



January 18, 2017

Via Portal Submission

Mr. Christopher J. Kirkpatrick
Secretary of the Commission
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 Amendment (Eris Exchange Submission #2017-02)

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (the "Commission") Regulation 40.6(d), Eris Exchange, LLC ("Eris Exchange" or the "Exchange") hereby notifies the Commission of the following amendments made effective during the week of January 17, 2017:

1. The Exchange reduced the minimum tick sizes for block and EDRP trades for all contracts when the total size of the trade is at least 2,000 contracts. This change is reflected in the Contract Specifications section of the Exchange Rulebook (Rules 1101(a) and (b)(1)-(24)), and is applicable to all Exchange products.
2. The Exchange fixed a typographical error in Rule 906 ("Settlement Prices").

Both changes appear in Attachment 1 to this notification with the additions and deletions indicated in redline format.

The Exchange certifies that it has concurrently published this submission on the Exchange website at <http://www.erisfutures.com/cftc-submissions>.

If you have any questions please feel free to contact me at the information below or David Karrow, Senior Counsel, at david.karrow@erisfutures.com or 312.626.2698.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Laurian Cristea", enclosed within a blue oval.

Laurian Cristea
Chief Regulatory Officer, and
Head of Legal and Regulatory Affairs
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T 646.961.4487

ATTACHMENT 1

RULE 906. Settlement Prices

The Exchange, in conjunction with the Clearing House, will determine the Settlement Price for Contracts. For each Contract, the Exchange shall publish a daily settlement price and information regarding volume, open interest and opening and closing ranges. Any settlement price shall be determined by the Exchange in accordance with its [procedure published](#) or shall be the price determined by the Clearing House in accordance with the Clearing House Rules. Notwithstanding the foregoing, the Clearing House may modify Settlement Prices in its discretion in accordance with Clearing House Rules.

(Excerpted from product specifications for Eris Flex Contract Specifications in Rule 1101(a). Identical additions are included in product specifications for all Eris Standard Contracts in Rules 1101(b)(1)-(24).)

RULE 1101. Eris Interest Rate Swap Futures Contract Specifications

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 1,000 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 and applied by the Exchange, and are not subject to negotiation by the counterparties.</p> <p>Eris Exchange calculates daily Eris PAI™ for all trades executed between 8:30am and 4:30pm ET during RTH using the overnight fed funds effective rate that was published on the morning of the trade date. For all other trades, daily Eris PAI™ is calculated using the overnight fed funds rate that was published on the morning of the previous trade date.</p>
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	<p>The NPV per Contract can be negotiated in the following increments/tick sizes:</p> <ul style="list-style-type: none">• \$1 for Contracts where the lesser of Remaining Tenor/Underlying Tenor is less than two years.• \$2 for Contracts where the lesser of Remaining Tenor/Underlying Tenor is greater than or equal to 2 years and less than 4 years.• \$5 for Contracts where the lesser of Remaining Tenor/Underlying Tenor is greater than or equal to 4 years and less than 7 years.• \$10 for Contracts where the lesser of Remaining Tenor/Underlying Tenor is greater than or equal to 7 years and less than 20 years.• \$20 for Contracts where the lesser of Remaining Tenor/Underlying Tenor is greater than or equal to 20 years. <p><u>For Block Trades and EDRPs, when the total size of the trade is at least 2,000 contracts, the NPV per Contract for all tenors may be negotiated in \$1 increments/tick sizes.</u></p>												
Block Trades	<p>Eris Interest Rate Swap Futures are eligible to be traded as privately negotiated, off-exchange Block Trades and reported to Eris Exchange.</p> <p>Block Trades may be executed at any time, including times in which the public auction market is closed, except that Block Trades in Eris Flexes may not be executed from 4:30 pm to 5:00 pm Eastern Time on Business Days.</p> <p>Block Trades must be executed and reported pursuant to Rule 601 in the Eris Exchange Rulebook.</p> <p>Current block trade thresholds are as follows and are subject to change:</p> <ul style="list-style-type: none">• A multiple leg Block Trade is permitted as long as the sum notional of the legs that are transacted simultaneously meets the minimum quantity threshold for the leg with the shortest Remaining Tenor. <table><tr><th></th><th colspan="2">Minimum Block Size</th></tr><tr><th>Remaining Tenor</th><th>Trading Hours: RTH</th><th>Trading Hours: OTH</th></tr><tr><td>Less than 5 years</td><td>\$10mm notional 100 contracts</td><td>\$1.0mm notional 10 contracts</td></tr><tr><td>5 years or more</td><td>\$10mm notional</td><td>\$0.5mm notional</td></tr></table>		Minimum Block Size		Remaining Tenor	Trading Hours: RTH	Trading Hours: OTH	Less than 5 years	\$10mm notional 100 contracts	\$1.0mm notional 10 contracts	5 years or more	\$10mm notional	\$0.5mm notional
	Minimum Block Size												
Remaining Tenor	Trading Hours: RTH	Trading Hours: OTH											
Less than 5 years	\$10mm notional 100 contracts	\$1.0mm notional 10 contracts											
5 years or more	\$10mm notional	\$0.5mm notional											



		100 contracts	5 contracts
	Eris Exchange will publicly report all Block Trades (instrument, price, quantity) immediately upon successful receipt of the trade details from the party reporting the trade.		