



Via Portal Submission

April 15, 2016

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
Amending OCX Rule 609 (Supervision) and Issuing NTM 2016-11 (Supervisory
Responsibility and Written Supervisory Procedures)
(OCX Submission Number 16-007)

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 amendments and associated Notice to Members (“NTM”), which will become effective on April 29, 2016. OneChicago is proposing to make several amendments to OCX Rule 609. Currently, OCX Rule 609 states that Clearing Members and Exchange Members are responsible for supervising their Related Parties so as to ensure compliance by such Related Parties with Chapter 6 of the OneChicago Rulebook.

OneChicago is proposing to amend OCX Rule 609 to:

- Impose supervisory obligations on Access Persons;
- Remove references to Related Parties, which only apply to Clearing Members and Exchange Members, and replace such references with “employees and agents”;
- Clarify that the scope of the rule extends to the conduct of the market participants’ business on the Exchange;
- Remove the requirement that Responsible Administrators be responsible for Related Parties of their Clearing Member or Exchange Member;
- Add subparagraph (b), which requires Clearing Members or, if applicable, Exchange Members or Access Persons, to establish, maintain, and administer written supervisory procedures to ensure that their employees, agents, and Customers comply with the Rules of the Exchange, the Rules of the Clearing Corporation, and Applicable Law; and

- Add subparagraph (c), which requires Clearing Members or, if applicable, Exchange Members or Access Persons, to take action to correct a violation or prevent a potential violation of the Rules of the Exchange caused by a customer of the Clearing Member, Exchange Member, or Access Person.

In addition to the proposed amendments described above, OneChicago is proposing to issue NTM 2016-11 to inform market participants of the amendments to OCX Rule 609.

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The purpose and effect of the rule amendment is to update OCX Rule 609 relating to supervision. As currently drafted, the Rule does not apply to Access Persons, which in addition to retail investors, may also include brokers representing customer orders. As such, the amendment to OCX Rule 609 ensures that these market participants have the obligation to supervise their employees and agents. OneChicago is also removing the requirement that Responsible Administrators be responsible for Related Parties of their Clearing Member or Exchange Member. This change is being made because the duties of the Responsible Administrator are already described in OCX Rule 513, and the Exchange believes liability for employees and agents should rest on the firm itself, and not on any particular employee. Proposed subparagraph (b) requires that Clearing Members, Exchange Members, or Access Persons have written supervisory procedures ensuring their employees and customers comply with applicable rules and regulations. Finally, subparagraph (c), which provides that Clearing Members, Exchange Members, or Access Persons are responsible for their customers' trading activity, will help prevent potential market disruptions or potential rule violations. OneChicago believes these amendments bring the Exchange's supervision rule in line with that of other designated contract markets ("DCMs").

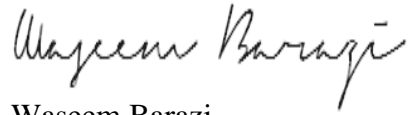
Comments on this rule amendment have not been solicited and none have been received. OneChicago is not aware of any substantive opposing views to this rule amendment. OneChicago certifies that the rule complies with the Act, including the core principles, and the Commission's regulations promulgated 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 DCMs, and has concluded that the proposed rule may have some bearing upon the following core principles:

Core Principle 2: Core Principle 2 requires that a DCM establish, monitor, and enforce compliance with the rules of the market. This rule filing supports Core Principle 2 in that it informs market participants of their obligation to supervise their employees and agents.

Core Principle 7: Core Principle 7 requires that a DCM make available to market authorities, market participants, and the public accurate information concerning: (1) the terms and conditions of the contracts of the contract market; and (2) the rules, regulations and mechanisms for executing transactions on or through the facilities of the contract market. This rule filing supports Core Principle 7 in that it establishes supervisory responsibility for certain market participants, and creates new obligations with regard to written supervisory procedures and oversight of customers.

If you have any questions or comments related to this filing, please feel free to contact me by telephone at (312) 883-3441 or through e-mail at wbarazi@onechicago.com.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Waseem Barazi". The signature is written in a cursive style with a horizontal line at the end.

Waseem Barazi
Chief Regulatory Officer and Associate General Counsel

Encl: Attachment A
Attachment B

Attachment A

609. Supervision

(a) Each Clearing Member and, Exchange Member, and Access Person shall be responsible for supervising its employees and agents in the conduct of their business relating to the Exchange Related Parties so as to ensure compliance by such employees and agents Related Parties with the Rules of the Exchange, the Rules of the Clearing Corporation, and Applicable Law this Chapter 6, and may be held accountable for the actions of such employees and agents Related Parties. In addition, each Responsible Administrator shall be responsible for supervising the Related Parties of the Clearing Member or Exchange Member represented by it, and may be held accountable for the actions of such Related Parties.

(b) Each Clearing Member or, if applicable, Exchange Member or Access Person, shall be responsible for establishing, maintaining and administering reasonable, written supervisory procedures to ensure that its employees, agents, and Customers comply with the Rules of the Exchange, the Rules of the Clearing Corporation, and Applicable Law.

(c) Each Clearing Member or, if applicable, Exchange Member or Access Person, shall take appropriate action to correct a violation or prevent a potential violation of the Rules of the Exchange caused by a Customer of the Clearing Member, Exchange Member, or Access Person.

Attachment B

(See Following Page)

Date: April 15, 2016

Re: Supervisory Responsibility and Written Supervisory Procedures

Effective Date: April 29, 2016

OneChicago, LLC (“OneChicago” or “OCX”) is issuing this Notice to Members (“NTM”) 2016-11 to inform market participants that OneChicago is amending OCX Rule 609 (Supervision). Amended Rule 609 will require the following:

Supervisory Responsibility for Employees and Agents

Clearing Members, Exchange Members, and Access Persons are required to supervise their employees and agents in the conduct of their business related to trading on OneChicago, clearing through the clearing house, and complying with applicable laws and regulations regarding securities and commodities laws.

Written Supervisory Procedures

Clearing Members or, if applicable, Exchange Members or Access Persons, are required to establish, maintain, and administer reasonable written supervisory procedures (“WSPs”) to ensure that employees, agents, and customers comply with the Rules of the Exchange, the Rules of the Clearing Corporation, and Applicable Law. For the avoidance of doubt, this WSP requirement does not extend to Access Persons that are retail or individual investors with no employees or agents, but does extend to trading firms or companies, including those that may have only one employee.

Supervisory Responsibility for Customers

Clearing Members, Exchange Members, or Access Persons that provide customers with access to the OneChicago trading platform are required to take appropriate action to either correct a violation or prevent a potential violation of the Rules of the Exchange that has been caused or will be caused by the Clearing Member’s customer. In other words, Clearing Members must take precautions and use reasonable care to prevent rule violations or market disruption events caused by their customers. With regard to this requirement, access means access to the OneChicago trading platform whether passing through the Clearing Member’s infrastructure or not. Access may include both GUI and API access.

The text of the amended rule is displayed below:

609. Supervision

(a) ~~Each Clearing Member and, Exchange Member, and Access Person shall be responsible for supervising its employees and agents in the conduct of their business relating to the Exchange Related Parties so as to ensure compliance by such employees and agents Related Parties with the Rules of the Exchange, the Rules of the Clearing Corporation, and Applicable Law this Chapter 6, and may be held accountable for the actions of such employees and agents Related Parties. In addition, each Responsible Administrator shall be responsible for supervising the Related Parties of the Clearing Member or Exchange Member represented by it, and may be held accountable for the actions of such Related Parties.~~

(b) Each Clearing Member or, if applicable, Exchange Member or Access Person, shall be responsible for establishing, maintaining and administering reasonable, written supervisory procedures to ensure that its employees, agents, and Customers comply with the Rules of the Exchange, the Rules of the Clearing Corporation, and Applicable Law.

(c) Each Clearing Member or, if applicable, Exchange Member or Access Person, shall take appropriate action to correct a violation or prevent a potential violation of the Rules of the Exchange caused by a Customer of the Clearing Member, Exchange Member, or Access Person.

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Any questions regarding this NTM can be directed to Waseem Barazi, Chief Regulatory Officer and Associate General Counsel by email at wbarazi@onechicago.com or through phone at (312) 883-3441.