



Via Electronic Mail to submissions@cftc.gov and dmosubmissions@cftc.gov

July 9, 2013

Ms. Melissa Jurgens
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Notice to Members: Disclosure of Payment for Order Flow

Dear Ms. Jurgens:

Pursuant to section 5c(c)(1) of the Commodity Exchange Act, as amended (the “Act”), and section 41.24 of the regulations promulgated by the Commission under the Act, submitted herewith is a Notice to Members (“NTM”) regarding disclosure of payment for order flow. OneChicago (“OCX”) is self-certifying the notice.

This notice further identifies an obligation for market participants to disclose whether that firm participates in a payment for order flow arrangement in OCX products.

The notice is included as Attachment A. These changes will become effective on July 24, 2013.

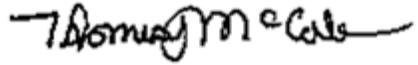
Comments on this OneChicago Notice to Members have not been solicited and none have been received. The Regulatory Oversight Committee has reviewed and approved the notice.

The NTM supports Core Principle 2, Compliance with Rules, Core Principle 9, Execution of Transactions and Core Principle 12, Protection of Markets and Markets Participants in that it clarifies firms’ obligations in disclosing payment for order flow arrangements to customers.

There is no new operational impact related to this notice.

On behalf of OneChicago, I hereby certify that the notice to members complies with the Act and the regulations promulgated thereunder and a copy of the submission has been posted on the OneChicago website at http://www.onechicago.com/?page_id=8917.

Respectfully submitted,

A handwritten signature in black ink that reads "Thomas G. McCabe". The signature is written in a cursive style with a long horizontal flourish at the end.

Thomas G. McCabe
Chief Operating Officer
OneChicago, LLC

Encl: Attachment A

Attachment A



Notice to Members 2013-12

Date: July 9, 2013

Re: Disclosure of Payment for Order Flow Arrangements

Effective Date: July 24, 2013

OneChicago, LLC (“OCX”) is providing guidance regarding disclosure in payment for order flow arrangements. “Payment for order flow” refers to the practice of a broker-dealer (“BD”) or futures commission merchant (“FCM”) routing orders to a liquidity provider in exchange for a fee paid to the referrer. For example, consider a hypothetical scenario involving market participants A, B, and C. A, the customer, contacts B, an FCM, requesting a market be made in a particular single-stock future (“SSF”). B, in turn, contacts C, a liquidity provider. C agrees to make a market in that SSF, and in exchange for B executing the order with C, C pays B a fee.

While OCX does not endorse or oppose payment for order flow arrangements, we recognize that these arrangements are commonplace in the financial services industry, including in OCX products. Consistent with industry practice, we believe that disclosure of such arrangements is critical to ensure market integrity and best execution for customers. We also believe that informed customers are capable of making determinations as to whether they find such arrangements acceptable. Therefore, firms engaging in payment for order flow arrangements in OCX products are required to disclose that fact to their customers.

A firm may meet that disclosure requirement in any reasonable manner, including but not limited to: (i) by providing notice within the customer confirmation; (ii) by placing a notice on the firm’s public website; or (iii) by incorporating the disclosure within its customer account agreements.

If you have any questions or concerns about this notice, please feel free to contact Waseem Barazi, Director of Market Regulation, by phone at (312) 424-8524 or through e-mail at wbarazi@onechicago.com.