

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 24-232

Organization: NEX SEF Limited ("NEX SEF")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 05/22/24 Filing Description: Amendments to NEX SEF Rule 312(c) ("Enforceability of Transactions – Issuance of Facility Confirmations for Uncleared Transactions") of the NEX SEF Rulebook (Form SEF Exhibit M)

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|-------------------------------------|-------------------------------------|------------|
| <input checked="" type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Notification | § 40.6(d) |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers: See filing.

New Product

Please note only ONE product per Submission.

- | | | |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.2(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class | § 40.2(d) |
| <input type="checkbox"/> | Approval | § 40.3(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission | § 39.5 |

Product Terms and Conditions (product related Rules and Rule Amendments)

- | | | |
|--------------------------|---------------------------------------------------------|---------------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Certification Made Available to Trade Determination | § 40.6(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.24(a) |
| <input type="checkbox"/> | Delisting (No Open Interest) | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Approval Made Available to Trade Determination | § 40.5(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.24(c) |
| <input type="checkbox"/> | Approval Amendments to enumerated agricultural products | § 40.4(a) § 40.5(a) |
| <input type="checkbox"/> | “Non-Material Agricultural Rule Change” | § 40.4(b)(5) |
| <input type="checkbox"/> | Notification | § 40.6(d) |

Official Name(s) of Product(s) Affected:

Rule Numbers:

May 22, 2024

VIA ELECTRONIC PORTAL

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: CFTC Regulation 40.6(a) Certification. Amendments to NEX SEF Rule 312(c) (“Enforceability of Transactions – Issuance of Facility Confirmations for Uncleared Transactions”) of the NEX SEF Rulebook (Form SEF Exhibit M). NEX SEF Submission No. 24-232

Dear Mr. Kirkpatrick:

NEX SEF Limited (“NEX SEF”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments to NEX SEF Rule 312(c) (“Enforceability of Transactions - Issuance of Facility Confirmations for Uncleared Transactions”) of the NEX SEF Rulebook (Form SEF Exhibit M) (the “Rule Amendments”), effective on June 7, 2024.

Specifically, NEX SEF Rule 312(c) currently contains two provisions—312(c)(4) and 312(c)(5)—to comply with CFTC No-Action Letter 17-17. Pursuant to CFTC’s amendments to Commission Regulation 37.6 which shall become effective on May 31, 2024, NEX SEF is deleting subsections (4) and (5) of Rule 312(c) to align with Commission Regulations.

NEX SEF reviewed the swap execution facility core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the Rule Amendments may have some bearing on the following Core Principles:

Core Principle 1 – Compliance with Core Principles: CEA Section 5h requires a swap execution facility to comply with any requirement that the Commission may impose by rule or regulation pursuant to section 8a(5) of the Act.

Core Principle 5 – Ability to Obtain Information: CEA Section 5h requires a swap execution facility to establish and enforce rules that will allow the facility to obtain any necessary information to perform any of the functions described in section 5h of the Act. NEX SEF Rule 206 requires each Participant to cooperate promptly and fully with NEX SEF with any call for information.

Appendix A, attached hereto, provides amendments to the NEX SEF Rule 312(c) in blackline format.

Pursuant to Section 5c(c) of the CEA and Regulations 37.3(b)(3) and 40.6(a), NEX SEF hereby certifies that the Rule Amendments comply with the Act, as amended, and the Commission’s regulations thereunder. There were no substantive opposing views to this proposal.

NEX SEF certifies that this submission has been concurrently posted on the CME Group website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you require any additional information regarding this submission, please contact the undersigned at (312) 466-7478 or via email at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Timothy Elliott
Managing Director and Chief Regulatory Counsel

Attachment: Appendix A – NEX SEF Rulebook - Rule 312(c) (blackline format)

Appendix A

NEX SEF Rulebook

(deletions struck through)

Rule 312 Enforceability of Transactions

[Subsections (a) and (b) are unchanged.]

(c) Issuance of Facility Confirmations for Uncleared Transactions

(1) With respect to an uncleared transaction, the Facility will issue to each applicable Participant and/or Customer a written communication when a transaction is executed on the Facility which will serve as the Confirmation for the transaction. The Confirmation will contain the economic terms specific to the transaction agreed by each Participant on the Facility and it will incorporate by reference the documents and agreements (including, without limitation, ISDA master agreements, other master agreements, terms supplements, master confirmation agreements, and incorporated industry definitions) governing such transaction existing at the time of such commitment to which each Participant and/or Customer are party (the "Terms Incorporated by Reference").

(2) In satisfaction of the obligations imposed on NEX SEF under Commission Regulation 37.6(b), (i) each Confirmation is deemed to incorporate the Terms Incorporated by Reference set forth in this Rule 312 ~~Error! Reference source not found.~~ upon issuance of the Confirmation, (ii) each Participant and Customer hereby agrees that the provisions of Rule 312(c) shall govern any conflicting terms, and (iii) the resulting Confirmation takes place at the time of execution of, and contains all the terms of, the transaction.

(3) In the event of any conflict between (x) the Confirmation and (y) the Terms Incorporated by Reference, the Confirmation shall prevail to the extent of any inconsistency and each Confirmation shall state the same.

~~(4) In accordance with NAL 17-17, expiring on the effective date of any changes in Commission Regulation 37.6(b), upon the request of NEX SEF, each Participant and Customer shall provide copies of the Terms Incorporated by Reference to NEX SEF.~~

~~(5) In accordance with NAL 17-17, expiring on the effective date of any changes in Commission Regulation 37.6(b), upon the request of the Commission, NEX SEF shall request the Terms Incorporated by Reference from the relevant Participant or Customer and shall provide such Terms Incorporated by Reference to the Commission as soon as possible after receipt from the Participant or Customer.~~

[Remainder of Rule is unchanged.]