



Via Electronic Mail

October 28, 2014

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

Re: OneChicago, LLC Rule Submission
OCX Rule 615 (Simultaneous Buying and Selling Order) – Notice to Members
2014-30
(OCX Submission #14-008)

Dear Mr. Kirkpatrick:

Pursuant to section 5c(c)(1) of the Commodity Exchange Act, as amended (the “Act”), and § 40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (“CFTC” or the “Commission”) under the Act, OneChicago, LLC (“OneChicago,” “OCX,” or the “Exchange”) hereby submits the following rule change and corresponding Notice to Members (“NTM”). The rule change and NTM will become effective on November 17, 2014.

OCX Rule 615(a) states that a market participant shall not accept a simultaneous buy and sell order from the same customer for the same delivery month of a particular future. OCX Rule 615(b) permits a market participant holding orders to buy and sell at the same time from different customers for the same delivery month of a particular future to enter both orders into the OneChicago System.

OneChicago is proposing to amend OCX Rule 615 to replace references to “customer” with references to “beneficial owner.” OCX is making this change because the term customer in the context of OCX Rule 615 does not accurately describe a market participant’s duty under the Rule. For example, a market participant may receive a buy and sell order from a single customer that represents two different beneficial owners. OCX believes a market participants may permissibly handle a buy and sell order received from the same customer. As currently drafted, OCX Rule 615 is overly broad in that it prohibits the otherwise permissible activity of representing a buy and sell order received from the same customer, but on behalf of different beneficial owners. Concurrently, OCX is issuing NTM 2014-30 to provide guidance to market

participants regarding how to handle simultaneous buying and selling orders. The text of new OCX Rule 615 is enclosed as Attachment A and NTM 2014-30 is enclosed as Attachment B.

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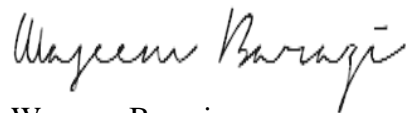
The purpose and effect of the rule change is to make market participants aware of how to handle simultaneous buying and selling orders on the Exchange. Comments on this NTM have not been solicited and none have been received. OneChicago is not aware of any substantive opposing views to this NTM. OneChicago certifies that the NTM complies with the Act, including the core principles, and the Commission's regulations promulgated thereunder. OneChicago further certifies that a copy of this submission has been posted on the [OneChicago website](#). OneChicago staff has reviewed the core principles applicable to designated contract markets ("DCMs"), and has concluded that the proposed NTM may have some bearing upon the following core principles:

Core Principle 2: Core Principle 2 requires DCMs to establish, monitor, and enforce compliance with its rules, including rules prohibiting abusive trade practices on the DCM. This rule filing and corresponding NTM support Core Principle 2 in that it establishes requirements for market participants handling certain orders in order to prevent abusive trade practices, such as wash trades.

Core Principle 7: Core Principle 7 requires that a DCM make available to market authorities, market participants, and the public accurate information concerning the rules, regulations and mechanisms for executing transactions on or through the facilities of the contract market. This rule filing and corresponding NTM support Core Principle 7 in that they inform market participants of the manner in which simultaneous buying and selling orders must be handled.

If you have any questions or comments related to this filing, please feel free to contact me by telephone at (312) 424-8524 or through e-mail at wbarazi@onechicago.com.

Respectfully Submitted,



Waseem Barazi
Chief Regulatory Officer

Encl: Attachment A
Attachment B

Attachment A

615. Simultaneous Buying and Selling Order

(a) No Clearing Member or, if applicable, Exchange Member or Access Person (including in each case its employees and agents) shall accept simultaneous buy and sell Orders from the same ~~Customer~~ beneficial owner for the same delivery month of a particular Future.

(b) A Clearing Member or, if applicable, Exchange Member or Access Person (including in each case its employees and agents) holding Orders to buy and sell at the same time from different ~~Customers~~ beneficial owners for the same delivery month of a particular Future may enter both Orders into the OneChicago System.

Attachment B



Notice to Members 2014-30

Date: October 28, 2014
Re: Rule 615 (Simultaneous Buying and Selling Order)
Effective Date: November 17, 2014

OneChicago, LLC (“OCX”) is issuing this Notice to Members (“NTM”) to clarify the method by which market participants that receive or initiate a buy and sell order for the same account should handle the orders. This NTM provides guidance regarding updated OCX Rule 615, which reads as follows:

* * *

615. Simultaneous Buying and Selling Order

(a) No Clearing Member or, if applicable, Exchange Member or Access Person (including in each case its employees and agents) shall accept simultaneous buy and sell Orders from the same ~~Customer~~ beneficial owner for the same delivery month of a particular Future.

(b) A Clearing Member or, if applicable, Exchange Member or Access Person (including in each case its employees and agents) holding Orders to buy and sell at the same time from different ~~Customers~~ beneficial owners for the same delivery month of a particular Future may enter both Orders into the OneChicago System.

* * *

Upon receipt of a buy and sell order from one account in the same product and expiration, the market participant handling the orders must determine whether the orders were placed on behalf of the same beneficial owner, or if the account number represents the account controller and the orders were in fact placed for different beneficial owners. If the orders were placed on behalf of the same beneficial owner, the market participant handling the orders must not execute the orders, as doing so would result in a wash trade in violation of Exchange Rules.

If the market participant determines that the orders were placed for unique beneficial owners and the accounts share an account number due to common control (*e.g.*, in the case of accounts controlled by an advisor), the market participant has two choices in how to handle the trade. First, the market participant may insert one side into the OneChicago System and wait four seconds before entering the opposite side of the trade. Please see OCX NTM 2012-26. Alternatively, the market participant may report the trade as a block to the Exchange, so long as

the block trade otherwise meets all applicable Exchange Rules regarding block trades. The price at which the trade is posted, regardless of the method of posting (reported or competitively-executed), must be “fair and reasonable” under the circumstances, and will be subject to review by Exchange staff for price reasonability.

Any questions can be directed to marketsurveillance@onechicago.com or (312) 424-8530.