



August 14, 2012

By Electronic Mail

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

RE: Regulation 40.6(a) Rule Certification.

Amendment to ELX Rule IV-18. ("Pre-Discussed Trades, Request for Quote and Cross Trades")

Dear Mr. Stawick:

ELX Futures ("ELX") is notifying the Commodity Futures Trading Commission ("Commission") that it is self-certifying amendments to Rule IV-18. The revision provides for a Request for Quote ("RFQ") and a Request for Cross ("RFC") order in all ELX futures products that result from allowable pre-execution communications. The changes will become effective for trade date Friday, August 31, 2012.

If a customer has an interest in transacting in a particular ELX market, the amendments to Rule IV-18 permits the customer to submit an RFQ to the ELX System which may be followed by an RFC order. An RFC order is a two-sided order submitted by a single party/broker at the same price and quantity. RFC order functionality provides ELX customers a combination of best available pricing and optimal market transparency since all market participants would have been alerted that an RFQ is in process and would be allowed to submit orders to improve against the RFC order prior to the order matching against itself. Submitting an RFC order is a process whereby the ELX System receives an RFQ, then notifies the market at-large that a request to cross an order may be forthcoming, optionally accepts the cross order within narrowly specified time frames, and then executes that order against the order book according to the provisions of Rule IV-18.

[Section Redacted]

Therefore ELX certifies that the amendment to Rule IV-18 complies with the Commodity Exchange Act and regulations thereunder. There were no substantive opposing views to this proposal.

ELX certifies that a public version of the attached submission has been concurrently posted on the Exchange's website. The revisions to Rule IV-18 appear in that submission with additions underlined and deletions struck through.

R. Jaycobs Letter for ELX Futures, L.P.

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ELX is filing this letter, which is marked “Confidential Treatment Requested by ELX Futures L.P.”, subject to the attached Petition for Confidential Treatment. A public version of this document has been provided.

If you have any questions on this matter, please call me at (212) 610-3639.

Sincerely,

A handwritten signature in blue ink, consisting of a large, stylized 'R' followed by a horizontal line extending to the right.

Richard Jaycobs
Chief Executive Officer
ELX Futures, L.P.

TEXT OF RULE AMENDMENTS

underline = additions and ~~strikethrough~~ = deletions

IV-18. Pre-Discussed Trades, Request for Quote and Cross Trades

(a) Except in the case of transactions effected pursuant to this Rule IV-18(b), or Rules IV-16 or IV-17, no Person shall enter through the ELX System into a pre-discussed transaction for illegal or improper purposes (including, without limitation, any conduct prohibited by Chapter VI of these Rules) or knowingly assume on its own behalf or on behalf of a Customer Account the opposite side of its own Order or its Customer's Order (a "Cross Trade"), except where:

(i) the Person is entering into both sides of a Customer Order on a non-discretionary basis, ~~unless~~ and prior written blanket or transaction specific consent has been obtained in respect of any relevant Customer Account; and ~~(ii)~~ the Person waits for a reasonable period of time, which shall be presumed to be not less than 5 seconds, after the initial Order is submitted before submitting the opposite side Order, or

(ii) ~~(b) Notwithstanding the foregoing, a Participant shall not be in violation of Rule IV-18(a) due to Cross Trades~~ the trade is executed by two Participants trading for the same account, or for separate accounts of the same Beneficial Ownership, where neither Participant has knowledge of the other's Order and there is no coordination or prearrangement of the Cross Trade, provided that the relevant Participant shall be responsible, upon the request of ELX, to demonstrate to the reasonable satisfaction of ELX, that neither Participant had knowledge of the other's Order

(b) Notwithstanding the above, Persons may engage in pre-execution communications prior to submitting Request for Quote ("RFQ") and execute a Cross Trade as part of a Request for Cross ("RFC") order, provided that:

(i) subsequent to the pre-execution communication, the Person submits an RFQ for the particular contract, spread or combination into the ELX System; and

(ii) thereafter, no less than five (5) seconds and no more than thirty seconds after the entry of the RFQ an RFC order which contains the price and quantity is submitted into the ELX system. Failure to enter the RFC order within 30 seconds after the entry of the RFQ will require new RFQ and RFC orders, which must be entered in accordance with the time parameters described above.

(iii) All market participants will be notified that an RFQ message has been received by the ELX System; RFQ messages do not contain price or quantity details. Submission of an RFQ message does not obligate any Person to submit an RFC, however all RFC orders must be uniquely identified with a corresponding RFQ.

(iv) If the RFC price is inferior to the best bid or offer in the market, the applicable side of the RFC order will immediately match against the orders in the market; if the RFC price improves, equals or establishes the bid/offer in the market, then the RFC quantity will match at the RFC price upon submission of the RFC.

(c) No Person may disclose the details of any pre-execution communications with other parties. Furthermore, no party may take advantage of any information disclosed in pre-execution communication for the purpose of entering a subsequent order in the market.