



October 4, 2013

To: Potential SwapEx Participants  
From: SwapEx, LLC

Re: Notice Regarding SEF Data Reporting and Confirmations

Dear Sir or Madam:

On October 1, we provided you with a letter stating, among other things, that SwapEx did not intend to avail itself of the CFTC's no-action relief from certain data reporting requirements set forth in No Action Letter No. 13-55 (the "Reporting Relief") and requirements to provide confirmations set forth in No Action Letter No. 13-58 (the "Confirmation Relief"). We are writing now to inform you of a change in our position with respect to relying on the Confirmation Relief. The period during which the Confirmation Relief is available expires on October 30, 2013 (the "Relief Period").

1. Will SwapEx rely on the Confirmation Relief?

Based on market feedback and in reaction to some of the uncertainties and concerns expressed by interested market participants, SwapEx will be availing itself of the Confirmation Relief. As a result, during the Relief Period, SwapEx will be relying on the Confirmation Relief and will not be providing a confirmation intended to legally supersede any previous agreement, as required under CFTC Regulation 37.6(b), to counterparties to swap transactions executed on SwapEx that are not intended to be cleared. The CFTC noted in its Letter No. 13-58 that when a swap dealer or major swap participant receives notice that a swap transaction has not been confirmed by a SEF, the swap dealer or major swap participant shall execute a confirmation for such swap transaction as soon as technologically practicable. This confirmation will be the legally binding documentation that memorializes the agreement of the parties to all terms of the swap and shall legally supersede any previous agreement relating to the swap. In order to satisfy the CFTC's conditions for the Confirmation Relief, please make arrangements to provide SwapEx with a copy of the required transaction confirmation for each transaction entered into on SwapEx during the Relief Period.

2. Will SwapEx report Part 43 and Part 45 creation data to a swap data repository?

Yes. SwapEx's position with respect to the Reporting Relief is unchanged and it will report creation data to DTCC Data Repository (U.S.) LLC for all SwapEx products during the Relief Period, and thus will not avail itself of the Reporting Relief.

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In relying on the Confirmation Relief, SwapEx intends to work with market participants during the Relief Period to establish a fully compliant confirmation process. Should you have any questions, please do not hesitate to contact your sales representative with whom you have been working.

Sincerely,

SwapEx, LLC