

# SUBMISSION COVER SHEET

Registered Entity Identifier Code (optional) 14-0013

Date: June 27, 2014

**IMPORTANT: CHECK BOX IF CONFIDENTIAL TREATMENT IS REQUESTED.**

## ORGANIZATION

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

1001

## DESCRIPTION

Rulebook amendments to reflect the expiration of Staff No Action Letter 13-66.



June 27, 2014

**BY ELECTRONIC MAIL (submissions@cftc.gov)**

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

**Re: Regulation 40.6(a) Certification –  
GFI Swaps Exchange LLC Submission # 14-0013**

Dear Ms. Jurgens:

Pursuant to Section 5c(c) of the Commodity Exchange Act (the “CEA”) and Commodity Futures Trading Commission (“Commission”) Regulation 40.6(a), GFI Swaps Exchange LLC (“GFI” or the “SEF”) hereby submits amendments to GFI Rules 1001(c). Capitalized terms that are used herein without definition have the meaning ascribed to those terms in the Rules of the SEF.

1. Rule 1001(c) is being amended to remove provisions that were adopted by GFI enacted to accommodate Staff No-Action Letter number 13-66 regarding transactions that failed to clear due to clerical or operational errors, which is due to expire on June 30.

\* \* \*

These amendments to GFI’s Rules are consistent with the following swap execution facility core principles and Commission Regulations:

- Rule 101 – Core Principle 2; Regulations 37.9(a)(1) and 37.200(d)
- Rule 302 – Core Principles 2 and 5; Regulations 37.201(b)(2) and 37.500(a)
- Rule 305(a) – Core Principle 2; Regulation 37.202(b)
- Rule 305(b) – Core Principle 2; Regulation 37.206
- Rule 307 – Core Principles 2 and 5; Regulations 37.201(b)(2) and 37.500(a)
- Rule 401(a) – Core Principles 2 and 5; Regulations 37.200(d), 37.201(b)(2) and 37.500(a)
- Rule 401(b) – Core Principle 2; Regulation 37.200(c)
- Rule 402 – Core Principles 2 and 5; Regulations 37.201(b)(2) and 37.500(a)
- Rule 405 – Core Principle 2; Regulation 37.200(c)
- Rule 407 – Core Principle 2; Regulation 37.200(c)

Rule 504 – Core Principle 2; Regulation 37.202(b)  
Rule 505 – Core Principle 2; Regulation 37.200(c)  
Rule 535 – Core Principle 6; Regulation 37.600(b)  
Rule 601 – Core Principle 2; Regulations 37.200(c), 37.201(a)  
Rule 714 – Core Principle 2; Regulation 37.206  
Rule 717 – Core Principle 2; Regulation 37.206  
Rule 903 – Core Principle 2; Regulation 37.200(c)  
Rule 910 – Core Principle 1; Regulation 37.100(b)  
Rule 914 – Core Principle 1; Regulation 37.100(b)  
Rule 1002 – Core Principle 7; Regulation 37.702(b)

Attached as Appendix A is a redlined version of the revisions made to Rule 1001(c).

GFI hereby certifies that: (i) the amendments to the above-referenced Rules comply with the CEA and the Commission's Regulations thereunder; and (ii) a notice and copy of this submission is being concurrently posted on the SEF's web site at <http://www.gfigroup.com/markets/swaps-exchange/rules-notices.aspx>. There were no substantive opposing views.

Please contact the undersigned at (212) 968-2982 or [daniel.glatter@gfigroup.com](mailto:daniel.glatter@gfigroup.com) if you have any questions or you would otherwise like to discuss this further.

Sincerely,

/s/ Daniel E. Glatter  
General Counsel

cc: William Shields  
Chief Compliance Officer

Marilee Dahlman  
*Division of Market Oversight*

Attachments

## APPENDIX A

### *GFI Swaps Exchange Rule 1001(c)*

(c) *Failure to Clear*. If a Cleared Swap is affirmatively rejected by the relevant Derivatives Clearing Organization, the transaction shall be deemed void *ab initio* ~~except where the transaction failed to clear because of a clerical or operational error or omission, in which case the Participants and/or Sponsored Access Firms and their respective Clearing Firms may agree to submit the transaction as a new transaction with identical terms (other than any erroneous terms and the time of execution). Any such resubmission shall be effected within a timeframe that is consistent with Applicable Law. A transaction that is so resubmitted but which fails to clear shall be void *ab initio* and may not be resubmitted for clearing.~~ In the event a transaction is void *ab initio*, the Company will notify the Participants and/or Sponsored Access Firms, their Clearing Firms and the Swap Data Repository in accordance with applicable CFTC Regulations and guidance. No Participant, Sponsored Access Firm or Customer may enforce an agreement or other arrangement with another Participant, Sponsored Access Firm or Customer that provides for the assessment of liability or payment of damages between the parties to a Cleared Swap in the event that such Cleared Swap is rejected for clearing, or require such an agreement or arrangement as a condition to trading with such other Participant, Sponsored Access Firm or Customer in respect of any Cleared Swap.