



September 29, 2013

BY ELECTRONIC MAIL: submissions@cftc.gov

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

**Re: Commission Regulation 40.2(a) –
Certification of Non-Deliverable Forward**

Dear Ms. Jurgens:

GFI Swaps Exchange LLC (“GFI”) hereby notifies the Commodity Futures Trading Commission (the “Commission”), pursuant to Commission Regulation 40.2(a), that it is certifying a non-deliverable forward contract (“NDF”) for trading on GFI’s electronic trading platform (the “Trading Platform”).

GFI will list the NDF no earlier than October 2, 2013.

This submission letter contains the following attachments:

- The submission cover sheet.
- Attached as Exhibit A, a concise explanation and analysis of the NDF.
- Attached as Exhibit B, a copy of the NDF rules, which will be published as contract specifications on GFI’s website in accordance with GFI Rule 1101.
- Attached as Exhibit C, a concise explanation and analysis of the products’ compliance with applicable provisions of the Commodity Exchange Act (the “CEA”), including the Core Principles, and the Commission’s Regulations thereunder.

GFI certifies that the NDF complies with the CEA and Commission Regulations thereunder. GFI additionally certifies that it has concurrently posted a copy of this submission letter and attachments hereto on GFI’s website.

* * *

In the event that you have questions, please contact the undersigned at (212) 968-2982 or daniel.glatter@gfigroup.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel E. Glatter", written over a horizontal line.

Daniel E. Glatter

Exhibit A

Below is a concise explanation and analysis of NDFs:

A non-deliverable forward (or NDF) is a forward contract in which the counterparties settle the difference between the NDF price or rate and the prevailing spot price or rate on an agreed upon notional amount.

All NDFs have a fixing date and a settlement date. The fixing date is the date at which the difference between the prevailing market exchange rate and the agreed upon exchange rate is calculated. The settlement date is the date by which the payment of the difference is due to the party receiving payment.

For more information, the contract specifications for NDFs are attached as Exhibit B.

Exhibit B

GFI Contract Specifications

The terms and conditions of the swaps incorporate by reference such credit and other terms as the parties may establish through their pre-existing bilateral agreement. The swaps have the following characteristics:

<i>Contract Overview</i>	An NDF is a forward contract in which the counterparties settle the difference between the NDF price or rate and the prevailing spot price or rate on an agreed upon notional amount.
<i>Reference Currency</i>	Non-deliverable currency: <ul style="list-style-type: none">• CNY Chinese Renminbi• IDR Indonesian Rupiah• INR Indian Rupee• KRW South Korean Won• MYR Malaysian Ringgit• PHO Philippine Peso• TWD Taiwan Dollar• VND Vietnamese Dong• EGP Egyptian Pound• RUB Russian Ruble• KZT Kazakh Tenge• ARS Argentine Peso• BRL Brazilian Real• CLP Chilean Peso• COP Colombian Peso• GTQ Guatemalan Quetzal• PEN Peruvian Nuevo Sol• UYU Uruguayan Peso• VEB Venezuelan Bolivar
<i>Settlement Currency</i>	See list below.
<i>Notional Currency</i>	Currency in which the contract size is expressed.
<i>Trade Date</i>	The date on which the parties enter into the contract.
<i>Quoting Convention and Minimum Increment</i>	Notional amount, agreed by the counterparties.
<i>Minimum Size</i>	Notional amount, agreed by the counterparties.
<i>Trading Conventions</i>	Buy or Sell which refers to the contract size expressed in notional currency.
<i>Forward Rate</i>	Currency Exchange Rate expressed as the amount of Reference Currency per unit of Settlement Currency.

<i>Settlement Date</i>	The date on which the option settles.
<i>Fixing Date</i>	The date on which the difference between the prevailing market exchange rate and the agreed forward exchange rate is calculated.
<i>Settlement Procedure</i>	Bilateral settlement performed in settlement currency.

List of currencies:

AED UAE Dirham	FJD Fiji Dollar	MVR Maldives Rufiyaa
AFN Afghanistan Afghani	GBP British Pound	MWK Malawi Kwacha
ALL Albanian Lek	GEL Georgia Lari	MXN Mexican Peso
AMD Armenia Dram	GMD Gambian Dalasi	MYR Malaysian Ringgit
ANG Neth. Ant. Guilder	GNF Guinea Franc	(NDF)
AOA Angolan Kwanza	GTQ Guatemala Quetzal	MZM Mozambique Metical
ARS Argentine Peso (NDF)	GYD Guyana Dollar	MZN New Mozambique
ARS Argentine Peso	HKD Hong Kong Dollar	Metical
AUD Australian Dollar	HNL Honduras Lempira	NGN Nigeria Naira (NDF)
AWG Aruban Guilder	HRK Croatia Kuna	NID New Iraqi Dinar
BAM Bosnia-Herze Convrt	HTG Haiti Gourde	NIO Nicaragua Cordoba
Mrka	HUF Hungarian Forint	NLG Dutch Guilder
BBD Barbados Dollar	IDR Indonesian Rupiah	NOK Norwegian Krone
BDT Bangladesh Taka	(NDF)	NPR Nepalese Rupee
BGN Bulgarian Lev	ILS Israeli Shekel	NZD New Zealand Dollar
BHD Bahraini Dinar	INR Indian Rupee (NDF)	OMR Omani Rial
BIF Burundi Franc	ISK Iceland Krona	PAB Panamanian Balboa
BMD Bermudian Dollar	JMD Jamaica Dollar	PEN Peruvian New Sol
BND Brunei Dollar	JOD Jordanian Dinar	PGK Papua N.G. Kina
BOB Bolivian Boliviano	JPY Japanese Yen	PHP Philippines Peso (NDF)
BRL Brazilian Real (NDF)	KES Kenyan Shilling	PKR Pakistani Rupee
BSD Bahamas Dollar	KGS Kyrgyzstan Som	PLN Polish Zloty
BWP Botswana Pula	KHR Cambodia Riel	PTE Portuguese Escudo
BYR Belarus Ruble	KMF Comoros Franc	PYG Paraguay Guarani
BZD Belize Dollar	KRW South Korean Won	QAR Qatari Riyal
CAD Canadian Dollar	(NDF)	ROL Romanian Leu
CDF Congolese Franc	KWD Kuwaiti Dinar	RON New Romanian Leu
CHF Swiss Franc	KYD Cayman Islands Dollar	RSD Serbian Dinar
CLF Chilean UF	KZT Kazakhstan Tenge	RUB Russian Ruble (NDF)
CLP Chilean Peso	LAK Laos Kip	RWF Rwanda Franc
CNY China Renminbi (NDF)	LBP Lebanese Pound	SAR Saudi Riyal
COP Colombian Peso	LKR Sri Lankan Rupee	SBD Solomon Is. Dollar
CRC Costa Rican Colon	LTL Lithuanian Litas	SCR Seychelles Rupee
CVE Cape Verde Escudo	LVL Latvian Lats	SDD Sudanese Dinar
CZK Czech Koruna	MAD Moroccan Dirham	SDG New Sudanese Pound
DJF Djibouti Franc	MDL Moldova Leu	SDP Old Sudanese Pound
DKK Danish Krone	MGA Malagascy Ariary	SEK Swedish Krona
DOP Dominican Repb.	MKD Macedonia Denar	SGD Singapore Dollar

DZD Algerian Dinar	MMK Myanmar Kyat	SIT Slovenia Tolar
EGP Egyptian Pound (NDF)	MNT Mongolian Togrog	SKK Slovakia Koruna
ERN Eritrean Nakfa	MOP Macau Pataca	SLL Sierra Leone Leone
EUR Euro	MRO Mauritania Ouguiya	SOS Somali Shilling
SSP South Sudanese Pound	MUR Mauritius Rupee	SRD Suriname Dollar
STD Sao Tome Dobra	UAH Ukraine Hryvnia (NDF)	WST Samoa (West) Tala
SVC El Salvador Colon	UDI Mexican UDI	XAF CFA Franc Beac
THB Thai Baht	UGX Ugandan Shilling	XCD East Caribbean Dollar
THO Thai Baht Onshore	USD US Dollar	XDR Special Drawing Rights
TJS Tajikistan Somoni	USDCLF CHILEAN	XOF CFA Franc Bceao
TND Tunisian Dinar	UNIDAD SP	XPF Pacific Island Franc
TOP Tonga Pa'Anga	x10000	XSU Sucre
TRY Turkish Lira	UYU Uruguay Peso	YER Yemeni Rial
TTD Trinidad/Tobago Dol	UZS Uzbekistan Sum	ZAR S. African Rand
TWD Taiwan Dollar (NDF)	VEE Venezuela Essential Rate	ZMK Zambian Kwacha
TZS Tanzanian Shilling	VEF Venezuelan Bolivar	ZMW Zambian Kwacha (NDF)
	VND Vietnamese Dong (NDF)	ZWR Zimbabwe Dollar
	VUV Vanuatu Vatu	

Exhibit C

GFI has determined that the NDF certified herein bear upon the following Core Principles:

Core Principle 2 – Compliance with Rules

Trading in NDFs will be subject to the GFI Rulebook (the “Rules”), which prohibits abusive trading practices, including: acts detrimental to GFI (Rule 522) or that are inconsistent with just and equitable principles of trade (Rule 510), fraudulent acts (Rule 511), fictitious or non-competitive transactions (Rule 512), market manipulation (Rule 515), disruptive trading practices (Rule 516), misstatements (Rule 521), wash sales (Rule 531) and pre-negotiated or non-competitive trades, including money passes (Rule 533). Trading in these Swaps will also be subject to Rules relating to protection of customers. *See* Rules 525-528.

As with all Swaps listed for trading on the Trading Platform (as such terms are defined in the GFI Rulebook), trading activity in NDFs will be subject to monitoring and surveillance by GFI’s Market Regulation Department. GFI has the authority to exercise its investigatory and enforcement power where potential Rule violations are identified. *See* Chapter 7 of the Rules.

Pursuant to Rule 601(a)(i), each NDF executed as a block trade must be for the quantity that is equal to or in excess of the applicable minimum block size for such NDFs set forth in Commission Regulations.

Core Principle 3 – Swaps Not Readily Susceptible to Manipulation

NDFs in some currencies are fixed against a daily rate published by the relevant central bank of that country, while other NDFs are fixed based on rates that are an average of interbank prices displayed on Reuters. Reuters polls a panel of banks on their estimate of the exchange rate for each currency every day at a particular local time. The top and bottom quarter of estimates are taken out, and the fixing is the average of the remaining estimates.

In each case, the reference price is not readily susceptible to manipulation because it has the following characteristics: (i) it is derived from a cash market that has considerable depth and liquidity resulting from the involvement of numerous institutional participants; (ii) the way in which the reference price is calculated is well documented and well understood by swap market participants; (iii) it is commonly used in the swap markets; (iv) information about the reference price is publicly and readily available; (v) the reference price is administered and published by a reputable organization; and (vi) many active participants in the relevant cash market are entities that are subject to regulation.

Core Principle 4 – Monitoring of Trading and Trade Processing

Chapter 5 of the Rules prohibits traders from manipulating, distorting the price of, and disrupting the cash settlement process of the Swaps. Such Rules are enforced by the Market Regulation Department.

Core Principle 5 – Ability to Obtain Information

Pursuant to the Rules, GFI will have the ability and authority to obtain sufficient information for each NDF to allow GFI to fully perform its operational, risk management, governance and regulatory functions and requirements under Part 37 of Commission Regulations.

Core Principle 6 – Position Limits or Accountability

Rule 536 allows GFI to adopt position accountability levels for Required Transactions. Persons with positions in excess of position accountability levels established by GFI will be required to provide, upon request by GFI, information about their positions in excess of the relevant position accountability threshold and consent to halt any further increases in those positions. GFI's Rules relating to position limits, position accountability levels and aggregation standards are provided below:

535. Position Limits; Exemptions

- (a) The Company may establish position limits for one or more Swaps, and grant exemptions from position limits, in accordance with CFTC Regulations. A Person seeking an exemption from position limits must apply to the Market Regulation Department in the form and manner required by the Company.
- (b) A Person intending to exceed position limits, including limits established pursuant to a previously approved exemption, must file the required application and receive approval from the Company prior to exceeding such limits. Notwithstanding the foregoing, a Person who establishes an exemption-eligible position in excess of position limits and files the required application with the Company shall not be in violation of this rule provided the filing occurs within one Business Day after assuming the position. In the event the positions in excess of the limits are not deemed to be exemption eligible, the applicant will be in violation of speculative limits for the period of time in which the excess positions remained open.
- (c) The Company shall, on the basis of the application and any requested supplemental information, determine whether an exemption from position limits shall be granted. The Company may approve, deny, condition or limit any exemption request based on factors deemed by the Company to be relevant, including, but not limited to, the applicant's business needs and financial status, as well as whether the positions can be established and liquidated in an orderly manner. A Person that has received an exemption from position limits pursuant to this Rule 535 shall be deemed to have agreed:
 - (i) to comply with all terms, conditions or limitations imposed by the Company with respect to the exemption;
 - (ii) that the Company may modify or revoke the exemption at any time;
 - (iii) to initiate and liquidate positions in an orderly manner; and

(iv) to promptly submit a supplemental statement to the Company whenever there is a material change to the information provided in the most recent application.

(d) A Participant shall not be in violation of this Rule if it carries positions for its Customers in excess of the applicable position limits for such reasonable period of time as the firm may require to discover and liquidate the excess positions. For the purposes of this Rule, a reasonable period of time shall generally not exceed one Business Day. A Customer who exceeds the position limits as a result of maintaining positions at more than one Participant shall be deemed to have waived confidentiality regarding his positions and the identity of the Clearing Firm(s) at which they are maintained. A Participant carrying such positions shall not be in violation of this Rule if, upon notification by the Company, it liquidates its pro-rata share of the position in excess of the limits or otherwise ensures the Customer is in compliance with the limits within a reasonable period of time.

(e) Nothing in this Rule 535 shall in any way limit:

(i) the authority of the Company to take emergency action; or

(ii) the authority of the Company to review at any time any position owned or controlled by any Person and to direct that such position be reduced to the applicable position limit.

(f) A Person who has received written authorization from the Company for an exemption from position limits must annually file an updated application on or before the date that is one year following the approval date of the most recent application. Failure to file an updated application shall result in expiration of the exemption.

(g) No Person shall exceed position limits that may be established by the Company or the CFTC, unless an exemption is granted by the Company. Any Person making a bid or offer that would, if accepted, cause such person to exceed the applicable position limits shall be in violation of this Rule.

536. Position Accountability

(a) The Company shall establish position accountability levels for Required Transactions unless the Company has previously established position limits pursuant to Rule 535. A Person who holds or controls aggregate positions in excess of position accountability levels shall:

(i) provide, in a timely manner upon request by the Company, information regarding the nature of the position, trading strategy, and hedging information, if applicable;

(ii) be deemed to have consented, when so ordered by the Company, not to further increase the positions which exceed such position accountability levels; and

(iii) initiate and/or liquidate such positions in an orderly manner.

(b) For purposes of this Rule 536, all positions in accounts for which a Person, by power of attorney or otherwise, directly or indirectly controls trading shall be included with the positions held by such Person. The provisions of this rule shall apply to positions held by two or more Persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by or the trading of the positions was controlled by a single Person.

537. Aggregation of Positions

For purposes of Rule 535 and Rule 536, positions in Swaps shall be aggregated in accordance with CFTC Regulations.

Core Principle 7 – Financial Integrity of Transactions

All Swaps that are required to be cleared pursuant to Section 2(h) of the CEA or that are voluntarily cleared by the counterparties will be submitted for clearing through a DCO. *See* Rule 1002.

Core Principle 9 – Timely Publication of Trading Information

In accordance with Part 16 of Commission Regulations, GFI will publish daily market volume data reports for each Swap (or class of Swap) in terms of notional value. In addition, GFI will publish for each trading day, by tenor of the Swap, the opening price and the high and low prices. GFI will publish a settlement price for each such Swap except that, in the case of swaps listed for clearing by a DCO, the applicable settlement price will be the settlement price established by the DCO and GFI's website will contain a hyperlink to the relevant settlement information. *See* Rule 407.

GFI will submit electronic reports of all primary economic terms data for each Swap to a registered swap data repository immediately following execution of such Swap. *See* Rule 528. All such reports will meet the standards set out in Commission Regulation 45.3, including the requirement to produce a unique swap identifier for each transaction. GFI will also issue confirmations of transactions pursuant to Rule 525.