

**GFI Swaps Exchange LLC
2016-04 Rulebook Change
August 4, 2016**

1. The text of the proposed amendment to the GFI Swaps Exchange LLC (“GFI”) Rules is appended as Attachment A. Any additions are underlined and any deletions are struck through.
2. The date of intended implementation of the proposed amendment is ten business days following the filing of this submission.
3. Attached, please find a certification that: (1) the rule complies with the Commodity Exchange Act, and the Commission’s regulations thereunder; and (2) concurrent with this submission, GFI posted on its website: (i) a notice of pending certification of the rule amendment with the Commission; and (ii) a copy of this submission.
4. A concise explanation and analysis of the operation, purpose, and effect of the amended rule appear below.
5. There were no opposing views expressed regarding this amended rule.
6. Confidential treatment is not requested.

**CONCISE EXPLANATION AND ANALYSIS OF THE OPERATION, PURPOSE, AND
EFFECT OF THE CERTIFIED RULE AND ITS COMPLIANCE WITH APPLICABLE
PROVISIONS OF THE ACT, INCLUDING CORE PRINCIPLES AND THE
COMMISSION’S REGULATIONS THEREUNDER**

Pursuant to Commission Rule 40.6(a)(7)(vi), the following is a concise explanation and analysis of the operation, purpose, and effect of the amended rule.

New Rule 542 is being adopted, as requested by the Commission staff, in response to guidance provided by the Division of Market Oversight and the Division of Clearing and Risk in CFTC Letter No. 15-67. The rule, following the guidance in Letter No. 15-67, sets forth a maximum time during which participants must affirm the trade details of trades that are submitted to an affirmation hub following trade execution and prior to submission to a DCO.

CERTIFICATIONS PURSUANT TO SECTION 5c OF THE COMMODITY EXCHANGE ACT, 7 U.S.C. §7A-2 AND COMMODITY FUTURES TRADING COMMISSION RULE 40.6, 17 C.F.R. §40.6

I hereby certify that:

- (1) the amended Rule complies with the Commodity Exchange Act, and the Commodity Futures Trading Commission's regulations thereunder; and
- (2) concurrent with this submission, GFI Swaps Exchange LLC posted on its website:
 - (a) a notice of pending certification of the above Rule with the Commission; and (b) a copy of this submission



By: William Shields
Title: Chief Compliance Officer
Date: August 4, 2016

Attachment A—Amended Rule

Additions are underlined, deletions are struck through.

CHAPTER 5 TRADING PRACTICES

542. Trade Affirmation.

(a) When the Company under Rule 1001 submits a trade to an Affirmation Hub, following execution and prior to forwarding the trade to a DCO for clearing, each Participant, Sponsored Access Firm or Customer, as applicable, that is a counterparty to the trade shall affirm, or notify the Company of an error in, the trade details as soon as technologically practicable, but in no event later than 10 minutes from the time of execution of the trade.¹

(b) Failure by the Participant, Sponsored Access Firm or Customer to affirm the trade details no later than 10 minutes from the time of execution shall constitute a violation of this Rule 542 except:

(i) When the Participant, Sponsored Access Firm or Customer has notified the Company of an error within 10 minutes of execution; or

(ii) When the delay in affirming, or reporting an error in the trade details is caused by the Company, the Affirmation Hub, or an ISV or any event such as loss of internet connectivity, power or other force majeure) beyond the reasonable control of the Participant, Sponsored Participant or Customer used in the post-trade processing of trades.

(c) The Company in its discretion may initiate an investigation for violations of this rule by a Participant, Sponsored Access Firm or Customer in accordance with GFI SEF Rulebook Chapter 7: Discipline and Enforcement.

¹ See CFTC Letter No. 15-67 (December 21, 2015), available at: <http://www.cftc.gov/idc/groups/public/@lrllettergeneral/documents/letter/15-67.pdf>.