

November 19, 2013

Submitted via CFTC Portal

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

Re: *tpSEF Inc. – Regulation 40.6 Rule Self-Certification*

To Whom It May Concern:

Pursuant to Section 5c(c) of the Commodity Exchange Act (the “Act”) and Section 40.6(a) of the regulations of the Commodity Futures Trading Commission (the “Commission”), tpSEF Inc. (“tpSEF”), a temporarily registered swap execution facility, hereby notifies the Commission that it has amended its Rulebook, specifically Rules 4012 and 4013. The amended Rulebook will become effective as of December 5, 2013.

Pursuant to Commission regulation 40.6, this submission includes:

- (i) A copy of the submission cover sheet in accordance with the instructions in Appendix D of Part 40 of the Commission’s regulations, attached as Exhibit A;
- (ii) A concise explanation and analysis of amended Rules 4012 and 4013 and their compliance with applicable provisions of the Act, attached as Exhibit B; and
- (iii) A clean copy of amended Rules 4012 and 4013, along with a marked copy to show changes from the versions previously submitted to the Commission, attached as Exhibits C and D respectively.

tpSEF hereby certifies that the amendments comply with the requirements of the Act and Commission regulations thereunder, and that, concurrent with this filing, a copy of this submission was posted on tpSEF’s website. tpSEF is not aware of any substantive opposing views expressed with respect to this filing.

Please contact the undersigned at (201) 984-6956 or by email at bddonnelly@tullettprebon.com with any questions regarding this matter.

Very truly yours,

tpSEF Inc.

By: 

Name: Brian D. Donnelly

Title: Chief Compliance Officer

Enclosures

cc without enclosures:

Division of Market Oversight (Email: dmosubmissions@cftc.gov)
David Van Wagner (Email: dvanwagner@cftc.gov)
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EXHIBIT A

SUBMISSION COVER SHEET

Registered Entity Identifier Code (optional)

Date: November 19, 2013

IMPORTANT: CHECK BOX IF CONFIDENTIAL TREATMENT IS REQUESTED.

ORGANIZATION tpSEF Inc.

FILING AS A: DCM SEF DCO SDR ECM/SPDC

TYPE OF FILING

• **Rules and Rule Amendments**

- Certification under § 40.6 (a) or § 41.24 (a)
- “Non-Material Agricultural Rule Change” under § 40.4 (b)(5)
- Notification under § 40.6 (d)
- Request for Approval under § 40.4 (a) or § 40.5 (a)
- Advance Notice of SIDCO Rule Change under § 40.10 (a)

• **Products**

- Certification under § 39.5(b), § 40.2 (a), or § 41.23 (a)
- Swap Class Certification under § 40.2 (d)
- Request for Approval under § 40.3 (a)
- Novel Derivative Product Notification under § 40.12 (a)

RULE NUMBERS

Rules 4012 and 4013

DESCRIPTION

This submission contains a self-certification by tpSEF Inc. of amendments to Rules 4012 and 4013 as more fully described in Exhibit B.

EXHIBIT B

Explanation and Analysis of Amended Rules

Summary: tpSEF Inc. (“tpSEF”) has amended its Rulebook as provided below. A clean copy of the amended rules is attached hereto as Exhibit C, and a copy marked to show changes from the versions previously submitted is attached hereto as Exhibit D.

Capitalized terms used but not defined herein have the meanings assigned to them in the Rulebook.

Rule	Description of Revision	Relevant Core Principle
Rule 4012 (Confirmations)	Adds new provision governing confirmations for uncleared Swaps in order to conform to industry standard practice. Under the revised Rule, the SEF will issue a trade communication with respect to each uncleared Swap Transaction that, together with the existing documents and agreements between the counterparties that are not inconsistent with the trade communication, will constitute a confirmation for the purposes of Commission regulation 37.6(b).	Core Principles 2 and 7
Rule 4013 (Clearing and Other Arrangements)	Clarifies that any Transaction that is resubmitted but not accepted for clearing prior to the close of business on a trade date will be cancelled and void <i>ab initio</i> .	Core Principles 2 and 7

EXHIBIT C

Amended Rules 4012 and 4013 (Clean)

Rule 4012 Confirmations

(a) The SEF will provide each Participant that is a counterparty to a Transaction a written record of the terms of the Transaction. Such terms (including, with respect to uncleared swaps, the Terms Incorporated by Reference as defined in Rule 4012(d)(1)) shall legally supersede any previous agreement and serve as a confirmation of the Trade. Such written record shall constitute a confirmation as defined in CFTC regulation § 45.1.

(b) With respect to certain products, transactions and parties, such confirmation may be provided on the SEF's behalf by MarkitSERV's Organized Trading Venue (OTV) Confirmation Service or other similar confirmation services.

(c) Regardless of the means of delivery, pursuant to these rules, each Participant agrees that the confirmation represents legally binding documentation memorializing the agreement of the parties to all the terms of the Transaction.

(d) Confirmations for Uncleared Swaps

(1) The economic terms specific to the transaction agreed by the participants on the SEF with respect to an uncleared transaction shall be reflected by the SEF in a written communication (the "Trade Communication") sent to the applicable participants. The Trade Communication, together with the documents and agreements (including, without limitation, ISDA master agreements, other master agreements, terms supplements, master confirmation agreements, and incorporated industry definitions) governing such transaction existing at the time of such commitment to which the participants are party (the "Terms Incorporated by Reference") shall, taken together, for purposes of Commission Regulation 37.6(b) comprise all of the terms of such transaction and serve as a confirmation of such transaction.

(2) In satisfaction of the obligations imposed on the SEF under Commission Regulation 37.6(b), (i) each Trade Communication is deemed to incorporate the Terms Incorporated by Reference set forth in this Rule 4012, and (ii) the participants hereby agree that the provisions of Rule 4012(d)(3) shall govern any conflicting terms.

(3) In the event of any conflict between (i) the Trade Communication and (ii) the Terms Incorporated by Reference, the Trade Communication shall prevail to the extent of any inconsistency.

Rule 4013 Clearing and Other Arrangements

- (a) Each Cleared Swap shall be cleared through the DCO indicated in the Swap Specification in accordance with the CEA and the CFTC regulations.
- (b) For each Cleared Swap a Participant expects to enter into via the SEF or subject to the SEF Rules, the Participant or a Client or Customer of the Participant must establish a clearing account with the DCO designated in the Swap Specification for such Cleared Swap or with a Clearing Member of such DCO.
- (c) Promptly upon the execution of each Transaction in a Cleared Swap, the SEF shall submit the Transaction (which may include submission through a middleware provider) to the relevant DCO either directly or through the applicable Clearing Member(s). A Transaction will be deemed to have been accepted for, or rejected from, clearing upon receipt of appropriate notice, in accordance with Applicable Law, from the DCO or from a third party acting on behalf of the DCO as authorized by the DCO for such purpose. The acceptance of a Transaction for clearing shall not relieve any Participant, Client or Customer of the duty to act in good faith and with reasonable care and diligence.
- (d) If a Transaction in a Cleared Swap is rejected by the DCO or a third party acting on behalf of the DCO, such Transaction is void *ab initio* and shall be canceled by the SEF.
- (e) If the Clearing Members determine that the Transaction was rejected by the DCO because of a clerical or operational error or omission, they may elect to resubmit the rejected Transaction to the SEF as a new Transaction. Any such resubmission shall be subject to the following conditions: (i) the counterparties must consent to the resubmission; (ii) the resubmitted Transaction must have the same terms as the rejected Transaction, other than the time of execution and changes required to correct any errors or omissions; and (iii) the resubmission must take place within 30 minutes of the issuance by the DCO to the Clearing Members of notice of the rejection. If the resubmitted Transaction is rejected, such Transaction will be void *ab initio* and shall be canceled by the SEF. The parties may not resubmit a new Transaction a second time.
- (f) Any Transaction that is resubmitted prior to the DCO's close of business and in accordance with 4013(e) for which notice of acceptance or rejection is not received by the DCO's close of business on the date of resubmission will be void *ab initio* and shall be canceled by the SEF.
- (g) The SEF shall have the right to (i) suspend Trading Privileges of the Participant or Participants that executed any rejected Transaction or the account of the Client or Customer on whose behalf it was executed, or (ii) take any other action permitted by the SEF Rules. The liability for any losses arising out of or in connection with a rejected Transaction will be determined by the parties to the Transaction. For the avoidance of doubt, the SEF will have no liability for any such losses.

- (h) It shall not be a condition for access to the SEF that any Participant be subject to a breakage agreement.

- (i) A Participant may enter into an Uncleared Swap only with a counterparty with which such Participant or Sponsored Access Firm has swap trading relationship documentation that meets the requirements of Applicable Law. The Participant shall provide any information requested by the SEF in the processing and settlement of such Uncleared Swaps.

EXHIBIT D

Amended Rules 4012 and 4013 (Marked)

Amended Rule 4012 Marked Against October 24, 2013 Version

Rule 4012 Confirmations

(a) The SEF will provide each Participant that is a counterparty to a Transaction a written record of the terms of the Transaction. Such terms (including, with respect to uncleared swaps, the Terms Incorporated by Reference as defined in Rule 4012(d)(1)) shall legally supersede any previous agreement and serve as a confirmation of the Trade. Such written record shall constitute a confirmation as defined in CFTC regulation § 45.1.

(b) With respect to certain products, transactions and parties, such confirmation may be provided on the SEF's behalf by MarkitSERV's Organized Trading Venue (OTV) Confirmation Service or other similar confirmation services.

(c) Regardless of the means of delivery, pursuant to these rules, each Participant agrees that the confirmation represents legally binding documentation memorializing the agreement of the parties to all the terms of the Transaction.

(d) Confirmations for Uncleared Swaps

(1) The economic terms specific to the transaction agreed by the participants on the SEF with respect to an uncleared transaction shall be reflected by the SEF in a written communication (the "Trade Communication") sent to the applicable participants. The Trade Communication, together with the documents and agreements (including, without limitation, ISDA master agreements, other master agreements, terms supplements, master confirmation agreements, and incorporated industry definitions) governing such transaction existing at the time of such commitment to which the participants are party (the "Terms Incorporated by Reference") shall, taken together, for purposes of Commission Regulation 37.6(b) comprise all of the terms of such transaction and serve as a confirmation of such transaction.

(2) In satisfaction of the obligations imposed on the SEF under Commission Regulation 37.6(b), (i) each Trade Communication is deemed to incorporate the Terms Incorporated by Reference set forth in this Rule 4012, and (ii) the participants hereby agree that the provisions of Rule 4012(d)(3) shall govern any conflicting terms.

(3) In the event of any conflict between (i) the Trade Communication and (ii) the Terms Incorporated by Reference, the Trade Communication shall prevail to the extent of any inconsistency.

Amended Rule 4013 Marked Against November 1, 2013 Version

Rule 4013 Clearing and Other Arrangements

- (a) Each Cleared Swap shall be cleared through the DCO indicated in the Swap Specification in accordance with the CEA and the CFTC regulations.
- (b) For each Cleared Swap a Participant expects to enter into via the SEF or subject to the SEF Rules, the Participant or a Client or Customer of the Participant must establish a clearing account with the DCO designated in the Swap Specification for such Cleared Swap or with a Clearing Member of such DCO.
- (c) Promptly upon the execution of each Transaction in a Cleared Swap, the SEF shall submit the Transaction (which may include submission through a middleware provider) to the relevant DCO either directly or through the applicable Clearing Member(s). A Transaction will be deemed to have been accepted for, or rejected from, clearing upon receipt of appropriate notice, in accordance with Applicable Law, from the DCO or from a third party acting on behalf of the DCO as authorized by the DCO for such purpose. The acceptance of a Transaction for clearing shall not relieve any Participant, Client or Customer of the duty to act in good faith and with reasonable care and diligence.
- (d) If a Transaction in a Cleared Swap is rejected by the DCO or a third party acting on behalf of the DCO, such Transaction is void *ab initio* and shall be canceled by the SEF.
- (e) If the Clearing Members determine that the Transaction was rejected by the DCO because of a clerical or operational error or omission, they may elect to resubmit the rejected Transaction to the SEF as a new Transaction. Any such resubmission shall be subject to the following conditions: (i) the counterparties must consent to the resubmission; (ii) the resubmitted Transaction must have the same terms as the rejected Transaction, other than the time of execution and changes required to correct any errors or omissions; and (iii) the resubmission must take place within 30 minutes of the issuance by the DCO to the Clearing Members of notice of the rejection. If the resubmitted Transaction is rejected, such Transaction will be void *ab initio* and shall be canceled by the SEF. The parties may not resubmit a new Transaction a second time.
- (f) Any Transaction ~~in a Cleared Swap that is not accepted for clearing that is resubmitted prior to the DCO's close of business and~~ in accordance with 4013(e) ~~or 4013(e) or~~ for which ~~no appropriate~~ notice ~~is~~ of acceptance or rejection is not received by the DCO's close of business on ~~trade~~the date of resubmission will be void *ab initio* and shall be canceled by the SEF.
- (g) The SEF shall have the right to (i) suspend Trading Privileges of the Participant or Participants that executed any rejected Transaction or the account of the Client or Customer on whose behalf it was executed, or (ii) take any other action permitted by the SEF Rules. The liability for any losses arising out of or in connection with a rejected Transaction will

be determined by the parties to the Transaction. For the avoidance of doubt, the SEF will have no liability for any such losses.

- (h) It shall not be a condition for access to the SEF that any Participant be subject to a breakage agreement.
- (i) A Participant may enter into an Uncleared Swap only with a counterparty with which such Participant or Sponsored Access Firm has swap trading relationship documentation that meets the requirements of Applicable Law. The Participant shall provide any information requested by the SEF in the processing and settlement of such Uncleared Swaps.