

# SUBMISSION COVER SHEET

Registered Entity Identifier Code (optional) 2014-11S

Date: June 26, 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**

Rules 101, 214, 219, 311, 316, 401, 403, 605, 620, 902

**DESCRIPTION**

Emergency filing pursuant to CFTC Regulation 40.6(a)(6)



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[www.trueex.com](http://www.trueex.com)

June 26, 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: Submission Pursuant to Regulation 40.6(a)(6)**

Dear Ms. Jurgens:

trueEX LLC (the “Exchange”) has terminated its regulatory services agreements with National Futures Association (“NFA”) who had been providing third party regulatory services to trueEX required under DCM and SEF Core Principles 2 and 4. The termination of these agreements is effective at the close of business on Thursday, July 3, 2014. Beginning Monday, July 7, 2014, the services previously covered under these agreements will be performed by its Exchange Regulation Department (as that term is defined in the trueEX rulebook). trueEX is submitting these rulebook amendments to the Commodity Futures Trading Commission (“CFTC”) to remove all references to Regulatory Service Provider and related terms. Due to the timing limitation of implementing these rule changes (less than 10 business days), trueEX is submitting these rulebook amendments as an Emergency rule certification pursuant to CFTC Regulation 40.6(a)(6). The amendments to the trueEX rulebook are summarized below.

**Summary of Amendments**

<b>trueEX Rule</b>	<b>Nature of Amendment</b>
<ul style="list-style-type: none"> <li>• <b>Updated Table of Amendments/Revisions to Rulebook -</b> reflecting changes below</li> </ul>	
<ul style="list-style-type: none"> <li>• Rule 101 – amended the definition of the terms “Exchange Official”, “Exchange Regulation Department”. Deleted the terms “Regulatory Services Agreement” and “Regulatory Services Provider”</li> <li>• Rule 214 – deleted reference to third party provider of regulatory services</li> <li>• Rule 311 – deleted reference to Regulatory Services Provider</li> <li>• Rule 316 – deleted references to Regulatory Services Provider</li> <li>• Rule 401 – deleted references to Regulatory Services Provider</li> <li>• Rule 403 – deleted references to Regulatory Services Provider</li> <li>• Rule 605 – deleted requirement to provide written explanation to the Regulatory Services Provider</li> </ul>	SEF Core Principle 2 and CFTC Regulation 37.204, SEF Core Principle 4 and CFTC Regulation 37.407; DCM Core Principle 2 and CFTC Regulation 38.154, DCM Core Principle 4 and CFTC Regulation 38.257.

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>• Rule 620 – deleted references to Regulatory Services Provider</li><li>• Rule 902 - deleted reference to regulatory service provider</li></ul> |  |
|---|--|

Each rule amendment summarized above is detailed in Exhibit A attached to this letter.

trueEX certifies that these rules amendments comply with the Act and the Commission's regulations thereunder. trueEX's analysis of the operation, purpose and effect of the proposed rule changes and their compliance with the Act, core principles and Commission's regulations thereunder is included in the table above.

There are no substantive opposing views to these rule amendments expressed by the trueEX governing board or market participants. Furthermore, trueEX certifies that this certification has been concurrently posted on the Exchange's Web Site at <http://www.trueex.com/rules-and-notice>. These Amendments will be effective on July 7, 2014.

If you have questions regarding this notice, please contact me at (646) 786-8527 or by email at [gloria.flinn@trueex.com](mailto:gloria.flinn@trueex.com).

Sincerely,

/s/ Gloria Flinn

Gloria J. Flinn  
Chief Legal Officer

cc: [dmosubmissions@cftc.gov](mailto:dmosubmissions@cftc.gov)  
[submissions@cftc.gov](mailto:submissions@cftc.gov)  
Alexis Hall Bugg, Special Counsel, DMO  
Maggie Sklar, Special Counsel, DMO  
Roger Smith, Attorney Advisor, DMO  
Fran Kenck, trueEX LLC

EXHIBIT A

TRUEX LLC

RULEBOOK

Effective Date	Amendment(s) and/or Revision(s)
July 7, 2014	<ul style="list-style-type: none"> <li>• Rule 101 – amended the definition of the terms “Exchange Official”, “Exchange Regulation Department”. Deleted the terms “Regulatory Services Agreement” and “Regulatory Services Provider”</li> <li>• Rule 214 – deleted reference to third party provider of regulatory services</li> <li>• Rule 311 – deleted reference to Regulatory Services Provider</li> <li>• Rule 316 – deleted references to Regulatory Services Provider</li> <li>• Rule 401 – deleted references to Regulatory Services Provider</li> <li>• Rule 403 – deleted references to Regulatory Services Provider</li> <li>• Rule 605 – deleted requirement to provide written explanation to the Regulatory Services Provider</li> </ul>

**RULE 101. Definitions**

“Exchange Official” means any Director or Officer of, or individual employed directly by, the Exchange, ~~the Regulatory Services Provider~~ or any individual rendering similar services to the Exchange under an administrative or similar agreement.

“Exchange Regulation Department” means all Exchange Officials or agents of the Exchange ~~(including the Regulatory Services Provider)~~ that assist the Exchange in the implementation, surveillance and enforcement of Obligations and Applicable Law.

“Regulatory Services Agreement” means ~~the agreement(s) between the Exchange and the Regulatory Services Provider whereby certain functions mandated under the CEA, such as market monitoring and trade practice surveillance, are delegated to the Regulatory Services Provider.~~

~~“Regulatory Services Provider” means the organization, if any, which provides self-regulatory services to the Exchange.~~

#### **Rule 214. Emergency Rules**

(a) During an Emergency, the Exchange may implement temporary emergency procedures and rules (“Emergency Rules”) pursuant to Rule 214(b), subject to the applicable provisions of the CEA and CFTC Regulations.

Emergency Rules may require or authorize the Exchange, the Board, any committee of the Board or any Officer to take actions necessary or appropriate to respond to the Emergency (each such action, an “Emergency Action”), directly or through third party providers of clearing ~~or regulatory~~ services, including, but not limited to, the following actions:

...

#### **Rule 219. [RESERVED] ~~Services Agreement with a Regulatory Services Provider~~**

~~(b) The Exchange may contract with a Regulatory Services Provider to provide certain regulatory services to the Exchange pursuant to a Regulatory Services Agreement. In accordance with the relevant Regulatory Services Agreement, a Regulatory Services Provider may perform certain surveillance, investigative, and regulatory functions under the Rules and the Exchange may provide information to such Regulatory Services Provider in connection with the performance by such Regulatory Services Provider of those functions.~~

~~(c) Any of the powers or functions of the Exchange under the Rules may be delegated to a Regulatory Services Provider pursuant to the relevant Regulatory Services Agreement in such manner and on such terms as the Exchange and such Regulatory Services Provider may mutually agree; provided, however, that the Exchange shall retain ultimate decision-making authority with respect to any powers or functions that are delegated to such Regulatory Services Provider.~~

#### **RULE 311. Recording of Communications**

The Exchange may record conversations and retain copies of electronic communications in respect of Orders, Transactions and any other Exchange Activity between officers, employees or agents of the Exchange, on one hand, and Clearing Firms, Participants, and other Subject Persons, on the other hand. Any such recordings may be retained by the Exchange in such manner and for such periods of time as the Exchange may deem necessary or appropriate. The Exchange will retain such records as required to comply with CFTC Regulations §§ 1.31, 1.35. ~~The Regulatory Services Provider will have access to such recordings to the extent required to perform certain regulatory services to the Exchange pursuant to the Regulatory Services Agreement.~~

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

...

(c)(i)(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

...

#### **RULE 401. Duties and Responsibilities of Participants**

...

(k) keep, or cause to be kept, complete and accurate books and records, including records of activity in the underlying commodity and related derivatives markets and all other books and records required to be maintained pursuant to the CEA, the CFTC Regulations or the Rules, for at least five years, and make such books and records (i) readily accessible during the first two years of such five year period, and (ii) available for inspection by a representative of the Exchange ~~(including the Regulatory Services Provider)~~, the CFTC, the DOJ, the SEC, or by any representative of a prudential regulator as authorized by the CFTC.

#### **RULE 403. Ability to Obtain Information**

(a) The Exchange ~~and the Regulatory Services Provider~~, acting directly or through authorized representatives, shall have the right, 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:

...

(b) The Exchange Regulation Department may require a Participant to furnish to the Exchange ~~or the Regulatory Service Provider~~ (periodically or upon request) information that is necessary to perform the enforcement obligations of the Exchange under the Rules or Applicable Law.

#### **Rule 605. Review of Investigative Reports**

...

(a)(iii) ...

(A) the informal disposition of the Investigation (by issuing a warning letter or otherwise) because disciplinary proceedings are unwarranted, ~~in which case the Chief Compliance Officer or the Chief Regulatory Officer shall provide a written explanation to the Regulatory Services Provider; or~~

(B) the closing of the Investigation without any action because no reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur, ~~in which case the Chief Compliance Officer or the Chief Regulatory Officer shall provide a written explanation to the Regulatory Services Provider; or~~

...

(b)(i) ...

(B) If the Review Panel determines that no reasonable basis exists for finding a violation or that prosecution is otherwise unwarranted, it may direct that no further action be taken. Such determination must be in writing, and must include a written statement setting forth the facts and analysis supporting the decision ~~and the Chief Compliance Officer or the Chief Regulatory Officer shall provide the written statement to the Regulatory Services Provider.~~

...

**Rule 620. Notice to the Respondent, ~~the Regulatory Services Provider~~ and the Public**

The Exchange will provide written notice of disciplinary proceedings to the parties ~~and the Regulatory Services Provider~~ consistent with applicable CFTC Regulations. Whenever the Exchange suspends, expels, fines or otherwise disciplines, or denies any Person access to the Exchange, the Exchange will make the public disclosures required by CFTC Regulations.

**Rule 902. Post-Trade Processing**

Subject Persons shall permit the Exchange to share with certain third-party post-transactional processing provider, including but not limited to swap data repositories, ~~regulatory service providers~~, Clearing House routing services, or post-trade allocation systems used by the Exchange, all market data and information that is necessary to support the post-trade processing and confirmation of Trades.