



January 4, 2016

VIA ELECTRONIC PORTAL

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**Re: Commission Regulation 40.6(a) Rule Certification
GFI Swaps Exchange LLC Submission # 16-0001 – Rulebook Amendments**

Dear Mr. Kirkpatrick:

GFI Swaps Exchange LLC (“GFI”) hereby notifies the Commodity Futures Trading Commission (the “Commission”), pursuant to Section 5c(c) of the Commodity Exchange Act (the “CEA”) and Commission Regulation 40.6(a), that it is certifying the attached amendments to the Rulebook and the Notice to Participants regarding the Block Trade Treatment of Package Transactions. The attached amendments will become effective on January 19, 2016.

A concise explanation and analysis of the amendments and their compliance with applicable provisions of the CEA, including the Core Principles, and the Commission’s Regulations, is attached hereto as Exhibit A. A marked copy of the Rulebook amendments is attached hereto as Exhibit B. A marked copy of the Notice to Participants regarding the Block Trade Treatment of Package Transactions is attached hereto as Exhibit C.

GFI certifies that the amendments comply with the CEA and Commission Regulations thereunder. GFI additionally certifies that it has concurrently posted a copy of this submission letter and the attachments hereto on GFI’s website at <http://gfigroup.com/markets/swaps-exchange/rules-notice.aspx>. There were no substantive opposing views to the amendments.

Please contact the undersigned at (212) 968-4122 or william.shields@gfigroup.com if you have any questions or you would otherwise like to discuss this further.

Sincerely,

/s/ William Shields

Chief Compliance Officer
GFI Swaps Exchange LLC

Enclosure

Exhibit A

Capitalized terms used but not defined herein have the meanings assigned to them in the Rulebook.

Rule/Notice	Explanation	Core Principle or other CEA Provision, Commission Regulation and/or Commission Staff Letter
Rule 506(c)	Requires Participants, Sponsored Access Firms and Customers to provide information on post-allocation swaps to GFI upon request by the Commission or GFI. The other revision is a clarifying, non-substantive change.	Regulation 37.205 Letter No. 15-68
Rule 601(h)	Updates reference to Commission Letter No. 15-60.	Letter No. 15-60
Notice to Participants	Updates provisions containing expiration dates to reflect the corresponding expiration dates in Commission Letter No. 15-55. The other changes relate to the following: (i) updates reference to Commission Letter No. 15-55; (ii) updates notice number, issue date and effective date; and (iii) makes certain other non-substantive changes.	Letter No. 15-55

Exhibit B

506. Entry of Orders, Requests for Quote

...

(c) ...

Post-allocation ~~Swaps~~swaps shall be respectively effected and reported in accordance with the rules of the Derivatives Clearing Organization and Swap Data Repository and in accordance with CFTC Regulations. Participants, Sponsored Access Firms and Customers shall provide information on such post-allocation swaps to the Company upon request by the CFTC or the Company.

...

601. Block Trades

...

(e) As permitted by CFTC No-Action Letter ~~14-118~~15-60 expiring ~~December~~November 15, ~~2015~~2016, a Block Trade in a Cleared Swap may be effected on the Trading Platform by any means of interstate commerce, including, but not limited to, (i) through a Request for Quote pursuant to Rule 508 or (ii) as a voice-executed trade or a Brokered Trade pursuant to Rule 509. Such a Block Trade shall not be deemed to be a Required Transaction for purposes of Chapter 5 (other than Rules 535 and 536). Notwithstanding the foregoing, such a Block Trade may not be executed in the Order Book or during a JTT session.



GFI SWAPS EXCHANGE LLC

Notice to Participants

Notice No.:	15 <u>16</u> -1
Issue Date:	August 6, 2015 <u>January 4, 2016</u>
Effective Date:	August 19, 2015 <u>January 19, 2016</u>
Subject:	Block Trade Treatment of Package Transactions

The following Notice to Participants describes the treatment of Package Transactions¹ that have at least one component (leg) that is a Required Transaction. This Notice is consistent with no-action relief issued by the CFTC's Division of Market Oversight.²

MAT/MAT. Each component of the Package Transaction is a Required Transaction.

- An MAT/MAT Package Transaction may be effected as a Block Trade only if each component Swap is equal to or greater than the applicable minimum block size for such Swap set forth in CFTC Regulations.

MAT/Non-MAT (Cleared). At least one component of the Package Transaction is a Required Transaction; each of the other components is a Permitted Transaction that is required to be cleared.

- An MAT/Non-MAT (Cleared) Package Transaction may be effected as a Block Trade only if each Required Transaction component is equal to or greater than the applicable minimum block size for such Swap(s) set forth in CFTC Regulations.

MAT/Non-MAT (Uncleared). At least one component of the Package Transaction is a Required Transaction; at least one of the other components is a Permitted Transaction that is not required to be cleared.

- An MAT/Non-MAT (Uncleared) Package Transaction may be effected as a Block Trade if each Required Transaction component is equal to or greater than the applicable minimum block size for such Swap(s) set forth in CFTC Regulations.

¹ The term "Package Transaction" has the meaning given that term the GFI SEF Rulebook (the "Rules"). Capitalized terms used in this Notice without definition have the meaning set forth in the Rules.

² See CFTC Letter No. [1415-137,55](http://www.cftc.gov/ucm/groups/public/@lrlettergeneral/documents/letter/14-137.pdf), which is available at on the CFTC's website at <http://www.cftc.gov/ucm/groups/public/@lrlettergeneral/documents/letter/14-137.pdf> <http://www.cftc.gov/idc/groups/public/@lrlettergeneral/documents/letter/15-55.pdf>.

- ~~Prior to February 12, 2015,~~ Until November 15, 2016, each Swap component of this type of Package Transaction may alternatively be treated as a Permitted Transaction and effected by any means of interstate commerce permitted by the Rules.

MAT/Agency MBS. Each Swap component of the Package Transaction is a Required Transaction; all other components are agency mortgage-backed securities.

- An MAT/Agency MBS Package Transaction may be effected as a Block Trade if each Required Transaction component is equal to or greater than the applicable minimum block size for such Swap(s) set forth in CFTC Regulations.
- ~~Prior to May 15, 2015, each Swap component of this type of Package Transaction may alternatively be treated as a Permitted Transaction and effected by any means of interstate commerce permitted by the Rules.~~

MAT/New Issuance Bond. At least one component of the Package Transaction is a Required Transaction; at least one individual component is a bond issued and sold in the primary market.

- An MAT/New Issuance Bond Package Transaction may be effected as a Block Trade if each Required Transaction component is equal to or greater than the applicable minimum block size for such Swap(s) set forth in CFTC Regulations.
- ~~Prior to February 12, 2015,~~ Until November 15, 2016, each Swap component of this type of Package Transaction may alternatively be treated as a Permitted Transaction and effected by any means of interstate commerce permitted by the Rules.

MAT/Futures. At least one component of the Package Transaction is a Required Transaction; all other components are futures contracts.

- An MAT/Futures Package Transaction may be effected as a Block Trade if each Required Transaction component is equal to or greater than the applicable minimum block size for such Swap(s) set forth in CFTC Regulations.
- ~~Prior to~~ Until November 14, 2015, 15, 2016, each Swap component of this type of Package Transaction may alternatively be treated as a Permitted Transaction and effected by any means of interstate commerce permitted by the Rules.

U.S. Dollar Swap Spreads. Each Swap component of the Package Transaction is a Required Transaction; all other components are U.S. Treasury securities.

- A U.S. Dollar Swap Spreads Package Transaction may be effected as a Block Trade if each Required Transaction component is equal to or greater than the applicable minimum block size for such Swap(s) set forth in CFTC Regulations.

MAT/Non-Swap Instruments. At least one component of the Package Transaction is a Required Transaction; at least one component is not a Swap or a mixed swap. This category specifically excludes MAT/Agency MBS, MAT/New Issuance Bond, MAT/Futures and U.S. Dollar Swap Spreads.

- An MAT/Non-Swap Instruments Package Transaction may be effected as a Block Trade if each Required Transaction component is equal to or greater than the applicable minimum block size for such Swap(s) set forth in CFTC Regulations.
- ~~Prior to February 12,~~Until November 15, 2016, each Swap component of this type of Package Transaction may alternatively be treated as a Permitted Transaction and effected by any means of interstate commerce permitted by the Rules.

MAT/Non-CFTC Swap. At least one component of the Package Transaction is a Required Transaction; at least one other component is a “mixed swap” over which the CFTC does not have exclusive jurisdiction.

- An MAT/Non-CFTC Swap Package Transaction may be effected as a Block Trade if each Required Transaction component is equal to or greater than the applicable minimum block size for such Swap(s) set forth in CFTC Regulations.
- ~~Prior to February 12,~~Until November 15, 2016, each Swap component of this type of Package Transaction may alternatively be treated as a Permitted Transaction and effected by any means of interstate commerce permitted by the Rules.

For Package Transactions with multiple Swap components, CFTC Regulations require the reporting Swap Data Repository to delay public dissemination of each Swap component that is equal to or greater than the applicable minimum block size. Public dissemination will not be delayed for components that are less than the applicable minimum block size.

For Package Transactions in which at least one component is not a Swap (including any “mixed swaps”), only the Swap component(s) are required to and will be deemed to be effected on or pursuant to the Rules of GFI SEF. GFI SEF is not responsible for the execution of any non-Swap components, including any securities or mixed swap components.

Questions regarding this Notice may be addressed to the following:

Department	Contact	Phone
Compliance	Bill Shields, Chief Compliance Officer	(212) 968-4122
Legal	Dan Glatter, General Counsel	(212) 968-2982
Operations	Gene Viti, Head of Operations	(212) 968-6942
Control Desk	Ankush Rai, Control Desk	(212) 968-4642