

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 15-01R

Organization: tpSEF Inc.

Filing as a: DCM SEF DCO SDR Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 01/20/2015 Filing Description:

Regulation 40.6 certification of tpSEF's procedures for risk mitigation sessions.

SPECIFY FILING TYPE Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | |
|--|------------|
| <input checked="" type="checkbox"/> Certification | § 40.6(a) |
| <input type="checkbox"/> Approval | § 40.5(a) |
| <input type="checkbox"/> Notification | § 40.6(d) |
| <input type="checkbox"/> Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers: Not applicable.

New Product

Please note only ONE product per Submission.

- | | |
|--|------------|
| <input type="checkbox"/> Certification | § 40.2(a) |
| <input type="checkbox"/> Certification Security Futures | § 41.23(a) |
| <input type="checkbox"/> Certification Swap Class | § 40.2(d) |
| <input type="checkbox"/> Approval | § 40.3(a) |
| <input type="checkbox"/> Approval Security Futures | § 41.23(b) |
| <input type="checkbox"/> Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> Swap Submission | § 39.5 |

Official Product Name: _____

Product Terms and Conditions (product related Rules and Rule Amendments)

- | | |
|--|----------------------|
| <input type="checkbox"/> Certification | § 40.6(a) |
| <input type="checkbox"/> Certification Made Available to Trade Determination | § 40.6(a) |
| <input type="checkbox"/> Certification Security Futures | § 41.24(a) |
| <input type="checkbox"/> Delisting (No Open Interest) | § 40.6(a) |
| <input type="checkbox"/> Approval | § 40.5(a) |
| <input type="checkbox"/> Approval Made Available to Trade Determination | § 40.5(a) |
| <input type="checkbox"/> Approval Security Futures | § 41.24(b) |
| <input type="checkbox"/> Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/> "Non-Material Agricultural Rule Change" | § 40.4(b)(5) |
| <input type="checkbox"/> Notification | § 40.6(d) |

Official Name(s) of Product(s) Affected: _____

Rule Numbers: _____

January 20, 2015

By CFTC Portal

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

tpSEF Inc.

101 Hudson Street
Jersey City
NJ 07302
USA

tel +1 201 557 5000

fax +1 201 557 5995

web www.tullettprebon.com

Re: tpSEF Inc. – Regulation 40.6 Rule Certification (tpSEF Submission #15-01R)

To Whom It May Concern:

Pursuant to Section 5c(c) of the Commodity Exchange Act (the “Act”) and Section 40.6(a) of the regulations of the Commodity Futures Trading Commission (the “Commission” or “CFTC”), tpSEF Inc. (“tpSEF”), a temporarily-registered swap execution facility, hereby notifies the Commission that it wishes to self-certify the attached Risk Mitigation Procedures (the “Procedures”). The intended date of implementation of the Procedures is February 4, 2015.

Pursuant to Commission Regulation 40.6(a), this submission includes:

- (i) The intended implementation date – February 4, 2015;
- (ii) A concise explanation and analysis of the Procedures and their compliance with applicable provisions of the Act, attached as Exhibit A; and
- (iii) A copy of the Procedures, attached as Exhibit B, respectively.

tpSEF hereby certifies that the Procedures comply with the requirements of the Act and Commission regulations thereunder. tpSEF is not aware of any substantive opposing views expressed with respect to this filing and certifies that, concurrent with this filing, a copy of this submission was posted on tpSEF’s website.

Please contact Brian Donnelly at (201) 984-6956 or by email at bddonnelly@tullettprebon.com with any questions regarding this matter.

Very truly yours,

tpSEF Inc.

By: 

Name: Brian D. Donnelly

Title: Chief Operating Officer

Enclosures

cc: Division of Market Oversight (Email: dmosubmissions@cftc.gov)
Roger Smith, CFTC (Email: RSmith@cftc.gov)
Jonathan Lave, CFTC (Email: jlave@cftc.gov)
Mark Campbell, tpSEF Inc. (Email: mcampbell@tpsef.com)

EXHIBIT A

Explanation of Procedures

tpSEF Rule 4018 provides that tpSEF may conduct periodic risk mitigation sessions in accordance with applicable CFTC guidance and no-action positions and procedures established by the SEF. Pursuant to Section 5c(c) of the Act and Section 40.6(a) of the Commission's regulations, tpSEF is hereby self-certifying its procedures for such risk mitigation sessions. The Procedures, among other things, outline the terms and conditions for participation in risk mitigation sessions and specify the products available to be executed. The Procedures also set forth the mechanics of each risk mitigation session. A copy of the Procedures is attached hereto as Exhibit B.

The Procedures comply with SEF Core Principle 2 and the related CFTC regulations, which require SEFs to “[e]stablish . . . rules specifying trading procedures to be used in entering and executing orders traded or posted on the [SEF].”

EXHIBIT B

Risk Mitigation Procedures

tpSEF Inc.

RISK MITIGATION PROCEDURES

Purpose:

This document sets forth the procedures (the “Procedures”) for risk mitigation sessions conducted by tpSEF in accordance with tpSEF Rule 4018.

Definitions:

For purposes of these Procedures, the following terms have the meanings specified herein. Capitalized terms used but not defined have the meanings ascribed to them in the tpSEF Rulebook.

“*Closing Cutoff Time*” has the meaning given in Section (f) of these Procedures.

“*Eligible Participant*” means a Participant that meets the criteria of these Procedures.

“*Order Cutoff Time*” has the meaning given in Section (e) of these Procedures.

“*Pricing Curve Update Cutoff*” has the meaning given in Section (f) of these Procedures.

“*Risk Mitigation Session*” means for any given product type, the announced session at which Eligible Participants can enter into Permitted Transactions in relation to that product type.

Procedures:

- (a) The SEF shall provide impartial access to each Risk Mitigation Session to all Eligible Participants.
- (b) Risk Mitigation Sessions will be available for Permitted Transactions which are Cleared Swaps only.
- (c) Risk Mitigation Sessions will result in the execution of Swaps that meet the SEF’s general criteria for the trade type as described in the applicable Swap Specification. Product types available to be executed through the SEF that result from the Risk Mitigating Session are:
 - Forward Rate Agreements (FRAs) in the following currencies:
 - AUD
 - CAD
 - EUR
 - GBP
 - JPY
 - USD
 - Non-Deliverable Forwards (NDFs) settled in USD on the following reference currencies:
 - CNY
 - IDR
 - INR
 - MYR

- PHP
 - KRW
 - TWD
- (d) The SEF will post on its website advance notice of each Risk Mitigation Session. The SEF will attempt to give such notice at least one Business Day in advance.
- (e) In order to participate in a particular Risk Mitigation Session, a Participant must submit a completed order sheet in the form specified by the SEF containing its orders for that Risk Mitigating Session prior to the applicable cutoff time (“Order Cutoff Time”). After the Order Cutoff Time, submitted order sheets may not be cancelled, withdrawn or amended and new order sheets will not be accepted. The Order Cutoff Time for each Risk Mitigation Session will be specified by the SEF on its website. The SEF will typically hold the same Order Cutoff Time for Risk Mitigation Sessions in a particular product type. By submitting an order sheet to the SEF that is not cancelled or withdrawn prior to the Order Cutoff Time, the submitting Participant is deemed to agree to simultaneously execute every Swap that has been determined by a pre-determined risk mitigation algorithm.
- (f) Prices for all potential Swaps in a particular Risk Mitigation Session shall be determined based on a pricing curve established in accordance with CFTC SEF Core Principle 3. The pricing curve will be posted on the SEF’s website in advance of each Risk Mitigation Session and may be updated until thirty (30) minutes prior to the Order Cutoff Time (the “Pricing Curve Update Cutoff”). Participants may modify, cancel and submit orders after any update to the pricing curve up until the applicable Order Cutoff Time. Absent manifest error, the pricing curve will not be amended after the Pricing Curve Update Cutoff; if the pricing curve is amended thereafter due to manifest error, Participants will have a right to modify, cancel and submit orders until the Session is closed (the “Closing Cutoff Time”). The Closing Cutoff Time for each Risk Mitigation Session will be specified by the SEF on its website. The SEF will typically hold the same Closing Cutoff Time for Risk Mitigation Sessions in a particular product type.
- (g) In order for any Swap to be executed during a particular Risk Mitigation Session, each Participant in that session must have agreed to simultaneously execute every Swap that has been determined by the pre-determined risk mitigation algorithm referenced above. Any Participant’s failure, refusal or inability to execute any Swap proposed by the pre-determined risk mitigation algorithm shall result in the rejection of that Participant’s orders from the Risk Mitigation Session without the execution of any of that Participant’s Swaps and the SEF having the right to suspend or terminate the Participant’s Trading Privileges or take any other action permitted by the SEF Rules.
- (h) All Swaps specified in the pricing curve for that specific Swap shall be at a uniform price for all Participants participating in a particular Risk Mitigation Session. Swaps executed at the uniform price should be the same as specified in the pricing curve for that specific Swap.
- (i) For orders to be executed in the Risk Mitigation Session, any submitting non-self-clearing Participant must designate a Clearing Member to clear the Transaction. Prior to running any Risk Mitigation Session for a Cleared Swap, the SEF will facilitate pre-execution screening by or on behalf of the relevant Clearing Member if applicable. If the SEF does not receive confirmation that the order satisfies the Clearing Member’s pre-execution limits or receives confirmation that the order does not satisfy the Clearing Member’s pre-execution limits, the SEF will cancel the order.

- (j) Introducing Brokers shall be permitted to participate in each Risk Mitigation Session on behalf of one or more Participants (or their respective Authorized Traders or Customers).
- (k) All Swaps executed as a result of a Risk Mitigation Session shall be confirmed and reported in accordance with the SEF Rules.
- (l) For the avoidance of doubt, the SEF may, in its own discretion, at any time, cancel, suspend or modify any Risk Mitigation Session or Transaction resulting therefrom to the same extent as with any other Transaction or series of Transactions executed on or pursuant to the rules of the SEF as described in the SEF Rules.