

# SUBMISSION COVER SHEET

Confidential Treatment has not been requested

Organization Name: trueEX LLC

Organization Type: SEF

Registered Entity Identifier: 2016-06S.2

Submission Number: 1608-2218-1259-34

Submission Date: 08/22/16 06:12:59 PM

Submission Type: Product - 40.2(a) Product Certification

Submission Description:

August 22, 2016

**Via E-Mail: submissions@cftc.gov**

Christopher J. Kirkpatrick  
Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**RE: trueEX LLC Product Certification (trueEX LLC submission #2016-06S.2)**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, (the “Act”) and Commission Regulation 40.2(a), trueEX LLC (“trueEX” or the “Exchange”) hereby submits to the U.S. Commodity Futures Trading Commission (the “Commission”) this product certification as indicated below:

Products to be listed and related trueEX Rule:

- Rule 1001
  - Added Brazilian Real (BRL) as a non-major currency and its related terms
- Rule 1003
  - This new rule includes complete contract terms and conditions for **Overnight Index Swaps (OIS)** denominated in **United States dollar**, European Union Euro Area euro, Japanese yen, United Kingdom pound sterling, Canadian dollar, and Swiss franc.

Pursuant to Commission Regulation 40.2, this submission includes:

- i. The Submission Cover Sheet
- ii. A copy of the Contract’s rules (Rules 1001 and 1003 of the trueEX Rulebook)
- iii. The intended listing date (August 24, 2016);

Each addition to the aforementioned rules is detailed in the redlined excerpts of the Exchange’s Rulebook attached as Exhibit 1, with the final wording attached as Exhibit 2 to this letter.

A concise explanation and analysis of these additional Contracts, and their compliance with applicable provisions of the Commodity Exchange Act (the “Act”), including core principles, and the Commissions regulations thereunder, can be found in Exhibit 3.

trueEX certifies that this product certification and rule amendments comply with the Act and the Commission's regulations thereunder. There were no substantive opposing views expressed by the trueEX governing board or market participants to the addition of these Contract or the related rule amendments.

trueEX certifies that this certification has been concurrently posted on the Exchange's Web Site at <http://www.trueex.com/rules-and-notices>. This certification is intended to be effective on August 24, 2016.

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

Sincerely,



Fran Kenck  
Chief Compliance Officer/Chief Regulatory Officer

**CHAPTER 10  
INTEREST RATE SWAP CONTRACTS**

**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 Web Site ([www.trueex.com](http://www.trueex.com)).

(b) Trading Hours.

(i) DCM Trading Hours. The Trading Hours of the DCM Trading System that are applicable to the Contract described in this Rule 1001 will commence each Business Day at 8:00 a.m. London time (BST/GMT) and end each Business Day at 5:00 p.m. New York time (EST/EDT).

(ii) SEF Trading Hours. The Trading Hours of the SEF Trading System that are applicable to the Contract described in this Rule 1001 will be as follows:

- The RFQ Trading Hours will commence each Business Day at 8:00 a.m. London time (BST/GMT) and end each Business Day at 5:00 p.m. New York time (EST/EDT).
- The PTC Trading Hours will commence each Business Day at 8:00 a.m. London time (BST/GMT) and end each Business Day at 6:00 p.m. New York time(EST/EDT).

(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

- Brazilian Real (BRL)
- Czech Koruna (CZK)
- Hong Kong dollar (HKD)
- Hungarian Forint (HUF)

- Mexican Peso (MXN)
- 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 Web Site ([www.trueex.com](http://www.trueex.com)).

(i) Fixed Leg

(A) Payment Frequency. 28 Days, Monthly (1M), Quarterly (3 M), Semi-Annually (6 M), Annually (12 M), One Time (1T)

(B) Day Count Convention.

- 30/360
- 30E/360
- 30E/360.ISDA
- ACT/360
- ACT/365.Fixed
- ACT/365.ISDA
- ACT/ACT.ISMA
- ACT/ACT.ISDA
- ACT/ACT.ICMA
- BUS/252

(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)
- Brazil – Brazil Business Day (BRBD)
- Czech Republic – Prague (CZPR)
- Hong Kong –(HKHK)
- Hungary – Budapest (HUBU) Singapore – (SGSI)
- Mexico – Mexico City (MXMC)

- Poland – Warsaw (PLWA)
- Singapore – Singapore (SGSI)

(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. One Day (1D), 28 Days, 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
- ACT/ACT.ICMA
- BUS/252

(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)
- Brazil – Brazil Business Day (BRBD)
- Czech Republic – Prague (CZPR)
- Hong Kong –(HKHK)
- Hungary – Budapest (HUBU)
- Mexico – Mexico City (MXMC)
- Poland – Warsaw (PLWA)
- Singapore – Singapore (SGSI), London (GBLO)

(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. 28 Days, 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
- BRLCDI
- CHF-LIBOR-BBA
- CZK-PRIBOR-PRBO
- HKD-HIBOR-HKAB
- HUF-BUBOR-REUTERS
- MXN-TIIE-Banxico
- PLN-WIBOR-WIBO
- SGD-SOR-REUTERS
- SGD-SOR-VWAP

(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 with an Effective Date that 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 the Effective Date for a Spot Starting swap.

(h) “Maturity Date” means 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” means 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 business day based on the applicable Business Day Convention employed.

(iii) International Money Market (IMM). IMM roll dates are the 3rd 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 up to 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), 28 Days, 1 Month (1M) ~~to 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 \$1 million USD or multiple thereof and increments of \$1 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 minimum Block Trade sizes in accordance with 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) Terminations. When executing a Transaction that is terminating an existing Contract, the Maturity Date of the Contract shall be its remaining time to maturity and not the original Tenor of the Contract.

(iv) Reporting. All Block Trades must be reported to the Exchange as soon as technologically practicable after execution but in no event more than 10 minutes after the parties have agreed to the terms of such Block Trade.

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

## RULE 1003. Overnight Index Swap (“OIS”) Contracts

(a) Contract Description. Fixed rate is swapped against a daily overnight reference rate for an agreed period. This is an interest rate swap for which settlement is in the form of periodic fixed interest payments and a stream of a predetermined daily compounding rate published over a term to maturity. The interest rate payments are exchanged for a specified period based on a notional amount. This Rule 1003 contains general information about the Contract terms and conditions. Contracts eligible for trading on the Exchange can be found on the website at [www.trueex.com](http://www.trueex.com).

### (a) Trading Hours.

The Trading Hours of the SEF Trading System that are applicable to the Contract described in this Rule 1003 will be as follows:

- The RFQ Trading Hours will commence each Business Day at 8:00 a.m. London time (BST/GMT) and end each Business Day at 5:00 p.m. New York time (EST/EDT).
- The PTC Trading Hours will commence each Business Day at 8:00 a.m. London time (BST/GMT) and end each Business Day at 6:00 p.m. New York time (EST/EDT).

### (b) 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

- Canada dollar (CAD)
- Switzerland franc (CHF)

### (d) Trading Conventions.

(i) Buyer (Payer) pays fixed interest rate and receives floating interest rate daily compounding of the floating overnight index rate.

(ii) Seller (Receiver) receives fixed interest rate and pays floating interest rate daily compounding of the floating overnight index rate.

(e) Swap Leg Conventions. The terms of Fixed vs. Overnight Index Swaps are based on a number of combinations of the criteria below. Approved contracts available for trading on the Exchange are itemized in Schedule 1003.

#### (i) Fixed Leg

(A) Payment Frequency. Monthly, Quarterly, Semi-Annually, Annually or a One Time Bullet payment

(B) Day Count Convention. Bond Basis (30/360), Money Market Basis (ACT/360), ACT/365, ACT/ACT.ISDA, 30E/360, and 30E/360.ISDA.

(C) Holiday Calendar. USD – New York (USNY), EUR – Target (EUTA), GBP – London (GBLO), CHF – Zurich (CHZU), JPY – Tokyo (JPTO), and CAD – Toronto (CATO).

(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 to each Currency. If not, it will be the next day that is a business day and if the adjusted end dates falls 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. Daily

(B) Day Count Convention. Bond Basis (30/360), Money Market Basis (ACT/360), ACT/365, ACT/ACT.ISDA, 30E/360, and 30E/360.ISDA.

(C) Holiday Calendar. USD – New York (USNY), EUR – Target (EUTA), GBP – London (GBLO), CHF – Zurich (CHZU), JPY – Tokyo (JPTO), and CAD – Toronto (CATO).

(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 each Overnight Interest Rate for the fixing date and the Holiday Center calendar associated with the Currency for payment date. 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) Overnight Interest Rate. USD-Federal Funds-H.15-OIS-COMPOUND, EUR-EONIA-OIS-COMPOUND, GBP-WMBA-SONIA-COMPOUND, CHF-TOIS-OIS-COMPOUND, JPY-TONA-OIS-COMPOUND, and CAD-CORRA-OIS-COMPOUND.

(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, 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 to 30 years and reserves the right to list additional Tenors of up to 50 years.

(j) Roll Day Convention. The date used for determining all fixed and floating calculation periods for payment as per the defined frequency of each leg. Roll Days define the beginning and end of Fixed and Floating interest accrual periods. Roll Day marks the start of a new interest accrual period. 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) No roll day (NONE). For an OIS swaps with a one-time payment (1T) a roll date is not required. Both the fixed leg and the float leg must pay at the end of the swap period.

(k) Floating Rate Resets Daily. Interest accrual compounds daily 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) Stub Rate. For swaps with partial year Tenors, a first interest period that is shorter than the Floating leg payment period may occur between the Effective Date and the first Roll Date (known as a Stub Period). In these cases, the calculation days in the accrual period are compounded for the Stub Period.

(m) Block Trades. . A Block Trade in OIS will be subject to the same minimum block sizes and rules for Fixed for Floating Interest Rate Swaps as indicated in Rule 1001(t).

(n) Clearing House. CME or LCH. Choice of Clearing House is determined at the time of order entry and is based on qualification of each Participant's/Customer's Clearing Firm.

**EXHIBIT 2**

**CHAPTER 10**

**INTEREST RATE SWAP CONTRACTS**

**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 Web Site ([www.trueex.com](http://www.trueex.com)).

(b) Trading Hours.

(i) DCM Trading Hours. The Trading Hours of the DCM Trading System that are applicable to the Contract described in this Rule 1001 will commence each Business Day at 8:00 a.m. London time (BST/GMT) and end each Business Day at 5:00 p.m. New York time (EST/EDT).

(ii) SEF Trading Hours. The Trading Hours of the SEF Trading System that are applicable to the Contract described in this Rule 1001 will be as follows:

- The RFQ Trading Hours will commence each Business Day at 8:00 a.m. London time (BST/GMT) and end each Business Day at 5:00 p.m. New York time (EST/EDT).
- The PTC Trading Hours will commence each Business Day at 8:00 a.m. London time (BST/GMT) and end each Business Day at 6:00 p.m. New York time(EST/EDT).

(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

- Brazilian Real (BRL)
- Czech Koruna (CZK)
- Hong Kong dollar (HKD)
- Hungarian Forint (HUF)

- Mexican Peso (MXN)
- 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 Web Site ([www.trueex.com](http://www.trueex.com)).

(i) Fixed Leg

(A) Payment Frequency. 28 Days, Monthly (1M), Quarterly (3 M), Semi-Annually (6 M), Annually (12 M), One Time (1T)

(B) Day Count Convention.

- 30/360
- 30E/360
- 30E/360.ISDA
- ACT/360
- ACT/365.Fixed
- ACT/365.ISDA
- ACT/ACT.ISMA
- ACT/ACT.ISDA
- ACT/ACT.ICMA
- BUS/252

(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)
- Brazil – Brazil Business Day (BRBD)
- Czech Republic – Prague (CZPR)
- Hong Kong –(HKHK)
- Hungary – Budapest (HUBU)
- Singapore – (SGSI)
- Mexico – Mexico City (MXMC)



- Poland – Warsaw (PLWA)
- Singapore – Singapore (SGSI)

(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. One Day (1D), 28 Days, 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
- ACT/ACT.ICMA
- BUS/252

(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)
- Brazil – Brazil Business Day (BRBD)
- Czech Republic – Prague (CZPR)
- Hong Kong –(HKHK)
- Hungary – Budapest (HUBU)
- Mexico – Mexico City (MXMC)
- Poland – Warsaw (PLWA)
- Singapore – Singapore (SGSI), London (GBLO)

(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. 28 Days, 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
- BRLCDI
- CHF-LIBOR-BBA
- CZK-PRIBOR-PRBO
- HKD-HIBOR-HKAB
- HUF-BUBOR-REUTERS
- MXN-TIIE-Banxico
- PLN-WIBOR-WIBO
- SGD-SOR-REUTERS
- SGD-SOR-VWAP

(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 with an Effective Date that 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 the Effective Date for a Spot Starting swap.

(h) “Maturity Date” means 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” means 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 business day based on the applicable Business Day Convention employed.

(iii) International Money Market (IMM). IMM roll dates are the 3rd 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 up to 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), 28 Days, 1 Month (1M) to 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 \$1 million USD or multiple thereof and increments of \$1 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 minimum Block Trade sizes in accordance with 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) Terminations. When executing a Transaction that is terminating an existing Contract, the Maturity Date of the Contract shall be its remaining time to maturity and not the original Tenor of the Contract.

(iv) Reporting. All Block Trades must be reported to the Exchange as soon as technologically practicable after execution but in no event more than 10 minutes after the parties have agreed to the terms of such Block Trade.

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

## **RULE 1003. Overnight Index Swap (“OIS”) Contracts**

(a) Contract Description. Fixed rate is swapped against a daily overnight reference rate for an agreed period. This is an interest rate swap for which settlement is in the form of periodic fixed interest payments and a stream of a predetermined daily compounding rate published over a term to maturity. The interest rate payments are exchanged for a specified period based on a notional amount. This Rule 1003 contains general information about the Contract terms and conditions. Contracts eligible for trading on the Exchange can be found on the website at [www.trueex.com](http://www.trueex.com).

### (b) Trading Hours.

The Trading Hours of the SEF Trading System that are applicable to the Contract described in this Rule 1003 will be as follows:

- The RFQ Trading Hours will commence each Business Day at 8:00 a.m. London time (BST/GMT) and end each Business Day at 5:00 p.m. New York time (EST/EDT).
- The PTC Trading Hours will commence each Business Day at 8:00 a.m. London time (BST/GMT) and end each Business Day at 6:00 p.m. New York time (EST/EDT).

### (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

- Canada dollar (CAD)
- Switzerland franc (CHF)

### (d) Trading Conventions.

(i) Buyer (Payer) pays fixed interest rate and receives floating interest rate daily compounding of the floating overnight index rate.

(ii) Seller (Receiver) receives fixed interest rate and pays floating interest rate daily compounding of the floating overnight index rate.

(e) Swap Leg Conventions. The terms of Fixed vs. Overnight Index Swaps are based on a number of combinations of the criteria below. Approved contracts available for trading on the Exchange are itemized in Schedule 1003.

#### (i) Fixed Leg

(A) Payment Frequency. Monthly, Quarterly, Semi-Annually, Annually or a One Time Bullet payment

(B) Day Count Convention. Bond Basis (30/360), Money Market Basis (ACT/360), ACT/365, ACT/ACT.ISDA, 30E/360, and 30E/360.ISDA.

(C) Holiday Calendar. USD – New York (USNY), EUR – Target (EUTA), GBP – London (GBLO), CHF – Zurich (CHZU), JPY – Tokyo (JPTO), and CAD – Toronto (CATO).

(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 to each Currency. If not, it will be the next day that is a business day and if the adjusted end dates falls 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. Daily

(B) Day Count Convention. Bond Basis (30/360), Money Market Basis (ACT/360), ACT/365, ACT/ACT.ISDA, 30E/360, and 30E/360.ISDA.

(C) Holiday Calendar. USD – New York (USNY), EUR – Target (EUTA), GBP – London (GBLO), CHF – Zurich (CHZU), JPY – Tokyo (JPTO), and CAD – Toronto (CATO).

(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 each Overnight Interest Rate for the fixing date and the Holiday Center calendar associated with the Currency for payment date. 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) Overnight Interest Rate. USD-Federal Funds-H.15-OIS-COMPOUND, EUR-EONIA-OIS-COMPOUND, GBP-WMBA-SONIA-COMPOUND, CHF-TOIS-OIS-COMPOUND, JPY-TONA-OIS-COMPOUND, and CAD-CORRA-OIS-COMPOUND.

(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, 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 to 30 years and reserves the right to list additional Tenors of up to 50 years.

(j) Roll Day Convention. The date used for determining all fixed and floating calculation periods for payment as per the defined frequency of each leg. Roll Days define the beginning and end of Fixed and Floating interest accrual periods. Roll Day marks the start of a new interest accrual period. 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) No roll day (NONE). For an OIS swaps with a one-time payment (1T) a roll date is not required. Both the fixed leg and the float leg must pay at the end of the swap period.

(k) Floating Rate Resets Daily. Interest accrual compounds daily 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) Stub Rate. For swaps with partial year Tenors, a first interest period that is shorter than the Floating leg payment period may occur between the Effective Date and the first Roll Date (known as a Stub Period). In these cases, the calculation days in the accrual period are compounded for the Stub Period..

(m) Block Trades. . A Block Trade in OIS will be subject to the same minimum block sizes and rules for Fixed for Floating Interest Rate Swaps as indicated in Rule 1001(t).

(n) Clearing House. CME or LCH. Choice of Clearing House is determined at the time of order entry and is based on qualification of each Participant's/Customer's Clearing Firm.

### **EXHIBIT 3**

The Contracts added under this submission are intended to be traded on the SEF Trading System.

The Exchange has determined that the following Core Principles apply to these Contracts:

#### SEF Core Principle 2 – Compliance with Rules

- Chapter 3 of the trueEX Rulebook provides for the impartial access by Participants to the trueEX platform. This is overseen by the Exchange Access Committee (Rule 207). Under Rule 207 the “The Exchange Access Committee shall not, and shall not permit the Exchange to, restrict access or impose burdens on access in a discriminatory manner, within each category or class of Participants or between similarly-situated categories or classes of Participants”. In addition, under Rule 301, any person, directly or indirectly, initiating or executing a transaction in the any Contracts traded on the Exchange consents to the jurisdiction of the Exchange.
- Abusive trading practices in any Contracts traded on the Exchange are prohibited by Chapter 5 of the Rulebook. The Rulebook is enforced by the Exchange Regulation Department. Chapter 6 of the Rulebook sets forth the rules governing both the investigations and prosecutions of Rule violations. Pursuant to Rule 208, the Regulatory Oversight Committee ensures that the Exchange Regulation Department has sufficient resources to perform its obligations.
- Rule 403 provides the Exchange with the ability and authority to obtain any information necessary to perform its obligations under Core Principle 2 and the Exchange has the authority to share information with other markets under information-sharing agreements.

#### SEF Core Principle 3 – Contracts Not Readily Subject to Manipulation

- trueEX has established rules and an enforcement infrastructure to prevent the manipulation of the Contract. The trueEX Rulebook is available at <http://www.trueex.com/rules-and-notices>. See Chapter 5: Trading Practices and Business Conduct; Chapter 6: Disciplinary Rules. Exchange staff conduct real-time market surveillance, as well as T+1 surveillance and trade practice reviews.

#### SEF Core Principle 4 – Prevention of Market Distortion/SEF Core Principle 4 - Monitoring of Trading and Trade Processing

- Chapter 5 of the Rulebook prohibits Participants from manipulating, distorting the price of, and disrupting the settlement process of the any Contract traded on the Exchange. Rule 541 allows the Exchange to amend or cancel any trades as deemed necessary to prevent market distortion.

SEF Core Principle 9 – Daily/Timely Publication of Trading Information

- The Exchange shall publish on its website, [www.trueex.com](http://www.trueex.com), information required by Part 16 of the CFTC Regulations within the required time frame. Settlement prices will be provided by the applicable clearinghouse. trueEX posts a link on its website to both CME and LCH.

SEF Core Principle 2 – Trade Information

- All required trade information is included in the audit trail and is sufficient for the Exchange Regulation Department to monitor for market abuse. Such information will be used to assist in the prevention of customer and market abuses and to provide evidence of any violations of the rules of the Exchange. All audit trail information is retained as required by CFTC Regulation 1.31.

SEF Core Principle 7 – Financial Integrity of Transactions

- All Contracts shall be cleared by CME and LCH, which are registered derivatives clearing organization. Exchange Rules 404 and 407 ensure the financial integrity of futures commission merchants and introducing brokers as well as the protection of customer funds, to the extent that such entities and funds are associated with the trading of trueEX Contracts.

SEF Core Principle 2 – Disciplinary Procedures

- Chapter 6 of the trueEX Rulebook sets forth the rules related to the investigation and prosecution of potential rule violations. Chapter 6 also sets forth potential sanctions for rule violations and is applicable to all Contracts traded on the Exchange.