



THOMSON REUTERS

Thomson Reuters (SEF) LLC
909 3rd Avenue, 10th Floor
New York, NY 10022

January 10, 2014

VIA EMAIL

Ms. Melissa Jurgens
Assistant Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581
Via email: submissions@cftc.gov

Re: Submission 14-01: Thomson Reuters (SEF) LLC – Amendments to Rulebook

Dear Ms. Jurgens:

Pursuant to Commodity Futures Trading Commission (the “Commission”) Regulation 40.6(a), Thomson Reuters (SEF) LLC (“TR SEF”) hereby self-certifies the amendments to its Rulebook identified in Exhibit A. The Rulebook has been amended in response to comments and questions received from TR SEF participants. The amended Rulebook will become effective on January 27, 2014.

A concise explanation and analysis of the amendments to the Rulebook and their compliance with applicable provisions of the Commodity Exchange Act (the “CEA”) is attached hereto as Exhibit A, and the amendments showing changes against the version submitted to the Commission in Submission 13-06 on November 21, 2013, is attached hereto as Exhibit B.

TR SEF hereby certifies that: (i) the amended Rulebook complies with the CEA and the Commission’s regulations thereunder, and (ii) a notice and copy of this submission is being concurrently posted on TR SEF’s website. No substantive opposing views were expressed with respect to the amendments to the Rulebook.

Please contact Wayne Pestone or Peter Y. Malyshev using the information below if you have any questions regarding this application.

Wayne Pestone
1100 13th Street, NW
Suite 200
Washington, DC 20005
Phone: (202) 572-0198
Email: wayne.pestone@fxall.com

Peter Y. Malyshev
Latham & Watkins LLP
555 11th Street, NW
Washington, DC 20004
Phone: (202) 637-1087
Email: peter.malyshev@lw.com

Sincerely,



Wayne Pestone
Chief Compliance Officer

cc: Nancy Markowitz, Deputy Director, Division of Market Oversight, Exchange and Data
Repository Branch
(Commodity Futures Trading Commission)

Peter Y. Malyshev
Jonathan T. Ammons
(Latham & Watkins LLP)

EXHIBIT A
Explanation and Analysis

Summary: The Rulebook has been amended in response to comments and questions received from TR SEF participants. The amendments showing changes against the version submitted to the Commission in Submission 13-06 on November 21, 2013, is attached hereto as Exhibit B.

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

Amendment	Explanation
<p><u>Rule 305</u></p> <p>Amending the procedure by which TR SEF may modify dues, assessments or fees.</p>	<p>Core Principle 2</p> <p>As amended, TR SEF must post any modifications regarding dues, assessments or fees on its website and must give 25 days' notice before such modification become applicable.</p>
<p><u>Rule 309(a)</u></p> <p>Revising the acceptable means for transmitting Notices to Participants.</p>	<p>Expands the methods through which TR SEF may provide a Notice to Participants.</p>
<p><u>Rule 501(a)(11)</u></p> <p>Amending the rule to state that Participants must keep records of SEF Activity for the period required by Applicable Law.</p>	<p>Core Principles 5 and 10</p> <p>Clarification.</p>
<p><u>Rule 502(a)(4)</u></p> <p>Clarifying that Participants must notify TR SEF if they are expelled, suspended or receive certain fines from a DCO registered with the CFTC.</p>	<p>Core Principle 2</p> <p>Clarification.</p>
<p><u>Rule 505(a)(1)</u></p> <p>Changing reference from 501(a)(10) to 501(a)(11).</p>	<p>Clarification.</p>

Amendment	Explanation
<p><u>Rule 801(d)</u></p> <p>Adding a requirement for all Participants executing Required Transactions or Swaps that are intended to be cleared to have a clearing relationship in place.</p>	<p>Core Principle 7</p> <p>Amended to ensure that all Participants executing Swaps that are intended to be cleared have a clearing relationship in place.</p>
<p><u>Rule 801(e)</u></p> <p>Removing the word “financial.”</p>	<p>Core Principle 7</p> <p>Amended so that Clearing Members assume responsibility for clearing Swaps that satisfy their risk limits.</p>
<p><u>Rule 930</u></p> <p>Removing indemnification provision.</p>	<p>The TR SEF Addendum already contains an indemnification provision.</p>
<p><u>Rule 931</u></p> <p>Amending the limitations on liability applicable to the SEF and Participants.</p>	<p>Amended in response to comments from TR SEF participants.</p>

EXHIBIT B
Rulebook Amendments

Rule 305 **Dues, Assessments and Fees**

- (b) Each Participant agrees to pay such dues, assessments, and fees as are published by the SEF from time to time. Each Participant agrees to pay such dues, assessments, and fees when due. ~~The SEF may change fees charged to Participant without notice.~~

- (d) The SEF may modify or amend such dues, assessments, or fees as are published by the SEF by posting such modification or amendments to the SEF website, and any such amendment shall be applicable to and binding on the Participant and shall be effective twenty-five (25) days after it is posted on the SEF website.

Rule 309 **Notices to Participants**

- (a) The SEF shall publish a Notice to Participants with respect to each addition to, modification of, or clarification of, the SEF Rules or of any action to implement any of the SEF Rules on the SEF's website or via an electronic mail distribution to enable each Participant to become aware of and familiar with, and to implement any necessary preparatory measures to be taken by it with respect to, such addition or modification, prior to the effective date thereof. For purposes of publication in accordance with the first sentence of this Rule 309, it shall be sufficient (without limiting the discretion of the SEF as to any other reasonable means of communication) if a Notice to Participants is published on the SEF's website or is transmitted to Participants by hard copy, facsimile, electronic mail or through any other electronic or digital communications system not prohibited by Applicable Law.

Rule 501 **Duties and Responsibilities of Participants**

- (a) Each Participant shall (and shall cause all of its Authorized Persons and Clients or Customers, if applicable to):

- (11) keep, or cause to be kept, complete and accurate books and records, including, without limitation, all books and records of its SEF Activity and his or her activity in the underlying commodity and related derivatives markets, and all books and records required to be maintained pursuant to the CEA, the CFTC Regulations or the SEF Rules, for ~~at least five (5) years~~ the period required by Applicable Law, and make such books and records available for inspection by a representative of the SEF, the Regulatory Service Provider, the CFTC or the United States Securities and Exchange Commission.

Rule 502 Required Disclosures to the SEF

- (a) Each Participant shall immediately notify the Market Regulation Department upon becoming aware of any of the following events, in each case, with respect to the Participant's status which relates to or may affect its participation or conduct on the SEF:

- (4) any expulsion, suspension or fine in excess of \$25,000, cease and desist order, denial of trading privileges, censure or other sanction or remedy (whether through an adverse determination, voluntary settlement or otherwise) imposed on the Participant by any Self-Regulatory Organization, Contract Market or Derivatives Clearing Organization registered with the CFTC or, with respect to SEF Activity, any relevant Government Agency;

Rule 505 Recordkeeping Requirements

- (a) In General.

- (1) Each Participant must maintain or cause to be maintained records for all books and records required to be maintained in accordance with Applicable Law, including the SEF Rule 501(a)(~~1011~~).

Rule 801 Clearing Required

- (d) Each Participant will only execute a Swap subject to the mandatory clearing requirement on the Platform if Participant has delivered, or causes to be delivered, to the SEF all information necessary to permit the SEF to submit the Swap for clearing. Each Participant, that is not a direct Clearing Member, executing Required Transactions or executing Permitted Transactions that are intended to be cleared must have in place appropriate arrangements for the clearance of Swaps executed on the SEF by the Participant through one or more Clearing Members, and provide, or cause to be provided, appropriate evidence thereof to the SEF pursuant to the provisions of the SEF Rules.
- (e) All Participants that are not direct Clearing Members executing Required Transactions or executing Permitted Transactions that are intended to be cleared must be guaranteed by a Clearing Member that assumes ~~financial~~ responsibility for clearing any transactions executed by the Participant on the SEF that have satisfied the Clearing Member's credit limits and risk controls. Such guarantee is effective only until such time that the Clearing House accepts the transaction. With respect to transactions given up to other Clearing Members, such guarantee is effective only until such time that the other Clearing Member accepts the trade. A trade given up to another Clearing Member will be deemed to have been accepted by such Clearing Member if the trade is not rejected by the close of business

on the business day that the trade is executed. The acceptance of a trade by a Clearing Member shall not relieve any Participant or Clearing Member of the duty to act in accordance with the SEF Rules.

Rule 930 ~~Indemnification~~[Reserved]

~~PARTICIPANT WILL INDEMNIFY AND HOLD HARMLESS THE SEF AND ALL OF ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND AFFILIATES FROM ANY LOSSES, CLAIMS, DAMAGES, COSTS OR INJURY (INCLUDING WITHOUT LIMITATION ATTORNEYS' FEES) OF WHATEVER NATURE (WHETHER FORESEEABLE OR NOT) AND HOWEVER CAUSED ARISING FROM OR IN CONNECTION WITH PARTICIPANT'S FAILURE TO COMPLY WITH ANY LEGAL OR REGULATORY REQUIREMENT APPLICABLE TO PARTICIPANT PURSUANT TO THE COMMODITY EXCHANGE ACT OR CFTC REGULATIONS PROMULGATED THEREUNDER, ANY VIOLATION OF THE RULES CONTAINED HEREIN OR USE BY THE PARTICIPANT OF THE PLATFORM (WHETHER OR NOT SUCH USE IS IN ACCORDANCE WITH THE SEF RULES), INCLUDING RESULTING FROM OR RELATING TO THE USE BY THE SEF OF OR RELIANCE BY THE SEF ON INFORMATION PROVIDED TO IT BY PARTICIPANT THAT SHALL NOT HAVE BEEN ACCURATE AND COMPLETE OR THAT IS MISLEADING IN ANY MATERIAL RESPECT; PROVIDED, HOWEVER, THAT THE TERMS OF THIS RULE 930 SHALL NOT APPLY TO THE EXTENT THAT ANY SUCH CLAIM ARISES BY REASON OF ANY GROSS NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT ON THE PART OF THE SEF.~~

Rule 931 LIMITATION OF LIABILITY, NO WARRANTIES

- (a) ~~EXCEPT AS PROVIDED BELOW, AND EXCEPT IN INSTANCES WHERE A PARTY HAS BEEN FINALLY ADJUDICATED TO HAVE ENGAGED IN WILLFUL OR WANTON MISCONDUCT, IN WHICH CASE THE PARTY FOUND TO HAVE ENGAGED IN SUCH CONDUCT CANNOT AVAIL ITSELF OF THE PROTECTIONS IN THIS RULE 931,~~ NEITHER THE SEF (INCLUDING ITS SUBSIDIARIES AND AFFILIATES AND ANY CONTRACTORS PROVIDING SERVICES TO THE SEF), NOR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, CONSULTANTS, AND LICENSORS (THE "DISCLAIMING PARTY" OR "DISCLAIMING PARTIES") SHALL BE LIABLE TO ANY PERSON FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES (INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF USE, AND DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES), ARISING FROM:
- (1) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION, TERMINATION, OR ANY OTHER EVENT, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF THE SYSTEMS AND SERVICES OF

THE PLATFORM, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS AND SERVICES, INCLUDING WITHOUT LIMITATION ELECTRONIC ORDER ENTRY/DELIVERY, TRADING THROUGH ANY ELECTRONIC MEANS, ELECTRONIC COMMUNICATION OF MARKET DATA OR INFORMATION, WORKSTATIONS USED BY PARTICIPANTS, PRICE REPORTING SYSTEMS AND ANY AND ALL TERMINALS, COMMUNICATIONS NETWORKS, CENTRAL COMPUTERS, SOFTWARE, HARDWARE, AND FIRMWARE RELATING THERETO; OR

- (2) ANY FAILURE OR MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION OR TERMINATION, OR ANY OTHER EVENT, OF ANY SYSTEM OR SERVICE OF THE SEF, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, CAUSED BY ANY THIRD PARTIES INCLUDING, BUT NOT LIMITED TO, INDEPENDENT SOFTWARE VENDORS AND NETWORK PROVIDERS; OR
- (3) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY THE SEF OR ANY OF THE SEF'S SYSTEMS, SERVICES OR FACILITIES; OR
- (4) ANY UNAUTHORIZED ACCESS TO OR UNAUTHORIZED USE OF ANY OF THE SEF'S SYSTEMS, SERVICES, EQUIPMENT OR FACILITIES BY ANY PERSON.

THE FOREGOING LIMITATION OF LIABILITY SHALL APPLY WHETHER A CLAIM ARISES IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, CONTRIBUTION OR OTHERWISE AND WHETHER THE CLAIM IS BROUGHT DIRECTLY OR AS A THIRD PARTY CLAIM. THE FOREGOING LIMITATION OF LIABILITY SHALL BE SUBJECT TO THE CEA AND REGULATIONS THEREUNDER. THE LIMITATION OF LIABILITY CONTAINED IN SUBSECTION (a) OF THIS RULE 931 SHALL NOT APPLY TO THE SEF IN INSTANCES WHERE A DISCLAIMING PARTY HAS BEEN FINALLY ADJUDICATED TO HAVE ENGAGED IN GROSS NEGLIGENCE OR WILLFUL OR WANTON MISCONDUCT.

- (b) NOTWITHSTANDING SUBSECTION (a), (e), ~~or~~OR (f) OF THIS RULE 931, IN NO EVENT SHALL ANY PERSON BRING ANY LEGAL ACTION (WHETHER IN TORT, NEGLIGENCE, OR BREACH OF CONTRACT) FOR ANY LOSSES DAMAGES, COSTS OR EXPENSES INCLUDING, BUT NOT LIMITED TO LOSS OF PROFITS, LOSS OF USE, DIRECT, SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, ARISING FROM THE USE OF THE PLATFORM.
- (c) THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS (INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR USE) PROVIDED BY THE DISCLAIMING PARTY OR DISCLAIMING PARTIES RELATING TO ANY SYSTEMS OR SERVICES OF THE SEF OR SERVICES, EQUIPMENT OR FACILITIES USED TO

SUPPORT SUCH SYSTEMS OR SERVICES, INCLUDING THE SEF PLATFORM.

- (d) ANY DISPUTE ARISING OUT OF THE USE OF SYSTEMS OR SERVICES OF THE SEF OR SERVICES, EQUIPMENT, OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES IN WHICH THE DISCLAIMING PARTY OR DISCLAIMING PARTIES IS A PARTY SHALL BE ARBITRATED PURSUANT TO CHAPTER 11. ANY ARBITRATION SHALL BE BROUGHT WITHIN THE PERIOD PRESCRIBED BY CHAPTER 11. ANY OTHER ACTIONS, SUITS OR PROCEEDINGS AGAINST THE DISCLAIMING PARTY OR DISCLAIMING PARTIES MUST BE BROUGHT WITHIN TWO (2) YEARS FROM THE TIME THAT A CAUSE OF ACTION HAS ACCRUED. THIS PARAGRAPH (d) SHALL IN NO WAY BE CONSTRUED TO LIMIT A PARTY'S OBLIGATION TO ARBITRATE ITS CLAIM OR TO CREATE A CAUSE OF ACTION AND SHALL NOT AUTHORIZE AN ACTION THAT WOULD OTHERWISE BE PROHIBITED BY THE SEF RULES. IF FOR ANY REASON, A COURT OF COMPETENT JURISDICTION FINDS THAT A DISPUTE IS NOT ARBITRABLE, SUCH DISPUTE MAY ONLY BE LITIGATED IN THE COUNTY OF NEW YORK IN THE STATE OF NEW YORK AND WILL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ANY PROVISIONS OF NEW YORK LAW THAT WOULD APPLY THE SUBSTANTIVE LAW OF A DIFFERENT JURISDICTION.
- (e) THE ~~DISCLAIMING PARTY OR DISCLAIMING PARTIES~~, SEF MAY, IN ITS SOLE DISCRETION, ASSUME RESPONSIBILITY FOR DIRECT, OUT-OF-POCKET LOSSES DIRECTLY CAUSED BY THE ~~GROSS~~ NEGLIGENCE OF ~~THE SEF STAFF~~ A DISCLAIMING PARTY OR PARTIES AND/OR ORDER STATUS ERRORS PROVIDED BY THE SEF OR A SEF SYSTEM, EQUIPMENT, SERVICE OR FACILITY. NOTWITHSTANDING THE ABOVE, i) THE SEF'S TOTAL COMBINED AGGREGATE OBLIGATIONS SHALL NOT EXCEED \$10,000 FOR ALL LOSSES FROM ALL CAUSES SUFFERED ON A SINGLE DAY; \$25,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES IN A SINGLE CALENDAR MONTH; AND \$500,000 FOR ALL LOSSES FROM ALL CAUSES SUFFERED IN A SINGLE CALENDAR YEAR. ANY DISPUTED CLAIM PURSUANT TO THIS PARAGRAPH (e) MUST BE ARBITRATED PURSUANT TO CHAPTER 11.

IN NO EVENT SHALL THE ~~DISCLAIMING PARTY OR DISCLAIMING PARTIES~~ SEF'S TOTAL COMBINED AGGREGATE LIABILITY FOR ALL CLAIMS ARISING OUT OF ANY FAILURES, MALFUNCTIONS, FAULTS IN DELIVERY, DELAYS, OMISSIONS, SUSPENSIONS, INACCURACIES, INTERRUPTIONS, TERMINATIONS, OR ANY OTHER CAUSES, IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF THE SEF'S SYSTEMS OR SERVICES, OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS AND SERVICES, OR THE NEGLIGENCE OF THE SEF STAFF EXCEED \$500,000 IN ANY GIVEN CALENDAR YEAR. IF THE NUMBER OF ALLOWED CLAIMS ARISING OUT OF ANY FAILURES OR MALFUNCTIONS ON A SINGLE DAY OR SINGLE MONTH CANNOT BE FULLY SATISFIED BECAUSE OF THE ABOVE DOLLAR LIMITATIONS,

ALL SUCH CLAIMS SHALL BE LIMITED TO A *PRO RATA* SHARE OF THE MAXIMUM AMOUNT FOR THE RESPECTIVE PERIOD.