

TERA[^] EXCHANGE

TeraExchange, LLC
25 DeForest Avenue
Suite 203
Summit, NJ 07901

December 15, 2013

BY ELECTRONIC MAIL: secretary@cftc.gov

Melissa Jurgens
Secretary
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, N.W.
Washington, DC 20581

Re: TeraExchange, LLC Submission 13-04: Amendment to Listing of Interest Rate Swaps by Certification Pursuant to Commission Regulation 40.6(a)

Dear Ms. Jurgens:

TeraExchange, LLC ("TeraExchange") hereby notifies the Commodity Futures Trading Commission (the "Commission" or "CFTC") that it is certifying, pursuant to Commission Regulation 40.6(a), conforming amendments to the currently listed group of interest rate swaps ("IRS") trading on its swap execution facility. Specifically, TeraExchange is certifying amendments extending the trading hours to 1:00am to 5:00pm for IRS in each of the following categories: Spot Starting IRS; Forward Starting IRS; Invoice IRS; IMM Starting IRS; and NPV Quoted IRS. The intended effective date of the amendments is the same as for the newly-certified CDS and FX contracts. There were no opposing views expressed regarding these amendments.

This letter includes the following attachments:

- A certification that the amendments comply with the CEA and Commission Regulations thereunder, and that TeraExchange has concurrently posted a copy of this submission on the TeraExchange website;
- The submission cover sheet;
- The contract terms and conditions (Exhibit A); and
- A concise explanation and analysis of the operation, purpose, and effect of the added and amended rules (Exhibit B).

Please contact the undersigned at (908) 273-8277 or at LNuara@teraexchange.com with any questions.

Sincerely,

Leonard T. Nuara

Leonard T. Nuara
President and COO

Cc: Nancy Markowitz, DMO
M. Schlagel, DMO
Jamine Lee, DMO

CERTIFICATIONS PURSUANT TO SECTION 5c OF THE COMMODITY EXCHANGE ACT, 7 U.S.C. §7
A-2 AND COMMODITY FUTURES TRADING COMMISSION RULE 40.6, 17 C.F.R. §40.6

I hereby certify that:

- (1) the amended rules comply with the Commodity Exchange Act, and the Commodity Futures Trading Commission's regulations thereunder; and
- (2) concurrent with this submission, TeraExchange, LLC posted on its website: (a) a notice of pending certification of the amended rules with the Commission; and (b) a copy of this submission.

Leonard T. Nuara

Leonard T. Nuara
President and COO
TeraExchange, LLC

SUBMISSION COVER SHEET

Registered Entity Identifier Code (optional)

Date:

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)
- Made Available To Trade Determination under § 40.5 or § 40.6
- Advance Notice of SIDCO Rule Change under § 40.10 (a)

- **Products**

- Certification under § 40.2 (a) or § 41.23 (a)
- Submission under § 39.5
- Swap Class Certification under § 40.2 (d)
- Request for Approval under § 40.3 (a)
- Novel Derivative Product Notification under § 40.12 (a)

RULE NUMBERS

DESCRIPTION

Exhibit A

Terms and Conditions

(Attached)

SPT

Spot Starting IRS

General										
Swap Structure	A spot starting fixed for float Interest Rate Swap whose value is based upon the difference between a stream of fixed cashflows and floating interest payments that are tied to a floating reference rate, over a term to maturity.									
Currencies	USD	EUR	GBP	JPY	CHF	CAD	AUD	SEK	DKK	NOK
Clearing Venue Specifications	CME available at http://www.cmegroup.com/trading/interest-rates/cleared-otc/files/cme-otc-irs-supported-product-list.xls									
Quoting Convention	Fixed coupon in points (00.000)									
Tick Size	0.001 points = 0.1 basis points									
Minimum Order Size	1,000 notional units of the contract currency									
Minimum Size Increment	1,000 notional units of the contract currency									
Trading Conventions	Buy = Pay Fixed Sell = Receive Fixed									
Trading Hours	1:00 AM 7:30 AM to 5:00 PM Eastern Time									
Last Trade Date	Available to trade on every US business day									
Effective Date	The Effective Date is the first date for which fixed and floating payments accrue. For SPT instruments, the Effective Date is Trade Date + 2 New York Business Days. This date is subject to adjustment based on Modified Following convention.									
Maturity Date	The Maturity Date (also referred to as the Termination Date) is the final date to which fixed and floating amounts accrue. For SPT instruments, this date is Effective Date + Tenor. This date is subject to adjustment based on Modified Following convention.									
Forward Starting Period	None									
Tenor	Up to 51 YEARS	Up to 51 YEARS	Up to 51 YEARS	Up to 31 Years	Up to 31 Years	Up to 31 Years	Up to 31 Years	Up to 31 Years	Up to 31 Years	Up to 31 Years
Upfront Payment	Standard: None Variable: As determined by Participant or Industry Standards									
Block Size	As set forth in Appendix F to Part 43 of the CFTC Regulations									
Settlement Procedure	As determined by the Clearing Venue									
Position Accountability	As may be determined and published by TeraExchange under CFTC Regulation 37.600 (c)									
Fixed Leg										
Fixed Copoun	The fixed coupon is determined by the price of execution and remains static throughout the life of the contract.									
Reset Frequency	Semiannual									
Payment Frequency	Semiannual									
Compounding	None									
Day Count Convention	30/360									
Business Day Convention	Modified Following									
Reset Dates	Reset Dates define the beginning and end of accrual periods. Each Reset Date is subject to adjustment based on Modified Following convention.									
Holiday Calendar(s)	New York, London	Europe	London	Japan, London	Swiss, London	Canada	Australia	Sweden	Denmark	Norway
Customization	All of the above attributes can be defined by Market Participants in conformity with the Clearing House Specifications.									
Float Leg										
Reset Frequency	Quarterly (1M & 3M Libor) Semiannually (6M Libor)	Quarterly (1M & 3M Euribor) Semiannually (6M Euribor)	Quarterly (1M & 3M Libor) Semiannually (6M Libor)	Quarterly (1M & 3M Libor) Semiannually (6M Libor)	Semiannually	Quarterly	Quarterly (3M BBSW) Semiannually (6M BBSW)	Quarterly	Semiannually	Semiannually
Payment Frequency	Quarterly (1M & 3M Libor) Semiannually (6M Libor)	Quarterly (1M & 3M Euribor) Semiannually (6M Euribor)	Quarterly (1M & 3M Libor) Semiannually (6M Libor)	Quarterly (1M & 3M Libor) Semiannually (6M Libor)	Semiannually	Quarterly	Quarterly (3M BBSW) Semiannually (6M BBSW)	Quarterly	Semiannually	Semiannually
Compounding	Flat (1M Libor) None (3M & 6M Libor)	Flat (1M Euribor) None (3M & 6M Euribor)	Flat (1M Libor) None (3M & 6M Libor)	Flat (1M Libor) None (3M & 6M Libor)	None	None	None	None	None	None
Day Count Convention	Act/360									
Business Day Convention	Modified Following									
Reset Dates	Reset Dates define the beginning and end of accrual periods. Floating Rate Reset Dates facilitate the determination of the LIBOR Fixing Dates. Each Reset Date is subject to adjustment based on Modified Following convention.									
Fixing Date	Two London business days prior to the Reset Date	Two TARGET business days prior to the Reset Date	London business day that coincides with the Reset Date	Two London business days prior to the Reset Date	Two London business days prior to the Reset Date	Montreal business day that coincides with the Reset Date	Sydney business day that coincides with the Reset Date	Two Stockholm business days prior to the Reset Date	Copenhagen business day that coincides with the Reset Date	Two Norwegian business days prior to the Reset Date
Floating Rate Index	British Bankers' Association LIBOR: 1,3,6 Month USD	EURIBOR: 1,3,6 Month EUR	British Bankers' Association LIBOR: 1,3,6 Month GBP	British Bankers' Association LIBOR: 1,3,6 Month JPY	British Bankers' Association LIBOR: 6 Month CHF	Bank of Canada CDOR: 3 Month CAD	Australian Financial Markets Association BBSW: 3,6 Month AUD	Sweedish Bankers' Association STIBOR: 3 Month CHF	Sweedish Bankers' Association CIBOR: 6 Month DKK	Norges Bank NIBOR 6 Month NOK
Holiday Calendar(s)	New York, London	TARGET	London	Japan, London	Swiss, London	Canada	Australia	Sweden	Denmark	Norway
Customization	All of the above attributes can be defined by market participants in conformity with the Clearing House Specifications.									

FWD

Forward Starting IRS

General

Swap Structure	A forward starting fixed for float Interest Rate Swap whose value is based upon the difference between a stream of fixed cashflows and floating interest payments over a term to maturity.
Currencies	Standard: USD Variable: In conformance with Clearing Venue Specifications
Clearing Venue Specifications	CME available at http://www.cmegroup.com/trading/interest-rates/cleared-otc/files/cme-otc-irs-supported-product-list.xls LCH available at http://www.lchclearnet.com/swaps/swapclear_for_clearing_members/products.asp
Quoting Convention	Fixed coupon in points (00.000)
Tick Size	0.001 points = 0.1 basis points
Minimum Order Size	1,000 notional units of contract currency
Minimum Size Increment	1,000 notional units of contract currency
Trading Conventions	Buy = Pay Fixed Sell = Receive Fixed
Trading Hours	1:00 AM to 7:30 AM to 5:00 PM Eastern Time
Last Trade Date	Available to trade on every US business day
Effective Date	The Effective Date is the first date for which fixed and floating payments accrue. For FWD instruments, the Effective Date is Trade Date + 2 New York Business Days + Forward Starting Period. This date is subject to adjustment based on Modified Following convention.
Maturity Date	The Maturity Date (also referred to as the Termination Date) is the final date to which fixed and floating amounts accrue. For FWD instruments, the Maturity Date is Effective Date + Tenor. This date is subject to adjustment based on Modified Following convention.
Forward Starting Period	Up to 10 Years
Tenor	Up to 50 Years or as permissible by Clearing Venue Rules
Upfront Payment	Standard: None Variable: As determined by Participant or Industry Standards
Block Size	As set forth in Appendix F to Part 43 of the CFTC Regulations
Settlement Procedure	As determined by the Clearing Venue
Position Accountability	As may be determined and published by TeraExchange under CFTC Regulation 37.600 (c)
Fixed Leg	
Fixed Rate	The executed price of the trade which remains static throughout the life of the contract.
Reset Frequency	Semiannual
Payment Frequency	Semiannual
Compounding	None
Day Count Convention	30/360
Reset Dates	Reset Dates define the beginning and end of accrual periods. Each Reset Date is subject to adjustment based on Modified Following convention.
Business Day Convention	Modified Following
Holiday Calendar(s)	New York, London
Customization	All of the above attributes can be defined by Market Participants in conformity with the Clearing House Specifications.
Float Leg	
Reset Frequency	Quarterly
Payment Frequency	Quarterly
Compounding	None
Day Count Convention	Act/360
Business Day Convention	Modified Following
Reset Dates	Reset Dates define the beginning and end of accrual periods. Floating Rate Reset Dates facilitate the determination of the LIBOR Fixing Dates. Each Reset Date is subject to adjustment based on Modified Following convention.
Fixing Dates	Two London business days prior to the Reset Date or as permissible by Clearing Venue Rules
Floating Rate Index	British Bankers' Association LIBOR 3 Month USD or as permissible by Clearing Venue Rules
Holiday Calendar(s)	New York, London or as permissible by Clearing Venue Rules

INV

Invoice IRS

General	
Swap Structure	A fixed for float Interest Rate Swap whose value is based upon the difference between a stream of fixed cashflows and floating interest payments over a term to maturity. The Effective Dates for INV instruments coincide with the last Delivery Day for Treasury Futures Contracts listed at the Chicago Merchantile Exchange. An initial stub period aligns all cash flows with those of US Treasuries deliverable against the CME futures.
Currencies	USD
Clearing Venue Specifications	CME available at http://www.cmegroup.com/trading/interest-rates/cleared-otc/files/cme-otc-irs-supported-product-list.xls
Quoting Convention	Fixed coupon in points (00.000)
Tick Size	0.001 points = 0.1 basis points
Minimum Order Size	\$1,000 notional
Minimum Size Increment	\$1,000 notional
Trading Conventions	Buy = Pay Fixed Sell = Receive Fixed
Trading Hours	1:00 AM - 7:30 AM to 5:00 PM Eastern Time
Last Trade Date	The Last Trade Date for INV instruments coincides with the last Intention Day for CME Treasury Futures contracts. This is two New York business days before the Effective Date.
Effective Date	The Effective Date is the first date for which fixed and floating payments accrue. For INV instruments, this date coincides with the last Delivery Day for Treasury Futures Contracts listed at the Chicago Merchantile Exchange.
Maturity Date	The Maturity Date (also referred to as the Termination Date) is the final date to which fixed and floating amounts accrue. For INV instruments, this date coincides with the Maturity Date of a US Treasury Note or Bond.
Forward Starting Period	Up to 10 Years
Tenor	Up to 30 Years
Upfront Payment	Standard: None Variable: As determined by Participant or Industry Standards
Block Size	As set forth in Appendix F to Part 43 of the CFTC Regulations
Settlement Procedure	As determined by the Clearing Venue
Position Accountability	As may be determined and published by TeraExchange under CFTC Regulation 37.600 (c)
Fixed Leg	
Fixed Rate	The fixed coupon is determined by the price of execution and remains static throughout the life of the contract.
Reset Frequency	Semiannual
Payment Frequency	Semiannual
Compounding	None
Day Count Convention	30/360
Business Day Convention	Modified Following
Reset Dates	Reset Dates define the beginning and end of accrual periods. For INV instruments, reset dates coincide with coupon dates of US Treasuries.
Holiday Calendar(s)	New York, London
Customization	All of the above attributes can be defined by Market Participants in conformity with the Clearing House Specifications.
Float Leg	
Reset Frequency	Quarterly
Payment Frequency	Semiannual
Compounding	Flat
Day Count Convention	Act/360
Business Day Convention	Modified Following
Reset Dates	Reset Dates define the beginning and end of accrual periods. Floating Rate Reset Dates facilitate the determination of the LIBOR Fixing Dates. For INV instruments, reset dates coincide with coupon dates of US Treasuries. Each Reset Date is subject to adjustment based on Modified Following convention.
Fixing Dates	Two London business days prior to the Reset Date.
Floating Rate Index	British Bankers' Association LIBOR: 3 Month USD
Holiday Calendar(s)	New York, London
Customization	All of the above attributes can be defined by Market Participants in conformity with the Clearing House Specifications.

IMM / FWDMM

IMM Starting IRS

General	
Swap Structure	A fixed for float Interest Rate Swap that starts on quarterly IMM dates whose value is based upon the difference between a stream of fixed cashflows and floating interest payments that are tied to 3 month Libor, over a term to maturity. IMM Swaps also reset and mature on IMM dates
Currencies	Standard: USD Variable: In conformance with Clearing Venue Specifications
Clearing Venue Specifications	CME available at http://www.cmegroup.com/trading/interest-rates/cleared-otc/files/cme-otc-irs-supported-product-list.xls LCH available at http://www.lchclearnet.com/swaps/swapclear_for_clearing_members/products.asp
Quoting Convention	Fixed coupon in points (00.000)
Tick Size	0.001 points = 0.1 basis points
Minimum Order Size	1,000 notional units of contract currency
Minimum Size Increment	1,000 notional units of contract currency
Trading Conventions	Buy = Pay Fixed Sell = Receive Fixed
Trading Hours	1:00 AM 7:30 AM to 5:00 PM Eastern Time
Last Trade Date	The Friday preceding the Effective Date.
Effective Date	The Effective Date is the first date for which fixed and floating payments accrue. For all IMM starting instruments, the Effective Date is a quarterly IMM date.
Maturity Date	The Maturity Date (also referred to as the Termination Date) is the final date to which fixed and floating amounts accrue. FWDMM Swaps: Effective Date + Tenor (subject to adjustment based on Modified Following convention) IMM Swaps: Quarterly IMM date that falls nearest to Effective Date + Tenor.
Forward Starting Period	Up to 10 Years
Tenor	Up to 51 Years
Upfront Payment	Standard: None Variable: As determined by Participant or Industry Standards
Block Size	As set forth in Appendix F to Part 43 of the CFTC Regulations
Settlement Procedure	As determined by the Clearing Venue
Position Accountability	As may be determined and published by TeraExchange under CFTC Regulation 37.600 (c)
Fixed Leg	
Fixed Rate	The fixed coupon is determined by the price of execution and remains static throughout the life of the contract.
Reset Frequency	FWDMM Swaps: Semiannual IMM Swaps: Annual
Payment Frequency	FWDMM Swaps: Semiannual IMM Swaps: Annual
Compounding	None
Day Count Convention	Actual/360
Business Day Convention	Modified Following
Reset Dates	Reset Dates define the beginning and end of accrual periods. FWDMM Swaps: Each Reset Date is subject to adjustment based on Modified Following convention. IMM Swaps: Quarterly IMM dates through the life of the contract.
Holiday Calendar(s)	New York, London
Customization	All of the above attributes can be defined by Market Participants in conformity with the Clearing House Specifications.
Float Leg	
Reset Frequency	Quarterly
Payment Frequency	Quarterly
Compounding	None
Day Count Convention	Act/360
Business Day Convention	Modified Following
Reset Dates	Reset Dates define the beginning and end of accrual periods. FWDMM Swaps: Each Reset Date is subject to adjustment based on Modified Following convention. IMM Swaps: Quarterly IMM dates through the life of the contract.
Fixing Dates	Two London business days prior to the Reset Date. For IMM Swaps, these dates coincide with a quarterly CME Eurodollar Futures settlement dates.
Floating Rate Index	British Bankers' Association LIBOR: 3 Month USD
Holiday Calendar(s)	New York, London
Customization	All of the above attributes can be defined by Market Participants in conformity with the Clearing House Specifications.

NPV / MAC

NPV Quoted IRS

General	
Swap Structure	A fixed for float Interest Rate Swap whose value is based upon the difference between a stream of fixed cashflows and floating interest payments over a term to maturity. NPV quoted instruments have predefined fixed coupons and are priced based upon NPV per million notional, including, for example, Market-Agreed Coupon ("MAC") swaps.
Currencies	Standard: USD Variable: In conformance with Clearing Venue Specifications
Clearing Venue Specifications	CME available at http://www.cmegroup.com/trading/interest-rates/cleared-otc/files/cme-otc-irs-supported-product-list.xls LCH available at http://www.lchclearnet.com/swaps/swapclear_for_clearing_members/products.asp
Quoting Convention	NPV per million notional
Tick Size	20 units of contract currency
Minimum Order Size	1MM notional of contract currency
Minimum Size Increment	1MM notional of contract currency
Trading Conventions	Buy = Pay Fixed Sell = Receive Fixed
Trading Hours	1:00 AM 7:30 AM to 5:00 PM Eastern Time
Last Trade Date	Available to trade on every US business day
Effective Date	The Effective Date is the first date for which fixed and floating payments accrue. SPT NPV Swaps: Trade Date + 2 New York Business Days. This date is subject to adjustment based on Modified Following convention. FWD NPV Swaps: Trade Date + 2 New York Business Days + Forward Starting Period. This date is subject to adjustment based on Modified Following convention.
Maturity Date	The Maturity Date (also referred to as the Termination Date) is the final date to which fixed and floating amounts accrue. This date is Effective Date + Tenor. The Maturity Date is subject to adjustment based on Modified Following convention.
Forward Starting Period	Up to 10 Years
Tenor	Up to 51 Years or as permissible by Clearing Venue Rules
Upfront Payment	The Upfront Payment is determined by the price of execution.
Block Size	As set forth in Appendix F to Part 43 of the CFTC Regulations
Settlement Procedure	As determined by the Clearing Venue
Position Accountability	As may be determined and published by TeraExchange under CFTC Regulation 37.600 (c)
Fixed Leg	
Fixed Rate	As determined by Participants or Industry Standards.
Reset Frequency	Semiannual
Payment Frequency	Semiannual
Compounding	None
Day Count Convention	30/360
Reset Dates	Reset Dates define the beginning and end of accrual periods. Each Reset Date is subject to adjustment based on Modified Following convention.
Business Day Convention	Modified Following
Holiday Calendar(s)	New York, London
Customization	All of the above attributes can be defined by Market Participants in conformity with the Clearing House Specifications.
Float Leg	
Reset Frequency	Quarterly
Payment Frequency	Quarterly
Compounding	None
Day Count Convention	Act/360
Business Day Convention	Modified Following
Reset Dates	Reset Dates define the beginning and end of accrual periods. Floating Rate Reset Dates facilitate the determination of the LIBOR Fixing Dates. Each Reset Date is subject to adjustment based on Modified Following convention.
Fixing Dates	Two London business days prior to the Reset Date
Floating Rate Index	British Bankers' Association LIBOR 3 Month USD
Holiday Calendar(s)	New York, London
Customization	All of the above attributes can be defined by Market Participants in conformity with the Clearing House Specifications.

Exhibit B

Pursuant to Commission Rule 40.6(a)(7)(vi), the following is a concise explanation and analysis of the operation, purpose, and effect of the added and amended rules. This is a technical and conforming change to make the trading hours of all contracts listed on TeraExchange consistent. The newly-certified contracts in Submission 13-02 and 13-03 will trade from 1:00 A.M. and the IRS contracts are being amended to conform. The effect of the change will be to permit non-U.S. traders more ready access during their trading day.