
Ledger Holdings Inc

October 22, 2018

VIA SEF & DCO COMMISSION PORTALS

Christopher J. Kirkpatrick
Secretary, Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**Re: Commission Regulation 40.6(a) – Rule Certification
LedgerX LLC Submission No. 18-23**

Dear Mr. Kirkpatrick:

LedgerX LLC (“LedgerX”) hereby notifies the Commodity Futures Trading Commission (the “Commission”), pursuant to Section 5c(c) of the Commodity Exchange Act (the “CEA”) and Commission Regulation 40.6(a), that it is certifying the attached amendments to its Rulebook. The attached changes and amendments will become effective on November 5, 2018.

A concise explanation and analysis of the changes and amendments and their compliance with applicable provisions of the CEA, including the Core Principles, and the Commission’s Regulations, is attached hereto as Appendix A. A marked copy of the changes and amendments to the Rulebook is designated as Appendix B.

LedgerX certifies that the changes and amendments comply with the CEA and Commission Regulations thereunder. LedgerX additionally certifies that it has concurrently posted a copy of this submission letter and the non-confidential attachments hereto on LedgerX’s website at <https://ledgerx.com/>. LedgerX is not aware of any or substantive opposing views to the changes and amendments.

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Please contact the undersigned at 917-267-2381 or juthica@ledgerx.com if you have any questions or you would otherwise like to discuss this further.

Sincerely,

Juthica Chou
Chief Risk Officer
LedgerX LLC



Appendix A

Rule	Explanation	Core Principle or other CEA Provision, Commission Regulation and/or Commission Staff Letter
Rule 3.2.A.2	<p>This new provision allows non-U.S. persons located outside Singapore to qualify for Participant status if the non-U.S. person is a current registrant with the Commission and in good standing with the Commission and (as applicable) with National Futures Association.</p> <p>For the avoidance of doubt, the applicant must meet all other applicable eligibility criteria set forth in the Rulebook prior to obtaining Participant status.</p>	DCO Core Principle A; SEF Core Principles 1 and 2
Rule 11.13.A	<p>New paragraph (A) provides that the CCO or his or her designee may approve a position transfer if the transfer is (i) between accounts with identical beneficial ownership or (ii) in connection with, or as a result of, an asset purchase, corporate restructuring, consolidation or similar non-recurring transaction between two or more entities. The transfer must meet the conditions set forth in subparagraphs (1) through (3).</p> <p>As provided in this new rule, Participants must obtain approval prior to effecting such a transfer. Participants seeking approval must describe the proposed transfer in sufficient detail to allow the CCO or his or</p>	DCO Core Principle A; SEF Core Principles 1 and 2

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	her designee to review the proposal. Upon reviewing the provided materials, the CCO or his or her designee will make a determination to approve or deny the proposed transfer based on whether the proposed transfer meets the conditions set forth in paragraph (A).	
Rule 11.13.B	New paragraph (B) requires transactions must be recorded and carried on the books of the receiving Participant at the original trade dates with the original trade prices.	DCO Core Principle A; SEF Core Principles 1 and 2
Rule 11.13.C	New paragraph (C) sets forth minimum standards for reporting and recordkeeping relating to position transfers.	Commission Regulations 1.31, 1.35 and 45.2

Appendix B

Rule 3.2 Participants – Applications, Agreements, Eligibility Criteria, Classifications and Privileges

- A. Each Participant shall have the right to access electronically the Platform, including the right to place Orders for each of its Cleared Swaps Proprietary Accounts, provided that such Participant is eligible for and has applied and received Trading Privileges and Clearing Privileges. In order to become a Participant, an applicant must:

...

2. (for U.S. applicants and foreign applicants outside of Singapore:) if an applicant is an entity, be validly organized, and in good standing, in the United States (or, if such entity is validly organized, and in good standing, in a country outside of the United States, it must be wholly owned and/or managed by a natural person who is a resident of the United States or by an entity that is validly organized, and in good standing, in the United States, or be a current registrant of the CFTC in good standing with the CFTC and NFA, as applicable); and must not be subject to any economic or trade sanctions programs administered by OFAC or other relevant U.S. or non-U.S. authority; and must not be listed on OFAC's List of Specially-Designated Nationals and Blocked Persons;

...

Rule 11.13 Transfer of Trades

- A. The Chief Compliance Officer or his or her designee may, upon request by the Participant(s), approve a transfer of existing trades and collateral either on the books of the same Participant, or from the books of one Participant to the books of another Participant if the transfer is (i) between accounts with identical beneficial ownership or (ii) in connection with, or as a result of, an asset purchase, corporate restructuring, consolidation or similar non-recurring transaction between two or more entities. Such a transfer must meet each of the following conditions:

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1. The transfer must result in the transfer of all existing open positions and collateral in the transferor account;
 2. Immediately prior to the transfer, the transferee account must not have any existing open positions or collateral; and
 3. All trades involved in the transfer must remain fully collateralized upon completion of the transfer.
- B. Provided that the transfer is permitted pursuant to paragraph (A) above, the transactions must be recorded and carried on the books of the receiving Participant at the original trade dates with the original trade prices.
- C. All transfers shall be reported to the Exchange in a form acceptable to the Exchange for the type of transactions involved. The Participant(s) involved shall maintain a full and complete record of all transactions together with all pertinent memoranda.