



October 9, 2017

## BY ELECTRONIC SUBMISSION

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

**Re: Broker Rebate Incentive Program (Eris Exchange, LLC Submission #20167-4405)**

Dear Mr. Kirkpatrick:

Eris Exchange, LLC ("Eris Exchange" or the "Exchange") hereby submits for self-certification to the Commodity Futures Trading Commission (the "Commission"), under Commission regulation 40.6(a), an extension to the existing Broker Rebate Incentive Program ("Program") effective as of ~~October 27, 2016~~October 28, 2017.

### Explanation and Analysis

The amended Exhibit A sets forth the terms of the Program, with deletions and additions indicated.

### Description of Rule Changes

Exchange Rule 517 permits the Exchange to establish fee incentive programs. No rule changes are required at this time.

### Core Principle Compliance

The Exchange's staff has identified that the following designated contract market core principles ("Core Principles") may be potentially impacted: Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, and Compliance with Rules, and Recordkeeping.

The Program's structure does not incentivize manipulative trading or market abuse and does not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the Commodity Exchange Act. The Program does not impact order execution priority or otherwise give participants any execution advantage. The Exchange's market regulation staff will monitor trading under the Program to identify and prevent manipulative trading and market abuse.

Products included in this Program are listed for trading in the open and competitive market, and incentives under the Program do not adversely impact price discovery in the centralized market. Incentives under the Program are only available to participants that submit previously-matched trades in the relevant products. The parties to a trade have discretion to select the venue. Brokers earn incentives after venue selection is made. The Program is open to all participants acting in a broker-like capacity.

The Program is subject to trading rules found in the Exchange's Rulebook at Chapter 4, that prohibit fraudulent, non-competitive, unfair or abusive practices; and subject to Chapter 6 that requires, inter alia, minimum size, fair and reasonable pricing, and reporting times for privately negotiated transactions. Furthermore, the Program is subject to the Exchange's record retention policies which comply with the Commodity Exchange Act.

**Public Information**

A notice and copy of this submission is posted on the Eris Exchange website at <http://www.erisfutures.com/cftc-submissions>.

**Opposing Views**

This submission was provided to the Regulatory Oversight Committee, the Exchange Practices Committee, and the Exchange Participant Committee. There were no opposing views to this Program.

**Certification**

Eris Exchange, LLC hereby certifies to the Commodity Futures Trading Commission, pursuant to the procedures set forth in Commission regulation §40.6, that this submission complies with the Commodity Exchange Act, as amended, and the regulations promulgated thereunder.

If you have any questions please feel free to contact me at [laurian.cristea@erisfutures.com](mailto:laurian.cristea@erisfutures.com) or 646.961.4487, ~~or David Karrow at [david.karrow@erisfutures.com](mailto:david.karrow@erisfutures.com) or 312.626.2698.-~~

Sincerely yours,



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## **EXHIBIT A - Broker Rebate Incentive Program**

### **Program Purpose**

The purpose of this Program is to incentivize brokers to increase their volume in the products listed below, enhancing market liquidity for those products. Increased liquidity in contracts traded on Eris Exchange benefits all participants in the market.

### **Product Scope**

All privately negotiated transactions (block trades, EFRs and EFPs) in Eris Swap Futures Contracts available for trading on Eris Exchange ("Contracts").

### **Eligible Participants**

There is no limit to the amount of participants that may register for the Program. The Program is open to all voice brokers, introducing brokers, associated persons, Futures Commission Merchants, and all CFTC/NFA registrants who submit matched pre-negotiated transactions to Eris Exchange. Participant eligibility shall be determined in the sole discretion of the Exchange using a variety of factors, including but not limited to previous experience in trading the Contracts and related interest rate products, and past performance in the Contracts.

### **Program Term**

The end date will be ~~October 27, 2017~~ December 31, 2018. The Exchange reserves the right to revise the terms of the program and to terminate the program upon notice to all current participants.

### **Hours**

The incentives will apply to all privately negotiated transactions made in the Contracts regardless of the execution time.

### **Program Incentives**

As determined by Eris Exchange, participants who execute and submit a privately negotiated transaction will be eligible to receive a rebate pursuant to the schedule below if the trade is executed with a counterparty subject to fees for market makers on privately negotiated transactions:

[Redacted]

### **Monitoring and Termination of Status**

The Exchange will monitor trading activity and eligible participants' performance and shall retain the right to revoke program eligibility and/or disqualify trades or trading activity not permitted under the Exchange Rulebook.