

Date: December 29, 2015
 Re: Summary Imposition of Fines
 Effective Date: January 14, 2016

OneChicago, LLC (“OneChicago” or “OCX”) is issuing this Notice to Members (“NTM”) 2015-48 to inform market participants that OneChicago is amending OCX Rule 717 (Summary Imposition of Fines). OCX Rule 717 grants the Chief Regulatory Officer of OneChicago the authority to summarily impose a fine against a Clearing Member, Exchange Member or Access Person for committing certain violations of Exchange Rules.

Please see below for a list of the rule violations for which a summary fine may be imposed:

- **Failure to make timely payments of fees, costs, or charges to the Exchange or the Clearinghouse**

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Warning Letter
Second Offense	\$1,000
Third Offense	\$2,500
Subsequent Offenses.....	\$5,000

- **Failure to make timely and accurate submissions to the Exchange of notices, reports or other information required by the Rules of the Exchange**

- The Rules of the Exchange may require Clearing Members to submit certain information to the Exchange or Clearing Corporation. This information includes open interest and gross customer margins. Summary fines may be imposed against a Clearing Member for failing to submit this information in a timely or accurate manner.

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Warning Letter
Second Offense	\$2,500
Third Offense	\$5,000
Subsequent Offenses.....	Commencement of Disciplinary Proceedings

- **Failure to keep any books and records required by the Rules of the Exchange**

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Warning Letter
Second Offense	\$1,000
Third Offense	\$2,500
Subsequent Offenses.....	Commencement of Disciplinary Proceedings

- **Failure to maintain front-end audit trail information for all electronic orders entered into the OneChicago System, including order modifications and cancellations (Rule 403(c))**

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Warning Letter
Second Offense	\$1,000
Third Offense	\$2,500
Subsequent Offenses.....	Commencement of Disciplinary Proceedings

- **Failure to comply with order form preparation and recordkeeping requirements relating to orders which cannot be immediately entered into the OneChicago System (Rule 403(b))**

- Orders that are not immediately enterable into the OneChicago System (for example because the order's limit price is outside the OneChicago System price bands) must be reduced to writing as an office order ticket. The office order ticket must comply with the requirements of Rule 403 in that it must contain the required fields and must be timestamped. An e-mail or instant message communication may satisfy this order ticket requirement so long as it contains the required fields and timestamps.

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Warning Letter
Second Offense	\$1,000
Third Offense	\$2,500
Subsequent Offenses.....	Commencement of Disciplinary Proceedings

- **Failure to comply with exposure requirements related to pre-execution discussions**

- OCX Rule 614 prohibits the entry of any orders that are pre-arranged, except as expressly permitted by Rules 416 and 417 or in accordance with any policies or procedures for pre-execution discussions from time to time adopted by the Exchange. Pursuant to NTM 2012-26, pre-execution discussions pursuant to which one party may agree in advance to take the opposite side of the other party's order for a transaction to be executed on the Exchange is permissible so long as a period of four seconds elapses between entering the first order or quote and entering the second order for the opposite side.

*Number of Cumulative Violations in Any
Twelve (12) Month Rolling Period* *Fine Amount*

First Offense.....	Warning Letter
Second Offense	\$10,000
Third Offense	\$15,000

- **Failure to comply with Exchange of Future for Physical transaction reporting requirements**

- Exchange of Future for Physical transactions must be timely reported. Failure to report an Exchange of Future for Physical transaction in accordance with the timely reporting requirements, as established by the Exchange from time to time may result in a violation of Rule 416.

*Number of Cumulative Violations in Any
Twelve (12) Month Rolling Period* *Fine Amount*

First Offense.....	Warning Letter
Second Offense	\$7,500
Third Offense	\$15,000
Subsequent Offenses	Commencement of Disciplinary Proceedings

- **Failure to identify correct account designation in order entry into the OneChicago System (Rule 403(a))**

- Pursuant to Rule 403, market participants entering orders into the OneChicago System must include in the order, among other things, account designation. A pattern or practice of failure to identify the correct account designation in orders submitted to the OneChicago System may result in a violation of Rule 403.

*Number of Cumulative Violations in Any
Twelve (12) Month Rolling Period* *Fine Amount*

First Offense.....	Warning Letter
Second Offense	\$1,000
Third Offense	\$2,500
Subsequent Offenses	Commencement of Disciplinary Proceedings

- **Failure to comply with order marking requirement for block trades (Rule 417(c)) or Exchange of Future for Physical trades (Rule 416(c))**

- Market participants must designate block trades and Exchange of Future for Physical trades as such when entering orders or reporting trades to the Exchange.

*Number of Cumulative Violations in Any
Twelve (12) Month Rolling Period* *Fine Amount*

First Offense.....	Warning Letter
Second Offense	\$1,000
Third Offense	\$2,500
Subsequent Offenses	Commencement of Disciplinary Proceedings

- **Failure to comply with block trade reporting requirements (Rule 417(c))**

- Block trades must be timely reported. Failure to report (or accept) a block trade in accordance with the timely reporting requirements, as established by the Exchange from time to time may result in a violation of Rule 417.

*Number of Cumulative Violations in Any
Twelve (12) Month Rolling Period* *Fine Amount*

First Offense.....	Warning Letter
Second Offense	\$7,500
Third Offense	\$15,000
Subsequent Offenses	Commencement of Disciplinary Proceedings

- **Failure to comply with the prohibition on netting down concurrent long and short positions during the last five days of trading (Rule 424(b))**

- During the last five days of trading for a contract, concurrent long and short positions held by the same owner may not be offset via netting, transfer, or position adjustment except to correct a bona fide clerical or operational error and the correction of such error is completed within one business day after the error is discovered.

Number of Cumulative Violations in Any

<i>Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Warning Letter
Second Offense	\$2,500
Third Offense	\$5,000
Subsequent Offenses	Commencement of Disciplinary Proceedings

- **Failure to identify correct account type in order entry into the OneChicago System (Rule 403(a))**

- Pursuant to Rule 403, market participants entering orders into the OneChicago System must include in the order, among other things, account type. Entering the correct account type includes entering both the correct CTI code and account origin code. A pattern or practice of entering incorrect account types for orders submitted to the OneChicago System may result in a violation of Rule 403.

<i>Number of Cumulative Violations in Any</i>	
<i>Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Warning Letter
Second Offense	\$1,000
Third Offense	\$2,500
Subsequent Offenses	Commencement of Disciplinary Proceedings

- **Failure to timely correct an error in the handling of an order via transfer (Rule 423)**

- Rule 423 permits existing trades to be transferred either on the books of a clearing member or from one clearing member to another clearing member, provided that an error has been made in the reporting or clearing of a trade and the error is discovered and the transfer is completed within two business days after the trade date. A pattern or practice of failing to meet this requirement for error trades may result in a violation of Rule 423.

<i>Number of Cumulative Violations in Any</i>	
<i>Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Warning Letter
Second Offense	\$1,000
Third Offense	\$2,500
Subsequent Offenses	Commencement of Disciplinary Proceedings

- **Failure to comply with reporting requirements for reportable positions**

- OneChicago's large trader program requires all Clearing Members to identify and continually report accounts with reportable positions. A pattern or practice of failing to so identify such accounts may result in a summary fine.

Number of Cumulative Violations in Any

Twelve (12) Month Rolling Period

Fine Amount

First Offense.....Warning Letter

Second Offense\$2,500

Third Offense\$5,000

Subsequent Offenses.....Commencement of Disciplinary Proceedings

- **Failure to submit ownership and control reports**

- OneChicago requires all Clearing Members to provide the Exchange with certain account information for accounts with reportable position. Such account information is transmitted to the Exchange via Forms 102A or 102B. Failure to provide the Exchange with 102A or 102B data may result in a summary fine.

Number of Cumulative Violations in Any

Twelve (12) Month Rolling Period

Fine Amount

First Offense.....Warning Letter

Second Offense\$2,500

Third Offense\$5,000

Subsequent Offenses.....Commencement of Disciplinary Proceedings

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Any questions regarding this NTM should be directed to Waseem Barazi, Chief Regulatory Officer and Associate General Counsel, at (312) 883-3441 or wbarazi@onechicago.com.