

September 3, 2021

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
3 Lafayette Center
1155 21st Street NW
Washington, DC 20581

Re: SMFE 2021-016 - CFTC Regulation 40.6(d) Weekly Notification of Rule Amendments for the week of August 30, 2021

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commissions (“CFTC” or “Commission”) Regulation 40.6(d), the Small Exchange, Inc. (“Small Exchange”) submits this weekly notification of the following rule amendments effective during the week of August 30, 2021:

- Small Exchange Rule 522, to clarify the scope of the rule and make it consistent with its title.
- Small Exchange Rule 904, to clarify the scope of Small Exchange’s settlement process for Contracts and to harmonize use of capital letters.

These changes are attached to this filing as Exhibit A, and this filing is also available at www.smallexchange.com.

Regards,

/s/ Peter D. Santori
Chief Regulatory Officer

Enclosed: Exhibit A

Exhibit A
Revisions to Small Exchange, Inc.'s Rules
(additions underlined; deletions overstruck)

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Rule 522. Position Limits, Accountability Levels, and Reporting Levels

See Exchange website for current Position Limits, Accountability Levels, ~~Limits~~ and Reporting Levels.

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Rule 904. Settlement, Value and Process

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(e) Final Settlement.

(i) For all Contracts based on an Exchange equity index, ~~unless otherwise indicated, including the index set forth in Chapter 30~~. On the day of expiration, the Final Settlement of the Contract is calculated using the closing price on such day for each component of such index, as determined by the rules of the primary market for such component and disseminated by the primary market (the "Official Closing Price"). If the Official Closing Price for an index component is not disseminated or otherwise determined by 3:45:00PM CT, the Official Closing Price for such component will be the last sale during Trading Hours on such day of expiration or, if necessary, on the prior Business Day(s); in all cases, such sale shall be determined by the Exchange's Index Calculation Agent on a best-effort's basis and validated by the Exchange. Each component's Official Closing Price will be multiplied by its weight in the index. These values are then added together for the Final Settlement of the Contract. The calculation of the Final Settlement of each Contract is performed by the Exchange's Index Calculation Agent, and validated by the Exchange.

(i) For all Contracts based on all other Exchange ~~i~~ndices, ~~including the indices set forth in Chapters 31 and 32~~ unless otherwise indicated. On the day of expiration, the Final Settlement of the Contract is determined using the modified average cash value of the respective cash index, starting at 2:58:30PM CT to 2:59:59PM CT, inclusive. The value of the cash index will be recorded for each second of this time frame. In the event the cash index value does not change during the one-second aggregation period, the value for the prior second is carried forward to ensure this is always comprised of 90 values; further, in the event the cash index value changes multiple times during such one-second aggregation period, the last value is used. The average of these 90 values is the Final

Settlement for the product. The calculation of the Final Settlement of each Contract is performed by the Exchange's Index Calculation Agent, and validated by the Exchange.

Exhibit A Clean

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Rule 522. Position Limits, Accountability Levels, and Reporting Levels

See Exchange website for current Position Limits, Accountability Levels, and Reporting Levels.

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Rule 904. Settlement, Value and Process

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(e) Final Settlement.

(i) For all Contracts based on an Exchange equity index, unless otherwise indicated. On the day of expiration, the Final Settlement of the Contract is calculated using the closing price on such day for each component of such index, as determined by the rules of the primary market for such component and disseminated by the primary market (the “Official Closing Price”). If the Official Closing Price for an index component is not disseminated or otherwise determined by 3:45:00PM CT, the Official Closing Price for such component will be the last sale during Trading Hours on such day of expiration or, if necessary, on the prior Business Day(s); in all cases, such sale shall be determined by the Exchange’s Index Calculation Agent on a best-effort’s basis and validated by the Exchange. Each component’s Official Closing Price will be multiplied by its weight in the index. These values are then added together for the Final Settlement of the Contract. The calculation of the Final Settlement of each Contract is performed by the Exchange’s Index Calculation Agent, and validated by the Exchange.

(f) For all Contracts based on all other Exchange indices, unless otherwise indicated. On the day of expiration, the Final Settlement of the Contract is determined using the modified average cash value of the respective cash index, starting at 2:58:30PM CT to 2:59:59PM CT, inclusive. The value of the cash index will be recorded for each second of this time frame. In the event the cash index value does not change during the one-second aggregation period, the value for the prior second is carried forward to ensure this is always comprised of 90 values; further, in the event the cash index value changes multiple times during such one-second aggregation period, the last value is used. The average of these 90 values is the Final Settlement for the product. The calculation of the Final Settlement of each Contract is performed by the Exchange’s Index Calculation Agent, and validated by the Exchange.

