

April 15, 2013

Via E-Mail: submissions@cftc.gov

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

RE: Rule 40.2(a) and 40.2(d) Certification of trueEX Standard Coupon & Standard Maturity (SCSM™) Interest Rate Swap Contract (trueEX LLC submission #2013-04)

Dear Ms. Jurgens:

trueEX, LLC (“trueEX” or the “Exchange”) hereby notifies the Commodity Futures Trading Commission (the “Commission”) of its intent to list the trueEX US Dollar Denominated Standard Coupon & Standard Maturity (SCSM™) Interest Rate Swap (the “Contract”) on trueEX’s electronic trading platform. trueEX intends to launch this Contract, as outlined in the attached Rule 1002 and specifically in Schedule 1002, on the trueEX Trading System no earlier than May 1, 2013. Concurrently with this filing, trueEX is certifying a class of swaps under CFTC Regulation 40.2(d). Rule 1002 includes the terms and conditions for this class of swaps, which are SCSM™ Swaps denominated in GBP, Euros, and JPY, and the related parameters that apply to such currencies.

Pursuant to Commission Regulation 40.2, the Submission includes:

- i. The Submission Cover Sheet
- ii. A copy of the Contract’s rules (Rule 1002)-Attached as Exhibit 1
- iii. The intended listing date (no earlier than May 1, 2013);
- iv. Compliance with applicable provisions of the Commodity Exchange Act (the “Act”), including core principles, and the Commission’s regulations thereunder-Attached as Exhibit 2
- v. A concise explanation and analysis of the Contract-Attached as Exhibit 3 (Confidential Treatment requested)

trueEX certifies that the Contract and class of swaps to be listed comply with the Act and Commission regulations thereunder. This Contract and class of swaps were designed with

input from prospective market participants and were approved by the Exchange's Trading Protocols Committee. There were no substantive opposing views to this proposal.

Furthermore, trueEX certifies that this filing of pending product certification has been concurrently posted on the Exchange's Web site at [www. http://trueex.com/regulation.html](http://trueex.com/regulation.html).

Finally, trueEX certifies the following with respect to the class of swaps to be listed:

- i. That each particular swap within the certified class of swaps is based upon an "excluded commodity" as defined in Section 1a(19)(i) of the Act;
- ii. That each particular swap within the certified class of swaps is based upon an excluded commodity with an identical pricing source, formula, procedure, and methodology for calculating reference prices and payment obligations; and
- iii. That the pricing source, formula, procedure, and methodology for calculating reference prices and payment obligations in each particular swap within the certified class of swaps is identical to a pricing source, formula, procedure, and methodology for calculating reference prices and payment obligations in the Contract certified in this filing;
- iv. That each particular swap within the certified class of swaps is based upon an excluded commodity involving an identical currency or identical currencies.

If you have questions regarding this submission, please contact me at (312) 320-8934 or by email at fran@trueex.com.

Sincerely,



Fran Kenck
Chief Regulatory Officer

cc: dmosubmissions@cftc.gov
Alexis Hall-Bugg – Attorney, DMO

EXHIBIT 1**RULE 1002. Standard Coupon & Standard Maturity (SCSMTM) Interest Rate Swap Contracts**

(a) Contract Description. This Contract is a forward starting Fixed for Floating Interest Rate Swap that exchanges periodic fixed interest payments at a rate equal to the Standard Coupon Fixed Rate set by the Exchange for periodic interest rate benchmark. This Rule 1002 contains general information about the Contract terms and conditions. Approved Contracts for trading on the Exchange are itemized in Schedule 1002.

(b) Trading Hours. 8:00 am to 4:00 pm Eastern time

(c) Currency. US Dollar, British Pound, Euro, Japanese Yen

(d) Listing/Trading Conventions. The terms of a SCSMTM Swap are based on the criteria below.

(i) Series. The Exchange will list four SCSMTM Swap Series each year on a quarterly cycle, in connection with quarterly International Monetary Market (IMM) dates, in March, June, September and December.

(A) On-the-Run. The two most current Series will be listed concurrently for trading at any one time.

(B) Off-the-Run. After the Last Trading Day of an On-the Run SCSMTM Swap Series, the Series will be listed as Off-the Run for one year after its Last Trading Day as an On-the-Run Swap. Transactions in Other Tenors, (with the exception of Block Trades) are executed through the System's Off-the-Run trading functionality. All such trades will be subject to the requirements of Exchange Rule 524(c).

(ii) Tenor. The duration of time from the Effective Date of the SCSMTM Swap to the Maturity Date. The Exchange may list Tenors of 1, 2, 5, 7, 10, 15, 20 and 30 years for each Series.

(iii) Holiday Calendar. New York and London

(iv) Business Day Convention. Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the New York and London calendar. If not, it will be the next day that is a business day on both the New York and London calendar.

(v) First Trading Day.

(A) On-the-Run. Six months and two business days prior to the IMM date for the Series. IMM dates are the third Wednesday in March, June, September and December. For example, the first trading day for the September Series will be two business days prior to the March IMM date.

(B) Off-the-Run. One business day after the Last Trading Day as an On-the Run SCSMTM Swap.

(vi) Last Trading Day

(A) On-the-Run. Three business days prior to the IMM date for the Series.

(B) Off-the-Run. One year after the Last Trading Day as an On-the-Run SCSMTM Swap.

(vii) Standard Coupon Fixed Rate. By 4 p.m. Eastern time one business day prior to the First Trading Day for an On-the-Run SCSMTM Swap, the Exchange will announce the Standard Coupon Fixed Rate for each Tenor of the new Series.

(A) Methodology. The Exchange will set the Standard Coupon Fixed Rate for each Tenor of a Series as the at-the-money forward rounded up or down to the nearest 25 basis points on the date the Standard Coupon Fixed Rate is announced.

(B) Adjustments. The Exchange reserves the right to adjust Standard Coupon Fixed Rates in the event forward rates move more than 50 basis points from the Standard Coupon Rate for any Tenor in a Series. The Exchange will list the adjusted Series (referred to as Version) on the first business day following the rate adjustment. The original Series and any subsequent Versions will be available On-the-Run until the Last Trading Day for the Series.

(viii) Trade Types. The Trading System may support the following trade types:

(A) Outrights.

(B) Switches.

(1) Calendar Switches. Calendar switches are simultaneous trades of two different Series of the same Tenor (for example, June vs September 5 year) Calendar Switch prices will be quoted as the difference between the later start date and the earlier start date.

(2) Tenor Switches. Tenor switches are simultaneous trades of two Tenors in the same Series (e.g. June 5 year vs June 10 year). Tenor Switch prices will be quoted as the difference between the longer Tenor and the shorter Tenor.

(C) Block Trades has the meaning as defined in Chapter 1 of this Rulebook.

(ix) Contract size

(A) On-the-Run and Off-the-Run. Minimum notional size of \$1 Million USD and increments of \$1 Million USD.

(B) Block Trades. Minimum notional size as indicated in Rule 1002(e) and increments of \$1 Million USD.

(x) Trade Types. The Trading System may support the following trade types. See Schedule 1002 for Trade Types available to trade on the Trading System:

(A) Outrights.

(B) Switches.

(1) Calendar Switches. Calendar switches are simultaneous trades of two different Series of the same Tenor (for example, June 5 year vs September 5 year) Calendar Switch prices will be quoted as the difference between the later start date and the earlier start date.

(2) Tenor Switches. Tenor switches are simultaneous trades of two Tenors in the same Series (e.g. June 5 year vs June 10 year). Tenor Switch prices will be quoted as the difference between the longer Tenor and the shorter Tenor.

(C) Block Trades has the meaning as defined in Chapter 1 of this Rulebook.

(xi) Quoting convention.

(A) Outrights. An SCSMTM Swap will be quoted based on price, not yield, where 100 points equals par.

(B) Switches.

(1) Calendar Switch prices will be quoted as the difference between the later start date and the earlier start date.

(2) Tenor Switches. Tenor Switch prices will be quoted as the difference between the longer Tenor and the shorter Tenor.

(C) Minimum Price Increments.

Tenor	Minimum Price Increment (Outrights)	Minimum Price Increment (Switches)
2 year	.010 of a point	.005 of a point
5 year	.025 of a point	.010 of a point
7 year	.025 of a point	.010 of a point
10 year	.025 of a point	.010 of a point
15 year	.050 of a point	.025 of a point
20 year	.050 of a point	.025 of a point
30 year	.050 of a point	.025 of a point

(xii) Upfront Payment. An upfront payment will be exchanged between the payer and the receiver of an SCSMTM Swap. The direction and amount of the payment is dependent on the price at which the SCSMTM Swap was transacted on.

(A) Payment Direction.

(1) If Price < 100, the Fixed Rate Payer makes payment to the Fixed Rate Receiver.

(2) If Price > 100, the Fixed Rate Payer receives payment from the Fixed Rate Receiver.

(B) Payment Calculation. Upfront Payment is calculated using the following formula:

$$\text{Notional Amount} * (100 - \text{Price}) / 100$$

(C) Final Settlement Date and Price. Settlement of the upfront payment will occur on T+2 and is calculated as described in (B) above.

(e) Block Trades.

(i) Minimum Notional Sizes. An SCSMTM Swap, as a forward starting Fixed for Floating Interest Rate Swap, is deemed to be Off-the-Run as that term is defined in Rule 1001(i)(ii)(B). As such, each Tenor within a Series or Version will be subject to the same minimum block size for Off-the-Run Fixed for Floating Interest Rate Swaps as indicated in Rule 1001(t)(i).

(ii) Reporting. All Block Trades must be reported to the Exchange as soon as technologically practicable.

(f) Clearing House. CME, LCH. Choice of Clearing House is determined at the time of order entry and is based on qualification of each Participant's Clearing Firm. See Schedule 1002 for Clearing House availability on the Trading System.

- (g) Terms of the Forward Starting Swap
 - (i) Payer pays fixed interest rate and receives floating interest rate.
 - (ii) Receiver receives fixed interest rate and pays floating interest rate.
 - (iii) Fixed Leg
 - (A) Payment Frequency. Semi-Annually, Annually
 - (B) Day Count Convention. 30/360, actual/365
 - (C) Holiday Calendar. New York and London
 - (D) Business Day Convention. Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the New York and London calendar. If not, it will be the next day that is a business day on both the New York and London calendar.
 - (E) Fixed Rate. The Standard Coupon Fixed Rate set by the Exchange
 - (iv) Floating Leg
 - (A) Reset Frequency. Quarterly, Semi-Annually
 - (B) Day Count Convention. actual/360, actual/365
 - (C) Holiday Calendar. New York and London
 - (D) Business Day Convention. Modified Following with adjustment to period end dates. Business days in this convention must be valid business days on both the New York and London calendar. If not, it will be the next day that is a business day on both the New York and London calendar.
 - (E) Interest Rate Benchmark. LIBOR, Euribor, TIBOR
 - (v) Effective Date (also referred to as Start Date). The Effective date is the IMM date of the Series (i.e. the effective date of a June 2013 SCSMTM Swap is the June 2013 IMM date). This is the first date from which fixed and floating interest amounts accrue.
 - (vi) 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. For a SCSMTM Swap, the Maturity Date will be the same calendar month and date as the Effective Date.

(vii) Roll Day Convention. The date used for determining all fixed and floating Reset Dates for the life of the swap after its Effective Date. Roll Days define the beginning and end of Fixed and Floating interest accrual periods. Roll Day marks the start of a new interest accrual period, and is the day on which a Reset Rate takes effect. For a SCSMTM Swap, Roll Day is the same date of the month as the Effective Date.

(viii) Floating Reset Dates. Dates utilized to determine the Floating Rate amounts for each interest accrual period during the life of the swap after its Effective Date. The Reset Date is 2 London business days prior to the Roll Date that begin each interest accrual period.

(ix) First Period Fixing Date. The Fixed Rate is equal to Standard Coupon Fixed Rate set by the Exchange. The Floating Rate for the first interest period is fixed 2 business days prior to the Effective Date.

Schedule 1002: Approved SCSMTM Swap Listings

Currency	Tenors	Clearing House	Fixed Leg		Floating Leg			Trade Types			
			Payment Frequency	Day Count Convention	Interest Rate Benchmark	Reset Frequency	Day Count Convention	Outrights	Calendar Switches	Tenor Switches	Block Trades
USD	Years 1, 2, 5, 7, 10, 15, 20 and 30	CME	Semi Annual	30/360	LIBOR	3 month	Actual/360	Y	N	N	Y ¹

¹Outrights only

EXHIBIT 2

The Exchange has determined that the following Core Principles apply to this Contract and Class of Swaps:

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 306, any person 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 (which include Exchange regulatory employees as well as NFA). 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.

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://trueex.com/regulation.html>. (see Chapter 5: Trading Practices and Business Conduct; Chapter 6: The Exchange has rules related to position limits and position accountability levels, (see Rules 529, 530, 532) and receives reports of large positions in order to assess a trader’s exposure (see Rule 531) Exchange staff conduct real-time market surveillance and NFA provides regulatory services to the exchange on a T+1 basis. NFA’s services include comprehensive Trade Practice and Market Surveillance Services (the scope of which can be found in the Regulatory Services Agreement between NFA and trueEX that was submitted to the Commission as part of trueEX’s DCM application.

Core Principle 4 – Prevention of Market Distortion

- 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.

Core Principle 5 – Position Limits or Accountability

- Position accountability is addressed in Rules 530 and 532.

Core Principle 7 – Availability of General Information

- The Exchange publishes on its website, www.trueex.com, and in its Rulebook (also on website) accurate information concerning the terms and conditions of any Contract traded on the Exchange.

Core Principle 8 – Daily Publication of Trading Information

- The Exchange shall publish on its website, www.trueex.com, information required by Part 16 of the CFTC Regulations within the required time frame.

Core Principle 9 – Execution of Transactions

- The Contracts shall be listed for trading on the trueEX Trading System. All trades of must be executed on the trueEX Trading System, unless executed pursuant to Rule 542 as a Block Trade or as a trade in which pre-execution communication is allowed pursuant to Rule 524.

Core Principle 10 – 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 monitoring is part of the standard services provided to the Exchange by NFA and the 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.

Core Principle 11 – Financial Integrity of Transactions

- All Contracts shall be cleared by CME Clearing, which is a registered derivatives clearing organization. Exchange Rules 404, 410, and 511 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.

Core Principle 12 – Protection of Markets and Market Participants

- Chapter 5 of the Rulebook establishes rules to protect Participants who trade the Contract from abusive practices by parties, including those operating as agents of the Participants and promotes fair and equitable trading of the Contract. Surveillance conducted by Exchange staff and NFA will serve to identify the actions of parties and practices that may be detrimental to the market and/or market participants.

Core Principle 13 – 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.