

SUBMISSION COVER SHEET

Confidential Treatment has not been requested

Organization Name: trueEX LLC

Organization Type: SEF

Registered Entity Identifier: CFTC 2017-13S

Submission Number: 1712-3118-5555-28

Submission Date: 12/31/17 06:55:55 PM

Submission Type: Rule - 40.6(a) Rule Certification

Submission Description: Amendment of certain rules relating to Block trades and package transactions due to No-Action Letters 17-60 and 17-55

Rule Numbers: Rule 101 (definition of block trade), Rule 539(c) and Rule 542



December 31, 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 #2017-13S)

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 101 Definition of “block trades”	SEF Core Principle 9 and CFTC Regulations 37.901 and 43.2.
Rule 542	Rules amended to remove reference to expired No-Action Letter 16-74. Added new reference to No-Action Letter 17-60 regarding block trades, and new expiration of November 15, 2020.
Rule 539	CFTC Regulation 37.9 Amended the language to remove reference to expired No-Action Letter 16-76. Added new reference to No-Action Letter 17-55 regarding package transactions executed on SEF, and new expiration of November 15, 2020.

Exhibit 1 contains the redlined amendments to trueEX’s Rulebook (Rule 101, 539(c) and 542).

trueEX certifies that these amendments comply 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-notices>. These amendments will be effective on January 16, 2018.

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

EXHIBIT 1

RULE 101. Definitions

“Block Trade” means a “publicly reportable swap transaction”, as that term is defined in CFTC Regulation § 43.2, involving a Contract or Package Transaction that is a swap which:

- (i) is not executed using the order book functionality of either the DCM or SEF Trading System, but is executed pursuant to the rules and procedures of the Exchange, including on the SEF Trading System as provided for in CFTC No-Action Letter ~~16-7417-60~~ expiring the earlier of 11:59 p.m. EST on November 15, ~~2017~~2020, or the effective date of any Commission action with respect to the issues discussed in No-Action Letter ~~16-7417-60~~;
- (ii) has a notional or principal amount at or above the minimum threshold applicable to the Contract as set forth in Chapter 10. For Package Transactions, each line item included in the Package Transaction must meet the appropriate minimum block size in order for the Package Transaction to be executed as a Block Trade as an RFQ to one; and
- (iii) is reported to the Exchange pursuant to Rule 542.

RULE 539. Execution Methods

...

(c) Execution on the Platform of Required and Permitted Transactions,

(a) Execution of a Required Transaction, other than a Block Trade executed pursuant to Rule 542 or certain Package Transactions specifically identified in 539(c)(iii), shall occur through one of the methods in Rule 539(b)(i)(A) or (ii) above.

(ii) Execution of a Permitted Transaction shall occur through one of the methods in Rule 539(b)(i)(B) or (ii) above, or through any other method of execution permitted by Applicable Law and offered by the Exchange.

(iii) Exceptions for Required Transactions. Package Transactions that are deemed to be Required Transactions because at least one component includes a swap that is subject to the trade execution requirement in §2(h)(8) of the CEA are eligible for relief from CFTC Regulation 37.9 under CFTC No-Action Letter ~~16-767-55~~. The swap components of these Package Transactions must be executed on the SEF Trading System but the counterparties may execute the swap components of these Package Transactions through any method of execution offered by the Exchange, provided that such swaps are executed at or before 11:59 pm on the expiration dates below and all other terms of No-Action Letter ~~16-76-17-55~~ are satisfied:

- (A) A new issue bond (expires November 15, 20~~20~~17)
- (B) A futures contract (expires ~~November 15, 2020~~November 15, 2017)
- (C) A swap that is not subject to the clearing requirement under §2(h)(1)(A) of the CEA and CFTC Regulation 50.4 (expires ~~November 15, 2020~~November 15, 2017)
- (D) A non-swap instrument (as defined in §1a(47) of the CEA) other than an instrument listed in subsections A or B above, or a U.S. Treasury bond (expires ~~November 15, 2020~~November 15, 2017); or
- (E) A security-based swap (as defined in §1a(42) of the CEA) or a mixed swap (as defined in §1a(47)(D) of the CEA) (expires ~~November 15, 2020~~November 15, 2017).

If a Required Transaction is executed on the SEF Trading System in reliance of the relief granted in No-Action Letter ~~16-7617-55~~, both counterparties to the transactions must submit to trueEX,

upon request, information to demonstrate that the transaction has met the requirements of No-Action Letter ~~16-76~~17-55.

RULE 541. 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~~17-60, expiring the earlier of 11:59 p.m. EST on November 15, ~~2017~~2020, or the effective date of any Commission action with respect to the issues discussed in No-Action Letter ~~16-74~~17-60, 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 to the DCM Trading System must include the execution time, which is the time at which the parties agreed to the terms of the Block Trade prior to entry of the trade details into the DCM Trading System.

(g) Pursuant to CFTC NAL ~~167-60~~74 expiring the earlier of 11:59 p.m. EST on November ~~15~~15, ~~2017~~, or the effective date of any Commission action with respect to the issues discussed in No-Action Letter ~~16-74~~17-60, a Block Trade, which is intended to be cleared, may be executed using the non-order book functionality of the SEF Trading System during Trading Hours of the relevant Contract(s). A Block Trade executed using the non-order book functionality of the SEF Trading System is not subject to the minimum participant requirements set forth in Rule 539(b)(ii) and, therefore, may be sent to only one Respondent. Electing to execute a transaction as an RFQ to one, provided the transaction meets the requirements listed in (i) through (v) below, serves as notification to the Exchange that the parties to the Transaction have elected treatment as a Block Trade and as such, the Transaction will be reported to the SDR as such. For the purposes of this Rule, a Block Trade executed on the SEF Trading System must:

(i) involve a swap that is listed by the Exchange on the SEF Trading System;

- (ii) be executed pursuant the Exchange's Rules and procedures;
 - (iii) meet the notional or principal amount at or above the appropriate minimum block size applicable to the swap as indicted in Chapter 10. For Package Transactions, each line item included in the Package Transaction must meet the appropriate minimum block size in order for the Package Transaction to be executed as a Block Trade as an RFQ to one;
 - (iv) be reported to a SDR pursuant to the Exchange's Rules and procedures and Applicable Law;
 - (v) have completed the pre-execution credit check pursuant to CFTC Regulation 1.73 at the time the order for the Block Trade is entered on the non-order book functionality of the SEF Trading System;
 - (vi) be deemed void ab initio if the Block Trade is rejected on the basis of credit.
- (h) Block Trades will not set off conditional orders (e.g., Limit Orders) or otherwise affect orders on the DCM Trading System or SEF Trading System.
- (i) All details of the Block Trade, including actual or notional or principal amount must be reported by the parties to a Block Trade to the Exchange. The Platform will transmit Real-Time Data and Required Swap Creation Data of all Block Trades reported to or executed on the Exchange in accordance with this Rule 542 and Rule 545(a) to the SDR as soon as technologically practicable after their details are submitted to the DCM Trading System pursuant to Rule 542(f) or the SEF Trading System pursuant to Rule 542(g). The SDR will be responsible for delaying the public dissemination of swap transaction and pricing data relating to any Block Trade, and for disseminated of rounded notional or principal amounts in accordance with the timeframe and requirements set forth in Part 43 of the CFTC Regulations and Applicable Law.