



Via Portal Submission

March 9, 2015

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

Re: OneChicago, LLC Rule Submission
OCX Rule 403 (Order Entry) & NTM 2015-6 (Audit Trail Requirements)
(OCX Submission Number 15-001)

Dear Mr. Kirkpatrick:

Pursuant to section 5c(c)(1) of the Commodity Exchange Act, as amended (the “Act”), and § 40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (“CFTC” or the “Commission”) under the Act, OneChicago, LLC (“OneChicago,” “OCX,” or the “Exchange”) hereby submits the following rule amendment and associated Notice to Members (“NTM”) 2015-6, which will become effective on March 24, 2015.

OneChicago is proposing to amend OCX Rule 403. Currently, Rule 403(a) requires that market participants maintain an electronic record of order entries. Subsection (a) further states that each Clearing Member or Exchange Member is responsible for orders entered by it and its related parties. Additionally, each Clearing Member is responsible for compliance by its Access Persons with Rule 403. Finally, subsection (a) then lists the items required to be included in each order.

Rule 403(b) states that market participants do not need to keep a written record of orders that are immediately entered into the OneChicago System. For those orders that are not immediately entered into the OneChicago System, subsection (b) requires the market participant receiving the order to prepare a timestamped office order ticket for the order.

This filing proposes to amend Rule 403 in two ways. First, the filing proposes to amend Rule 403(b) by requiring that office orders tickets be timestamped at least twice: once to reflect the order receipt time and once to reflect the order execution time. OneChicago is making this insertion into Rule 403(b) to clarify when an order ticket must be timestamped. Second, this filing proposes to amend Rule 403 by inserting subsection (c). The text of proposed subsection

(c) states that “Each Clearing Member, Exchange Member or Access Person with non-intermediated access to the OneChicago System shall maintain front-end audit trail information for all electronic orders entered into the OneChicago System, including order modifications and cancellations and responses to such messages.” The purpose of the proposed insertion is to codify in the OneChicago Rulebook the requirement for market participants to maintain front-end audit trail information.

In addition to the proposed amendments to Rule 403, OneChicago is concurrently issuing NTM 2015-6, which sets forth OneChicago’s audit trail requirements. The NTM first describes what information is required to be maintained with regard to order entry into the OneChicago System. The NTM then discusses certain other aspects of OneChicago’s audit trail requirements with regard to post-trade activity and yearly audit trail reviews conducted by the Exchange.

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The purpose and effect of the proposed amendment to Rule 403 is to codify in the OneChicago Rulebook the requirement that market participants maintain front-end audit trail data. The purpose and effect of proposed NTM 2015-6 is to inform market participants of their audit trail requirements. Comments on this NTM have not been solicited and none have been received. OneChicago is not aware of any substantive opposing views to this NTM. OneChicago certifies that the NTM complies with the Act, including the core principles, and the Commission’s regulations promulgated thereunder. OneChicago further certifies that a copy of this submission has been posted on the [OneChicago website](#).

OneChicago staff has reviewed the core principles applicable to designated contract markets (“DCMs”), and has concluded that the proposed NTM may have some bearing upon the following core principles:

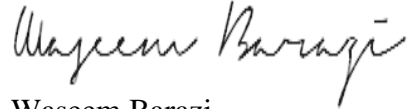
Core Principle 2: Core Principle 2 requires DCMs to establish, monitor, and enforce compliance with the rules of the contract market. The proposed amendment to Rule 403 and NTM 2015-6 support Core Principle 2 in that together they establish audit trail requirements for market participants on OneChicago. These audit trail requirements also support the Exchange’s capacity to detect rule violations.

Core Principle 7: Core Principle 7 requires DCMs to make available to market authorities, market participants, and the public accurate information concerning the rules and regulations for executing transactions on the contract market. The proposed amendment to Rule 403 and NTM 2015-6 support Core Principle 7 in that they provide market participants with information regarding their audit trail requirements.

Core Principle 10: Core Principle 10 requires DCMs to, among other things, establish and enforce audit trail requirements. The proposed amendment to Rule 403 and NTM 2015-6 support Core Principle 10 in that they establish audit trail requirements and notify market of such requirements.

If you have any questions or comments related to this filing, please feel free to contact me by telephone at (312) 424-8524 or through e-mail at wbarazi@onechicago.com.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Waseem Barazi". The signature is fluid and cursive, with a horizontal line extending from the end of the name.

Waseem Barazi
Chief Regulatory Officer

Encl: Attachment A
Attachment B

Attachment A

403. Order Entry

(a) [Unchanged]

(b) With respect to Orders received by any Clearing Member or, if applicable, Exchange Member or Access Person, which are immediately entered into the OneChicago System, no record needs to be kept by such Clearing Member, Exchange Member or Access Person, except as may be required by Applicable Law. However, if any Clearing Member or, if applicable, Exchange Member or Access Person receives Orders which cannot be immediately entered into the OneChicago System, such Clearing Member, Exchange Member or Access Person, must prepare an order form in a non-alterable written medium, which shall be time-stamped to reflect the order receipt and order execution time and include the account designation, date, and other required information. Each such form must be retained by such Clearing Member, Exchange Member or Access Person for at least five years from the time it is prepared. Any such Orders must be entered into the OneChicago System, in the order they were received, as soon as they can be entered into the OneChicago System.

(c) Each Clearing Member, Exchange Member or Access Person with non-intermediated access to the OneChicago System shall maintain front-end audit trail information for all electronic orders entered into the OneChicago System, including order modifications and cancellations and responses to such messages.

Attachment B



Notice to Members 2015-6

Date: March 9, 2015
Re: OneChicago Audit Trail Requirements
Effective Date: March 24, 2015

OneChicago, LLC (“OneChicago”) Rule 403 (Order Entry) imposes an obligation on market participants to maintain an audit trail of orders transmitted to the OneChicago System. This Notice to Members (“NTM”) 2015-6 clarifies OneChicago’s audit trail requirements pursuant to OneChicago Rule 403.

Electronic Audit Trail Requirements

Clearings Members, Exchange Members, or Access Persons with non-intermediated access to the Exchange must maintain or cause to be maintained an electronic audit trail for all orders submitted to the Exchange through its order routing system. The electronic audit trail must include, at a minimum, the following elements:

- All order entry, cancellation, and modification messages
- All receipt and confirmation messages, including trade confirmations
- Corresponding date and timestamps for each message to the highest level of precision achievable by the operating system, but at least to the nearest hundredth of a second. The times captured must not be able to be modified by the Person entering the order.
- All message details, including symbol, expiry, buy/sell, quantity, price, customer type indicator, account number, and order status
- All information about an order from the time of receipt through fill, allocation, or other disposition
- For customer orders received and that are not immediately enterable into the OneChicago System, the Clearing Member, Exchange Member or Access Person must prepare a written order ticket pursuant to OCX Rule 403(b). These order tickets must be produced to the Exchange upon request as well. Office order tickets must be timestamped to the nearest second.
- All communications relating to any pre-execution discussion, regardless whether such pre-execution discussion resulted in an executed trade. This requirement includes e-mails, instant message logs, and phone recordings, if maintained.

In the case where the guaranteeing Clearing Member grants direct access to another Clearing Member or Exchange Member (rather than an Access Person), the guaranteeing Clearing Member and the accessing Clearing Member or Exchange Member may agree in writing that it is

the accessing Member's obligation to maintain the electronic audit trail pursuant to OneChicago Rule 403.

Additionally, please note that OneChicago provides the electronic audit trail for OCXdelta1 GUI users. Such OCXdelta1 GUI users are required to acquire and maintain the electronic audit trail provided by OneChicago. GUI users may contact operations@onechicago.com to receive such audit trail data. These audit trails are not provided by OneChicago to those connecting to OCXdelta1 via a FIX API connection.

Post-Trade Activity

Clearing Members are required to maintain records of any post-trade activity, including allocations, transfers, clearing member trade assignments, and position adjustments.

Audit Trail Reviewed Yearly

OneChicago conducts annual reviews of Clearing Members and Exchange Members or Access Persons accessing the OneChicago System to verify compliance with OneChicago Rule 403. Upon request or pursuant to a yearly audit trail review, each Clearing Member, Exchange Member or Access Person under review must produce the requested audit trail documentation to the Exchange. The electronic audit trail described above must be maintained for a minimum of five years, with the most recent two years readily accessible.

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Any questions can be directed to marketsurveillance@onechicago.com or (312) 424-8530.