



October 23, 2015

**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 # 15-0008 – 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 its Rulebook. The attached amendments will become effective on November 6, 2015.

A concise explanation and analysis of the amendments to the Rulebook 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 are attached hereto as Exhibit B.

GFI certifies that the Rulebook 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-notices.aspx>. There were no substantive opposing views to the amendments to the Rulebook.

Please contact the undersigned at (212) 968-4122 or [william.shields@gfigroup.com](mailto: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.

<b>Rule</b>	<b>Explanation</b>	<b>Core Principle or other CEA Provision, Commission Regulation and/or Commission Staff Letter</b>
Rule 101 (“Regulatory Services Agreement”)	Corrects usage of defined term “Regulatory Services Provider.”	N/A
Rule 201(c)	Clarifies that the Board’s membership must fairly represent the diversity of interests at GFI.	Regulation 1.64
Rule 204	Removes paragraph (b), which was duplicative of Rule 901. (Rule 901 is reproduced in its entirety below.) The other change removes the “(a)” reference.	Regulation 1.63
Rule 601(d)	Provides that Participants cannot aggregate Orders for different accounts to achieve the minimum cap size requirement.	Regulation 43.6
Rule 601(f)	Clarifies that the Reporting Counterparty must submit to GFI a Block Trade no later than 10 minutes after execution. The other change clarifies that the counterparties to a Block Trade must ensure that GFI is notified of their election to enter into the Block Trade.	Regulation 43.6
Rule 704(d)	Clarifies that a Review Panel must be comprised of individuals with sufficiently different membership interests so as to ensure fairness and to prevent special treatment or preference for any person in the conduct of the Review Panel’s responsibilities.	Regulation 1.64
Rule 709(b)	Clarifies that a Disciplinary Panel must be comprised of individuals with sufficiently different membership interests so as to ensure fairness and to prevent special	Regulation 1.64

	treatment or preference for any person in the conduct of the Disciplinary Panel's responsibilities.	
Rule 709(c)	Corrects usage of defined term "Regulatory Services Provider."	N/A
Rule 716(d)	Clarifies that an Appeal Panel must be comprised of individuals with sufficiently different membership interests so as to ensure fairness and to prevent special treatment or preference for any person in the conduct of the Appeal Panel's responsibilities.	Regulation 1.64
Rule 901(e)	Rule 901(d) provides that Company Officials, agents and independent contractors of GFI are prohibited from disclosing material non-public information obtained as a result of their employment, agency relationship or engagement with GFI where the Company Official, agent or independent contractor expected or should have reasonably expected that the information disclosed may assist a Person in trading any Swap, any swap traded on another swap execution facility or other market, or any related underlying commodity or security. New paragraph (e) clarifies that the prohibition in paragraph (d) shall not be interpreted to prohibit disclosures made in the course of such individual's duties on behalf of GFI, or disclosures made to another Self-Regulatory Organization, Derivatives Clearing Organization, linked exchange, court of competent jurisdiction or representative of any agency or department of the federal or state government acting in his or her official capacity.	Regulation 1.63
Rule 901(f)	Renumbers paragraph (e) to paragraph (f).	See above.

## Exhibit B

### 101. Definitions

...

“**Regulatory Services Agreement**” means the agreement(s) between the Company and the Regulatory ~~Service~~Services Provider(s) whereby certain functions mandated under the CEA, such as market monitoring and trade practice surveillance, are delegated to the Regulatory Services Provider(s).

...

### 201. Board

...

(c) ~~At~~The Board’s membership shall fairly represent the diversity of interests at the Company, and at least 35% of the Directors shall be Public Directors. Each Director (including Public Directors) shall be appointed in accordance with the Operating Agreement, and shall serve until his or her successor is duly appointed, or until his or her earlier resignation or removal, with or without cause.

...

### 204. Confidentiality

~~(a) —~~ No member of the Board or any committee established by the Board or by or pursuant to the Rules will use or disclose any material non-public information obtained in connection with such member’s participation in the Board or such committee for any purpose other than the performance of his or her official duties as a member of the Board or such committee.

~~(b) — No officer, employee or agent of the Company will (i) trade in any financial instrument if such officer, employee or agent obtained material non public information concerning such financial instrument in connection with such employee’s, officer’s or agent’s employment or (ii) disclose to any other Person material non public information obtained in connection with such employee’s, officer’s or agent’s employment, if such employee, officer or agent could reasonably expect that such information might assist another Person in trading any financial instrument.~~

### 601. Block Trades

...

(d) Except as may otherwise be permitted by CFTC Regulation 43.6(h)(6), Participants shall not aggregate Orders for different accounts to achieve the minimum block size or the cap size requirement.

...

(f) If the counterparties to a Swap effect a transaction that is intended to be a Block Trade that is entered into pursuant to the Rules, the ~~Reporting Counterparty~~counterparties must notify the Company of this election. The Reporting Counterparty to a Block Trade must ensure that each Block Trade is submitted to the Company via an approved submission method as soon as technologically practicable after execution, but in no event any later than ~~15~~10 minutes after the execution. The submission must include the information required by Rule 506(b), together with such other information as the Company may require.

...

#### **704. Review Panel**

...

(d) The Review Panel shall be comprised of three individuals, at least one of whom would qualify to serve as a Public Director in accordance with Rule 201(d). In forming a Review Panel, the Chief Compliance Officer shall draw panel members from the individuals appointed by the Board as potential members of Review Panels. A Review Panel shall be comprised of individuals with sufficiently different membership interests so as to ensure fairness and to prevent special treatment or preference for any person in the conduct of the Review Panel's responsibilities. No group or class of Participants may dominate or exercise disproportionate influence on a Review Panel, and no member of the Review Panel may participate in deliberations or voting on any matter in which he or she has a financial, personal or other direct interest. A Review Panel may not include any person involved in adjudicating any other stage of the same proceeding. If a vacancy shall occur on a Review Panel after it has begun its proceedings, the remaining members shall complete consideration and disposition of the matter. Once a Review Panel has determined the matter for which it was appointed and has notified the Chief Compliance Officer in writing of its decision, it shall be dissolved automatically. The Regulatory Oversight Committee may, at any time, remove any member of a Review Panel for cause.

#### **709. Disciplinary Panel**

...

(b) The Disciplinary Panel shall be comprised of three individuals, at least one of whom would qualify to serve as a Public Director in accordance with Rule 201(d). In forming a Disciplinary Panel, the Chief Compliance Officer shall draw panel members from the individuals appointed by the Board as potential members of Disciplinary Panels. The chairman of the Disciplinary Panel shall be appointed by the Chief Compliance Officer. A Disciplinary Panel shall be comprised of individuals with sufficiently different membership interests so as to ensure fairness and to prevent special treatment or preference for any person in the conduct of the Disciplinary Panel's responsibilities. No group or class of Participants may dominate or exercise disproportionate influence on a Disciplinary Panel, and no member of the Disciplinary Panel may participate in

deliberations or voting on any matter in which he or she has a financial, personal or other direct interest. A Disciplinary Panel may not include any person involved in adjudicating any other stage of the same proceeding. If a vacancy shall occur on a Disciplinary Panel after it has begun its proceedings, the remaining members shall complete consideration and disposition of the matter. Once a Disciplinary Panel has determined the matter for which it was appointed and has notified the Secretary in writing of its decision, it shall be dissolved automatically. The Board may, at any time, remove any member of a Disciplinary Panel for cause.

(c) Any of the functions of the Company or the Disciplinary Panel under this Chapter 7 may be performed by a Regulatory ~~Service~~Services Provider pursuant to a delegation of such functions by the Company, and references to the Disciplinary Panel or the Compliance Department, as appropriate, shall be deemed to be references to such Regulatory ~~Service~~Services Provider. Nevertheless, the Company will retain exclusive authority in all substantive decisions made by the Regulatory ~~Service~~Services Provider, including, but not limited to, denials of access to the Trading Platform for disciplinary reasons. The Company will document any instances where its actions differ from those recommended by the Regulatory ~~Service~~Services Provider.

...

#### **716. Appeal from Disciplinary Panel Decision**

...

(d) Within 20 days after the last submission filed pursuant to paragraph (c) above, the Chief Compliance Officer shall appoint an Appeal Panel to consider and determine the appeal. The Appeal Panel shall be comprised of three individuals appointed by the Board as potential members of Appeal Panels, one of whom shall be appointed by the Chief Compliance Officer to serve as chairman of the Appeal Panel. The Appeal Panel must include at least one person who is qualified to serve as a Public Director in accordance with Rule 201(d). An Appeal Panel shall be comprised of individuals with sufficiently different membership interests so as to ensure fairness and to prevent special treatment or preference for any person in the conduct of the Appeal Panel's responsibilities. No group or class of participants may dominate or exercise disproportionate influence on an Appeal Panel. An individual may not serve on an Appeal Panel if the individual has a relationship of a type described in Rule 205(a)(i) or was involved in the adjudication of any other stage of the same proceeding. The appeals proceeding shall be conducted before all members of the Appeal Panel.

...

#### **901. Trading by Company Officials Restricted; Misuse of Material, Non-Public Information**

(a) No Company Official may trade, directly or indirectly, (i) any Swap or any related financial instrument, or (ii) any other swap or financial instrument where such Company Official has access to material non-public information concerning such swap or

financial instrument. A Company Official that is involved in market or trade practice surveillance, compliance or auditing functions shall, for the purposes of this Rule 901, be presumed to have access to material, non-public information.

(b) A Company Official may request, in writing, that the Chief Compliance Officer (or, in the case of the Chief Compliance Officer, the Board) grant an exemption from the provisions of paragraph (a) in circumstances that are not contrary to the purposes of this Rule. Such circumstances may include, but are not necessarily limited to:

(i) participation in pooled investment vehicles where such Company Official has no direct or indirect control over transactions effected by or for the account of the pool;

(ii) service by such Company Official as an executor or administrator of an estate;

(iii) service by such Company Official in any other fiduciary capacity, such as an officer of a charitable organization, in which such Company Official receives no pecuniary benefit from the trading of swaps or other financial instruments;

(iv) trading in swaps or other financial instruments executed on or pursuant to the rules of a swap execution facility, a designated contract market or a national securities exchange under circumstances in which such Company Official's access to material non-public information in respect of such swaps or financial instruments is sufficiently minimal or attenuated so as to be insignificant; and

(v) such other circumstances as the Chief Compliance Officer (or, in the case of the Chief Compliance Officer, the Board) may determine.

All requests for exemption by a Company Official shall be in writing, set forth the reasons for the proposed exemption and identify the specific swaps (including Swaps listed for trading on the Trading Platform) and/or related financial instruments the Company Official proposes to trade and, where applicable, a demonstration that the Company Official has not acquired and does not acquire in the course of his or her service to the Company material, non-public information relevant to such swaps (including Swaps listed for trading on the Trading Platform) or related financial instruments. For the avoidance of doubt, participation by a Company Official in a retirement plan sponsored by the Company shall not be deemed to constitute trading directly or indirectly in a Swap or other financial instrument, notwithstanding such plan's trading of Swaps or other financial instruments.

(c) Any Company Official that has received an exemption under paragraph (b) must:

(i) furnish to the Company (or, in the case of the Chief Compliance Officer, to the Board) account statements and other documents relevant to the trading activities that are so exempted; and

(ii) inform the Chief Compliance Officer (or, in the case of the Chief Compliance Officer, the Board) within one Business Day of any material change of information that may affect such Company Official's qualification for such exemption.

(d) Company Officials, agents and independent contractors of the Company are prohibited from disclosing material non-public information obtained as a result of their employment, agency relationship or engagement with the Company where the Company Official, agent or independent contractor expected or should have reasonably expected that the information disclosed may assist a Person in trading any Swap, any swap traded on another swap execution facility or other market, or any related underlying commodity or security.

(e) Paragraph (d) shall not be interpreted to prohibit disclosures made in the course of such individual's duties on behalf of the Company, or disclosures made to another Self-Regulatory Organization, Derivatives Clearing Organization, linked exchange, court of competent jurisdiction or representative of any agency or department of the federal or state government acting in his or her official capacity.

(f) ~~(e)~~ Terms used in this Rule 901 and not otherwise defined in the Rules shall have the meaning set forth in CFTC Regulations 1.3 and 1.59.