



Lynn Martin
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By Electronic Mail

March 22, 2013

Ms. Melissa Jurgens
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: NYSE Liffe US Submission 2013-107 – Notice Announcing Amendments to the Settlement Procedures for Futures on DTCC GCF Repo Index® Products.

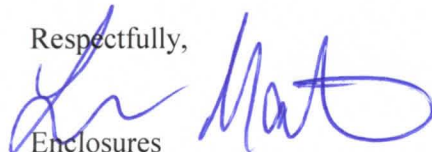
Dear Ms. Jurgens:

I am an Executive Vice President and the Chief Operating Officer of NYSE Liffe US LLC (“NYSE Liffe US” or the “Exchange”). Pursuant to Section 5c(c) of the Commodity Exchange Act, as amended (the “Act”), and U.S. Commodity Futures Trading Commission (the “Commission”) Regulations (the “Regulations”) Section 40.6(a), I enclose a Cover Sheet for NYSE Liffe US Submission 2013-107 and NYSE Liffe US Notice 9/2013 which announces amendments to the settlement procedures for Futures on the: 1) US Treasury DTCC GCF Repo Index®; 2) U.S. Mortgage-Backed Securities DTCC GCF Repo Index®; and 3) US Agency DTCC GCF Repo Index® (collectively, “Futures on DTCC GCF Repo Index® Products” or “GCF Futures”), as set forth in NYSE Liffe US Rules 13004, 13104 and 13204, effective with the expiration of the May 2013 GCF Futures on May 31, 2013.

NYSE Liffe US hereby certifies that (i) the settlement procedures as amended comply with the Commodity Exchange Act and the regulations thereunder and (ii) a notice and a copy of this submission is being concurrently posted on NYSE Liffe US’s web site. Additionally, a concise explanation and analysis of amendments to the settlement procedures and their compliance with applicable provisions of the Act, including the Act’s Core Principles and the Regulations, is attached. No substantive opposing views were received from members or others with respect to the amendments to the settlement procedures.

If you have any questions, please call me at (212) 656-4307.

Respectfully,

A handwritten signature in blue ink, appearing to read "Lynn Martin".

Enclosures

**Designated Contract Market Core Principles Implicated by
NYSE Liffe US Submission 2013-107**

CORE PRINCIPLE	ANALYSIS
<p><i>Core Principle 2: Compliance with Rules</i></p>	<p>Trading in Futures on DTCC GCF Repo Index® Products has been offered for trading since July 2012 and will continue to be subject to Chapters 130, 131 and 132 of the Exchange rulebook as well as all other rules of the Exchange including Chapter 3, governing access to the Exchange's Trading Platform, Chapter 6 governing the business conduct of Exchange members and that prohibits, among other things, fraudulent acts, fictitious and pre-arranged trades, market manipulation and acts inconsistent with just and equitable principles of trade. The Exchange monitors its markets on a constant basis in real-time. In addition, through the operation of a regulatory services agreement, the National Futures Association provides to the Exchange comprehensive trade practice and market surveillance services designed to detect activities that are not in compliance with the Act, CFTC Rules, or Exchange rules and policies.</p> <p>Further, the Exchange has the authority, through Chapter 7 of its rules, and the capacity to investigate any possible rule violations and, where appropriate, bring disciplinary actions and impose sanctions for any violations. Finally, the Exchange has the authority to carry out international information sharing agreements and has entered into the Intermarket Surveillance Group Agreement (the "ISG Agreement"), the International Information Sharing Memorandum of understanding and Agreement, an Information Sharing Agreement Between the Fixed Income Clearing Corporation and NYSE Liffe US LLC dated June 28, 2013 (the "NYLUS-FICC Agreement"), and other agreements and accords.</p>

CORE PRINCIPLE	ANALYSIS
<p><i>Core Principle 3: Contracts not Readily Subject to Manipulation</i></p>	<p>Amendments to the settlement procedures should not result in the contracts being readily subject to manipulation. Futures on DTCC GCF Repo Index® Products are based on deep and liquid underlying cash markets. In addition, the Exchange requires any position over the reporting level to be reported to the Exchange, and the Exchange monitors such position. Furthermore, reasonable and appropriate position accountability levels have been established that give the Exchange the authority to order a reduction in position size if necessary.</p> <p>In addition, through the NYLUS-FICC Agreement, as well as the ISG Agreement, and specifically, FINRA, another party to the ISG Agreement, the Exchange has access to repo market activity of market participants in GCF Repo Index Futures to monitor for manipulative activity.</p>
<p><i>Core Principle 4: Prevention of Market Disruption</i></p>	<p>Futures on DTCC GCF Repo Index® Products will continue to be subject to trade practice and market surveillance policies and procedures of the Exchange. As stated above, the Exchange has real-time surveillance capabilities involving both human interaction as well as technological tools. Furthermore, the Exchange staff, in coordination with National Futures Association, has the capacity to detect and respond to manipulation and price distortions in the markets. Specifically, the Exchange employs anti-price cascading functionality that tends to prevent price cascades from occurring. Additionally, the Exchange monitors the trading activities of large position holders, particularly during market close. Finally, the Exchange has the ability to provide accurate and complete trade reconstruction.</p>
<p><i>Core Principle 5: Position Accountability</i></p>	<p>Futures on DTCC GCF Repo Index® Products will continue to be subject to position accountability levels as set forth in to Chapters 130, 131 and 132 of the Exchange rulebook.</p>
<p><i>Core Principle 6: Emergency Authority</i></p>	<p>Trading in Futures on DTCC GCF Repo Index® Products remains subject to Exchange Rule 425. Exchange Rule 425 provides that if the President, or any individual designated by the President and approved by the Board, determines that an Emergency exists, the President or such designee, as the case may be, may take or place into immediate effect a temporary emergency action or Rule, which may remain in effect for up to 30 Business Days, after which time it must be approved by the Board to remain in effect. Any such action or Rule may provide for, or may authorize the Exchange, the Board or any committee thereof to undertake actions necessary or appropriate to respond to the Emergency, including ordering the liquidation or transfer of Contracts, requiring Clearing Members, Members, Customers or Noncustomers to meet special margin requirements; or modifying or suspending any provision of the Rules of the Exchange or the Rules of the Clearing Service Provider.</p>

CORE PRINCIPLE	ANALYSIS
<i>Core Principle 7: Availability of General Information</i>	The Exchange will continue to publish, maintain and keep current on its web site the terms and conditions of Futures on DTCC GCF Repo Index® Products, including the amended settlement procedures, as well as all rules and mechanisms necessary for executing transactions on or through the Exchange's trading platform and all rules and specifications describing the operation of the Exchange's trade execution facility.
<i>Core Principle 8: Daily Publication of Trading Information</i>	The Exchange will continue to publish daily on its web site information regarding the trading volume, open interest and price information regarding Futures on DTCC GCF Repo Index® Products.
<i>Core Principle 9: Execution of Transactions</i>	Amendments to the settlement procedures for Futures on DTCC GCF Repo Index® Products should not have any impact on trading on the centralized market. The Exchange will monitor trading in the centralized market and, in the event the Exchange identifies any deleterious effect to the centralized market, it will take appropriate action.
<i>Core Principle 10: Trade Information</i>	The Exchange will continue to record and maintain an audit trail with all trade information regarding Futures on DTCC GCF Repo Index® Products necessary to monitor for customer and market abuse.
<i>Core Principle 11: Financial Integrity of Transactions</i>	The Futures on DTCC GCF Repo Index® Products will continue to be cleared through New York Portfolio Clearing ("NYPC"), which is registered with the Commission as a Derivatives Clearing Organization. In addition, in compliance with Section 38.604 of the Commission's Regulations, the Exchange has in place a surveillance program to continually survey the obligations of each futures commission merchant based on information supplied by NYPC pursuant to a Regulatory Services Agreement entered into between NYPC and the Exchange dated October 16, 2012.
<i>Core Principle 12: Protection of Markets and Market Participants</i>	Trading in Futures on DTCC GCF Repo Index® Products will continue to be subject to Chapter 6 of the Exchange's rulebook governs the business conduct of Exchange members and all other persons initiating or executing transactions subject to the Rules of the Exchange. The Exchange Rules prohibit, among other things, fraudulent acts, fictitious and pre-arranged trades (i.e., those that are not expressly permitted) and other activities that could disadvantage their customers, as well as acts detrimental to the Exchange and inconsistent with just and equitable principles of trade. The Exchange shall monitor for and investigate any possible rule violations and where appropriate bring disciplinary actions and impose sanctions for any violations in respect to trading in GCF Futures.
<i>Core Principle 13: Disciplinary Procedures</i>	Chapter 7 of the Exchange's rulebook provides for disciplinary procedures by which the Exchange may impose sanctions for any violations of the Exchange's rules, including any violations related to trading in GCF Futures.

CORE PRINCIPLE	ANALYSIS
<i>Core Principle 18: Recordkeeping</i>	Data with regard to Futures on DTCC GCF Repo Index® Products, as is all trade data, will continue to be retained by the Exchange in secured storage for a period of at least five years and be readily accessible and open to review by the CFTC during such time. Additionally, the Exchange has in place business continuity and disaster recovery policies and procedures that provide for back-up and off-site storage of Exchange records.



NYSE LIFFE U.S. NOTICE No. 9/2013

ISSUE DATE: March 22, 2013
EFFECTIVE DATE: May 31, 2013

NYSE Liffe U.S. – Amendment of Final Settlement Procedures for Futures on DTCC GCF Repo Index[®] Products

Summary

This Notice announces that beginning with the expiration on May 31, 2013 of the May 2013 NYSE Liffe U.S.'s Futures on DTCC GCF Repo Index[®] Products the final settlement procedures will be amended as detailed in this Notice. In addition, attached to this Notice are the revised Rules 13004, 13104 and 13204.

1. Introduction and Background

- 1.1 NYSE Liffe U.S. rules currently provide that the final settlement value for futures on DTCC GCF Repo Index[®] Products ("GCF Futures") is rounded to three decimal places, equal to the nearest one-tenth of one basis point.
- 1.2 After receiving requests and conducting additional discussions with market participants, NYSE Liffe U.S. has determined to change the final settlement value rounding for GCF Futures to four decimal places.

2. Amended Settlement Procedures

- 2.1 Beginning with the May 2013 expiration month, the final settlement value for GCF Futures will be rounded to the four decimal places, equal to the nearest one-one hundredth of one basis point.
- 2.2 Rounding the final settlement to four as opposed to three decimal places should result in more precise pricing and make the final settlement consistent with the final settlement of other short-term interest rate futures contracts.

Members who have questions or seek additional information in respect of this Notice should contact:

New York Office +1 212 656 4300

Chicago Office +1 312 442 7730

nyseliffeus@nyx.com

Attachment to NYSE Liffe US Notice 9/2013
NYSE Liffe US Rulebook Amendments Regarding Settlement Procedures
in GCF Futures
(Deletions are shown in ~~strikethrough~~ and additions are shown in underline.)

Chapter 130

Futures on the US Treasury DTCC GCF Repo IndexTM®

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13004. Settlement Procedures

Delivery shall be by cash settlement through the Clearing Service Provider following normal variation margin procedures. The final settlement price will be calculated on the Business Day that the US Treasury GCF Repo Index is calculated on the Last Day of Trading. The final settlement price shall be 100 minus the average US Treasury GCF Repo Index rate for the Delivery Month as set forth in ~~12102(a)~~13002(a), rounded to the nearest ~~one-tenth~~^(1/40) one-one hundredth (1/100) of one basis point.

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Chapter 131

Futures on the US Mortgage-Backed Securities DTCC GCF Repo IndexTM®

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13104. Settlement Procedures

Delivery shall be by cash settlement through the Clearing Service Provider following normal variation margin procedures. The final settlement price will be calculated on the Business Day that the US Mortgage-Backed Securities GCF Repo Index is calculated on the Last Day of Trading. The final settlement price shall be 100 minus the average US Mortgage-Backed Securities GCF Repo Index rate for the Delivery Month as set forth in 13102(a), rounded to the nearest ~~one-tenth~~^(1/40) one-one hundredth (1/100) of one basis point.

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Chapter 132

Futures on the US Agency DTCC GCF Repo IndexTM®

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13204. Settlement Procedures

Delivery shall be by cash settlement through the Clearing Service Provider following normal variation margin procedures. The final settlement price will be calculated on the Business Day that the US Agency GCF Repo Index is calculated on the Last Day of Trading. The final settlement price

shall be 100 minus the average US Agency GCF Repo Index rate for the Delivery Month as set forth in 13202(a), rounded to the nearest ~~one-tenth ($\frac{1}{10}$)~~ one-one hundredth ($\frac{1}{100}$) of one basis point.

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