



December 10, 2021

BY ELECTRONIC FILING

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

Re: Amendment to Rules for Arbitration (Eris Exchange, LLC Submission #2021-07E)

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), the following amendments to Eris Exchange Rulebook (the “Rulebook”). The proposed changes will become effective on the trade date for December 28, 2021.

Explanation and Analysis

Eris Exchange is amending Chapter 8 of the Rulebook to provide for the American Arbitration Association as the required arbitration provider for disputes.

Description of Rule Changes

Chapter 8 has been amended accordingly, and conforming changes have been made to the definition section.

Core Principle Compliance

The changes described herein allow Eris Exchange to remain in compliance with the DCM Core Principles, as amended.

Public Information

A copy of this submission has been concurrently posted on the Exchange’s website at <https://www.erisx.com/regulation/exchange-notices/> under “CFTC Submissions.”

Opposing Views

There were no opposing views expressed that were not incorporated into the rule changes.



Certification

Eris Exchange, LLC hereby certifies to the Commodity Futures Trading Commission, pursuant to the procedures set forth in the 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 or require further information, please contact me at the information below.

Sincerely,

/s/

Laurian Cristea
General Counsel
646.961.4487
laurian.cristea@erisx.com



Exhibit A - Redline Changes



ERIS EXCHANGE LLC RULEBOOK

Effective ~~September 928~~ December, 2021

“Exchange Practices Committee” means the committee of the Board constituted in accordance with Rule 210.

“Exchange Proceeding” and “Exchange Proceedings” have the meanings attributed to such terms in Rule 213(a).

“Founding Owner” means a Participant that has made an equity investment in Eris Holdings.

“Future” means any Contract for the purchase or sale of any commodity for future delivery.

“Futures Commission Merchant” or “FCM” has the meaning set forth in Section 1a(28) of the CEA.

“Government Agency” means any governmental entity (including the United States, a State, or a foreign government).

“Independent Software Vendor” or “ISV” means any Person that offers services that provide access to the Eris Trading System. In order to provide access to the Eris Trading System the ISV must enter into a Third-Party Connectivity Agreement with the Exchange and be approved by the Exchange.

“Interested Person” has the meaning attributed to such term in Rule 213(a).

“Introducing Broker” or “IB” has the meaning set forth in Section 1a(31) of the CEA and includes a Broker Firm.

“Joint Audit Committee” means the voluntary, cooperative organization comprised of representatives of U.S. futures exchanges and self-regulatory organizations, including the Exchange. The Joint Audit Committee's primary responsibility is to oversee the implementation and functioning of all terms and conditions of the Joint Audit Agreement and to determine the practices and procedures to be followed by each Designated Self-Regulatory Organization in the conduct of audits and financial reviews of FCMs.

“Joint Compliance Committee” means the information sharing organization whose members include compliance officials from all U.S. Designated Contract Markets, including the Exchange.

“Liquidity Provider” means a Participant that has entered into a Liquidity Provider Agreement, which provides the Participant with certain incentives as a liquidity provider.

“Market Regulation Department” means all Exchange Officials and/or agents of the Exchange that assist the Exchange in the implementation, surveillance and enforcement of the Eris Exchange Rules and other Obligations.

~~“NFA” means the National Futures Association.~~

“Notice to Participants” means a communication sent by or on behalf of the Exchange or the Clearing House to all Participants as described in Rule 309.

“Obligation” means each Rule of the Exchange, order or procedure issued by the Exchange, including Notice to Participants, and other requirement implemented by the Exchange under the Eris Exchange Rules, including each term of a Contract, as well as any contractual obligations

CHAPTER 8: ARBITRATION RULES

RULE 801. Disputes Subject to Arbitration

(a) Mandatory Arbitration of Disputes Among Participants.

- (1) It is contrary to the objectives and policy of the Exchange for Participants to litigate Exchange-related disputes. Participants must arbitrate all disputes that relate to or arise out of any transaction on or subject to the Eris Exchange Rules and based upon facts and circumstances that occurred at a time when the parties were Participants through the American Arbitration Association (“AAA”) in accordance with its Commercial Arbitration Rules, National Futures Association Arbitration Program. ~~Such arbitration shall be conducted pursuant to the National Futures Association’s Member Arbitration Rules located at: <http://www.nfa.futures.org/nfamanual/NFAManualTOC.aspx?Section=6>.~~ In the event of a conflict between the Rulebook and the AAA’s Commercial Arbitration Rules~~National Futures Association’s Member Arbitration Rules~~, the terms of the Rulebook shall control.

- (2) Notwithstanding the foregoing, this Rule 801 does not require an employee of a Participant to submit to arbitration any claim that includes allegations of a violation of federal, state or local employment discrimination, sexual harassment, wage payment or benefits laws.

(b) Claims Against the Exchange or Clearing House.

(1) Claims Against the Exchange

Claims against the Exchange pursuant to the provisions of Rules 537 and/or Rule 539 can be submitted to arbitration through the American Arbitration Association~~National Futures Association Arbitration Program~~ or another arbitration program permitted by the CFTC Regulations. Such arbitration shall be conducted pursuant to the Rules and the rules of the arbitration Program.

(2) Claims Against the Clearing House

Claims against the Clearing House must be pursued pursuant to the rules of the Clearing House.

(c) Permissive Arbitrations.

The following may be submitted for arbitration through the American Arbitration Association~~National Futures Association Arbitration program~~ and, in the event such a claim is submitted against a Participant, that Participant is required to arbitrate the dispute under these Rules, unless otherwise provided:

- (1) claims of a Customer that is not a Participant against a Participant that relate to or arise out of any transaction on or subject to the Eris Exchange Rules;

- (2) claims against a Participant pursuant to Rule 539;
- (3) claims of a Customer that is not a Participant against a Clearing Firm responsible for the performance of a Contract on or subject to the Eris Exchange Rules and/or against a Participant in connection with such a transaction; and
- (4) at the discretion of the Chief Regulatory Officer, any claim involving the interests of the Exchange, its Participants, their business relations or commodity futures trading in general not otherwise arbitrable under these rules, provided the parties have consented to such arbitration.

(d) Waiver of Any Objection to Jurisdiction

Any Person who is not a Participant who submits a claim or grievance to arbitration or any Person who appeals any arbitration decision, or who takes any steps therein, shall be conclusively presumed to have voluntarily recognized and agreed to the jurisdiction of the ~~American Arbitration Association~~~~National Futures Association~~ to hear and determine the claim or appeal.

(e) Referral to the ~~American Arbitration Association~~~~National Futures Association~~ ~~Arbitration Program~~.

In the event that a complaint is received by the Exchange from a Customer, it shall be referred to the Market Regulation Department, which shall inform the Customer of the ~~AAA's arbitration program~~~~NFA Arbitration Program~~.

(f) Eris Exchange is adopting the ~~AAA Commercial Arbitration Rules~~ ~~NFA Code of Arbitration and Arbitration Rules~~ as set forth in the Rule 801. Any violation of the ~~AAA Commercial Arbitration Rules~~ ~~NFA Code of Arbitration or the Arbitration Rules or related arbitration rules~~ shall be a violation of this Rule 801.

RULE 802. Initiating an Arbitration Claim

(a) A claimant may initiate a claim by submitting the required documents and fees to the ~~American Arbitration Association~~~~National Futures Association~~ ~~Arbitration Program~~.

(b) A claimant shall provide notice of such arbitration claim to the Exchange.

RULE 803. Certain Claims against the Exchange Involving Trading Systems or Services

(a) General. All claims arising out of or relating to the following matters shall be arbitrated in accordance with the rules of this Chapter:

- (1) receipt of an incorrect Order status or the failure to have received an appropriate Order status; or
- (2) the negligence of EMO Personnel or any other Exchange staff.

Nothing in this Rule 803 or Rule 804 shall be construed to create a claim against the Exchange, to limit a defense available to the Exchange, or to obviate or modify any limitation of Exchange liability imposed by any other rule.

(b) Initial Liability Claim and Demand for Arbitration.

The initial claim of loss, including a detailed description of any loss suffered, must be made to the ~~American Arbitration Association National Futures Association Arbitration Program~~ within ten business days of the date of the incident that caused the loss.

(c) Related Claims.

All claims arising out of the same system failure, event or alleged negligent act shall, to the extent practicable in the determination of the chairman, be consolidated for a single hearing.

(d) Award.

(1) Any award by the ~~American Arbitration Association National Futures Association Arbitration Panel~~ shall be limited to the lesser of the actual loss or the loss that would have been incurred if the claimant had used its best efforts to mitigate the loss. Punitive damages, loss of profits, loss of use, and indirect, incidental or consequential damages shall not be awarded.

(2) The decision of a majority of the ~~National Futures Association~~ arbitration panel shall be final and binding, and there shall be no appeal to a hearing committee of the Exchange. A party may move, within three business days of the award, that the award be corrected to remedy any miscalculation or misdescription or where the award is otherwise imperfect in a matter of form not affecting the merits of the award.

(3) A Participant directed to pay an award shall submit payment of the amount due directly to the Participant receiving the award. An arbitration award must be satisfied within 15 days of receipt of the notice of decision. If a request is made to correct an award pursuant to Rule 803(d)(2), the award must be satisfied within 15 days of receipt of the corrected notice of decision.

(4) A Participant making payment must submit proof of payment to the Market Regulation Department no later than the business day following payment.

(5) Any Participant that fails to pay an arbitration award or submit proof of payment to the Exchange within the time prescribed may be subject to Rule 304 and to sanctions pursuant to Chapter 7.

(e) Satisfaction of Award by Exchange

- (1) The Exchange shall satisfy any award against it subject to its limitation of liability rules and the rules respecting proration among claimants where damages allowed for a defined period of time exceed any limit imposed by Eris Exchange Rules.
- (2) The Exchange may delay paying any award until such time as any applicable proration or limitation can be finally calculated.

RULE 804. Claims Relating to Trade Cancellations or Price Adjustments

All claims relating to price adjustments or trade busts pursuant to Rule 539 shall be arbitrated in accordance with this Chapter.

Exhibit B - Clean Version



ERIS EXCHANGE LLC RULEBOOK

Effective December 28, 2021

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- (2) Notwithstanding the foregoing, this Rule 801 does not require an employee of a Participant to submit to arbitration any claim that includes allegations of a violation of federal, state or local employment discrimination, sexual harassment, wage payment or benefits laws.

(b) Claims Against the Exchange or Clearing House.

(1) Claims Against the Exchange

Claims against the Exchange pursuant to the provisions of Rules 537 and/or Rule 539 can be submitted to arbitration through the American Arbitration Association or another arbitration program permitted by the CFTC Regulations. Such arbitration shall be conducted pursuant to the Rules and the rules of the arbitration Program.

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- (2) claims against a Participant pursuant to Rule 539;
- (3) claims of a Customer that is not a Participant against a Clearing Firm responsible for the performance of a Contract on or subject to the Eris Exchange Rules and/or against a Participant in connection with such a transaction; and
- (4) at the discretion of the Chief Regulatory Officer, any claim involving the interests of the Exchange, its Participants, their business relations or commodity futures trading in general

not otherwise arbitrable under these rules, provided the parties have consented to such arbitration.

(d) **Waiver of Any Objection to Jurisdiction**

Any Person who is not a Participant who submits a claim or grievance to arbitration or any Person who appeals any arbitration decision, or who takes any steps therein, shall be conclusively presumed to have voluntarily recognized and agreed to the jurisdiction of the American Arbitration Association to hear and determine the claim or appeal.

(e) **Referral to the American Arbitration Association.**

In the event that a complaint is received by the Exchange from a Customer, it shall be referred to the Market Regulation Department, which shall inform the Customer of the AAA's arbitration program.

(f) **Eris Exchange is adopting the AAA Commercial Arbitration Rules as set forth in the Rule 801. Any violation of the AAA Commercial Arbitration Rules shall be a violation of this Rule 801.**

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