

SUBMISSION COVER SHEET

Registered Entity Identifier Code (optional)

Date: December 10, 2012

IMPORTANT: CHECK BOX IF CONFIDENTIAL TREATMENT IS REQUESTED. ☐

ORGANIZATION Eris Exchange, LLC

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 1101(Contract Specifications)

DESCRIPTION

The Eris Exchange Interest Rate Swap Futures Contract Specification has been amended to clarify that discrete spreads composed of featured Contracts, may be traded using the recently released SwapBook Discrete Spread functionality and adjust the tick size. The Exchange also released an updated version of the Eris Trading System.

December 10, 2012

BY ELECTRONIC FILING: submissions@cftc.gov

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

Re: Rule 40.6(d) Weekly Notification of Rule Amendments (Eris Exchange Submission #2012-21)

Dear Ms. Warfield:

Pursuant to Commodity Futures Trading Commission (the "Commission") Regulation 40.6(d), Eris Exchange, LLC ("Eris Exchange" or the "Exchange") hereby submits this Weekly Notification of Rule Amendments related to the amendments set forth below to the terms and conditions of the Eris Interest Rate Swap Futures Contract Specification (the "Contract Specification"), which appears in Rule 1101, made effective during the week of December 3, 2012.

First, a term was added to the Contract Specification to clarify that discrete spreads composed of featured Contracts, may be traded using the recently released SwapBook Discrete Spread functionality. Second, the Contract's tick size was amended. Additionally, on December 3, 2012, the Exchange released an update to the Exchange's trading platform, SwapBook 3.0. The Exchange has published on its website documents that detail the features of the release.

The Exchange certifies that the above-described amendments were posted on the Exchange's website at <http://www.erisfutures.com> and that this submission was posted concurrently on the Exchange's website.

In the event that you have questions, please contact me at 312-626-2681 or stephen.humenik@erisfutures.com.

Sincerely,



Stephen M. Humenik
General Counsel and Chief Regulatory Officer

Attachment 1

RULE 1101. Contract Specifications

(Excerpt – Redlined)

Quoting Convention: Off-Market Swap Futures	<p>During the Spot, Forward and Seasoned periods of a given Contract, market participants can negotiate the Net Present Value (NPV) per Contract.</p> <p>NPV is expressed in per contract terms for the Buyer (fixed rate payer).</p> <p>Each Off-Market Swap Future negotiated in NPV terms has an implicit futures-style trade price of</p> $\text{Trade Price} = 100 + A_{\text{negotiated}} + B_t - C_t$ <p>where $A_{\text{negotiated}}$ is the NPV per Contract agreed upon between the counterparties (divided by 10,000 to normalize units to \$100 face amount), B_t is the value of the historical fixed and floating amounts, and C_t is Eris PAI™ at time t.</p> <p>The B and C components are calculated once daily and applied by the Exchange, and are not subject to negotiation by the counterparties.</p> <p>The NPV per Contract can be negotiated in the following increments/tick sizes:</p> <p>For Off-Market Swap Futures executed on the Eris SwapBook™ electronic trading platform, the NPV per Contract can be negotiated in the following increments/tick sizes:</p> <ul style="list-style-type: none"> • \$50 for Contracts with Remaining Tenor of zero to seven years. • \$100 for Contracts with Remaining Tenor of greater than seven and less than 20 years. • \$200 for Contracts with Remaining Tenor equal to and greater than 20 years. • \$10 for Contracts where the lesser of Remaining Tenor/Underlying Tenor is zero to two years. • \$25 for Contracts where the lesser of Remaining Tenor/Underlying Tenor is greater than two and less than 4 years. • \$50 for Contracts where the lesser of Remaining Tenor/Underlying Tenor is greater than four and less than 7 years. • \$100 for Contracts where the lesser of Remaining Tenor/Underlying Tenor is greater than seven and less than 20 years.
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	<ul style="list-style-type: none"> • \$200 for Contracts where the lesser of Remaining Tenor/Underlying Tenor is equal to and greater than 20 years.
Listed Spreads	Listed Spreads (or Discrete Spreads), composed of featured Contracts, may be traded using the SwapBook Discrete Spread functionality.

RULE 1101. Contract Specifications

(Excerpt – Amended)

Quoting Convention: Off-Market Swap Futures	<p>During the Spot, Forward and Seasoned periods of a given Contract, market participants can negotiate the Net Present Value (NPV) per Contract.</p> <p>NPV is expressed in per contract terms for the Buyer (fixed rate payer).</p> <p>Each Off-Market Swap Future negotiated in NPV terms has an implicit futures-style trade price of</p> $\text{Trade Price} = 100 + A_{\text{negotiated}} + B_t - C_t$ <p>where $A_{\text{negotiated}}$ is the NPV per Contract agreed upon between the counterparties (divided by 10,000 to normalize units to \$100 face amount), B_t is the value of the historical fixed and floating amounts, and C_t is Eris PAI™ at time t.</p> <p>The B and C components are calculated once daily and applied by the Exchange, and are not subject to negotiation by the counterparties.</p> <p>The NPV per Contract can be negotiated in the following increments/tick sizes:</p> <ul style="list-style-type: none">• \$10 for Contracts where the lesser of Remaining Tenor/Underlying Tenor is zero to two years.• \$25 for Contracts where the lesser of Remaining Tenor/Underlying Tenor is greater than two and less than 4 years.• \$50 for Contracts where the lesser of Remaining Tenor/Underlying Tenor is greater than four and less than 7 years.• \$100 for Contracts where the lesser of Remaining Tenor/Underlying Tenor is greater than seven and less than 20 years.• \$200 for Contracts where the lesser of Remaining Tenor/Underlying Tenor is equal to and greater than 20 years.
Listed Spreads	<p>Listed Spreads (or Discrete Spreads), composed of featured Contracts, may be traded using the SwapBook Discrete Spread functionality.</p>