

# SUBMISSION COVER SHEET

Confidential Treatment has not been requested

Organization Name: trueEX LLC

Organization Type: SEF

Registered Entity Identifier: CFTC 2017-10S.1

Submission Number: 1712-3020-1132-42

Submission Date: 12/30/17 08:11:32 PM

Submission Type: Product - 40.2(a) Product Certification

Submission Description:

# SUBMISSION COVER SHEET

Confidential Treatment has not been requested

Organization Name: trueEX LLC

Organization Type: SEF

Registered Entity Identifier: CFTC 2017-10S.2

Submission Number: 1712-3020-1414-53

Submission Date: 12/30/17 08:14:14 PM

Submission Type: Product - 40.2(a) Product Certification

Submission Description:



December 30, 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 Product Certification (trueEX LLC submission #2017-10S)**

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:

Product to be listed and related trueEX Rule:

Rule 1003

This updated rule includes complete contract terms and conditions **for Overnight Index Swaps (OIS)** denominated in the following currencies:

**Non-Major Currencies**

- Columbian Peso (COP) – submission #2017-10S.1
- Indian Rupee (INR) – submission #2017-10S.2

Pursuant to Commission Regulation 40.2, this submission includes:

- i. The Submission Cover Sheet
- ii. A copy of the Contract’s rules (Rule 1003 of the trueEX Rulebook)
- iii. The intended listing date (January 3, 2018);

A redlined version of the changes to Rule 1003 is attached as Exhibit 1 to this letter. Schedule 1003 is included as Exhibit 2.

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-notice>. This certification is intended to be effective on January 3, 2018.

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,

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

Fran Kenck  
Chief Compliance Officer

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

(d) 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.FIXED
- ACT/ACT.ISDA
- 30E/360
- 30E/360.ISDA
- ACT/ACT.ICMA

(C) Holiday Calendar.

- USD – New York (USNY)
- EUR – Target (EUTA)
- JPY – Tokyo (JPTO)
- GBP – London (GBLO)
- AUD – Sydney (AUSY)
- CAD – Toronto (CATO)
- CHF – Zurich (CHZU)
- COP – Bogota (COBO) and USNY
- INR – Mumbai (INMU) and USNY

(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.FIXED
- ACT/ACT.ISDA
- 30E/360

- 30E/360.ISDA
- ACT/ACT.ICMA

(C) Holiday Calendar.

- USD – New York (USNY)
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- AUD – Sydney (AUSY)
- CAD – Toronto (CATO)
- CHF – Zurich (CHZU)
- COP – Bogota (COBO) and USNY
- INR – Mumbai (INMU) and USNY

(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
- JPY-TONA-OIS-COMPOUND
- GBP-WMBA-SONIA-COMPOUND
- AUD – AONIA – OIS - COMPOUND
- CAD-CORRA-OIS-COMPOUND
- CHF-TOIS-OIS-COMPOUND
- COP-IBR-OIS-COMPOUND
- INR-FBIL-MIBOR-OIS-COMPOUND

(e) 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.

(f) 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.

(g) 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.

Schedule 1003  
 IRS Overnight Index Swaps ("OIS") eligible for Portfolio  
 Terminations and Compactions ("PTC") on The SEF Trading  
 System.

**EXHIBIT 2**

CME

Holiday Business Day Convention

Currency	Float Rate Index	Product Type	Spot Starting	Fixing Date Offset	Roll Types	Holiday Business Centers - Float Fixing Dates	Holiday Business Centers - Effective and Payment Dates	Holiday Business Centers - Expiration Date	Max Tenor (yrs)	Valid Fixed Payment Frequencies	Valid Float Designated Maturities	Valid Float Payment Frequencies	Valid Float Reset Frequencies
AUD	AUD-AONIA-OIS-COMPOUND	OIS	0	0	Standard, None	AUSY	AUSY	n/a	n/a	n/a	n/a	n/a	n/a
CAD	CAD-CORRA-OIS-COMPOUND	OIS	1	0	Standard, None	CATO	CATO	n/a	n/a	n/a	n/a	n/a	n/a
CHF	CHF-SARON-OIS-COMPOUND	OIS	2	0	Standard, None	CHZU	CHZU	n/a	n/a	n/a	n/a	n/a	n/a
<u>COP</u>	<u>COP-IBR-OIS-COMPOUND</u>	<u>OIS</u>	<u>2</u>	<u>0</u>	<u>Standard, None</u>	<u>COBO</u>	<u>COBO, USNY</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
EUR	EUR-EONIA-OIS-COMPOUND	OIS	2	0	Standard, None	EUTA	EUTA	n/a	30	1M, 3M, 6M, 12M, 1T	1D	1M, 3M, 6M, 12M, 1T	1M, 3M, 6M, 12M, 1T
GBP	GBP-WMBA-SONIA-COMPOUND	OIS	0	0	Standard, None	GBLO	GBLO	n/a	30	1M, 3M, 6M, 12M, 1T	1D	1M, 3M, 6M, 12M, 1T	1M, 3M, 6M, 12M, 1T

**Schedule 1003  
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System.**

**Holiday Business Day Convention**

**CME**

Currency	Float Rate Index	Product Type	Spot Starting	Fixing Date Offset	Roll Types	Holiday Business Centers - Float Fixing Dates	Holiday Business Centers - Effective and Payment Dates	Holiday Business Centers - Expiration Date	Max Tenor (yrs)	Valid Fixed Payment Frequencies	Valid Float Designated Maturities	Valid Float Payment Frequencies	Valid Float Reset Frequencies
<u>INR</u>	<u>INR-FBIL-MIBOR-OIS-COMPOUND</u>	<u>OIS</u>	<u>1</u>	<u>0</u>	<u>Standard, None, IMM, EOM</u>	<u>INMU</u>	<u>INMU, USNY</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
JPY	JPY-TONA-OIS-COMPOUND	OIS	2	0	Standard, None	JPTO	JPTO	n/a	30	1M, 3M, 6M, 12M, 1T	1D	1M, 3M, 6M, 12M, 1T	1M, 3M, 6M, 12M, 1T
USD	USD-Federal Funds-H.15-OIS-COMPOUND	OIS	2	0	Standard, None	USNY	USNY	n/a	30	1M, 3M, 6M, 12M, 1T	1D	1M, 3M, 6M, 12M, 1T	1M, 3M, 6M, 12M, 1T



			LCH										
Valid Stub Index Frequencies	Float Leg Day Count	Fixed Leg Day Count	Max Tenor (yrs)	Valid Fixed Payment Frequencies	Valid Float Designated Maturities	Valid Float Payment Frequencies	Valid Float Reset Frequencies	Valid Stub Index Frequencies	Float Leg Day Count	Fixed Leg Day Count	Max Tenor (yrs)	Valid Fixed Payment Frequencies	Valid Float Designated Maturities
n/a	n/a	n/a	5.5	12M or 1T	1D	12M or 1T	12M or 1T	1D	ACT/365.FIXED	30/360 30E/360 ACT/360 ACT/365.Fixed 30E/360.ISDA	n/a	n/a	n/a
n/a	n/a	n/a	2	6m, 12M or 1T	1D	6m, 12M or 1T	12M or 1T	1D	ACT/365.FIXED	30/360 30E/360 ACT/360 ACT/365.Fixed 30E/360.ISDA	n/a	n/a	n/a
n/a	n/a	n/a	2	12M or 1T	1D	12M or 1T	12M or 1T	1D	ACT/360	30/360 30E/360 ACT/360 ACT/365.Fixed 30E/360.ISDA	n/a	n/a	n/a
<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>2</u>	<u>1M, 3M, 6M, 12M 1T</u>	<u>1D</u>
1D	30/360 ACT/360 ACT/365.FIXED ACT/ACT.ISDA 30E/360 30E/360.ISDA ACT/ACT.ICMA	30/360 ACT/360 ACT/365.FIXED ACT/ACT.ISDA 30E/360 30E/360.ISDA ACT/ACT.ICMA	30	12M or 1T	1D	12M or 1T	12M or 1T	1D	ACT/360	30/360 30E/360 ACT/360 ACT/365.Fixed 30E/360.ISDA	n/a	n/a	n/a
1D	30/360 ACT/360 ACT/365.FIXED ACT/ACT.ISDA 30E/360 30E/360.ISDA ACT/ACT.ICMA	30/360 ACT/360 ACT/365.FIXED ACT/ACT.ISDA 30E/360 30E/360.ISDA ACT/ACT.ICMA	30	12M or 1T	1D	12M or 1T	12M or 1T	1D	ACT/365.FIXED	30/360 30E/360 ACT/360 ACT/365.Fixed 30E/360.ISDA	n/a	n/a	n/a

			LCH										
Valid Stub Index Frequencies	Float Leg Day Count	Fixed Leg Day Count	Max Tenor (yrs)	Valid Fixed Payment Frequencies	Valid Float Designated Maturities	Valid Float Payment Frequencies	Valid Float Reset Frequencies	Valid Stub Index Frequencies	Float Leg Day Count	Fixed Leg Day Count	Max Tenor (yrs)	Valid Fixed Payment Frequencies	Valid Float Designated Maturities
<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>50</u>	<u>1M, 3M, 6M, 12M, 1T</u>	<u>1D</u>
1D	30/360 ACT/360 ACT/365.FIXED ACT/ACT.ISDA 30E/360 30E/360.ISDA ACT/ACT.ICMA	30/360 ACT/360 ACT/365.FIXED ACT/ACT.ISDA 30E/360 30E/360.ISDA ACT/ACT.ICMA	30	12M or 1T	1D	12M or 1T	12M or 1T	1D	ACT/365.FIXED	30/360 30E/360 ACT/360 ACT/365.Fixed 30E/360.ISDA	n/a	n/a	n/a
1D	30/360 ACT/360 ACT/365.FIXED ACT/ACT.ISDA 30E/360 30E/360.ISDA ACT/ACT.ICMA	30/360 ACT/360 ACT/365.FIXED ACT/ACT.ISDA 30E/360 30E/360.ISDA ACT/ACT.ICMA	30	12M or 1T	1D	12M or 1T	12M or 1T	1D	ACT/360	30/360 30E/360 ACT/360 ACT/365.FIXED 30E/360.ISDA	n/a	n/a	n/a







### **EXHIBIT 3**

The Contacts 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 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 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.

#### 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-notice>. 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 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 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. trueEX typically posts this data on its website by 7:00 pm Eastern time on trade date. Under the new specs for Part 16 data published by the Commission, settlement prices are no longer required to be published by the SEF for swaps. Settlement prices will be provided by the applicable clearinghouse.