

Rule Self-Certification

May 1, 2020

Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

**Re: SMFE 2020-002 - Self-Certification Pursuant to CFTC Regulation 40.6 –
Amendments to the Exchange’s Fee Schedule**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c) of the Commodity Exchange Act, as amended (“Act”), and Section 40.6 of the Commission’s regulations thereunder, Small Exchange, Inc. (“SMFE” or the “Exchange”) submits this self-certification as written notice that the Exchange amending its Fee Schedule, as set forth on the attached Exhibit A (marked and clean versions, respectively), which is attached hereto and incorporated herein by reference (“Rule Change”). The Rule Change is effective May 15, 2020

The Exchange reviewed the designated contract market (“DCM”) core principles (“Core Principles”) as set forth in the CEA. During the review, Exchange staff identified the following Core Principles as potentially being impacted:

- Core Principle 7, Availability of General Information: As required by this Core Principle, the Exchange will publish the modified Fee Schedule on the Exchange’s website (www.thesmallexchange.com) to ensure that market participants have been advised of the revised fees. The Exchange will also issue a Regulatory Notice to the marketplace regarding the revised fees.
- Core Principle 21, Financial Resources: The proposed fee changes will not impact the Exchange’s ability to discharge its financial, operational, or managerial responsibilities as a DCM.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6, the Exchange certifies that the amendments comply with the Act, including regulations under the Act. The Exchange is not aware of any opposing views. The Exchange also certifies that this submission has been posted on the Exchange’s website at www.thesmallexchange.com.

If you require any additional information regarding this submission, please contact the undersigned at (312) 761-1660.

Regards,

/s/ Peter D. Santori
Chief Regulatory Officer

Enclosed: Exhibit A

Exhibit A

Revisions to Small Exchange, Inc.’s Fee Schedule (additions underlined; deletions ~~overstruck~~)

Small Exchange Fees ~~1st Year~~

Small Exchange reserves the right to waive some or all fees and costs associated with membership and to provide other incentives to Participants to ensure that the Exchange provides a competitive and efficient market for its products.

While Small Exchange does not charge Market Data Fees to its Participants, Market Data Distributors and Providers may charge set-up costs or fees to Participants to receive Small Exchange’s Market Data. Please contact your market data distributor or business@thesmallexchange.com for more information.

The Options Clearing Corporation (“OCC”) assesses clearing fees to Clearing Members separate from Small Exchange transaction fees. Please contact the OCC for more information.

Please contact business@thesmallexchange.com for more information about offering Small Exchange products to your customers.

Individual Subscription Holder	Amount (Initial Lifetime Subscription Offer)
<u>Introductory Offer</u>	<u>25,000 subscriptions</u>
<u>Introductory Price</u>	<u>One time \$100 fee</u>
<u>Transaction Exchange Fee</u>	<u>\$0.07/contract (1/2 off rack rate of .15/contract)</u>
<u>Market Data Fee</u>	<u>Waived \$0</u>

Transaction Fees	Amount
<u>Non-Subscriber</u>	<u>\$0.15/contract</u>
<u>Market Makers</u>	<u>\$0.05/contract</u>

Connectivity Fees	Amount
<u>Connection Fees</u>	<u>Waived for the 1st year ^{**†} waived for 6 months</u>
<u>Cross Connect Fees</u>	<u>Waived for the 1st year ^{**†} waived for 6 months</u>
<u>FIX Connect Data Drop Fees</u>	<u>Waived for the 1st year ^{**†} waived for 6 months</u>

~~Market Data Fee (MDF)~~

~~Introductory Offer _____ W _____ MDF waived for all participants for two (2) years*~~

~~Member Application Fee _____ Amount~~

~~Clearing Corporate Members _____ \$250*~~

~~Corporate Clearing Members _____ \$250*~~

~~Annual Membership Fee _____ Amount~~

~~Clearing Member _____ \$5,000*~~

~~Corporate Member: _____ \$5,000*~~

~~Subscription _____ \$100 (please see below for initial subscription offer)~~

~~Exchange Fee~~

~~Rack Rate (Non Subscriber Rate) _____ .15/contract~~

~~Subscription Holder _____ .07/contract~~

~~Market Maker/Liquidity Provider _____ .05/contract~~

~~Individual Subscription Holder (Initial Lifetime Subscription Offer)~~

~~Introductory Offer _____ 25,000 subscriptions~~

~~Introductory Price _____ \$100~~

~~Exchange Fee _____ .07/contract (1/2 off rack rate of .15/contract)~~

~~Market Data Fee _____ \$0~~

~~Market Data Fee (MDF)~~

~~Introductory Offer _____ MDF waived for all participants for the 1st year~~

~~Connection Fee _____ waived for 6 months~~

~~Cross Connect Fee _____ waived for 6 months~~

~~FIX Connect Data Drop Fee _____ waived for 6 months~~

~~Market Maker Incentive Program _____ Reserved — to be filed with CFTC when finalized~~

~~ISV~~

~~Exchange monthly stipend: _____ \$2000.00 monthly minimum~~

Market Data fee waived

Connectivity fees waived

*Qualifications: for Participants who are facilitating orders to Small Exchange within 90 days of Small Exchange's first trade.

†The first two (2) connections are free for Participants meeting the Qualifications. Additional connections are subject to additional costs.

Qualifications:

Providing connectivity at launch

Facilitation of customer order routing at a reduced rate of .05/contract

1 Year agreement to offer connectivity at reduced fee structure

Exhibit A (Clean Version)

Small Exchange Fees

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Individual Subscription Holder	Amount
Introductory Price	One time \$100 fee
Transaction Fee	\$0.07/contract
Market Data Fee	Waived

Transaction Fees	Amount
Non-Subscriber	\$0.15/contract
Market Makers	\$0.05/contract

Connectivity Fees	Amount
Connection Fees	Waived for the 1st year ^{**†}
Cross Connect Fees	Waived for the 1st year ^{**†}
FIX Connect Data Drop Fees	Waived for the 1st year ^{**†}

Market Data Fee
Waived for two (2) years*

Member Application Fee	Amount
Clearing Members	\$250*
Corporate Members	\$250*

Annual Membership Fee	Amount
Clearing Member	\$5,000*
Corporate Member:	\$5,000*

*Qualifications: for Participants who are facilitating orders to Small Exchange within 90 days of Small Exchange's first trade.

†The first two (2) connections are free for Participants meeting the Qualifications. Additional connections are subject to additional costs.