October 2, 2018

<u>Via CFTC Portal</u>

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

RE: **trueEX LLC New Product and Related Rules Certification**
      (trueEX LLC submission #2018-07S)

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the "Act"), and Commission Regulations 40.2(a) and 40.6(a), trueEX LLC ("trueEX" or the "Exchange") hereby submits to the U.S. Commodity Futures Trading Commission (the "Commission") new product terms and conditions for a Bitcoin Physically Delivered Swap contract and rules related to the listing of this contract. trueEX is submitting this certification after having extensive discussion with Commission staff in the Division of Market Oversight, Division of Swap Dealer and Intermediary Oversight, and the Division of Clearing and Risk over the course of many months as provided for in CFTC Staff Advisory 18-14. This contract will be listed on the trueEX SEF on the trueDigital Division. As such, only Eligible Contract Participants may trade this product. This contract is deemed to be a Permitted Transaction as it is not subject to the trade execution requirement in section 2(8)8 of the Act.

Chapter 12 has been added to the trueEX Rulebook, which includes the contract specifications of the Bitcoin Physically Delivered Swap contract (Rule 1215), and a set of rules for products traded/to be traded on the trueDigital Division of trueEX. Chapter 12 is attached as Exhibit 1. Furthermore, as described below, trueEX has amended the following rules to support the listing of this new product:

Summary of Amendments

trueEX Rule	Nature of Amendment
Rule 101. Definitions • Amended the following definitions: ○ "Administrative User", "Emergency", "Maturity Date", "SEF Trading System"	Definitions were added or amended as necessary for the listing of the Bitcoin Physically Delivered Swap contract.

- Added the following definitions:
  - "Amended Final Notice"
  - "Daily Settlement Price"
  - "Definitive Final Notice"
  - "Delivery"
  - "Delivery Commencement Notice"
  - "Delivery Dispute Notice"
  - "Delivery Funding Confirmation"
  - "Delivery Readiness Notice"
  - "Delivery Receiving Wallet"
  - "Final Notice"
  - "Initial Notice"
  - "Initial Notice Day"
  - "Last Trading Day"
  - "Last Trading Time"
  - "Non-Primary Contract"
  - "Pre-Settlement Day"
  - "Primary Contract"
  - "Settlement"
  - "Settlement Agent"
  - "Settlement Agent Trade"
  - "Settlement Amount"
  - "Settlement Currency"
  - "Settlement Date"
  - "Settlement Services Agreement"
  - "Settlement Window"
  - "Trading Day"
  - "Triggering Bid"
  - "Triggering Offer"
  - "trueDigital Division"
  - "trueDigital Deliverable Swap Product"
  - "trueDigital Opening Price"
  - "trueDigital Opening Period"
  - "trueDigital Products"

• Rule 207 Exchange Access Committee • Rule 310 Authorized Representative • Rule 311 Recording of Communications	These rules were amended as necessary for the listing of the Bitcoin Physically Delivered Swap contract.

(ii)   RFQ allows a Requester to send an RFQ to buy or sell a Contract or Spread Trade to Respondents. trueEX has no restrictions on who is eligible to be a Requester or Respondent and provides all Participants with equal priority in receiving RFQs and responding to such RFQs. The protocols for executing a Transaction using Core RFQ can be found in Table 1204 below.

Table 1204 – Core RFQ Protocols

General
• Transactions on Core RFQ can be 1 (outright), or 2 (Spread Trade) line items • Single Reference Asset per Transaction • Respondent knows how many other Respondents there are but their names and actions are not disclosed to each other, only to Requester. • There is no requirement for Requester to select best price or wait for all Respondents to provide a price. • If a Respondent changes or cancels a price, the original price is no longer actionable by the Requester. • Requester can send target level or request to refresh price to all active Respondents in RFQ session.
RFQ Workflow

6. Requester transmits an RFQ to desired number of Respondents.
   o The session will automatically be cancelled if execution has not occurred by the earlier of 30 minutes from the time RFQ is sent, or market close.
 	
7. Respondent(s) receive notification of RFQ and can take the following actions:
   o Pass (Respondent is not interested and will not receive any further updates on that specific RFQ session).
   o Submit a price to the Requester (and subsequently may update or cancel a price that has already been sent).
   o All prices sent by the Respondent are subject to Requester's acceptance and final affirmation by Respondent before execution occurs.
8. Requester can take the following actions:
   o Cancel the RFQ session
   o Ask for prices to be refreshed
   o Accept one of the Respondent's prices, which starts an Affirmation Session that lasts for 30 seconds.
9. When an Affirmation Session starts, the selected Respondent can take the following actions:
   o Execute. The execution must take place no later than 30 minutes after the initial RFQ was sent by Requester.
   o Update the price that was accepted. RFQ session returns to step 3 for action by Requester (including acceptance of price from other Respondent).
   o Cancel the price that was accepted
   o Do nothing. Session expires

(c)   Pre-Negotiated Trade Portal. A Person may arrange with another Person for the execution of a trueDigital Product listed on the SEF Trading System and submit such Transaction details to the Pre-Negotiated Trade Portal provided that they comply with Rule 524(c)(ii).

(a)(d)   Notwithstanding the foregoing, all Transactions executed in trueDigital Products are Permitted Transactions and pursuant to CFTC Regulation 37.9(c)(2), trueEX may offer any method of execution.

RULE 1205.   Trade Cancellation and Price Adjustments

(a)   Trade Cancellation and Price Adjustments.
   (i)   Subject to this Rule, the Board or a designee of the Board has authority to adjust trade prices or cancel ("bust") trades on the trueDigital Division.
   (ii)   Subject to this Rule, a Settlement Agent shall have the right to cancel any Settlement Agent Trade.

(b)   Trade Cancellation by the Board.
   (i)   The Board or a designee of the Board has authority to adjust trade prices or cancel ("bust") trades on the trueDigital Division when such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the Platform, system defects, or for any reason deemed necessary by the Exchange needed to comply with Applicable Law.
   (ii)   trueDigital No Bust Ranges. The Board or a designee of the Board may not adjust trade prices or cancel ("bust") trades on the trueDigital Division that fall within the following "no bust" ranges as determined by the Board or its designee.

Contract	No Bust Range
XBT/USD Deliverable Swap	The price equivalent of 5% of the average of the best bid and offer at the time of execution.

(c)   Trade Cancellation by the Settlement Agent. Provided that the Settlement Agent shall communicate the cancellation directly to the Exchange no later than 4 pm New York local time on the Trading Day after the date of execution of the Settlement Agent Trade and indicate the reason for such cancellation, the Settlement Agent shall have the right to cancel a Settlement Agent Trade that:
   (i)   exceeds a limit established by the Settlement Agent with respect to the Settlement Agent Trade,
   (ii)   was executed by a Participant not authorized by the Settlement Agent, and/or
   (i)(iii)   was executed for a product not authorized by the Settlement Agent.

RULE 1206.   Price Limits and Trading Halts

(a)   Price Limits. trueDigital Products are not subject to daily price limits.

(b)   Trading Halts. The following price movements in trueDigital Products shall be a triggering event that shall result in a trading halt. For the avoidance of doubt, in the event of a trading halt, the trading of all Maturity Dates of trueDigital Products with the same Trading symbol will cease and resting Orders in the affected trueDigital Product, existing at the time of the halt shall be automatically cancelled, as provided in Rule 523. For any given Trading Day, the triggering event(s) for trading halts shall be calculated based upon the trueDigital Opening Price, but may be adjusted by the Exchange, in its sole discretion, to account for price movements on the (a) Exchange when the prior calendar day is not a Trading Day and/or (b) underlying reference price, when price movements occur on a day which is not a Trading Day
   (i)   Trading in a trueDigital Product shall be halted for two minutes if:

(A) the best bid in a Maturity Date is 25% or more above the trueDigital Opening Price of that Contract (the bid that triggers an initial trading halt and each related bid that triggers a subsequent trading halt, if any, a "Triggering Bid"); or

(A)(B) the best offer in a Maturity Date is 25% or more below the trueDigital Opening Price of that Contract (the offer that triggers an initial trading halt and each related offer that triggers a subsequent trading halt, if any, a "Triggering Offer").

(ii) After trading commences following a two-minute trading halt, trading in the trueDigital Product shall be subject to an additional trading halt of three minutes if:

(A) the best bid in a Maturity Date is 10% or more above the Triggering Bid; or

(B) the best offer in a Maturity Date is 10% or more below the Triggering Offer.

(iii) After trading commences following an additional three-minute trading halt, trading in the trueDigital Product shall be subject to further trading halts, of a duration of five minutes apiece each time:

(A) the best bid in a Maturity Date is 10% or more above the price of the most recent Triggering Bid; or

(B) the best offer in a Maturity Date is 10% or more below the price of the most recent Triggering Offer.

RULE 1207.   Margin for trueDigital Products

In addition to complying with Applicable Law, Participants trading trueDigital Products must comply with the following margin requirements:

(a) Margin Requirements. The Exchange shall set minimum margin requirements for trueDigital Products at least weekly and will notify Participants and Settlement Agent of such requirements and the method of calculation. The margin methodology used by the Exchange will be made available to Participants upon request.

(b) The Settlement Agent, in its discretion, may require additional margin in excess of the minimum set by the Exchange if so requested by the counterparties to a Transaction.

(c) Initial Margin. Each Trading Day the Exchange will promptly notify the Settlement Agent of the Daily Settlement Price. Upon receipt of the Daily Settlement Price, the Settlement Agent will calculate the value of new positions established that day and shall promptly notify each counterparty of the required amount of initial margin. Each counterparty shall promptly deliver collateral in an amount sufficient to cover the required amount of initial margin.

(d) Variation Margin. Each Trading Day, the Exchange will promptly notify the Settlement Agent of the Daily Settlement Price. Upon receipt of the Daily Settlement Price, the Settlement Agent will calculate the current valuation of all open positions and notify each counterparty of the required amount of variation margin. Each counterparty shall promptly deliver collateral in an amount sufficient to cover the required amount of variation margin.

(e)   Forms of Margin. Collateral allowed to meet initial and variation margin Requirements must be in a form required pursuant to Applicable Law, subject to any limitations imposed by the Settlement Agent.

(f)   Failure to Pay Margin. If a counterparty fails to promptly provide the required margin, the Settlement Agent and/or the opposite counterparty shall have the rights and remedies provided in the Settlement Services Agreement. In addition, the Exchange, in its discretion, may take disciplinary action.

RULE 1208.   Daily Settlement Prices for trueDigital Products

(a)   Daily Settlement Prices shall be calculated each Trading Day by the Exchange for each Maturity Date of the trueDigital Products. The Daily Settlement Price may go out four decimal places and may be a price that is not a minimum increment for trueDigital Products.

(b)   Daily Settlement Prices will be calculated in accordance with the *Daily Settlement Price Methodology for Bitcoin Swap Contracts* (available on the Exchange's Web Site.

(c)   The Exchange reserves the right to take in to account other factors in determining Daily Settlement Prices.

RULE 1209.   Reserved

RULE 1210.   Final Settlement Procedures for trueDigital Deliverable Swap Products

The following settlement process shall apply to trueDigital Deliverable Swap Products:

(a)   Initial Notice. No later than 7 pm New York local time on the Initial Notice Day, the Settlement Agent shall provide Initial Notice to its customers.

(b)   Final Notice. No later than 7 pm New York local time on the Last Trading Day, the Settlement Agent shall provide Final Notice to its customers, with a copy to the Exchange.
        (i)   Any counterparty that disputes the settlement obligations stated in the Final Notice shall send a Delivery Dispute Notice to the opposite counterparty and the Settlement Agent no later than 11 am New York local time on the Pre-Settlement Day.
        (ii)   The Settlement Agent shall provide a copy of the Delivery Dispute Notice to the Exchange no later than 11:30 am New York local time on the Pre-Settlement Day.
        (iii)   The counterparties shall work in good faith with the Exchange to resolve the issues stated in the Delivery Dispute Notice. By no later than 4:30 pm New York local time, the counterparties shall notify the Exchange that they (1) agree with settlement obligations in the Final Notice, (2) have reached an agreement that provides for settlement obligations that are different from those stated in the Final Notice, or (3) they cannot reach an agreement. Counterparties that reach an agreement for settlement obligations different from the Final Notice shall submit the revised settlement obligations ("Amended Final Notice") to the Exchange, with a copy to Settlement Agent, for approval. The Exchange shall approved or reject all Confirmed Final Notices no later than 5 pm New York local time.
        (i)(iv)   If the counterparties are unable to agree on their settlement obligations by 4:30 pm New York local time on the Pre-Settlement Day, then the Exchange will determine the settlement obligations of the counterparties and issue a determination no later than 5 pm New York local time ("Definitive Final Notice").

(c)   Settlement Process.

(i)   No later than 11 am New York local time on Pre-Settlement Day, the counterparties shall confirm to the Settlement Agent that (1) they agree with the settlement obligations in the Final Notice, (2) have exchanged and verified the Delivery Receiving Wallet and (3) are prepared for Delivery ("Delivery Readiness Notice").

(ii)   No later than 11:30 am on the Pre-Settlement Day, the Settlement Agent will:

(A)   acknowledge receipt of Delivery Readiness Notice to the counterparties and authorize them to make Delivery, and

(B)   provide the Exchange with a report that indicates the status of all pending deliveries.

(iii)   As soon as practicable after receipt of the Delivery Readiness Notice, and no later than 9:30 am New York local time, the buyer will fund the Settlement Amount.

(iv)   The Settlement Agent will promptly confirm to counterparties that the Settlement Amount has been funded ("Delivery Funding Confirmation").

(v)   As soon as practicable after Delivery Funding Confirmation and no later than 10 am New York local time, the seller will (1) initiate the transfer of Reference Asset to the Delivery Receiving Wallet, and (2) send notice ("Delivery Commencement Notice") to the Settlement Agent that transfer of the Reference Asset has been initiated, and such Delivery Commencement Notice shall include, without limitation, the blockchain transaction ID.

(vi)   As soon as practicable after Delivery Commencement Notice, the Settlement Agent will provide the buyer of with a copy of the Delivery Commencement Notice.

(vii)   The Settlement Agent shall monitor the transaction identification number on the blockchain and shall transfer the Settlement Amount to seller as soon as practicable after Delivery.

(viii)   No later than 10:30 am New York local time on the Settlement Date, the Settlement Agent shall provide the Exchange with a report indicating the status of all pending deliveries.

(i)(ix)   No later than 9 pm New York local time on the Settlement Date, the Settlement Agent shall provide the Exchange with a list of all Settlements, that shall include, without limitation, the transaction identification number, counterparties, Settlement Amount, time of the transfer of the Settlement Amount, and the amount of Reference Asset.

(b)(d)   Settlement Failure. In the event that a counterparty failures to fulfill their settlement obligations, then the opposite counterparty and/or the Settlement Agent shall have the rights and remedies provided in the Settlement Services Agreement. If a counterparty fails to deliver the Reference Asset, the final value of the Reference Asset as stated in the (a) Settlement Services Agreement, or (b) the Transaction Confirmation plus a premium as agreed upon by the counterparties. In addition, the Exchange, in its discretion, may take disciplinary action for any such Settlement failure, as set forth in Chapter 6 of the Rulebook.

RULE 1211.   Division of Digital Assets

If at any time there is an event or process that results in the division of a digital asset (i.e., a "hard fork") that is a Reference Asset, then the Exchange shall have the right, in its sole discretion, to take action to align the trueDigital Product position holder's exposures with cash market exposures, as appropriate. Appropriate action may include, without limitation, excluding the new digital asset from the Reference Asset, including new digital asset in the Reference Asset, providing cash adjustments, or assigning newly listed contract position to trueDigital position holders.

RULE 1212.   Swap Data Reporting

(a)   Counterparties shall comply with the requirements of Rule 545 and CFTC Regulations regarding the reporting, and correction, of Required Swap Creation Data and Required Continuation Swap Data.

~~(a)~~(b)   In the event that the counterparties novate or terminate a Transaction, the Reporting Counterparty shall promptly notify trueEX of such novation or termination.

RULE 1213.   Settlement Services Agreements

(a)   The settlement services provided by a Settlement Agent with respect to any Contract, and the rights and obligations of buyers and sellers of trueDigital Products (including rights and obligations in respect of collateral management, initial margining and settlement, variation payments and performance at maturity) shall be governed by the Settlement Services Agreement entered into between the Settlement Agent and Settlement Agent's customers.

(b)   In the event of a conflict or inconsistency between the Settlement Services Agreement and the Rules, the Rules shall prevail with respect to any responsibilities or obligations of a Settlement Agent under such Settlement Services Agreement.

RULE 1214.   Collateral Monitoring Tools

The Exchange facilitates collateral monitoring by Settlement Agents by providing Collateral Monitoring Tools. The Exchange will allow the Settlement Agent to pre-establish or "push" a collateral limit to the Exchange, which is decremented throughout a Trading Day as applicable Transactions are executed. Settlement Agents may adjust their pre-set limits intra-day with immediate effect.

RULE 1215.   XBT/USD Monthly Deliverable Swap

Contract Description	This contract is a swap in which the counterparties agree to buy or sell, at a set price, a specified quantity of the Reference Asset at a specified future date.
Symbol	DF-XBT-USD-[MYY]
Trading Division	trueDigital
Reference Asset	XBT – Bitcoin
Settlement Currency	USD - United States Dollar
Variation Margin Currency	USD - United States Dollar
Minimum Price Increment	0.01 USD
Quoting Convention and Minimum Increment	Amount of Contracts, which can include a fractional number of Contracts in excess of the Minimum Size, as agreed by the counterparties
Contract Size	1 XBT
Minimum Size	1 Contract
Minimum Size Precision	0.001 Contracts
Trading Convention	Buy or sell in the amount of Contracts agreed upon by the counterparties
Trade Date	The date on which the parties enter the Transaction
Maturity Date	The last Friday of each of the nearest three serial months, and the nearest four months in the quarterly cycle (Mar, Jun, Sep, Dec).
Initial Notice Day	One USNY business day before the Last Trading Day
Initial Notice Day Business Day Convention	Preceding
Last Trading Day	One USNY business day before the Pre-Settlement Day
Last Trading Time	4:30 pm New York local time on the Last Trading Day

Last Trading Day Business Day Convention	Preceding
Pre-Settlement Day	One USNY business day before the Maturity Date
Pre-Settlement Day Business Day Convention	Preceding
Settlement Date	The Maturity Date agreed upon by the parties, as specified in the Confirmation for the Transaction.
Settlement Date Business Day Convention	Following
Settlement Method	Physical delivery, as provided in Rule 1210
Clearing House	None - Uncleared
Speculative Position Limits	• Overall Limit: 55,000 contracts in aggregate for all trueDigital XBT Products • Primary Contract Limit: 15,000 contracts in aggregate for the Primary Contract of all trueDigital XBT Products
Reportable Levels	5 Contracts in aggregate for all trueDigital XBT Products
Trading Hours	Trading Hours will commence each Trading Day at 9 am New York local time and end each Trading Day at 5 pm New York local time.
Holidays	US – New York (USNY)

EXHIBIT 2

RULE 101   Definitions

"Administrative User" or "Admin User" means a natural person of the Participant, Sponsored Access Customer, ~~or~~ Clearing Firm, or Settlement Agent, designated by the Participant, Sponsored Access Customer, ~~or~~ Clearing Firm, or Settlement Agent, to access and use the Platform for administrative purposes only.

"Amended Final Notice" shall have the meaning set forth in Rule 1210.

"Daily Settlement Price" shall mean the price determined pursuant to Rule 1208 and the *Daily Settlement Price Methodology for Bitcoin Swap Contracts* (available on the Exchange's Web Site) each Trading Day by the Exchange for each Maturity Date of the trueDigital Products. The Daily Settlement Price may go out four decimal places and may be a price that is not a minimum increment for trueDigital Products.

"Definitive Final Notice" shall have the meaning set forth in Rule 1210.

"Delivery" shall mean the transfer of the Reference Asset by the seller to the Delivery Receiving Wallet, evidenced by ten confirmations of such transfer in the blockchain.
"Delivery Commencement Notice" shall have the meaning set forth in Rule 1210.

"Delivery Dispute Notice" shall mean written notice sent by a counterparty to the Settlement Agent that describes, with sufficient detail, the nature of such counterparty's good faith belief that Final Notice is incorrect.
"Delivery Funding Confirmation" shall have the meaning set forth in Rule 1210.

"Delivery Readiness Notice" shall have the meaning set forth in Rule 1210.

"Delivery Receiving Wallet" shall mean the digital wallet identified by the buyer as the digital wallet into which the Reference Asset shall be transferred on the Settlement Date, by seller, in fulfillment of delivery obligations related to a Transaction in a trueDigital Deliverable Swap Product.

"Emergency" means any occurrence or circumstance that in the opinion of the Exchange's governing board, or a person or persons duly authorized to issue such an opinion on behalf of the Exchange's governing board under circumstances and pursuant to procedures that are specified by rule, requires immediate action, and threatens, or may threaten, such things as the fair and orderly trading in, or the liquidation of or delivery pursuant to, any agreements, contracts, swaps or transactions or the timely collection and payment of funds in connection with clearing and settlement by a Clearing House, including:

> (i)   any manipulative or attempted manipulative activity;

> (ii)   any actual, attempted or threatened corner, squeeze, congestion, or undue concentration of positions;

> (iii)   any circumstance which may materially affect the performance of agreements, contracts, swaps, or transactions, including failure of the payment system or the bankruptcy or insolvency of any Participant, ~~or~~ Clearing Firm, or Settlement Agent;

> (iv)   any action taken by any governmental body, or any other registered entity, board of trade, market or facility which may have a direct impact on trading or clearing and settlement;

> (v)   any other circumstance that may have a severe, adverse effect upon the functioning of the Exchange.

"Final Notice" shall mean the notice sent by the Settlement Agent to its customers, on the Last Trading Day, pursuant to Rule 1210, that provides the Settlement Agent's customers with notice of their open trueDigital Deliverable Swap Product positions and their Settlement obligations.

"Initial Notice" shall mean the notice sent by the Settlement Agent to its customers, on the Initial Notice Day, pursuant to Rule 1210, that provides the Settlement Agent's customers with notice of their open trueDigital Deliverable Swap Product positions and their expected Settlement obligations.

"Initial Notice Day" shall have the meaning as provided in the Contract specifications set forth in Rule 1215.

"Last Trading Day" shall have the meaning as provided in the Contract specifications set forth in Rule 1215.
"Last Trading Time" shall have the meaning as provided in the Contract specifications set forth in Rule 1215.

"Maturity Date" ~~has the meaning set forth in Rule 1001(h).~~ In connection with Interest Rate Swaps, Maturity Date shall have the meaning set forth in Chapter 10 of the Rules. In connection with trueDigital Products, Maturity Date shall have the meaning set forth in Chapter 12 of the Rules.

"Non-Primary Contract" shall mean Contract(s), for each trueDigital Product listed by the Exchange, other than Primary Contracts.

"Pre-Settlement Day" shall have the meaning as provided in the Contract specifications set forth in Rule1215.

"Primary Contract" shall mean the Contract(s), for each trueDigital Product listed by the Exchange, having a Maturity Date closest to the Settlement Date.

"SEF Trading System" means the electronic trading system of the SEF established and operated by the Exchange for the purpose of executing Transactions in Contracts listed by the Exchange as identified in Schedules 1001(a), 1001(b), and 1001(c), ~~and~~ 1002, 1003, 1004, and in Chapter 12 of ~~to~~ this Rulebook. The SEF Trading System consists of two different applications, Core RFQ and PTC for the purpose of executing Transactions using RFQ as a method of execution, a central limit order book for the execution of Transactions in contracts listed pursuant to Chapter 12 of this Rulebook, and ~~has~~ a custom order book available for Required Transactions that are not listed on the DCM Trading System. The SEF Trading System shall also include a portal for reporting pre-negotiated Permitted Transactions in Contracts listed pursuant to Chapter 12 of the Rulebook.

"Settlement" shall mean the Delivery of Reference Asset and the payment of the Settlement Amount with respect to a Transaction in a trueDigital Deliverable Swap Product.

"Settlement Agent" shall mean a Person, acceptable to the Exchange that (a) sets and manages collateral and (b) provides cash settlement services, including margining and final settlement, for Transactions executed by its customers who are Participants authorized to place Orders and enter into Transactions for trueDigital Products, for their own account, and the account(s) of the Participant's Customers and/or Clients.

"Settlement Agent Trade" shall mean a Transaction executed pursuant to a Settlement Services Agreement.

"Settlement Amount" shall mean the amount of Settlement Currency the buyer is required to pay to settle a Transaction in a trueDigital Deliverable Swap Product.

"Settlement Currency" shall have the meaning as provided in the Contract specifications set forth in Rule 1215.

"Settlement Date" shall have the meaning as provided in the Contract specifications set forth in Rule1215.

"Settlement Services Agreement" shall mean an agreement between a Settlement Agent and a Participant, acceptable to the Exchange, governing, without limitation, the execution, margining, performance and settlement of trueDigital Deliverable Swap Products, including applicable collateral management, credit support and default provisions for such Participant and its Customers and/or Clients.

"Settlement Window" shall mean the trading activity from the period of time beginning at 4:15 pm and ending at 4:30 pm New York local time each Trading Day.

"Trading Day" shall mean a day on which the Exchange's New York, NY office is open for business.

"Triggering Bid" shall have the meaning set forth in Rule 1206.

"Triggering Offer" shall have the meaning set forth in Rule 1206.

"trueDigital Division" shall mean a separate operating group within trueEX LLC offering digital asset Contracts for trading.

"trueDigital Deliverable Swap Product" shall mean the deliverable Contract described in Rule 1215.

"trueDigital Opening Price" shall mean the price of the first Transaction in a Contract during the trueDigital Opening Period. If no Transaction occurs during the Opening Period then, the trueDigital Opening Price shall be the average of the first bid and offer in a Contract that occur during the trueDigital Opening Period. If no bids or offers are made for a Contract during the trueDigital Opening Period, then the trueDigital Opening Price shall be the Daily Settlement Price for that Contract on the prior Trading Day.

"trueDigital Opening Period" shall mean the period of time beginning at the start of Trading Hours for a trueDigital Product and ending five minutes after the start of Trading Hours in a trueDigital Product.

"trueDigital Products" shall mean the digital asset Contracts listed for trading on the trueDigital Division of the Exchange.

RULE 207   Exchange Access Committee

(a)   The Exchange Access Committee of the Board shall consist of three Directors appointed from time to time by the Board, two of which shall be Public Directors.

(b)   The Exchange Access Committee shall have authority and responsibility to:

(i)   Determine the standards and requirements for initial and continuing Participant, Sponsored Access Customer, and Clearing Firm, and Settlement Agent eligibility;

(ii)   Review any determination that a Person (1) fails to satisfy the criteria to qualify as a Participant, Sponsored Access Customer, or Clearing Firm, or Settlement Agent; or (2) is denied Trading Privileges pursuant to Rule 305(a); and

(iii)   Approve rules that would result in different categories or classes of Participants receiving disparate access to the Exchange.

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RULE 310   Authorized Representatives

(a)   Each Clearing Firm, Participant, or Sponsored Access Customer, or Settlement Agent shall designate one or more individuals who is an employee and who will represent, or will designate a third party to represent, it before the Exchange and its committees and receive notices ("Authorized Representative").

(b)   Each Authorized Representative shall be empowered by the Clearing Firm, Participant, or Sponsored Access Customer, or Settlement Agent, as the case may be, to act on its behalf and the Exchange shall be entitled to rely on the actions of the Authorized Representative as binding on such Clearing Firm, Participant, or Sponsored Access Customer, or Settlement Agent, as the case may be.

(c)   Each Clearing Firm, Participant, or Sponsored Access Customer, or Settlement Agent shall provide the Exchange with current contact and other requested information for each of its Authorized Representatives so that the Exchange is able to immediately contact the Authorized Representatives.

RULE 311   Recording of Communications

The Exchange may record conversations in respect of Orders, Transactions and any other activity on or through the Exchange between officers, employees or agents of the Exchange, on one hand, and Clearing Firms, Participants, Sponsored Access Customers, and Authorized Traders, and Settlement Agents, on the other hand. The Exchange shall retain recordings of conversations made pursuant to this Rule in accordance with CFTC Regulations.

RULE 313   Exchange Communications

(a)   Each Clearing Firm, Participant, and Sponsored Access Customers, and Settlement Agent must provide the Exchange with its current electronic mail address and telephone number and the electronic mail address and telephone number of any Authorized User.

(b)   All communications between the Exchange and a Clearing Firm, Participant, and Sponsored Access Customer, and Settlement Agent, as the case may be, will be transmitted by electronic mail or posted on the Web Site, except as provided for in Rule 538 and Rule 608, and as otherwise specified by the Exchange.

(c)   Each Clearing Firm, Participant, and Sponsored Access Customer, and Settlement Agent shall be responsible for conveying such communications to all of its Authorized Users.

(d)   Each Clearing Firm, Participant, and Sponsored Access Customer, and Settlement Agent will be responsible for promptly reviewing and, if necessary, responding to all electronic communications from the Exchange to the Clearing Firm, or Participant, as the case may be, or any of its Authorized Users.

(e)   All communications made to the address for notices designated by a Clearing Firm, Participant, or Sponsored Access Customer, or Settlement Agent, or a person designated by such Clearing Firm, Participant, or Sponsored Access Customer, or Settlement Agent to accept such communications, as the case may be, shall also be deemed to have been made to all of its Authorized Users.

RULE 513   Misuse of the Platform

It shall be a violation of these Rules to willfully permit unauthorized use of the Platform, to assist any Person in obtaining unauthorized access to the Platform, to trade on the Platform without an agreement and an established account with a Clearing Firm (if engaging in Cleared Transactions), a Settlement Agent (if engaging in trueDigital Products) to alter the equipment associated with the Platform (except with the Exchange's consent), to interfere with the operation of the Platform, to intercept or interfere with information provided thereby, or in any way to use the Platform in a manner contrary to the Rules.

RULE 522   Recordkeeping Requirements for Entering Orders into the Platform

(a)   General Requirements.

(i)   Orders must be entered by electronic transmission to the Platform, and the Exchange shall maintain an electronic record of those entries. Each Authorized Trader entering Orders into the Platform shall input for each Order:

(A)   the User ID identifying the individual placing such Order and an identifier of the Clearing Firm that will clear any resultant contracts (if engaging in Cleared Transactions); and/or an identifier of the Settlement Agent, that will settle any resultant contracts (if engaging in trueDigital Products);

(B)   its type, price or yield, quantity, product, maturity or expiration month or date, customer type indicator ("CTI") code and account number (as provided in Rule 522(d)); and

(C)   such additional information as may be prescribed from time to time by the Exchange.

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RULE 523   Modification and Cancellation of Orders

(a)   Any Order that has been entered into the Platform may be modified or cancelled unless and until it has been executed or has otherwise expired. Any such modification or cancellation requires that a modification order or cancellation order, as the case may be, with respect to the original Order be entered into the Platform. Such modification or cancellation will become effective upon receipt by the Platform of the modification order or cancellation order, as the case may be.

(b)   Every Order automatically expires at the end of the Trading Hours on the calendar day such Order is placed, in the event of any suspension or curtailment of trading, including halts, or in the case of any failure of the Platform.

RULE 534   Platform Access Restrictions

(a)   For Cleared Transactions, all Participants permitted to connect to the Platform, must be a member of a Clearing House and be eligible to clear at such Clearing House the Contract(s) that such Person will execute on the Exchange, or have clearing arrangements in place with a Clearing Firm pursuant to which Clearing Firm agrees to clear Transactions for such Participant (and its Customers and Clients, if applicable), pursuant to Rule 809. If the Participant's Customer or Client clears its Transactions through a Clearing Firm other than the Participant, the Customer or Client must have clearing arrangements in place with a Clearing Firm pursuant to which Clearing Firm agrees to clear all Transactions effected by or through the Participant for that Customer or Client, pursuant to Rule 809.

(b)   For Uncleared Transactions, all Participants permitted to connect to the SEF Trading System (and its Customers or Clients, as applicable), must each have previously-negotiated freestanding agreements between the counterparties (including, without limitation, ISDA master agreements, other master agreements, terms supplements, master confirmation agreements, and incorporated industry definitions). In addition, Participants that trade trueDigital Products must also comply with the requirements of Chapter 12 of the Rules.

(c)   Customer Orders may be entered only from the premises of an entity registered to conduct Customer business.

RULE 538   Control Desk

(a)   Support.

(i)   The control center of the Exchange (the "Control Desk") provides support and problem management only to Clearing Firms, and Participants, and Settlement Agents, and their Authorized Users.

(ii)   In order to be eligible for Control Desk support, a natural person must first be identified to the Exchange by the relevant Participant, or Clearing Firm, or Settlement Agent, as the case may be, as an authorized contact ("Authorized Contact") or must be an Authorized User. The Control Desk provides support via a specified telephone number and during specified hours.

(iii)   Control Desk employees may not always be available to assist Authorized Contacts or Authorized Users.

(iv)   Individuals other than Authorized Contacts and Authorized Users must contact a Participant's, ~~or~~ a Clearing Firm's,, or Settlement Agent's Authorized Contact to make support requests.

(b)   Control Desk Communications.

(i)   As provided in Rule 537, the Exchange shall not be liable for any loss resulting from any inability to communicate with the Control Desk.

(ii)   The liability of the Exchange for the negligent acts of Control Desk staff shall be subject to the limitations and conditions of Rule 537.

(iii)   In no event shall the Exchange be liable for the negligence of the Control Desk if the Person claiming to have suffered a loss could have secured the support it sought from the Control Desk through its own administrative terminal, a terminal of its Clearing Firm or a terminal of an ISV.

(iv)   For purposes of this Rule, a Person is deemed able to take action through its own administrative terminal, a Clearing Firm's terminal, a Settlement Agent's terminal or an ISV's terminal unless such terminal was inoperative or such terminal service was interrupted at the time the Control Desk took action.

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RULE 545   SDR Reporting

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(g)   Reporting Party Determination. For purposes of these rules, the term "Reporting Party" means, in respect of a swap executed on or pursuant to the Rules of the Exchange, the Participant that is the "reporting counterparty" after application of CFTC Regulation § 45.8. If both principal counterparties to a swap executed on or pursuant to the rules of the Exchange are Swap Dealers; or both are Major Swap Participants; or neither are Swap Dealers nor Major Swap Participants but both are financial entities as defined in CEA § 2(h)(7)(C); or neither are a financial entity as defined in CEA § 2(h)(7)(C), the Reporting Party shall be as follows:

(i)   For Contracts that are listed by the Exchange in Chapter 10 of this Rulebook and the related schedules, the Reporting Party shall be the Participant that is the fixed rate payer on the swap, and in respect of switches, the Reporting Party shall be the party that is the purchaser of the switch. If both counterparties to a swap are non-Swap Dealer/non-Major Swap Participant counterparties and only one counterparty is a U.S. person, that counterparty who is the U.S. person shall be the reporting counterparty.

(ii)   For Transactions in Contracts that are listed by the Exchange in Chapter 12 of this Rulebook, the Reporting Party shall be the Participant that is the buyer of the swap. If both counterparties to a swap are non-Swap Dealer/non-Major Swap Participant counterparties and only one counterparty is a U.S. person, that counterparty who is the U.S. person shall be the reporting counterparty.

Exhibit 3

Explanation and analysis of the Bitcoin Physically Delivered Swap contract and compliance with applicable provisions of the Commodity Exchange Act (the "Act"), including core principles, and the Commissions regulations thereunder:

SEF Core Principle 2 – Compliance with Rules
- trueEX has an extensive set of rules pertaining to the operation of its SEF Trading System, including Chapter 12 which now addresses the rules that relate specifically to the listing and operation of the Exchange with respect to the Bitcoin Physically Delivered Swap contract.
- Chapter 3 of the trueEX Rulebook provides for the impartial access by Participants to the trueEX platform. This is overseen by the Exchange Access Committee (Rule 207). Under Rule 207 the "The Exchange Access Committee shall not, and shall not permit the Exchange to, restrict access or impose burdens on access in a discriminatory manner, within each category or class of Participants or between similarly-situated categories or classes of Participants". In addition, under Rule 301, any person, directly or indirectly, initiating or executing a transaction in the any Contracts traded on the Exchange consents to the jurisdiction of the Exchange.
- Abusive trading practices in any Contracts traded on the Exchange are prohibited by Chapter 5 of the Rulebook. The Rulebook is enforced by the Exchange Regulation Department. Chapter 6 of the Rulebook sets forth the rules governing both the investigations and prosecutions of Rule violations. Chapter 6 also sets forth potential sanctions for rule violations and is applicable to all Contracts traded on the Exchange. Pursuant to Rule 208, the Regulatory Oversight Committee ensures that the Exchange Regulation Department has sufficient resources to perform its obligations.
- Rule 403 provides the Exchange with the ability and authority to obtain any information necessary to perform its obligations under Core Principle 2 and the Exchange has the authority to share information with other markets under information-sharing agreements.
- All required trade information is included in the audit trail and is sufficient for the Exchange Regulation Department to monitor for market abuse. Such information will be used to assist in the prevention of customer and market abuses and to provide evidence of any violations of the rules of the Exchange. All audit trail information is retained as required by CFTC Regulation 1.31.

SEF Core Principle 3 – Contracts Not Readily Subject to Manipulation
- trueEX has established rules and an enforcement infrastructure to prevent the manipulation of the Contract. The trueEX Rulebook is available at http://www.trueex.com/rules-and-notices. See Chapter 5: Trading Practices and Business Conduct; Chapter 6: Disciplinary Rules. Exchange staff conduct real-time market surveillance, as well as T+1 surveillance and trade practice reviews.
- The contract specifications for the Bitcoin Physically Delivered Swap were drafted to conform with the guidance and/or acceptable practices in appendix B of Part 37 of the CFTC Regulations and appendix C to part 38 of the CFTC Regulations. trueEX provided of this chapter—Demonstration of Compliance That a Contract is not Readily Susceptible to Manipulation, Information was provided to and vetted by Commission staff to ensure the criteria for contract terms and conditions for swaps that are settled by physical delivery were met.

SEF Core Principle 4 – Prevention of Market Distortion/SEF Core Principle 4 - Monitoring of Trading and Trade Processing
- Chapter 5 of the Rulebook prohibits Participants from manipulating, distorting the price of, and disrupting the settlement process of the any Contract traded on the Exchange. Rule 541 allows the Exchange to amend or cancel any trades as necessary to prevent market distortion.
- Chapter 12 of the Rulebook provides for additional rules regarding trade cancellations and prince adjustments (Rule 1205) to supplement Rule 541. Rule 1206 also provides for price limits and trading halts specifically related to contracts listed on the trueDigital Division.

SEF Core Principle 5 - Ability to Obtain Information
- Rule 403 provides trueEX with the ability and authority to obtain any information necessary from Participants to perform its obligations under Core Principle 5. trueEX is also a member of the Joint Compliance Committee ("JCC") and is party to an information sharing agreement with the members of the JCC, including DCMs who currently list similar products.

SEF Core Principle 6 – Position Limits or Accountability
- Although the regulations and corresponding Commission guidance allows SEFs flexibility to set only position accountability levels for swaps that are deemed to be Permitted Transactions[1], trueEX will be voluntarily enforcing position limits

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[1] Appendix B to Part 37 – Guidance on, and Acceptable Practices in, Compliance with Core Principles. The Guidance for Core Principle 6 states "Until such time that compliance is required under Part 151 of this chapter, a SEF should have reasonable discretion to comply with § 37.600, including considering part 150 of this chapter........For Permitted Transactions as defined in § 37.9, a SEF may demonstrate compliance with § 37.600 by setting and enforcing position accountability levels or sending the Commission a list of Permitted Transactions traded on the SEF Facility."

for these products. The following trueEX rules will require trueEX market participants to comply with established limits:
- o Rule 529 Position Limits and Exemptions
- o Rule 403 Ability to Obtain Information
- Limits set by trueEX in the Primary Contract and Aggregate Limits across all contracts are included in Rule 1215.
- With respect to large trader reporting and other reporting obligations, trueEX notes that clearing firms and clearing houses have explicit reporting requirements to the CFTC under Part 17. Because these contracts will not be cleared, there are no clearing firms or clearing houses involved in the transactions. As such, the CFTC will not receive information that it typically receives for futures and options contracts which is then used to trigger a request for information from the CFTC to the underlying trader under Part 18 of the CFTC Regulations. trueEX recognizes that market participants that trade these contracts on trueEX will have to comply with Part 18 upon receipt of a special call by the CFTC. Because the trueEX workflow differs somewhat from what is contemplated in Parts 17 and 18 of the CFTC Regulation (e.g. the contracts are not cleared and the products are swaps, not futures or options), trueEX expects that is will be able to track trader positions because all accounts and ownership are fully disclosed to trueEX via the legal entity identifier ("LEI") of the account owner as part of the onboarding process.

As stated in Appendix B to Part 37 and as noted in footnote 1 below, the guidance for Core Principle 6 indicates that a SEF may demonstrate compliance with CFTC Regulation 37.600 "by setting and enforcing position accountability levels OR sending the Commission a list of Permitted Transactions traded on the SEF".

Because this contract is a swap, trueEX will be sending all transactions executed on trueEX to an SDR (for this asset class, to DTCC Data Repository ("DDR")). In doing so, trueEX will meet the requirement in the guidance to send all Permitted Transactions traded on the SEF to the Commission. All information reported to DDR is available to the CFTC immediately upon execution. In addition, lifecycle events will be reported to DDR for swaps initially reported by trueEX as Continuation Data by the Reporting Party on the initial transaction. Therefore, the CFTC will always have access to the most current transaction and position data for swaps executed on trueEX.

SEF Core Principle 7 – Financial Integrity of Transactions
- Rule 302 requires all Participants, Customers and Clients to be Eligible Contract Participants ("ECPs") in order to trade on trueEX. The onus is on the Participant to notify trueEX if it or any of its Customers or Clients cease to be an ECP.
- Rule 1208 addresses margin requirements. trueEX is voluntarily setting minimum margin requirements that exceed those set by the Commission for uncleared swaps.

SEF Core Principle 9 – Daily/Timely Publication of Trading Information
- As a swap, trueEX will comply with the Commission's Part 16 Swaps Daily Price and Volume Activity - Interim Standard Version 1.3 dated October 21, 2016. Exchange shall publish on its website, www.trueex.com, information required by Part 16 of the CFTC Regulations within the required time frame.
- Rule 1208 specifically addresses the calculation of Daily Settlement Prices for the Bitcoin Physically Delivered Swap contract.

Additional Requirements Imposed by CFTC Staff Advisory 18-14:

A. Enhanced Market Surveillance
See reference to Core Principles 2 and 3 above. This is a physically delivered contract, therefore the references to information sharing with underlying spot markets is not applicable. However, trueEX, through its Rule 403 will have the ability to obtain information from its market participants, including any records of their trading in the underlying spot market.

B. Close Coordination with CFTC Surveillance Group
trueEX is committed to close coordination with any members of Commission staff, including the CFTC Surveillance Group and is readily available to discuss any issues related to the surveillance of this contract.

C. Large Trader Reporting
See reference to Core Principle 6 above. trueEX has set the reportable level of this contract to 5 as required by the Commission in CFTC Staff Advisory 18-14.

D. Outreach to Members and Market Participants
trueEX has solicited comments and feedback from prospective market participants and other stakeholders. The contract specs, as well as the trading and delivery workflows were adjusted over time in response to feedback received from these parties.

Feedback was received from a broad range of market participants, including swap dealers, market makers and other liquidity providers (traditional market makers in the derivatives space as well as OTC market makers in digital assets), FCMs and

IBs, settlement agents, and buy-side firms including hedge funds, asset managers, and family offices.

trueEX consistently received comments that there was a demand for a physically delivered product specifically targeted to institutional investors as an alternative to the existing offerings. While there were no substantive opposing views or objections expressed, constructive feedback was received and the contract design and rules supporting the trading and settlement of this product were adjusted to address issues relating to the methods of execution, margin, delivery and settlement of the product, especially in the context of it being an uncleared swap. The peer to peer delivery process mirrors what is customary for institutional investors in the OTC spot market, with the added protection of a Settlement Agent holding funds until delivery has been completed.

E. DCO Risk Management
Not applicable. The Bitcoin Physically Delivered Swap contract is not cleared.

F. Staff Notice
trueEX has had extensive discussions and had submitted numerous documents to Commission staff over an extended period. trueEX is certifying this product and related rules only after having addressed all issues and concerns expressed by staff.