

SUBMISSION COVER SHEET

Confidential Treatment has not been requested

Organization Name: trueEX LLC

Organization Type: SEF

Registered Entity Identifier: 2017-04S

Submission Number: 1706-1822-2743-51

Submission Date: 06/18/17 10:27:43 PM

Submission Type: Rule - 40.6(a) Rule Certification

Submission Description: Certain Rulebook amendments to extend No Action letters regarding trade errors and confirmations for uncleared trades

Rule Numbers: 541 and 546



June 18, 2017

Via CFTC Portal

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 Certain Rulebook Amendments (trueEX LLC submission #2017-04S)

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the “Act”), and Commission Regulation 40.6(a), trueEX LLC (“trueEX” or the “Exchange”) hereby submits to the U.S. Commodity Futures Trading Commission (the “Commission”) certain amendments to terms and conditions of fixed vs. floating interest rate swaps offered for trading on trueEX.

Summary of Amendments

trueEX Rule	Nature of Amendment
Rule 541 – Amended the language to remove reference to expired No-Action Letter 16-58 and add language regarding newly issued No-action Letter 17-27 regarding trade errors, corrections and cancellations.	CFTC Regulation 40.6(a)
Rule 546 – Amended language to remove reference to expired No-Action Letter 16-25 and add language regarding newly issued No-Action Letter 17-17 regarding confirmation requirements for uncleared transactions.	

Exhibit 1 contains the redlined amendments to Rules 541 and 546.

trueEX certifies that these amendments complies with the Act and the Commission’s regulations thereunder. trueEX’s analysis of the operation, purpose and effect of the proposed rule change and its compliance with the Act, core principles and Commission’s regulations thereunder is included in the chart above. There were no substantive opposing



views expressed by the trueEX governing board or market participants to the rule amendments.

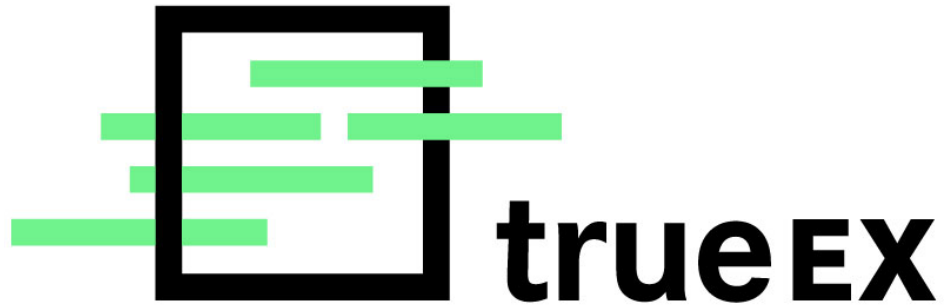
trueEX certifies that this certification has been concurrently posted on the Exchange's Web Site at <http://www.trueex.com/rules-and-notice>. These amendments will be effective on June 30, 2017.

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

Sincerely,

A handwritten signature in black ink that reads "Fran Kenck". The signature is written in a cursive, flowing style.

Fran Kenck
Chief Compliance Officer



trueEX, LLC

Rulebook

~~February 17, 2017~~ June 30, 2017

RFQ Workflow

1. Requester transmits an RFQ to required number of Respondents.
 - For Core RFQ, the session will automatically be cancelled if execution has not occurred by the earlier of 30 minutes from the time RFQ is sent, or market close.
 - For PTC, the session will automatically be cancelled if execution has not executed by market close.
2. Respondent(s) receive notification of RFQ and can take the following actions:
 - Pass (Respondent is not interested and will not receive any further updates on that specific RFQ session)
 - Submit a price to the Requester (and subsequently may update or cancel a price that has already been sent).
 - All prices sent by the Respondent are subject to Requester's acceptance and final affirmation by Respondent before execution occurs.
3. Requester can take the following actions:
 - Cancel the RFQ session
 - Ask for prices to be refreshed
 - Accept one of the Respondent's prices which starts an Affirmation Session
 - For Core RFQ, the Affirmation Session is 30 seconds long
 - For PTC, the Affirmation Session is 60 seconds long
4. When an Affirmation Session starts, the selected Respondent can take the following actions:
 - Execute.
 - For Core RFQ, execution must take place no later than 30 minutes after the initial RFQ was sent by Requester.
 - For PTC, execution must take place by market close
 - Update the price that was accepted. RFQ session returns to step 3 for action by Requester (including acceptance of price from other Respondent).
 - Cancel the price that was accepted
 - Do nothing. Session expires
5. For PTC, upon execution, package breakdown must occur by Requester or Respondent as agreed by the parties.

RULE 540. [RESERVED]

RULE 541. Trade Errors, Corrections and Cancellations

(a) Authority Over Trade Corrections and Cancellations

(i) The CCO, CRO or Chief Operating Officer of the Exchange is authorized by the Board ("Authorized Person") to approve the cancellation of and/or the correction of Transactions if rejected for clearing by the applicable Clearing House ("Rejected Trades") or if an error is reported to the Exchange after a trade has cleared ("Error Trades"). As provided for in CFTC No-Action Letter ~~16-5817-27~~ expiring ~~the earlier of 11:59 pm (Eastern Time) June 15, 2017 or on~~ the effective date of ~~any changes in the regulations, revised Commission regulations that establish a permanent solution to addressing clerical or operational errors~~, the Authorized Person may approve the cancellation and/or correction for Rejected Trades and Error Trades for certain clerical or operational errors made by a Participant or Direct Access Customer, or by the Exchange, including Platform malfunction or defects.

(ii) The Exchange must make an affirmative finding that a clerical or operational error of the type described in CFTC No-Action Letter ~~17-2716-58~~ occurred in order for the Transaction to be eligible for cancellation and/or correction pursuant to the terms of CFTC No-Action Letter ~~16-5817-27~~.

(iii) Notwithstanding any other provisions of this Rule 541, the Authorized Person may approve the cancellation and/or correction of any Error Trade or elect not to cancel an Error Trade

if it determines such action is necessary to mitigate market disrupting events or otherwise has a material, adverse effect on the integrity of the market or the Exchange.

(iv) All decisions of the Authorized Person under this Rule 541 shall be final.

(b) **Rejected Trades.** All Rejected Trades will be void ab initio and will be canceled by the Exchange. However, pursuant to the terms of No-Action Letter ~~16-5817-27~~, any Rejected Trade that fails to clear due to certain clerical or operational errors made by a Participant or Direct Access Customer or by the Exchange, including Platform malfunction or defects; or is part a Package Transaction in which individual legs fail to clear for insufficient credit due to the sequencing of the submission of the legs for clearing, is eligible for correction. Rejected Trades may be corrected by executing a pre-arranged trade with the terms and conditions that match the original trade, corrected for the error that caused the rejection (“New Trade”), provided the following conditions are met:

(i) If the Exchange is able to determine how to correct the error, it will do so without obtaining consent from the counterparties.

(ii) If the Exchange is unable to determine how to correct an error, it will seek guidance from the counterparties and implement such guidance with the consent of both counterparties, or elect not to fix the error.

(iii) The New Trade must be executed and submitted for clearing as soon as technologically practicable after receipt of notice of the Rejected Trade, but in any event no later than one hour from receipt of the rejection notice. The Exchange will facilitate the execution of the New Trade on the DCM Trading System to preserve the anonymity of the parties. Execution of the New Trade on the SEF Trading System will be either by the counterparties or the Exchange, as agreed.

(iv) If the New Trade is also rejected for clearing, it is void ab initio and the parties will not be provided a second opportunity to correct the error.

(v) The Exchange will submit to the SDR as soon as technologically practicable upon cancellation of the Rejected Trade a cancellation and termination indicating that the Rejected Trade is void ab initio, and the New Trade as required under Parts 43 and 45 of the CFTC Regulations.

(c) **Error Trades.** Pursuant to CFTC No-Action Letter ~~16-5817-27~~, an Error Trade is eligible to be corrected by executing a pre-arranged trade between the original parties to the Error Trade that reverses the Error Trade (“Offset Trade”) and executing a New Trade.

(i) **Error Types.** For the purposes of this Rule, Error Trades consist of three types:

(A) Clerical or operational error (non-economic) caused by one of the counterparties.

(B) Clerical or operational error (economic) caused by one of the counterparties.

(C) Clerical or operational error, including Platform malfunction caused by the Exchange.

(ii) **Cancellation/Correction Eligibility.**

(A) An Error Trade that contains a clerical or operational error made by one of the counterparties that does not impact the economic terms of the Transaction,

including incorrect account identification or incorrect Clearing Firm, may be corrected by executing an Offset Trade and a New Trade. The Exchange does not require consent of both parties in order to correct the Error Trade.

(B) An Error Trade that contains a clerical or operational error made by one of the counterparties to the Transaction that impacts the economic terms of the Transaction will not be cancelled. For the purposes of this rule, errors that impact the economic terms of the Transaction are deemed to be notional amount, tenor, and price/rate on the DCM Trading System, and all terms that are identified in Chapter 10 of this Rulebook for the applicable Contract on the SEF Trading System. Provided, however, that if the counterparty that is not responsible for the error consents to cancellation of the Error Trade, an Offset Trade may be executed to reverse the transaction. A New Trade with corrected terms may be executed only if mutually agreed by both parties.

(C) A Transaction that is executed as a result of Platform malfunction or any clerical or operational error caused by the Exchange is deemed to be an Error Trade and may be canceled by means of an Offset Trade. If the error has no economic impact and the Exchange is able to determine how to correct the error, the Exchange may correct the error without consent from the counterparties by executing a New Trade. If the error has an economic impact, both counterparties must consent if they wish the Transaction to stand as executed or if they wish to execute a New Trade to correct the error.

Notwithstanding the foregoing provisions of (A), (B), and (C) above, an Error Trade may also be canceled and/or corrected directly by the Clearing House if permitted by the relevant Clearing House.

(iii) Any action to cancel and/or to correct an Error Trade shall be made no later than three business days after the Error Trade was executed.

(iv) The Exchange will submit to the SDR as soon as technologically practicable upon execution the Offset Trade and the New Trade as required under Parts 43 and 45 of the CFTC Regulations.

(d) Notification and Review

(i) Rejected Trades. Immediately upon receipt of notification of rejection directly from the Clearing House, the Exchange will notify both counterparties to the trade immediately upon receipt of the rejection. If eligible for correction and resubmission, the process described in 541(b) above will be followed.

(ii) Error Trades.

(A) Errors due to Platform malfunction or other error caused by the Exchange, the Exchange will notify the counterparties immediately upon the discovery of such error.

(B) DCM Trading System. If an Error Trade is due to an error by one of the counterparties to the Transaction and is related to an error in notional amount, tenor or price/rate of a Transaction executed on the DCM Trading System, the Exchange must be notified within 30 minutes of the time of execution. Notification can be made by either of the counterparties or by their respective Clearing Firms.

(C) Any other error discovered by the counterparties must be communicated to the Exchange within a reasonable time after discovery of such error, but in any event must

be made timely to allow for cancellation and/or correction of the Error Trade within the three business day timeframe allowed by CFTC No-Action Letter ~~16-5817-27~~.

(e) Execution Methods. As provided for in CFTC No-Action Letter ~~16-5817-27~~, an Offset Trade or New Trade that that is executed to cancel and/or correct a Rejected Trader or Error Trade, are allowed to be executed without being executed pursuant to the methods set forth in Commission Regulations 37.9(a)(2) and 38.500.

(f) Liability For Cancelled or Corrected Trades

(i) The Exchange shall not be liable for any costs, loss, damage, expense or fees related to Rejected Trades, Offset Trades and New Trades executed pursuant to this Rule 541 that result from errors not caused by the Exchange.

(ii) The Exchange does not require breakage agreements as a condition of trading on its Platform and expressly prohibits all Persons from requiring breakage agreements with other Persons as a condition of trading with each other on the Platform.

RULE 542. Block Trades

(a) The Exchange shall designate the Contracts that are eligible for treatment as a Block Trade and whether the details of a Block Trade may be submitted to the DCM Trading System or, pursuant to the CFTC No-Action Letter 16-74, expiring the earlier of 11:59 p.m. EST on November 15, 2017, or the effective date of any Commission action with respect to the issues discussed in No-Action Letter 16-74, executed on the non-order book functionality of the SEF Trading System using the RFQ Functionality as an RFQ to one.

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

(c) A Participant or Direct Access Customer shall not execute any order on behalf of its Customer or Client by means of a Block Trade unless such it has received prior written instruction or consent from its Customer or Client to execute Block Trades, on behalf of that Customer or Client. Such instruction or consent may be provided in the power of attorney or similar document by which the Client provides the Participant or Direct Access Customer with discretionary trading authority or the authority to direct the trading in its account. A Participant or Direct Access Customer shall not aggregate the orders of different Clients to satisfy the minimum threshold size unless such Participant or Direct Access Customer is one of the persons for which aggregation is permissible pursuant to CFTC Regulation § 43.6(h).

(d) 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 principal counterparties to the Block Trade.

(e) Participants and Direct Access Customers are not permitted to make a block election on a recurring basis through one-time notification to the Exchange.

(f) Block Trades may only be executed and reported on the same day to the DCM Trading System during Trading Hours of the relevant Contract. Parties to a Block Trade must ensure that its details are reported to and affirmed on the DCM Trading System 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. For the purposes of this Rule, a Block Trade is reported to the Exchange upon: (1) the entry of the trade details of the Block Trade by one party into the DCM Trading System; and (2) an affirmation of the terms of the Block Trade by the other party through the DCM Trading System. The trade details reported

paragraph (i), the Exchange shall promptly transmit Real-Time Data correcting such error or omission to the same SDR to which incorrect Real-Time Data was transmitted through such SDR's webservice or such other method as provided by the SDR.

(e) Correcting Required Swap Creation Data. The Exchange shall report corrections to any errors and omissions in Required Swap Creation Data that were transmitted by the Exchange to the SDR through the SDR's webservice or such other method as provided by the SDR. Corrections of errors or omissions in Required Swap Creation Data shall be reported to the relevant SDR as soon as technologically practicable after discovery of any such errors or omissions.

(f) Improper Cancellation or Correction. The Exchange shall not transmit or agree to transmit to an SDR a cancellation or correction to Real-Time Data with knowledge that the purpose of re-reporting such Real-Time Data is to gain or extend a delay in public dissemination of accurate Real-Time Data or to otherwise evade the reporting requirements in this part.

(g) Reporting Party Determination. For purposes of these rules, the term "Reporting Party" means, in respect of a swap executed on or pursuant to the Rules of the Exchange, the Participant that is the "reporting counterparty" after application of CFTC Regulation § 45.8. If both principal counterparties to a swap executed on or pursuant to the rules of the Exchange are Swap Dealers; or both are Major Swap Participants; or neither are Swap Dealers nor Major Swap Participants but both are financial entities as defined in CEA § 2(h)(7)(C); or neither are a financial entity as defined in CEA § 2(h)(7)(C), the Reporting Party shall be the Participant that is the fixed rate payer on the swap, and in respect of switches, the Reporting Party shall be the party that is the purchaser of the switch. If both counterparties to a swap are non-Swap Dealer/non-Major Swap Participant counterparties and only one counterparty is a U.S. person, that counterparty who is the U.S. person shall be the reporting counterparty.

RULE 546. Transaction Confirmation.

(a) For each Transaction executed on or pursuant to the Rules of the Exchange, the Exchange will provide each Participant that is a counterparty to the Transaction on the Platform, an electronic written record of all of the terms of the Transaction at the time of execution, which terms shall legally supersede any previous agreement and serve as a confirmation of the Transaction ("the Confirmation"). The Exchange will not include specific account identifiers for accounts included in Bunched Orders if the applicable requirements of CFTC Regulation 1.35(b)(5) are met.

(b) For Uncleared Transactions:

(i) Each Confirmation shall incorporate by reference, and shall state that it incorporates by reference, the terms of the underlying previously-negotiated freestanding agreements between the counterparties (including, without limitation, ISDA master agreements, other master agreements, terms supplements, master confirmation agreements, and incorporated industry definitions).

(ii) Each Confirmation shall state that in the event of any inconsistency between the Confirmation and the underlying previously-negotiated freestanding agreements, the terms of the Confirmation legally supersede any contradictory terms.

(iii) The Exchange is required to request from Participants to an Uncleared Transactions the underlying previously-negotiated freestanding agreements on request from the Commission and is required to provide such documents to the Commission as soon as they are available.

(iv) Participants are required to provide to the Exchange copies of underlying previously-negotiated freestanding agreements upon request from the Exchange.

(v) The information in subsections (i) through (iv) above is required pursuant to the terms of the No-Action Letter ~~16-2517-17~~, expiring ~~the earlier of 11:59 p.m. on March 31, 2017 or~~ on the effective date of any changes in the regulation.

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

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

(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) The provisions of (b) above shall also apply to Block Trades in which orders have been aggregated pursuant to CFTC Regulation § 43.6 to meet the minimum transaction size.

RULE 548. Legal Certainty of Transactions

A Transaction entered into on or pursuant to the Exchange Rules shall not be void, voidable, subject to rescission, otherwise invalidated, or rendered unenforceable as a result of either (a) a violation by the Exchange of the provisions of CEA § 5h or CFTC Regulations; or (b) any action taken by the CFTC that has the effect of amending, altering or supplementing these Rules or any of the terms or conditions of a Contract listed for trading on the Exchange.