SWAPEX®

February 26, 2014

BY ELECTRONIC 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: SwapEx Submission 04-14: Certification Pursuant to Commission Regulation 40.2(d) of Listing for Trading of "Euro EURIBOR Interest Rate Swaps: Fixed-to-Floating"

Dear Ms. Jurgens:

SwapEx, LLC ("SwapEx") hereby notifies the Commodity Futures Trading Commission (the "Commission" or "CFTC"), pursuant to Commission Regulation 40.2(d), that it is certifying a number of interest rate swaps ("EURIBOR IRS") whose value is based upon the difference between a stream of annual fixed interest payments and a stream of semi-annual floating interest payments referencing the six-month Euro Interbank Offered Rate ("EURIBOR"). The intended listing date for this class of EURIBOR IRS is February 28, 2014.

This submission contains the following attachments:

- The submission cover sheet.
- Attached as Exhibit A, a concise explanation and analysis of the EURIBOR IRS.
- Attached as Exhibit B, a copy of the rules for the EURIBOR IRS, which will be published as contract specifications on SwapEx's website in accordance with SwapEx Rule 901(c).
- Attached as Exhibit C, a concise explanation and analysis of the EURIBOR IRS' compliance with applicable provisions of the Commodity Exchange Act (the "CEA"), including the Core Principles, and the Commission's Regulations thereunder.

As required by Commission Regulation 40.2(d)(1), SwapEx hereby certifies:

- That each particular swap within the certified class of swaps is based upon an "excluded commodity" specified in Regulation 40.2(d)(1);
- 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;

- 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 a product previously submitted to the Commission and certified or approved pursuant to Regulation 40.2 or Regulation 40.3; and

- That each particular swap within the certified class of swaps is based upon an excluded commodity involving an identical currency or identical currencies.

SwapEx certifies that each EURIBOR IRS complies with the CEA and Commission Regulations thereunder. SwapEx additionally certifies that it has concurrently posted a copy of this submission letter and attachments hereto on SwapEx's website at http://www.swapex.com/swapex/rules-policies-and-notices/recent-rule-filings-cftc/.

* * *

In the event that you have questions, please contact the undersigned at (212) 259-3025 or BJRegan@statestreet.com.

Sincerely,

Brian J. Regan
Chief Compliance Officer

cc: Jonathan Lave, Division of Market Oversight
Abigail Knauff, Division of Market Oversight

Exhibit A

Euro EURIBOR Interest Rate Swaps: Fixed-to-Floating

Each EURIBOR IRS swap being certified under this class of interest rate swaps is a cash-settled swap whose value is based upon the difference between a stream of annual fixed interest payments and a stream of semi-annual floating interest payments based on six-month EURIBOR, over a term to maturity.

Each EURIBOR IRS will be either a fixed-rate negotiated instrument or a pre-set coupon rate, net present value ("NPV")-negotiated instrument. For fixed-rate negotiated EURIBOR IRS, the fixed rate will be negotiated at the time of execution. For NPV-negotiated EURIBOR IRS, the fixed rate will either be pre-set based upon International Monetary Market ("IMM") dates or either defined at instrument creation as specified by the user or negotiated at the time of execution. The underlying tenor will range from 1 to 50 years for fixed-rate negotiated EURIBOR IRS, and 2 to 50 years for NPV- negotiated EURIBOR IRS. Contract sizes will be set in notional amounts.

For more information, the contract specifications for the EURIBOR IRS are attached as Exhibit B.

Exhibit B

SwapEx Contract Specifications

Euro EURIBOR Interest Rate Swaps: Fixed-to-Floating

There are two types of Euro EURIBOR Interest Rate Swaps: Fixed-to-Floating contracts available for trading on SwapEx:

- *Fixed Rate Negotiated Instruments*
  - Spot Starting
  - User-Specified / Admin defined
- *Pre-Set Coupon Rate, NPV Negotiated Instruments*
  - Spot Starting
  - User-Specified / Admin defined

The below table includes specifications for both types of contracts. Unless otherwise noted, the specifications apply to both types of contracts.

Trading Hours	Standard trading hours are currently 8:20 AM to 4:30 PM Eastern Time.
Contract Structure	*Outright Instruments*: Interest rate swap whose value is based upon the difference between a stream of annual fixed interest payments and a stream of semi-annual floating interest payments based on 6 month EURIBOR, over a term to maturity. *Spread Instruments*: A transaction involving two underlying Outright Instruments. A buy or sell of a spread instrument will result in two transactions for the user.
Underlying Swap Tenor	The duration of time from the Effective Date to the Cash Flow Alignment Date. Spot Starting (Fixed Rate only): • 1 Year • 2 Years • All intervening years • 50 Years Pre-Set, IMM Dated Instruments (NPV negotiated only): • 2 Years • 3 Years • 5 Years • 7 Years

	• 10 Years • 50 Years User-Specified / Admin defined: • Subject to specific start date and end date defined by system administrator / user
Remaining Tenor	The duration of time from today to the Cash Flow Alignment Date.
Fixed Rate	Negotiated at the time of execution (fixed rate negotiated only) Pre-Set, IMM Dated Instruments determined by SwapEx (NPV negotiated only) • Multiple fixed rates may be pre-determined for unique instruments User-Specified / Admin defined: • May either be negotiated or defined at the time of instrument creation
Contract Size	*Outright Instruments*: Minimum notional amount of EUR1 , and integer values above the minimum *Spread Instruments*: Acceptable values are integer values >=1; which extrapolates to notional quantities on each underlying leg based upon the specified ratio.
Trading Conventions	*Outright Instruments*: Buy = Pay Fixed Sell = Receive Fixed *Spread Instruments*: Buy = Buy of any underlying instrument with a positive weight and a sell of any underlying instrument with a negative instrument weight Sell = Sell of any underlying instrument with a positive weight and a buy of any underlying instrument with a negative instrument weight.
Swap Leg Conventions	Fixed Leg • Reset Frequency Annual • Day Count Convention 30/360, • Currency EUR • Holiday Calendar TARGET • Business Day Convention Modified Following with adjustment to period end dates Floating Leg • Reset Frequency Semi-Annual

	• Day Count Convention Actual/360 • Currency EUR • Holiday Calendar TARGET • Business Day Convention Modified Following with adjustment to period end dates
Effective Dates	The "Effective Date" is the first date from which fixed and floating interest amounts accrue. The Effective Date of the Swap must be a business day subject to the Modified Following convention. Spot Starting (Fixed rate only): • A Swap whose effective date is two business days from the trade date (using the TARGET holiday calendar); subject to Modified Following convention. Pre-Set, IMM Dated Instruments (NPV negotiated only): • A Swap whose effective date is a specific IMM Date (an eligible 3rd Wednesday of March, June, September or December) User-Specified/ Admin defined: • A Swap whose effective date is a value specified by either user or SwapEx
Cash Flow Alignment Date ("CFAD")	The date used for aligning all fixed and floating Reset Dates, and for determination of the Maturity Date. • Note that the Cash Flow Alignment Date may fall on any calendar day, including weekends and holidays. • The CFAD is used to determine the Maturity Date, but the two terms are distinct, as the Maturity Date must fall on a valid business day from the joint holiday calendar. Spot Starting (Fixed rate negotiated only): • End Date (Cash Flow Alignment Date) equal to Effective Date plus specified tenor – expressed in years Pre-Set, IMM Dated Instruments (NPV negotiated only): • End Date (Cash Flow Alignment Date) equal to Effective Date plus specified tenor – expressed in years User Specified / Admin Defined: • End Date (Cash Flow Alignment Date) equal to value specified by user or SwapEx
Maturity Date	The final date to which fixed and floating amounts accrue. The last date of the contract. • Maturity Date is determined by applying the Modified Following rule to the Cash Flow Alignment Date. • If the Cash Flow Alignment Date is a non-business day, go forward to the next day that is a business day

	o If the next valid business day is in the following month, the preceding valid business day will be the Maturity Date. The Maturity Date may also be referred to as Termination Date.
Reset Dates	Dates utilized to determine fixed and floating amounts throughout the life of the Contract. • Reset Dates define the beginning and end of fixed and floating interest accrual periods. Floating Rate Reset Dates facilitate the determination of the EURIBOR Fixing Dates. • The Cash Flow Alignment Date will be used as the basis for determining Reset Dates. • Each Reset Date is subject to adjustment based on Modified Following convention. o For example, if the CFAD is 09/19/2014, the Reset Dates will be on the 19th of December, March, June and September, subject to the Modified Following convention.
Last Trading Day	The last day on which the Contract can be traded is the business day preceding the Maturity Date.
First EURIBOR Fixing Date	2 business days prior to the Effective Date.
Other EURIBOR Fixing Dates	For all periods other than the first floating rate period, the EURIBOR Fixing Date is 2 business days prior to each Reset Date.
Floating Rate Index	6 Month EURIBOR
Quoting Convention	*Outrights:* Fixed Rate or upfront NPV per million depending on the contract type. *Spread Instruments:* Spread Instruments referencing two underlying fixed rate negotiated instruments will be negotiated in the fixed rate differential. Spread Instruments referencing two underlying NPV negotiated instruments will be negotiated in the NPV differential.
Derivatives Clearing Organization	Chicago Mercantile Exchange Inc. LCH.Clearnet Limited LCH.Clearnet LLC

The terms and conditions of the swap also include the product eligibility criteria, as established by the applicable Derivatives Clearing Organization in its rules or bylaws, which are incorporated by reference herein as terms and conditions of the swap.

Exhibit C

Euro EURIBOR Interest Rate Swaps: Fixed-to-Floating

SwapEx has determined that the EURIBOR IRS certified under the class "Euro EURIBOR Interest Rate Swaps: Fixed-to-Floating" herein bear upon the following Core Principles:

Core Principle 2 – Compliance with Rules

Trading in the EURIBOR IRS will be subject to the SwapEx Rulebook (the "Rules"), which prohibits abusive trading practices, including: acts detrimental to SwapEx or that are inconsistent with just and equitable principles of trade (Rule 503), fraudulent acts (Rule 504), fictitious or non-competitive transactions (Rule 505), market manipulation (Rule 506), disruptive trading practices (Rule 507), misstatements (Rule 508), misuse of the trading system (Rule 509), wash sales (Rule 514) and pre-negotiated or non-competitive trades, including money passes (Rule 515). Trading in these EURIBOR IRS will also be subject to Rules relating to protection of customers. *See* Rules 511-513, 516, 517.

As with all swaps listed for trading on the Trading System, trading activity in the EURIBOR IRS will be subject to monitoring and surveillance by SwapEx's Market Regulation Department. SwapEx has the authority to exercise its investigatory and enforcement power where potential Rule violations are identified. *See* Chapter 7 of the Rules.

Pursuant to Rule 601, each EURIBOR IRS executed as a block trade must be for the quantity that is at or in excess of the applicable minimum block size established by the Commission.

Core Principle 3 – Swaps Not Readily Susceptible to Manipulation

Each EURIBOR IRS traded on the Trading System will be settled in cash by a derivatives clearing organization (a "DCO") registered with the Commission. The settlement amount is based on the net amount of interest owed between the swap counterparties. The amount of interest owed by each party is calculated on the basis of a reference interest rate applied over a period of time to a notional amount, where the referenced rates, period of time and notional amount are fixed by the relevant EURIBOR IRS. Each reference rate will be determined on the basis of a floating rate index.

Euribor®

Euribor is the benchmark that provides an indication of the average rate at which prime banks lend unsecured funding in the euro interbank market for a given period. Euribor is the benchmark rate of the large euro money market that has emerged since 1999. It is sponsored by the European Banking Federation ("EBF"), which represents the interests of some 5,000 European banks, and by the Financial Markets Association ("ACI"). The choice of banks quoting for Euribor® is based on market criteria. These banks have been selected to ensure that the diversity of the euro money market is adequately reflected, with the intention that Euribor serve as an efficient and representative benchmark. THOMSON REUTERS currently serves as the screen service provider responsible for computing and also publishing Euribor.

On January 11, 2013, the European Securities and Markets Authority ("ESMA") and the European Banking Authority ("EBA") published a joint set of recommendations made to Euribor-EBF aiming to strengthen and to enhance the governance and transparency of the rate-setting process.

Euribor-EBF expressed general support for these recommendations and subsequently has taken several actions to implement the recommendations. For example, Euribor-EBF revised its governing Steering Committee. As part of the implementation process of the EBA and ESMA recommendations, Euribor-EBF reviewed the composition of the Euribor Steering Committee by reducing the number of members from panel banks to a minority and including other classes of stakeholders in order to further develop its independence and diversity. The Steering Committee will consist of ten members: one Chairman, five independent experts with recognized standing and experience in financial markets and four experienced market practitioners directly involved in market operations or who bear direct responsibility in their bank for these activities. All the members are appointed on a personal basis, must be independent and not subject to instructions from the companies or organizations to which they belong.

In addition, as part of the recommendations issued by EBA/ESMA in January 2013, Euribor has been required to focus on maturities with the highest use and volume of underlying transactions. Rates were to be scaled down from the 15 maturities at that time (1-3 weeks and 1-12 months) to no more than 7 (1 and 2 weeks, 1, 3, 6, 9 and 12 months) at the maximum and fewer if appropriate. The reduction in the number of tenors would concentrate on eliminating those tenors that are already proven to be less used and of which fewer financial instruments are priced. Such a reduction would therefore have the benefit of simplifying the submission process without creating major financial stability risks in the transition process.

After consulting the panel banks with a view to assess the impact of the reduction in the number of Euribor tenors existing contracts, Euribor-EBF determined to discontinue the 3 weeks, 4, 5, 7, 8, 10 and 11 months tenors as of November 1, 2013. Consequently, as of November 1, 2013, the Euribor index is being calculated and published for the following 8 maturities: 1 and 2 weeks and 1, 2, 3, 6, 9 and 12 months.

Finally, and most significantly, Euribor-EBF released a new Euribor Code of Conduct effective October 1, 2013. (As a note, the launch of that code will be followed by a six-month transition period to allow all stakeholders to adapt to the new features.). The new Code contains clarifications on the Euribor definition, as recommended by EBA and ESMA, in particular regarding the "prime bank" and "interbank transactions" terminology. In addition, the new Code sets out among other things the rights and obligations of the Steering Committee, a sanctions regime, a conflicts of interest policy, accountability procedures, rules for amending documentation related to Euribor, record-keeping policies, transparency rules and the obligations of the Calculation Agent.

The main tasks of the Steering Committee will be to promote the implementation of this new Euribor Code of Conduct, check compliance, monitor its effectiveness and propose changes. The Steering Committee will also generally monitor market developments.

ESMA and EBF issued a joint report on February 20, 2014 reviewing the status of the recommendations noted above that were made in January 2013 through to the end of 2013. In general, while further work remained to be done, the joint report concluded that "significant progress" had been achieved in meeting these recommendations.

Similar to the LIBOR market, the Euribor rates are difficult (but not impossible) for any entity or group of market participants to manipulate, especially given the recent changes discussed above and the enhanced public scrutiny. In addition, these EURIBOR IRS products are very liquid; the market is very large and deep, making manipulation difficult to achieve. As such, consistent with the applicable standard set forth under SEF Core Principle 3, the EURIBOR IRS are not readily susceptible to manipulation.

Core Principle 4 – Monitoring of Trading and Trade Processing

Chapter 5 of the Rules prohibits traders from manipulating, distorting the price of, and disrupting trading in EURIBOR IRS products. Such Rules are enforced by the Market Regulation Department.

Core Principle 5 – Ability to Obtain Information

Pursuant to the Rules, SwapEx will have the ability and authority to obtain sufficient information for each EURIBOR IRS to allow SwapEx to fully perform its operational, risk management, governance, compliance and regulatory functions and requirements under Part 37 of Commission Regulations.

Core Principle 6 – Position Limits or Accountability

As provided in Rule 523, the position accountability levels for EURIBOR IRS will be €185 billion.
SwapEx's Rules relating to position limits, position accountability and aggregation standards are reproduced below:

Rule 519. Position Accountability

A Person who holds or controls aggregate positions in any Swap in excess of the applicable position accountability levels set forth in Rule 523 shall:

1. upon request by the Market Regulation Department, provide in a timely manner information regarding the nature of the position, trading strategy, and hedging information, if applicable; and

2. if so ordered by the Market Regulation Department, not further increase positions that exceed the position accountability levels specified in Rule 523.

Rule 520. Position Limits

The Company may establish position limits for one or more Contracts, which, if and when established will be set forth in Rule 523, and grant exemptions from position limits, in accordance with CFTC Regulations. A Person seeking an exemption from position limits must apply to the Market Regulation Department in the form and manner required by the Company.

Rule 521. Position Information

Without limiting any other rights of the Company under these Rules or otherwise, the Company shall have the right to request position and trading information in respect of a given Contract from any Participant, Authorized Trader, Authorized User or Customer that has a position in such Contract at or above the applicable position accountability level.

Rule 522. Aggregation of Positions

For purposes of Rules 519, 520 and 521, positions in Contracts shall be aggregated in accordance with CFTC Regulations.

Rule 523. Position Limits and Position Accountability Levels

The position limits and position accountability levels for Swaps will be calculated on a net basis and are as follows. SwapEx will enforce position limits and position accountability levels only for Contracts executed on the Trading System and Block Trades executed pursuant to Chapter 6 of the Rules.

Contracts	**Daily Position Accountability Level**	**Position Limit Level**
Interest Rate Swaps:		
• Floating Rate Index: 3 Month USD LIBOR	$250 billion	N/A
• Floating Rate Index: 6 Month EURIBOR	€185 billion	N/A
• Floating Rate Index: 6 Month GBP LIBOR	£150 billion	N/A

Core Principle 7 – Financial Integrity of Transactions

All EURIBOR IRS that are required to be cleared pursuant to Section 2(h) of the CEA or that are voluntarily cleared by the counterparties will be submitted for clearing through a DCO. *See* Rule 1002. In this regard, as previously noted, each EURIBOR IRS traded on the SwapEx Trading System will be cleared and will be thus settled in cash by a DCO regulated by the CFTC.

Core Principle 9 – Timely Publication of Trading Information

In accordance with Part 16 of Commission Regulations, SwapEx will publish daily market volume data reports for each swap (or class of swap) in terms of notional value. In addition, SwapEx will publish for each trading day, by tenor of the swap, the opening price and the high and low prices. SwapEx will publish a settlement price for each such swap. *See* Rule 407.

SwapEx will submit electronic reports of all primary economic terms data for each swap to a registered swap data repository immediately following execution of such swap. *See* Rule 528. All such reports will meet the standards set out in Commission Regulation 45.3, including the requirement to produce a unique swap identifier for each transaction. SwapEx will also issue confirmations of transactions pursuant to Rule 525.