



February 6, 2014

17 C.F.R. §40.2

Ms. Melissa Jurgens  
Secretary of the Commission  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

RE: Notice of Listing under Self Certification GBP Flex Tenor Flex Start Cash Interest Rate Swaps Cleared at CME Clearing (“CME”) (“GBPIRS”)

Dear Ms. Jurgens:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commodity Futures Trading Commission (“Commission”) Regulation 40.2, ELX Futures, L.P. (“ELX”) hereby notifies the Commission of ELX’s certification that ELX will list for trading its GBP Flex Tenor Spot Starting Cash Interest Rate Swaps Cleared by CME Clearing (“CME”) (“GBP IRS”). ELX intends to list the GBP IRS for trading February 11, 2014.

The terms and conditions of the GBP IRS are consistent with the swaps accepted for clearing by CME Clearing (“CME”). The new contracts are being introduced to expand on the existing product list at ELX and to provide an opportunity for its customers to trade interest rate swaps on a designated contract market (“DCM”).

The new contracts follow commonly accepted terms in the existing cash market with respect to contract size and listing cycle. All GBP IRS have a notional value of at least £1,000,000 and may be priced in increments of £1. ELX GBP IRS are cleared by CME, will be listed on the ELX electronic trading system and will be available for trading during 6PM ET Sunday to 7PM ET Friday. Trading hours are adjusted from time to time to accommodate holiday schedules.

The terms and conditions for the new contracts are contained in new rules IX-1061 and include provisions for position accountability that apply on the basis of volumetric levels. The new rule language including the terms and conditions are provided in this submission as Appendix A.

The Terms and Conditions make clear that swap contracts listed for trading under the ELX Rulebook shall be traded (and cleared) under the same rules as apply to futures and options on futures, except as otherwise indicated.

*Explanation and analysis of the Contracts' Compliance with Applicable Core Principles and Commission Regulations.* ELX has reviewed the designated contract market core principles as set forth in the Commodity Exchange Act and has determined that listing of GBP IRS complies with relevant provisions including, but not limited to the following:

- Prevention of Market Disruption, Compliance with Rules and Protection of Market Participants: Trading in the GBP IRS will be subject to all ELX Rules including ELX Rule Chapter IV Trading Standards, Chapter V Obligations of Exchange Users, and Chapter VI Business Conduct. These chapters include necessary rules and procedures to ensure the effectiveness of ELX's audit trail and compliance programs and prohibitions on market manipulation, disruptions, fraudulent acts and other abuse and disruptive practices. Activity in the GBP IRS will be subject to extensive monitoring and surveillance. The Compliance Department has the authority to exercise investigatory and enforcement power in the event that potential rule violations are identified.
- Contracts not Readily Subject to Manipulation: The new ELX contracts are not readily subject to manipulation due to the liquidity and robustness in the underlying cash markets and the ready arbitrage possible of such instruments.
- Availability of General Information and Daily Publication of Trading Information: ELX publishes information on the contract's specification on its website, and will provide daily trading volume and price information.
- Financial Integrity of Contracts: All contracts traded on the Exchange will be cleared by CME which is a registered derivatives clearing organization with the Commission and is subject to all Commission regulations related thereto.
- Execution of Transactions: The new contract will be listed for electronic trading on the ELX system which provides for competitive and open execution of transactions.
- Trade Information: All required trade information is included in the audit trail and is sufficient for the Compliance Department to monitor for rule violations.
- Disciplinary Procedures: Chapter VII of the ELX rulebook contains provisions that allow ELX to discipline, suspend or expel members or market participants that violate the rules. Trading in the GBP IRS will be subject to the rules in Chapter VII which give ELX the authority to enforce its rules.
- Dispute Resolution: Disputes with respect to trading in this contract will be subject to the arbitration provisions set forth in Chapter VIII of the ELX rulebook.

ELX Futures has received no opposing views regarding introduction of the GBP IRS.

ELX hereby certifies to the CFTC, that the GBP IRS contracts comply with the Commodity Exchange Act, as amended, and the regulations promulgated thereunder and that a notice of the filing of this submission and a public copy of this submission has been posted on ELX's website.

Finally, please note that ELX made a submission under Commission Rule 38.8 with its first certification of a swap contract on September 30, 2013.

If you have any questions on this matter, please call me at (212) 610-3639.

Sincerely,

A handwritten signature in blue ink, consisting of a large, stylized 'R' followed by a horizontal line extending to the right.

Richard Jaycobs  
Chief Executive Officer  
ELX Futures, L.P.

**IX-1061 GBP Flex Tenor Spot Starting Cash Interest Rate Swaps Cleared at CME Clearing (“CME”)**(a) Scope of Chapter.

(i) Contract. This section is limited in application solely to trading in GBP Interest Rate Swaps Cleared by CME. The procedures for any matter not specifically discussed herein shall be governed by the Rules of the Exchange.

(ii) Application of Rules. Notwithstanding anything to the contrary therein, the Rules of the Exchange that apply to futures and options on futures contracts in Chapters 1 through-X of these Rules (except for Rules IX-100 to IX-1001) shall apply to the GBP Interest Rate Swaps Cleared by CME; and that for purposes of this section IX-1061 the term “Contract” shall include within its meaning GBP Interest Rate Swaps.

(iii) Rules Relating Specifically to GBP Interest Rate Swaps For purposes of this section,

(A) Rule X-5 shall not apply where the relevant Clearinghouse rules or procedures provide for a procedure that is other than provided for in Rule X-5

(B) In no event shall an action taken by or on behalf of the Exchange under Rule IV-10(a) with respect to a swap the terms and conditions of which are specified in this section, result in such swap being cancelled or otherwise deemed void ab initio until after receipt of a clearing rejection notice from the relevant Clearinghouse.

(C) Notwithstanding anything else in Rule IV-15, the transfer of positions in respect of a swap the terms and conditions of which are specified in this section that has been accepted for clearing by a Clearinghouse shall be governed by the rules, procedures and practices of such Clearinghouse which shall, for such purpose, prevail over the procedures provided in Rule IV-15.

(D) Notwithstanding anything to the contrary in Rule IV-24, a Participant or its Authorized Trader may not enter an Order into the ELX System for GBP Interest Rate Swaps:

(1) for itself, unless such Participant has demonstrated in a manner acceptable to the Exchange that the Participant is itself a CME Clearing Member or has established a clearing relationship with an FCM Clearing Member of CME that will clear such swaps; or

(2) for a Customer, unless, such Participant, or its Customer, has demonstrated in a manner acceptable to the Exchange that such Customer is itself a CME Clearing Member or has established a clearing relationship with an FCM Clearing Member of CME that will clear such swaps.

(E) Notwithstanding any contrary provision in the Rules of the Exchange, all swaps, the terms and conditions of which are specified in this section, including such swaps made by Participants upon behalf of non-Participants, shall be cleared through a Clearinghouse and the rules, procedures and practices of such Clearinghouse shall govern and shall prevail over the rules, policies and procedures of the Exchange in respect of such swaps that have been accepted for clearing.

(b) Contract Overview GBP Fixed for Floating Interest Rate Swaps of periodic fixed interest payments and periodic floating interest payments based on an interest rate benchmark over a term to maturity. The interest rate payments are exchanged for a specified period based on a notional amount. There is no optionality or conditional notional amounts. Additionally:

(i) Start Date/Effective Date. The first date from which fixed and floating interest amounts accrue is spot starting, that is, from trade date ("T+0"), using the modified following convention and respecting the London Holiday calendar.

(ii) End Date/Maturity Date. The final date until which Fixed and Floating amounts accrue is start date plus tenor, modified following and respecting the London Holiday calendar.

(iii) Buyer/Payer. Pays fixed leg interest rate and receives floating leg interest rate.

(iv) Seller/Receiver. Receives fixed leg interest rate and pays floating leg interest rate.

(v) Fixed Leg.

1. Semi-Annual payment frequency, Actual/365.Fixed day count, following the London holiday calendar, modified following with adjustment to period end dates.
2. Annual payment frequency, Actual/365.Fixed day count, following the London holiday calendar, modified following with adjustment to period end dates.

(vi) Floating Leg.

1. Semi-annual payment Frequency, 6 month GBP Libor, Actual/365.Fixed day count, following the London holiday calendar, modified following with adjustment to period end dates.
2. Quarterly payment Frequency, 3 month GBP Libor, Actual/365.Fixed day count, following the London holiday calendar, modified following with adjustment to period end dates.

(vii) Roll Date Convention. The date used for determining all fixed and floating reset dates is the same date of the month as the Start Date, except where the start date *the last business day of the month* whereby the Roll Date is then the end of each month where a payment is due. Roll Date marks the start of a new interest accrual period, and is the date on which a Reset Rate takes effect.

(viii) Floating Reset Dates. Date utilized to determine the Floating Rate amounts for each interest accrual period during the Tenor of the contract is the same date as the Roll Date for that interest accrual period.

(ix) First Period Fixing Date. The Interest Rate for the first interest period is fixed on the Trade Date, for both Floating and Fixed Rates.

(x) Contract Size. Minimum notional size of £1,000,000 and notional increments of £1 thereafter.

(xi) Quote Convention. The traded fixed interest rate in basis points on Trade Date. For example, a rate of 1.25125 percent would be quoted as 1.25125.

(xii) Minimum Price Increment. Varies by tenor as posted on the ELX website.

(xiii) Trading Symbol. Key economic terms for each contract are specified in each Trading Symbol including base currency, clearinghouse, term and fixed/floating parameters. Each contract symbol will specify the (1) swap clearinghouse for delivery (C=CME); (2) the term of the swap (W=Weeks, M=Months, Y=Years); (3) the swap fixed/floating parameters (e.g. GBP Fixed semi-annual money basis Actual/365.Fixed vs. floating 6M GBP Libor Actual/365.Fixed.) For example, “C-2Ysm v6M GBP” represents CME cleared, two year, annual money basis (Actual/365.Fixed) vs. six month GBP LIBOR.

(xiv) Last Trading Day. The last trading day for each start date and end date combination prescribed by tenor is the close of business on Trade Date.

(xv) Trading and Delivery Eligibility. Limited to Eligible Contract Participants (ECPs) per Section 1a(18) of the Commodity Exchange Act and registered with ME Clearing as, or via, a CME Clearing Member.

(xvi) Position Accountability. Aggregate net long or net short trade volume of £20 billion contracts in all tenors.

(xvii) Large Trader Reporting Level. Daily net long or net short trade volume of £1.5 billion contracts in all tenors.