

November 1, 2013

Submitted via CFTC Portal

Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
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Washington, D.C. 20581

tpSEF Inc.
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Re: *tpSEF Inc. – Regulation 40.6 Emergency Rule 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 in response to Commission Letter No. 13-66 issued on October 25, 2013 regarding the resubmission of swaps rejected for clearing. The amended Rulebook will become effective as of the date hereof.

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 Rule 4013 and its compliance with applicable provisions of the Act, attached as Exhibit B; and
- (iii) A clean copy of amended Rule 4013, along with a marked copy to show changes from the version submitted to the Commission on October 24, 2013, attached as Exhibits C and D respectively.

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

This self-certification is being submitted as an emergency rule certification. Commission Letter No. 13-66 requires changes to the prior version of Rule 4013 in order for the no-action relief provided in that letter to be available to tpSEF and did not provide sufficient time for tpSEF to provide 10 business days’ notice prior to effectiveness of the amended rule. In addition, the no-

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action relief provided in Commission Letter No. 13-57 expires on November 1, 2013 and, as a result, all tpSEF participants must be subject to and bound by the Rulebook as of the date hereof. The rule amendment in this self-certification meets the standard for an emergency under Commission regulation 40.1(h)(3) because it addresses circumstances that may materially affect the performance of agreements, contracts, swaps or transactions and under Commission regulation 40.1(h)(4) because it addresses action taken by the Commission that may have a direct impact on trading or clearing and settlement.

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)

Nancy Markowitz (Email: nmarkowitz@cftc.gov)

Aaron Brodsky (Email: abrodsky@cftc.gov)

Swati Shah (Email: sshah@cftc.gov)

EXHIBIT A

SUBMISSION COVER SHEET

Registered Entity Identifier Code (optional)

Date: November 1, 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

Rule 4013

DESCRIPTION

This submission contains an emergency self-certification by tpSEF Inc. of certain amendments to its Rulebook made in response to Commission Letter No. 13-66 as more fully described in Exhibit B.

EXHIBIT B

Explanation and Analysis of Amended Rule 4013

tpSEF Inc. has amended Rule 4013 (Clearing and Other Arrangements) to (i) incorporate certain of the conditions for reliance on the no-action relief provided in Commission Letter No. 13-66 issued on October 25, 2013, (ii) delete the provision that previously permitted the resubmission of any transactions rejected for clearing and (iii) specify the conditions under which resubmissions may be made. The rule, as amended, relates to and complies with Core Principles 2 and 7.

A clean copy of amended Rule 4013 is attached hereto as Exhibit C, and a copy marked to show changes from the version submitted to the Commission on October 24, 2013 is attached hereto as Exhibit D.

EXHIBIT C

Amended Rule 4013 (Clean)

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 in accordance with 4013(c) or 4013(e) or for which no appropriate notice is received by the DCO's close of business on trade date 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 Rule 4013 (Marked Against October 24, 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, ~~a Clearing Member,~~ or a third party acting on behalf of the DCO ~~or a Clearing Member, the Participants may resubmit any,~~ such Transaction ~~for clearance. All such resubmissions shall take place within 30 minutes of the SEF's initial submission of the Transaction ("Resubmission Period"). Transactions that are resubmitted during the Resubmission Period may be accepted for clearing in accordance with 4013(e) 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 in accordance with 4013(c) or 4013(e) or for which no appropriate notice is received by the DCO's close of business on trade date will be void ab initio and shall be canceled by the SEF.

- (g) ~~(e) Any Transaction in a Cleared Swap that is not accepted for clearing in accordance with 4013(c) or 4013(d) or for which no appropriate notice is received by the DCO's close of business on trade date will be canceled and shall be deemed void ab initio for purposes of the SEF rules.~~ The SEF shall have the right to (i) suspend Trading Privileges of the Participant or Participants that executed ~~the~~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) ~~(f) It is~~shall not be a condition ~~imposed by~~for access to the SEF that any Participant be subject to a breakage agreement.
- (i) ~~(g)~~ 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.