisions of the Business Day Convention. Roll Day marks the start of a new interest accrual period, and is the date on which a Reset Rate takes effect. The Exchange supports the following roll types:

(i) Standard. Standard roll will be the same day of the month accordingly aligned to the roll frequency. For example, Effective date January, 10th, 2013 and Maturity Date January, 10th, 2015 with a 3M payment, roll frequency will settle on the 10th day every three months.

(ii) End of Month (EOM). For EOM convention, if the roll date falls at the end of the month the date moves back to the preceding ~~good~~ business day based on the applicable Business Day Convention employed.

(iii) International Money Market (IMM). IMM roll dates are the 3rd ~~Wed~~Wednesday of March, June, September and December.

(k) Floating Reset Dates. Dates utilized to determine the Floating Rate amounts for each interest accrual period during the Tenor of the contract. Except in the case of a Stub Period, the Reset Date is 2 business days prior to the Roll Date for that interest accrual period.

(l) First Period Fixing Date. (Based on Holiday Calendar of the Currency)

(i) For Spot Starting swaps, the Interest Rate for the first interest period is fixed on the Trade Date, for both Floating and Fixed Rates.

(ii) For Forward Starting swaps, the Fixed Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the Effective Date

(m) Stub Period Rate. For swaps with partial year Tenors, a first interest period that is shorter than the standard underlying Floating index interest periods may occur between the Effective Date and the first Roll Date (known as a Stub Period). In these cases, the Interest Rate for such Stub Period is determined using linear interpolation based on the two index rates that surround the Stub Period.

(i) Stub Index Frequency. 1 Week (1W), 2 Week (2W), 1 Month (1M), 2 Month (2M), 3 Month (3M), 6 Month (6M), 9 Month (9M), 12 Month (12M)

(n) Trade Types. The Platform may support the following trade types:

(i) Outrights. An Outright swap is where one party is the payer of the fixed rate and receiver of the floating rate and the other party is the receiver of the fixed rate and payer of the floating rate.

(ii) Switches. Switches are the simultaneous purchase and sale of two different Tenors of the yield curve (e.g. 2 year by 10 year).

(iii) Butterflies. Butterflies are the simultaneous purchase(s) and sale(s) of three different tenors of the yield curve (e.g. 2 year by 5 year by 10 year).

(iv) Spreads. A Spread trade consists of a transaction where the payer and receiver of the fixed rate on the Interest Rate Swap simultaneously enter into a transaction for a treasury security of an equivalent Tenor. For the treasury transaction, the payer of the fixed rate on the swap buys and the receiver of the fixed rate on the swap sells either a single treasury security or two treasury securities using a simple weighted average to match the risk,

(v) Invoice Spreads. An Invoice Spread trade consists of a transaction where two parties enter into a treasury futures contract and simultaneously enter into an interest rate swap transaction. The buyer of the futures contract is the payer of the fixed rate on the interest rate swap transaction and the seller of the futures contract is the receiver of the fixed rate on the interest rate swap transaction. The interest rate swap is of an equivalent Tenor to match the risk.

(vi) Block Trades has the meaning as defined in Chapter 1 of this Rulebook.

(o) Contract Size.

(i) On-the-Run. Minimum notional size of \$51 million USD or multiple thereof and increments of \$51 million USD depending on Tenor.

(ii) Off-the Run. Minimum notional size of \$1 million USD and increments of \$1,000 USD.

(iii) Block Trades. Minimum notional size as indicated in Rule 1001(t) and increments of \$1,000 USD.

(p) Quoting Convention

(i) Outrights. Outrights are quoted in interest rate yield.

(A) On-the-Run. The interest rate yield is quoted to 3 decimal places.

(B) Off-the-Run. The interest rate yield is quoted to 5 decimal places.

(C) Block Trades. The interest rate yield, regardless of Tenor, is quoted to 5 decimal places.

(ii) Switches, Butterflies. These trade types are quoted in basis points. The basis points are quoted to 1 decimal place.

(iii) Spreads, Invoice Spreads. These trade types are quoted in basis points. The basis points are quoted to 1 decimal place.

(q) Minimum Price Fluctuation.

(i) Outrights. The interest rate yield is quoted in increments of .001 (1/10<sup>th</sup> of a basis point).

(ii) Switches, Butterflies. The basis points are quoted in increments of .1 (1/10<sup>th</sup> of a basis point).

(iii) Spreads, Invoice Spreads. The basis points are quoted in increments of .1 (1/10<sup>th</sup> of a basis point).

(r) Last Trading Day.

(i) Spot Starting. Close of business on Trade Date.

(ii) Forward Starting. Close of business three business days prior to the Effective Date of the swap.

(s) Final Settlement Price. Multiple payments take place during the term of the swap. Settlement price used for the periodic exchange of fixed and floating payments is based on the following factors:

(i) Fixed Leg. Payment amount on the fixed leg is based on the trade price of the swap on Trade Date. Payment timing on the fixed leg is based on the Payment Frequency, Day Count Convention, Business Day Convention, and Roll Day.

(ii) Floating Leg. Payment on the floating leg is based on the Interest Rate Benchmark of the swap. Payments on the floating leg are based on the Payment Frequency, Day Count Convention, Business Day Convention, Roll Day Convention and Floating Reset Dates.

(t) Block Trades.

(i) Minimum Notional Sizes. The Exchange has established the following Block Trade Sizes: as required by Appendix F to Part 43 of the CFTC Regulations:

Initial Maturity greater than	Initial Maturity less than or equal to	Minimum Block Size (\$ Notional)		
		Super Major Currencies	Major Currencies	Non-Major Currencies
0 days	46 days	\$6.4 billion	\$2.2 billion	\$230 million
46 days	3 months (107 days)	\$2.1 billion	\$580 million	\$230 million
3 months (107 days)	6 months (198 days)	\$1.2 billion	\$440 million	\$150 million
6 months (198 days)	1 year (381 days)	\$1.1 billion	\$220 million	\$110 million
1 year (381 days)	2 years (746 days)	\$460 million	\$130 million	\$54 million
2 years (746 days)	5 years (1,842 days)	\$240 million	\$88 million	\$27 million
5 years (1,842 days)	10 years (3,668 days)	\$170 million	\$49 million	\$15 million
10 years (3,668 days)	30 years (10,973 days)	\$120 million	\$37 million	\$16 million
30 years (10,973 days)		\$67 million	\$15 million	\$15 million

(ii) For non-US dollar denominated swaps, the minimum block sizes will be based on a currency exchange rate that is widely published within the preceding two business days from the date of execution of the swap transaction.

(iii) Reporting. All Block Trades must be reported to the Exchange as soon as technologically practicable.

(u) Clearing House. CME or LCH. Choice of Clearing House is determined at the time of order entry.