



8065 Leesburg Pike, 3rd Floor
Vienna, VA 22182
Phone (703) 962 9800
Fax (703) 962 9850
www.nodalexchange.com

October 14, 2013

VIA EMAIL (submissions@cftc.gov)

Commodity Futures Trading Commission
Attention: Melissa Jurgens, Secretary
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: CFTC Regulation 40.6(a) Certification: Submission of Amendment to Rule 4.11 of the Nodal Exchange Rulebook

Dear Ms. Jurgens:

Nodal Exchange, LLC (“Nodal Exchange” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying an amendment to Rule 4.11 (Recordkeeping; Audit Trail) pursuant to Commission Regulation 40.6(a). The text of amended Rule 4.11 is attached hereto, indicating the specific text in Rule 4.11.1 that is being deleted and added for this amendment. The Exchange intends to implement the amended Rule 4.11 in 10 business days on October 29, 2013 or 10 business days after the conclusion of the government shutdown, whichever is later.

Specifically, Rule 4.11.1 explains that the Exchange’s participants are responsible for maintaining audit trail information for orders entered into the trading platform through an order routing/front-end system rather than directly into the Exchange’s trading platform. To date, the Exchange has not certified any entities to connect an order routing/front-end system to the Exchange’s trading platform. Exchange management has assessed the amendments to Rule 4.11.1 and its compliance with applicable provisions of the Commodity Exchange Act (“Act”), including the Commissions Regulations and the Core Principles. Nodal Exchange has identified that amended Rule 4.11.1 may affect the following Core Principles as follows:

Compliance with the Rules: Consistent with the Exchange’s Rules, the amendments to Rule 4.11.1 clarifies the Exchange’s rule regarding its participants’ audit trail

obligations when orders are entered through an order routing/front-end system rather than directly through the Exchange's trading platform.

Core Principle 10 – Trade Information: Consistent with the Exchange's Rules, the amendments to Rule 4.11.1 concern the audit trail requirements for any order routing/front-end system and the audit trails associated with orders directly entered into the Exchange's trading platform, which is the responsibility of the Exchange.

Pursuant to Section 5c(c) of the Act and the Commission's Regulation 40.6, the Exchange certifies that amended Rule 4.11 complies with the Act and the Commission's Regulations thereunder. There have not been any opposing views expressed regarding the amendments to Rule 4.11.

Nodal Exchange certifies that this submission has been concurrently posted on the Nodal Exchange website at www.nodalexchange.com.

If you have any question or need additional information regarding this submission, please contact me at 703-962-9835 or Herrera@nodalexchange.com.

Sincerely,



Anita Herrera
Chief Regulatory Officer

Attachments:

Submission Cover Sheet
Redline of Nodal Exchange Rule 4.11

4.11 Recordkeeping; Audit Trail

- 4.11.1 Participants shall maintain records of Nodal Contracts executed on the Exchange and in related derivatives markets, including in the products underlying those Nodal Contracts for a period of five (5) years. Participants that enter Orders into the Trading Platform through an order routing/front-end system rather than directly through the Trading Platform access the Exchange electronically are responsible for maintaining or causing to be maintained audit trail information for such electronic Orders, which shall include the ITM, Order ID, Expiry, price, quantity, Order type, User ID and any other tag information for each electronic Order entered, modified or cancelled on the Exchange (the “**Audit Trail**”). Such Audit Trail shall include the time that an Order is entered, modified or cancelled. Times that are so captured must not be capable of being modified by the Person entering the Order and must reflect all necessary data fields specified by the Exchange from time to time. For executed Orders, the Audit Trail must also include ~~record~~ the execution time of the trade and all trade data.
- 4.11.2 Participants shall maintain Audit Trail information for a minimum of five (5) years and must have the ability to produce Audit Trail data in a standard format upon request of the Exchange.