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September 30, 2013

**BY ELECTRONIC MAIL: [submissions@cftc.gov](mailto:submissions@cftc.gov)**

Melissa Jurgens  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**Re: Commission Regulation 40.2(a) – Certification of Non-Deliverable Foreign Exchange Forwards and Foreign Currency Options**

Dear Ms. Jurgens:

Pursuant to Commission Regulation 40.2(a), 360 Trading Networks Inc. (“360T”) hereby notifies the Commodity Futures Trading Commission (the “Commission”) that it is certifying the non-deliverable forwards (“NDFs”) and foreign currency options described herein for trading on 360T’s electronic trading platform (the “Trading Platform”). Specifically, 360T certifies the NDFs and foreign currency options involving the currencies listed on Schedule 1 to Exhibit B.

360T will list all NDFs and all foreign currency options (each, a “Swap,” and collectively, the “Swaps”) no earlier than October 2, 2013.

This submission letter contains the following attachments:

- The submission cover sheet.
- Attached as Exhibit A, a concise explanation and analysis of the Swaps.
- Attached as Exhibit B, a copy of the rules for the Swaps, which will be published as contract specifications on 360T’s website in accordance with 360T Rule 308.

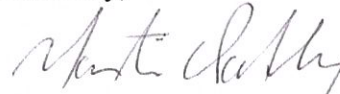
- Attached as Exhibit C, a concise explanation and analysis of the Swaps' compliance with applicable provisions of the Commodity Exchange Act (the "CEA"), including the Core Principles, and the Commission's Regulations thereunder.

360T certifies that each Swap complies with the CEA and Commission Regulations thereunder. 360T additionally certifies that it has concurrently posted a copy of this submission letter and attachments hereto on 360T's website at [www.360t.com](http://www.360t.com).

\* \* \*

In the event that you have questions, please contact the undersigned at 44 020 3508 6344 or [martin.oakley@360t.com](mailto:martin.oakley@360t.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'Martin Oakley', written in a cursive style.

Martin Oakley  
Chief Compliance Officer

## **Exhibit A**

Below is a concise explanation and analysis of the Swaps:

### **Non-Deliverable Forwards**

360T hereby certifies NDFs involving the currencies listed on Schedule 1 to Exhibit B. Each NDF is a cash-settled swap where the settlement obligations of the parties is determined by calculating the difference between the forward rate, which is agreed on between the parties at the start of the contract, and the prevailing spot exchange rate on the fixing date. This difference is then multiplied by the notional amount, which is also determined at the start of the contract. The price source for the spot exchange rate on the fixing date will be bilaterally agreed and, in majority of cases, determined by various central banks or as public by recognized commercial market data vendors. This information is easily accessible to the public.

### **Foreign Currency Options**

360T hereby certifies foreign currency options involving the currencies listed on Schedule 1 to Exhibit B. A foreign currency option is a contract giving the option purchaser (the buyer) the right, but not the obligation, to buy or sell a fixed amount of foreign exchange at a fixed price per unit for a specified time period. The foreign exchange options that will be listed for trading by 360T will be cash settled. This means that any payments are made in the settlement currency, and that payments are not made in the reference currency.

## **Exhibit B**

### **Non-Deliverable Forward Contract Specifications**

<b>Contract Overview</b>	A non-deliverable forward is a contract in which counterparties settle the difference between the fixed exchange rate agreed by the parties and the prevailing spot rate on an agreed notional amount in the settlement currency.
<b>Reference Currency</b>	See currency list attached hereto as <u>Schedule 1</u> .
<b>Reference Currency Notional Amount</b>	As agreed by the parties.
<b>Settlement Currency</b>	See currency list attached hereto as Schedule 1.
<b>Pre Quotation and Minimum Price Increment</b>	The price quotation is determined as a decimal number with five decimal places. The minimum price change is 0.00005, equivalent to a value of five units of the quote currency.
<b>Trade Date</b>	The date on which parties enter into the contract
<b>Fixed Exchange Rate</b>	As agreed by the parties, and expressed as the amount of Reference Currency per unit of Settlement Currency
<b>Fixing Date</b>	The date at which the difference between the prevailing spot rate and the fixed exchange rate is calculated.
<b>Settlement Date</b>	As agreed by the parties
<b>Settlement Type</b>	Non-Deliverable
<b>Settlement Procedure</b>	Bilateral settlement performed in Settlement Currency
<b>Trading Hours</b>	00:01 -24:00 Sunday-Friday Eastern Time
<b>Clearing Venue</b>	Not applicable
<b>Block Size</b>	As set forth in Appendix F to Part 43 of the CFTC Regulations.
<b>Speculative Limits</b>	As set in Part 151 of the CFTC Regulations
<b>Reportable Levels</b>	As set in CFTC Regulation 15.03



## Foreign Currency Option Specifications

<b>Contract Overview</b>	A foreign currency option is a transaction in which the buyer has the right, but not the obligation, to purchase a fixed amount of foreign exchange at a fixed exchange rate agreed by the parties for a specified time period.
<b>Reference Currency</b>	See currency list attached hereto as <u>Schedule 1</u> .
<b>Reference Currency Notional Amount</b>	As agreed by the parties
<b>Settlement Currency</b>	See currency list attached hereto as <u>Schedule 1</u> .
<b>Price Quotation and Minimum Price Increment</b>	The price quotation is determined as a decimal number with five decimal places. The minimum price change is 0.00005, equivalent to a value of five units of the quote currency.
<b>Option Style</b>	American or European
<b>Strike Price</b>	As agreed by the parties
<b>Expiration Date</b>	As agreed by the parties
<b>Expiration Time</b>	The time at which the Spot Rate is determined.
<b>Settlement Date</b>	As agreed by the parties.
<b>Settlement Procedure</b>	Bilateral settlement performed in Settlement Currency
<b>Settlement Type</b>	Non-Deliverable
<b>Premium</b>	As agreed by the parties
<b>Premium Payment Date</b>	As agreed by the parties
<b>Trading Hours</b>	00:01 -24:00 Sunday-Friday Eastern Time
<b>Clearing Venue</b>	Not applicable
<b>Block Size</b>	As set forth in Appendix F to Part 43 of the CFTC Regulations.
<b>Speculative Limits</b>	As set in Part 151 of the CFTC Regulations
<b>Reportable Levels</b>	As set in CFTC Regulation 15.03

**Schedule 1 to Exhibit B**

<b>Code</b>	<b>Name</b>
AFN	Afghan Afghani
ALL	Albanian Lek
AMD	Armenian Dram
AOA	Angolan Kwanza
ARS	Argentine Peso
AUD	Australian Dollar
AWG	Aruban Florin
AZN	Azerbaijani Manat
BAM	Bosnia and Herzegovina Convertible Mark
BBD	Barbadian Dollar
BDT	Bangladeshi Taka
BGN	Bulgarian Lev
BHD	Bahraini Dinar
BIF	Burundian Franc
BMD	Bermudian Dollar
BOB	Bolivian Boliviano
BRL	Brazilian Real
BSD	Bahamian Dollar
BWP	Botswana Pula
BYR	Belarusian Ruble
BZD	Belize Dollar
CAD	Canadian Dollar
CDF	Franc Congolais
CHF	Swiss Franc
CLP	Chilean Peso
CNH	Deliverable Chinese Yuan settled in Hong Kong
CNY	Chinese Yuan Renminbi
COP	Colombian Peso
CRC	Costa Rican Colon
CVE	Cape Verdean Escudo
CZK	Czech Koruna
DJF	Djiboutian Franc
DKK	Danish Krone
DOP	Dominican Peso
DZD	Algerian Dinar
EEK	Estonian Kroon
EGP	Egyptian Pound
ERN	Eritrean Nakfa

ETB	Ethiopian Birr
EUR	Euro
FJD	Fijian Dollar
GBP	Great British Pound
GEL	Georgian Lari
GHS	Ghanaian Cedi
GMD	Gambian Dalasi
GNF	Guinean Franc
GTQ	Guatemalan Quetzal
GYD	Guyana Dollar
HKD	Hong Kong Dollar
HNL	Honduran Lempira
HRK	Croatian Kuna
HTG	Haitian Gourde
HUF	Hungarian Forint
IDR	Indonesian Rupiah
ILS	New Israel Shekel
INR	Indian Rupee
IQD	Iraqi Dinar
IRR	Iranian Rial
ISK	Icelandic Króna
JMD	Jamaican Dollar
JOD	Jordanian Dinar
JPY	Japanese Yen
KES	Kenyan Shilling
KGS	Kyrgyzstani som
KHR	Cambodian Riel
KRW	South Korean Won
KWD	Kuwaiti Dinar
KYD	Cayman Islands Dollar
KZT	Kazakhstani Tenge
LAK	Lao Kip
LBP	Lebanese Pound
LKR	Sri Lanka Rupee
LRD	Liberian Dollar
LSL	Lesotho Loti
LTL	Lithuanian Litas
LVL	Latvian Lats
LYD	Libyan Dinar
MAD	Moroccan Dirham
MGA	Malagasy Ariary



MKD	Macedonian Denar
MNT	Mongolian Tugrik
MRO	Mauritania Ouguiya
MUR	Mauritian Rupee
MWK	Malawian Kwacha
MXN	Mexican Peso
MYR	Malaysian Ringgit
MZN	Mozambican Metical
NAD	Namibian Dollar
NGN	Nigerian Naira
NIO	Nicaraguan C <sup>3</sup> rdoba
NOK	Norwegian Krone
NPR	Nepalese Rupee
NZD	New Zealand Dollar
OMR	Omani Rial
PEN	Peruvian New Sol
PGK	Papua New Guinean Kina
PHP	Philippine Peso
PKR	Pakistani Rupee
PLN	Polish New Zloty
PYG	Paraguayan Guarani
QAR	Qatari Rial
RON	Romanian New Leu
RSD	Serbian Dinar
RUB	Russian Federation Ruble
RWF	Rwandan Franc
SAR	Saudi Arabian Riyal
SBD	Solomon Islands Dollar
SCR	Seychelles Rupee
SDG	Sudanese Pound
SEK	Swedish Krona
SGD	Singapore Dollar
SLL	Sierra Leonean Leone
SRD	Surinamese Dollar
SSP	South Sudanese Pound
STD	Sao Tome Dobra
SYP	Syrian Pound
SZL	Swazi Lilangeni
THB	Thai Baht
TJS	Tajikistani Somoni
TND	Tunisian Dinar

TOP	Tongan Pa'Anga
TRY	Turkish New Lira
TTD	Trinidad and Tobago Dollar
TWD	New Taiwan Dolloar
TZS	Tanzanian Shilling
UAH	Ukrainian Hryvnia
UGX	Ugandan Shilling
USD	United States Dollar
UYU	Uruguayan Peso
UZS	Uzbekistani Som
VEF	Venezuelan Bolivar Fuerte
VND	Vietnamese Dong
VUV	Vanuatu Vatu
WST	Samoan Tala
XAF	CFA Franc Central Africa
XCD	East Caribbean Dollar
XOF	CFA Franc West Africa
XPF	French Pacific Franc
YER	Yemeni Rial
ZAR	South African Rand
ZMK	Zambian Kwacha
ZMW	Zambian Kwacha
ZWR	Zimbabwean Dollar

## **Exhibit C**

360T has determined that the Swaps certified herein bear upon the following Core Principles:

### **Core Principle 2 – Compliance with Rules**

Trading in the Swaps will be subject to the 360T Rulebook (the “Rules”), which prohibits abusive trading practices, including: acts detrimental to 360T or that are inconsistent with just and equitable principles of trade (Rule 503), fraudulent acts (Rule 504), fictitious or non-competitive transactions (Rule 505), market manipulation (Rule 507), disruptive trading practices (Rule 508), misstatements (Rule 509), misuse of the trading system (Rule 510), wash sales (Rule 516) and pre-negotiated or non-competitive trades, including money passes (Rule 517). Trading in these Swaps will also be subject to Rules relating to protection of customers. *See* Rules 512-513, 518 and 519.

As with all Swaps listed for trading on the Trading System, trading activity in the Swaps will be subject to monitoring and surveillance by 360T’s Market Regulation Department. 360T has the authority to exercise its investigatory and enforcement power where potential Rule violations are identified. *See* Chapter 7 of the Rules.

### **Core Principle 3 – Swaps Not Readily Susceptible to Manipulation**

NDFs and foreign currency options are cash-settled transactions between two counterparties and are typically used to either hedge or speculate against currencies where exchange controls in a particular country make it difficult to trade in the spot market directly. No exchange of the underlying currency occurs. Instead, the contracts are settled in the settlement currency specified by the parties, which is typically the U.S. dollar or the Euro.

Swaps in some currencies are fixed against a daily rate published by the relevant central bank of that country, while other Swaps are fixed based on rates that are an average of interbank prices displayed on Reuters or other recognized commercial market data vendors. In this regard, Reuters polls a panel of banks on their estimate of the exchange rate for each currency every day at a particular local time. The top and bottom quarter of estimates are taken out, and the fixing is the average of the remaining estimates.

The Swaps are not readily susceptible to manipulation for a number of reasons. First, the foreign exchange market is an extremely liquid market with massive volume, making manipulation very difficult to achieve. Second, as noted above, the method for calculating the cash settlement price is widely used and generally accepted by market participants. Third, as discussed above, the reference used for the spot exchange rate is very reliable and widely available, and used by numerous market participants. And last, 360T has a robust market surveillance program that is effectively able to surveil this market, detect uncommon activity, and investigate any such activity for signs of manipulation.



## **Core Principle 4 – Monitoring of Trading and Trade Processing**

Chapter 5 of the Rules prohibits traders from manipulating, distorting the price of, and disrupting the cash settlement process of the Swaps. Such Rules are enforced by the Market Regulation Department.

## **Core Principle 5 – Ability to Obtain Information**

Pursuant to the Rules, 360T will have the ability and authority to obtain sufficient information for each Swap to allow 360T to fully perform its operational, risk management, governance and regulatory functions and requirements under Part 37 of Commission Regulations.

## **Core Principle 6 – Position Limits or Accountability**

As set forth in Appendix F to Part 43 of Commission Regulations.

## **Core Principle 7 – Financial Integrity of Transactions**

All Swaps that are required to be cleared pursuant to Section 2(h) of the CEA or that are voluntarily cleared by the counterparties will be submitted for clearing through a DCO. *See* Rule 1002.

## **Core Principle 9 – Timely Publication of Trading Information**

In accordance with Part 16 of Commission Regulations, 360T will publish daily market volume data reports for each Swap (or class of Swap) in terms of notional value. In addition, 360T will publish for each trading day, by tenor of the Swap, the opening price and the high and low prices. 360T will publish a settlement price for each such Swap except that, in the case of swaps listed for clearing by a DCO, the applicable settlement price will be the settlement price established by the DCO and 360T's website will contain a hyperlink to the relevant settlement information. *See* Rule 407.

360T will submit electronic reports of all primary economic terms data for each Swap to a registered swap data repository as soon as technologically practicable following execution of such Swap. *See* Rule 528. All such reports will meet the standards set out in Commission Regulation 45.3, including the requirement to produce a unique swap identifier for each transaction. 360T will also issue confirmations of transactions pursuant to Rule 525.