

October 5, 2012

Mr. David Stawick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: **New Rules 400, 617, 618 & 701(g); Amendments to Rules 501-503; 601-604; 610-616;
701-702 and 708**
Submission No. 12-05
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6(a) and 40.5

Dear Mr. Stawick:

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") under the Act, Chicago Climate Futures Exchange, LLC ("CCFE") hereby submits notification of new Rules 400, 617, 618 and 701(g) and amendments to Rules 501-503; 601-604; 610-616, 701-702 and 708 of the CCFE Rulebook (the "Rulebook"). In addition, CCFE seeks Commission approval of new Rule 400 and amendments to Rule 708 pursuant to Regulation 40.5. The new rules and rule amendments are attached hereto as Exhibit A.

Please note that currently there are no contracts listed for trading on the CCFE trading platform and, as a result, no trading activity has occurred at CCFE since February 2012. Notwithstanding the foregoing, CCFE is adopting the new rules and the rule amendments described in detail below in connection with the issuance of CFTC Regulations 38.1 *et seq* which apply to the designated contract markets ("DCM").

New Rule 400 and Amended Rule 708 – Request for Approval under Regulation 40.5

CCFE is adopting new Rule 400, as recommended by staff from the Division of Market Oversight, as a means of complying with CFTC Regulation 38.151. The rule was written in consultation with the Joint Compliance Committee (a collective of compliance staff from various U.S. futures exchanges) and approved as a model for each exchange to adopt. New Rule 400 subjects persons who initiate or execute a transaction at CCFE, or those for whose benefit a transaction is initiated or executed, to the jurisdiction of CCFE and binds them to all CCFE Rules. Because CCFE is not likely to have on file a specific designation of an address for service of process upon a non-member market participant, an amendment to Rule 708 has been made which provides that service by CCFE in a disciplinary action involving a non-member market participant will be deemed good service if provided to an address which the General Counsel, or his/her designee, in good faith, reasonably believes will constitute actual notice to the market participant.

Both new Rule 400 and amendment to Rule 708 are being self-certified under CFTC Regulation 40.6(a) in addition to the request that they be approved under CFTC Regulation 40.5.

Amended Rules 601-604, 610-616 and new Rules 617 & 618

Currently, CCFE Rules 601 through 604 and Rules 610 through 616 prohibit Trading Privilege Holders and Authorized Traders from engaging in various abusive trading practices. CCFE is amending the referenced rules to make them applicable to all market participants in furtherance of compliance with CFTC Regulation 38.152. In addition, new Rules 617 and 618 add two abusive practices not currently addressed in Chapter 6 by expressly prohibiting (1) money passes and (2) any trading, practice or conduct that is intended to disrupt the orderly execution of transactions, unduly influence market prices or mislead other market participants.

Amended Rule 503

New CFTC Regulation 38.603 requires DCMs to have rules which address financial standards, reporting requirements and treatment of customer funds for exchange members who are Futures Commission Merchants ("FCM"). Rule 503 is being amended to clarify that Trading Privilege Holders and Clearing Members that are FCMs are required to comply with CFTC regulations relating to treatment of customer funds.

New Rule 701(g)

The guidance for Core Principle 13 (Disciplinary Procedures) in new Appendix B to Part 38, provides that a DCM may take emergency disciplinary action and impose sanctions upon a reasonable belief that such immediate action is necessary to protect the best interest of the marketplace. New Rule 701(g) establishes the authority for CCFE to take any such emergency action, and establishes the procedures and review for such actions.

Amended 701(a) and 702

New CFTC Regulation 38.707 provides that DCMs have the ability to require persons within its jurisdiction who are called as witnesses to participate in hearing procedures and produce evidence. Accordingly, amendments to CCFE Rules 701(a) and 702 extend CCFE's authority to compel testimony and production of documents to all CCFE market participants.

Amended Rules 501 and 502

New CFTC Regulation 38.254 provides that DCMs must have rules that require traders in its contracts to keep records of their trading activity. Accordingly, the amendments to Rules 501 and 502 extend the scope of the rules to all CCFE market participants.

CCFE certifies that the new rules and the rule amendments comply with the requirements of the Act and the rules and regulations promulgated thereunder. CCFE further certifies that, concurrent with this filing, a copy of this submission was posted on CCFE's website which may be accessed at (<http://ccfe.com/ccfeContent.jsf?id=91305>).

New Rules 400, 617, 618 and 701(g) and the amendments to Rules 501 through 503, 601 through 604, 610 through 616, 701 through 702 and 708 will become effective on October 22, 2012. No opposing views were expressed.

Should you require additional information regarding this submission, please contact me at 312.836.6742 or eric.nield@theice.com. Please reference our submission number 12-05 in any related correspondence.

Very truly yours,



Eric J. Nield
General Counsel

Enc.

cc: Division of Market Oversight
Chicago Regional Office

EXHIBIT A

400. Compliance with Rules and Consent to Jurisdiction.

Any Person initiating or executing a transaction on or subject to the Rules of the Exchange directly or through an intermediary, and any Person for whose benefit such transaction has been initiated or executed, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with the Rules of the Exchange in relation to such transaction, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes.

501. Books and Records

Each Trading Privilege Holder, Authorized Trader, ~~and~~ Clearing Member and other Exchange market participant must prepare and keep current all books, ledgers and other similar records required to be kept by it pursuant to Applicable Law and the Rules of the Exchange, and must prepare and keep current such other books and records and adopt such forms as the Exchange may from time to time prescribe. Such books and records must be made available to the Exchange, the Commission and the U.S. Department of Justice and their authorized representatives upon request.

502. Inspection and Delivery

Each Trading Privilege Holder, Authorized Trader, ~~and~~ Clearing Member and other Exchange market participant must keep all books and records required to be kept by it pursuant to the Rules of the Exchange for a period of five years from the date on which they are first prepared, unless otherwise provided in the Rules of the Exchange or required by Applicable Law. Such books and records must be readily accessible during the first two years of such five-year period. During such five-year period, all such books and records must be made available for inspection by, and copies thereof must be delivered to, the Exchange, the Commission and the U.S. Department of Justice and their authorized representatives upon request.

503. Minimum Financial Standards, and Related Reporting Requirements and Treatment of Customer Funds for Registrants

Each Trading Privilege Holder and Clearing Member that is registered with any self-regulatory association must comply with the provisions of Applicable Law relating to minimum ~~financial capital, and related~~ financial capital, and related reporting and recordkeeping requirements, and treatment of customer funds. A copy of any notice or written report that a Trading Privilege Holder or Clearing Member is required to file with the Commission pursuant to Commission Regulation § 1.12 must also be filed with the Exchange's Compliance Service Provider. A Trading Privilege Holder or Clearing

Member that violates any of the aforementioned Commission Regulations will be deemed to have violated this Rule 503.

601. Fraudulent Acts

It shall be a violation of these Rules for any Person to ~~Trading Privilege Holder nor any of its Authorized Traders~~ may engage in any fraudulent act or engage in any scheme to cheat, defraud or deceive, in connection with or related to any trade on or other activity related to the Exchange or the Clearing Service Provider.

602. Fictitious Transactions

It shall be a violation of these Rules for any Person to ~~Neither a Trading Privilege Holder nor any of its Authorized Traders~~ may create fictitious transactions or execute any Order for a fictitious transaction with knowledge of its nature.

603. Market Manipulation or Demoralization

Any manipulation of the market in any Contract is prohibited. Orders entered into the CCFE Trading Platform for the purpose of upsetting the equilibrium of the market in any Contract or creating a condition in which prices do not or will not reflect fair market values are prohibited and any Person ~~Trading Privilege Holder (including its Authorized Traders)~~ who makes or assists in entering any such Order with knowledge of the purpose thereof or who, with such knowledge, in any way assists in carrying out any plan or scheme for the entering of any such Order, will be deemed to have engaged in an act detrimental to the Exchange.

604. Adherence to Law

It shall be a violation of these Rules for any Person to ~~No Trading Privilege Holder (including its Authorized Traders)~~ may engage in conduct in violation of Applicable Law, the Rules of the Exchange or the Rules of the Clearing Service Provider (insofar as the Rules of the Clearing Service Provider relate to the reporting or clearance of any transaction in Contracts).

610. Priority of Customers' Orders

It shall be a violation of these Rules for any Person to ~~No Trading Privilege Holder (including its Authorized Traders)~~ may knowingly buy a Contract for their own a personal or proprietary account ~~of such Trading Privilege Holder or Authorized Traders~~ or for an account in which Person ~~such Trading Privilege Holder or Authorized Traders~~ has a proprietary interest, when such Person ~~Trading Privilege Holder or Authorized Traders~~ has in hand Orders to buy the same Contract for any other Person at the same price or at the market price. No Person ~~Trading Privilege Holder (including its Authorized Traders)~~ may knowingly sell a Contract for their own a personal or proprietary account (including a Noncustomer account) ~~of such Trading Privilege Holder or Authorized Traders (including a Noncustomer~~

account of such ~~Person Trading Privilege Holder or Authorized Trader~~) or for an account in which such ~~Person Trading Privilege Holder or Authorized Traders~~ has a proprietary interest (including a Noncustomer account), when such ~~Person Trading Privilege Holder or Authorized Traders~~ has in hand Orders to sell the same Contract for any other Person at the same price or at the market price.

It shall be a violation of these Rules for any Person to ~~No Trading Privilege Holder (including its Authorized Traders)~~ may knowingly execute a discretionary Order for any Contract, including an Order allowing such ~~Person Trading Privilege Holder~~ (including its Related Parties) discretion as to time and price, for an immediate family member or for a personal or proprietary account of any other ~~Person Trading Privilege Holder or Authorized Traders~~ (including Noncustomer accounts), when such ~~Person Trading Privilege Holder or Authorized Traders~~ has in hand any Customer market Order for the same Contract open as to time and price.

Any Person ~~An Authorized Trader~~ entering Orders into the CCFE Trading Platform must enter all Customer Orders that the CCFE Trading Platform is capable of accepting before entering an Order for a personal or proprietary account of such ~~Person Authorized Trader or the related Trading Privilege Holder~~ (including a Noncustomer account), an account in which such ~~Person Authorized Trader or Trading Privilege Holder~~ has a proprietary interest (including a Noncustomer account) or an Order for a discretionary account, including an Order allowing such ~~Person Authorized Trader or Trading Privilege Holder~~ discretion as to time and price, for an immediate family member or for a personal or proprietary account of any other ~~Person Trading Privilege Holder or Authorized Traders~~ (including a Noncustomer account).

For purposes of this Rule 610, no ~~Person Trading Privilege Holder~~ that consists of more than one individual, will be deemed to knowingly buy or sell a Contract or execute a discretionary Order if (i) such ~~Person Trading Privilege Holder~~ has in place appropriate “firewall” or separation of function procedures and (ii) the individual buying or selling the Contract or executing the discretionary Order in question has no direct knowledge of the Order to buy or sell the same Contract for any other Person at the same price or at the market price or of the Customer Order for the same Contract, as the case may be. Nothing in this Rule 610 limits the ability of an “eligible account manager” to bunch Orders in accordance with Commission Regulation § 1.35(a-1)(5).

611. Trading Against Customers' Orders

It shall be a violation of these Rules for any Person to ~~No Trading Privilege Holder (including its Authorized Traders)~~ may enter into a transaction on behalf of a Customer in which such ~~Person Trading Privilege Holder or Authorized Traders or any Person~~ trading directly or indirectly for an account in which such ~~Person Trading Privilege Holder or Authorized Trader~~ has a financial interest (including a Noncustomer account), intentionally assumes the opposite side of the transaction. The foregoing restriction does not prohibit pre-execution discussions conducted in accordance with procedures established by the Exchange from time to time, and does not apply to any Exchange of Future for Physical, any Block Trade or any transaction meeting all of the following criteria (or such other criteria as may be established by the Exchange from time to time):

(a) the Customer has previously consented in writing to such transactions, which consent must have been given or renewed within 12 months of the transaction at issue and may not have been revoked prior thereto;

(b) the ~~Person Trading Privilege Holder or Authorized Traders~~ has waited for a reasonable period of time, as determined by the Exchange, after first entering the Order received from the Customer into the CCFE Trading Platform before taking the opposite side of the transaction;

(c) the ~~Person Trading Privilege Holder~~ maintains a record that clearly identifies, by appropriate descriptive words, all such transactions, including the time of execution, Commodity, date, price, quantity and delivery month; and

(d) the ~~Person Trading Privilege Holder~~ provides a copy of the record referred to in clause (c) above to the Exchange.

612. Withholding Orders

It shall be a violation of these Rules for any Person to ~~No Trading Privilege Holder (including its Authorized Traders)~~ may withhold or withdraw from the market any Order or any part of an Order placed by any Customer, unless expressly instructed or authorized to do so by such Customer.

613. Disclosing Orders

Except in accordance with any policies or procedures for pre-execution discussions from time to time adopted by the Exchange, no ~~Person Trading Privilege Holder (including its Authorized Traders)~~ may disclose to any Person any Order placed by any other Person, except to the Exchange, the Commission or the United States Department of Justice.

614. Pre-Arranged Trades

It shall be a violation of these Rules for any Person to ~~No Trading Privilege Holder (including its Authorized Traders)~~ may enter any Order into the CCFE Trading Platform which has been pre-arranged, except as expressly permitted by Rules 411 and 412 or in accordance with any policies or procedures for pre-execution discussions from time to time adopted by the Exchange.

615. Simultaneous Buying and Selling Orders

(a) It shall be a violation of these Rules for any Person to ~~No Trading Privilege Holder (including its Authorized Traders)~~ may accept or enter simultaneous buy and sell Orders from the same Customer for the same delivery month of a particular Future.

(b) A ~~Person Trading Privilege Holder (including its Authorized Traders)~~ holding Orders to buy and sell at the same time from different Customers for the same month of a particular Future may enter the second Order into the CCFE Trading Platform after having waited a minimum of 5 seconds (15 seconds, if an Option Order) from entering the first Order into the CCFE Trading Platform.

616. Prohibited Same Account Buying and Selling

It shall be a violation of these Rules for any Person to ~~A Trading Privilege Holder (including its Authorized Traders)~~ shall not enter Orders for an account with the intent to trade opposite that account or an account with the same beneficial owner.

617. Prohibited Money Passes

It shall be a violation of these Rules for any Person to prearrange the execution of transactions in Contracts for the purpose of passing or transferring equity between accounts.

618. Disruptive Trading Practices

It shall be a violation of these Rules for any Person to engage in any trading, practice or conduct that is intended to disrupt the orderly execution of transactions, unduly influence market prices or mislead other market participants.

701. General

(a) All Trading Privilege Holders, Authorized Traders and any other Exchange market participants ~~Persons within the Exchange's jurisdiction~~ are subject to this Chapter 7 if they are alleged to have violated, to have aided and abetted a violation, to be violating, or to be about to violate, any Rule of the

Exchange or any provision of Applicable Law for which the Exchange possesses disciplinary jurisdiction.

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(g) The General Counsel or his/her delegate, upon a good faith determination after consultation with the Market Regulation Department that there are substantial reasons to believe that such immediate action is necessary to protect the best interests of the Exchange, may order that any Person be denied access to any or all Exchange Contracts and/or denied access to the Exchange's electronic trading systems for a period not to exceed 60 days. Notice shall promptly be given to the Person subject to the access denial. Such notice shall state the reasons for the denial, the effective date, time and duration of the denial and advise the Person of his/her right to an expedited hearing before the Exchange's Disciplinary Panel in accordance with the procedures set forth in this Chapter 7 by filing a request with the General Counsel within 10 Business Days after receiving such notice.

702. Inquiries and Investigation

(c) Each Trading Privilege Holder, Authorized Trader and any other Exchange market participant Person subject to the Exchange's jurisdiction:

(i) is obligated to appear and testify and respond in writing to interrogatories within the time period required by the Market Regulation Department in connection with: (A) any Exchange Business or Rule of the Exchange; (B) any inquiry or investigation; or (C) any preparation by and presentation during a disciplinary proceeding or appeal from a decision in a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action by the Exchange;

(ii) is obligated to produce books, records, papers, documents or other tangible evidence in its, his or her possession, custody or control within the time period required by the Market Regulation Department in connection with: (A) any Exchange Business or Rule of the Exchange; (B) any inquiry or investigation; or (C) any preparation by and presentation during a disciplinary proceeding or appeal from a decision in any disciplinary proceeding, summary imposition of fines, summary suspension or other summary action by the Exchange; and

(iii) may not impede or delay any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action.

708. Service of Notice of Charges

(a) Any notice of charges or other documents contemplated to be served pursuant to this Chapter 7 may be served upon the respondent either personally or by leaving the same at his or her place of business or by deposit in the United States mail, postage prepaid, via registered or certified mail addressed to the respondent at the address as it appears on the books and records of the Exchange.

(b) Service to a non-Trading Privilege Holder, non-Authorized Trader, or non-Clearing Member at an address which the General Counsel of the Exchange or his/her designee reasonably believes, in good faith, will achieve actual notice shall be good service. Service upon a non-Trading Privilege Holder, non-Authorized Trader, or non-Clearing Member may be made via any of the methods specified in Rule 708(a).