
Advisory Notice

TO: Eris Exchange Market Participants

FROM: Eris Exchange Control Center and Market Regulation Department

ADVISORY: #12-05

DATE: August 3, 2012

SUBJECT: Notification of Eris Exchange Rule Self-Certification and Commission Approval of amendment to Rule 101 (Definition of Participant) and the implementation of Rule 314 (Consent to Exchange Jurisdiction).

Background

This Advisory Notice serves to notify Participants of Eris Exchange, LLC (“Eris Exchange” or “Exchange”) that:

- I. The Exchange is amending Rule 101 and;
- II. The Exchange is implementing Rule 314
- III. The Exchange has filed a notification with the Commodity Futures Trading Commission to amend Exchange Rule 101 and implement Rule 314. **These amendments will be effective on August 20, 2012.**

The purpose of the Rule 314 is to ensure that all persons, prior to accessing the Exchange, consent to the jurisdiction of the Exchange. The addition of Rule 314 to the Exchange Rulebook is, in part, a response to 17 C.F.R. 38.151, which becomes effective on August 20, 2012. Under Rule 314, any person who initiates or executes a transaction on or subject to the Rules of the Exchange, whether directly or through an intermediary, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with the Exchange Rules. Rule 314 also applies to any beneficiary of the initiated or executed transaction.

Additionally, Rule 101 has been amended to conform to Rule 314 by modifying the definition of Participant to include all persons to whom Rule 314 applies.

Amended Rule 101 and Rule 314, are attached in redline format (Attachment A), as well as in final form (Attachment B).

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ATTACHMENT A

RULE 314. CONSENT TO EXCHANGE JURISDICTION

Any Person initiating or executing a transaction on or subject to the Rules of the Exchange directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated or executed, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with the Rules of the Exchange in relation to such transactions, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes.

RULE 101. DEFINITIONS

“Participant” means a Clearing Firm, Broker Firm, or Participant Firm, any person who is either employed or is an agent of a Clearing Firm, Broker Firm, or Participant Firm (including, but not limited to a Supervised Person, Authorized Trader and/or Authorized Broker), ~~or~~ any person who is authorized to access or utilize Eris Exchange pursuant to the applicable User ID, or any Person initiating or executing a transaction on or subject to the Rules of the Exchange directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated or executed. The term Participant includes Authorized Broker(s), Authorized Trader(s), Broker Firm(s), Clearing Firm(s), or Supervised Person(s).

ATTACHMENT B

RULE 314. CONSENT TO EXCHANGE JURISDICTION

Any Person initiating or executing a transaction on or subject to the Rules of the Exchange directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated or executed, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with the Rules of the Exchange in relation to such transactions, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes.

RULE 101. DEFINITIONS

“Participant” means a Clearing Firm, Broker Firm, or Participant Firm, any person who is either employed or is an agent of a Clearing Firm, Broker Firm, or Participant Firm (including, but not limited to a Supervised Person, Authorized Trader and/or Authorized Broker), any person who is authorized to access or utilize Eris Exchange pursuant to the applicable User ID, or any Person initiating or executing a transaction on or subject to the Rules of the Exchange directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated or executed. The term Participant includes Authorized Broker(s), Authorized Trader(s), Broker Firm(s), Clearing Firm(s), or Supervised Person(s).