



499 Park Avenue
New York, NY 10022
Tel: +1 212 9151200
www.elxmarkets.com

May 19, 2014

17 C.F.R. §40.2

Ms. Melissa Jurgens
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

RE: Notice of Listing under Self Certification of Credit Default Swaps (“CDS”) on
MARKIT CDX.NA.HY¹ Index (“CDX.NA.HY”) Cleared at ICE Clear Credit
LLC (“ICE”)

Dear Ms. Jurgens:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commodity Futures Trading Commission (“Commission”) Regulation 40.2, ELX Futures, L.P. (“ELX”) hereby notifies the Commission of ELX’s certification that ELX will list for trading its Credit Default Swaps (“CDS”) on MARKIT CDX.NA.HY (“CDX.NA.HY”) Cleared at ICE Clear Credit LLC (“ICE”). ELX intends to list the CDX.NA.HY for trading on May 21, 2014.

The terms and conditions of the CDX.NA.HY are consistent with the swaps accepted for clearing by ICE. The new contracts are being introduced to expand on the existing product list at ELX and to provide an opportunity for its customers to trade credit default swaps on a designated contract market (“DCM”).

The new contracts follow commonly accepted terms in the existing market with respect to contract size and listing cycle. All CDX.NA.HY have a minimum notional quote size of at least \$1,000,000 and may be priced in increments of \$1. The CDX.NA.HY are cleared by ICE, will be listed on the ELX electronic trading system and will be available

¹ Trademark rights in “MARKIT CDX.NA.HY” have been duly licensed from Market North America, Inc./ Market Indices Limited.

for trading from 8:00AM ET to 6:30PM ET (Monday to Friday). Trading hours are adjusted from time to time to accommodate holiday schedules.

The terms and conditions for the new contracts are contained in new rules IX-1200 and include provisions for position accountability that apply on the basis of volumetric levels. The new rule language including the terms and conditions are provided in this submission as Appendix A.

Explanation and analysis of the Contracts' Compliance with Applicable Core Principles and Commission Regulations. ELX has reviewed the designated contract market core principles as set forth in the Commodity Exchange Act and has determined that listing of CDX.NA.HY complies with relevant provisions including, but not limited to the following:

- Prevention of Market Disruption, Compliance with Rules and Protection of Market Participants: Trading in the CDX.NA.HY will be subject to all ELX Rules including ELX Rule Chapter IV Trading Standards, Chapter V Obligations of Exchange Users, and Chapter VI Business Conduct. These chapters include necessary rules and procedures to ensure the effectiveness of ELX's audit trail and compliance programs and prohibitions on market manipulation, disruptions, fraudulent acts and other abuse and disruptive practices. Activity in the CDX.NA.HY will be subject to extensive monitoring and surveillance. The Compliance Department has the authority to exercise investigatory and enforcement power in the event that potential rule violations are identified.
- Contracts not Readily Subject to Manipulation: The CDX.NA.HY products are not readily subject to manipulation due to the liquidity and robustness in the underlying markets and the ready arbitrage of such instruments.
- Availability of General Information and Daily Publication of Trading Information: ELX publishes information on the contract's specification on its website, and will provide daily trading volume and price information.
- Financial Integrity of Contracts: CDX.NA.HY will be cleared by ICE which is a registered derivatives clearing organization with the Commission and is subject to all Commission regulations related thereto.
- Execution of Transactions: The CDX.NA.HY will be listed for electronic trading on ELX, a registered DCM.
- Trade Information: All required trade information is included in the audit trail and is sufficient for the Compliance Department to monitor for rule violations.
- Disciplinary Procedures: Chapter VII of the ELX rulebook contains provisions that allow ELX to discipline, suspend or expel members or market participants that violate the rules. Trading in the CDX.NA.HY will be subject to the rules in Chapter VII which give ELX the authority to enforce its rules.
- Dispute Resolution: Disputes with respect to trading in this contract will be subject to the arbitration provisions set forth in Chapter VIII of the ELX rulebook.

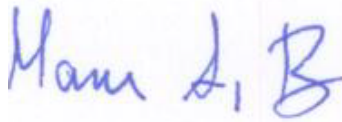
ELX Futures has received no opposing views regarding introduction of the CDX.NA.HY.

ELX hereby certifies to the CFTC, that the CDX.NA.HY comply with the Commodity Exchange Act, as amended, and the regulations promulgated thereunder and that a notice of the filing of this submission and a public copy of this submission has been posted on ELX's website.

Finally, please note that ELX made a submission under Commission Rule 38.8 with its first certification of a swap contract on September 30, 2013.

If you have any questions on this matter, please call me at (212) 829-5241.

Sincerely,

A handwritten signature in blue ink that reads "Manavinder S. Bains". The signature is written in a cursive style with a large initial 'M' and 'B'.

Manavinder S. Bains
Counsel & Chief Regulatory Officer
ELX Futures, L.P.

IX-1200 Credit Default Swaps (“CDS”) on MARKIT CDX.NA.HY Index (“CDX.NA.HY”) Cleared at ICE Clear Credit LLC (“ICE”)

- (a) *Scope of Chapter.*
- (i) *Contract.* This section is limited in application solely to trading in CDX.NA.HY CDS cleared at ICE. The procedures for any matter not specifically discussed herein shall be governed by the Rules of the Exchange.
- (ii) *Application of Rules.* Notwithstanding anything to the contrary therein, the Rules of the Exchange that apply to futures and options on futures contracts in Chapters 1 through X of these Rules (except for Rules IX-100 to IX-1001) shall apply to the Credit Default Swaps cleared by ICE; and that for purposes of this section IX-1200 the term “Contract” shall include within its meaning Credit Default Swaps.
- (iii) *Rules Relating Specifically to Credit Default Swaps.* For purposes of this section:
 - (A) Rule X-5 shall not apply where the relevant Clearinghouse rules or procedures provide for a procedure that is other than provided for in Rule X-5.
 - (B) Notwithstanding anything to the contrary in Rule IV-24, a Participant or its Authorized Trader may not enter an Order into the ELX System for USD Interest Rate Swaps:
 - (1) For itself, unless such Participant has demonstrated in a manner acceptable to the Exchange that the Participant is itself an ICE Clearing Member or has established a clearing relationship with a Clearing Member of ICE that will clear such swaps; or
 - (2) for a Customer, unless such Participant, or its Customer, has demonstrated in a manner acceptable to the Exchange that such Customer is itself an ICE Clearing Member or has established a clearing relationship with a Clearing Member of ICE that will clear such swaps.
- (b) *Contract Overview.* An agreement to buy or sell protection on a basket of reference obligations. Under the contract the buyer pays a regular premium to the seller who agrees to compensate the buyer for losses if a credit event (as defined by the governing authority) occurs in a constituent reference obligation. Additionally:

- (i) *Publisher.* Markit North America, Inc. or any successor sponsor.
- (ii) *Currency.* USD.
- (iii) *Series.* The Series number of CDX.NA.HY that underlies the CDS.
- (iv) *Coupon.* Stated in basis points of notional per annum, the rate at which premiums payments are made on a quarterly basis (March, 20, June 20, September 20, December 20) and accrue on an Actual/360 basis, following New York and London calendar (USD) or London and TARGET (EUR).
- (v) *Credit Event.* Determined per 2009 ISDA definition.
- (vi) *Start Date/Effective Date.* As specified by the index publisher.
- (vii) *End Date/Termination Date.* As specified by the index publisher.
- (viii) *Buyer/Payer.* Pays quarterly coupon payments and receives payment upon a credit event.
- (ix) *Seller/Receiver.* Receives quarterly coupon payments and makes good losses upon a credit event.
- (c) *Settlement.* Cash settled.
- (d) *Contract Size.* Minimum notional quote size of \$1,000,000. Quoted as if the original number of entities were still present.
- (e) *Quote Convention.* The price of the index expressed as a percent of par.
- (f) *Minimum Price Increments.*
 - (i) Minimum Price Outright: \$.03125
 - (ii) Minimum Price for Rolls: \$.03125
 - (iii) Minimum Price for Curves: \$.03125
- (g) *Last Trading Day.* The day prior to the termination date.
- (h) *Trading and Delivery Eligibility.* Limited to Eligible Contract Participants (ECPs) per Section 1a(18) of the Commodity Exchange Act and approved for clearing at ICE Clear Credit LLC.
- (i) *Position Accountability.* Aggregate net long or net short trade volume of \$20 billion notional value in all tenors.