

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 24-391

Organization: NEX SEF Limited ("NEX SEF")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 09/12/24 Filing Description: Amendments to NEX SEF Rule 902 Appendix 1 ("Shield System Protocol" – "Contracts offered for trading") (Form SEF Exhibit M) to Include Non-Deliverable Forwards ("NDFs") on the Shield Order Book and the Issuance of NEX SEF Market Regulation Advisory Notice ("MRAN") 2024-02 to Suspend Trading of NDFs on Globex

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers: See filing.

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

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

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

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

Rule Numbers:

September 12, 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 902 Appendix 1 (“Shield System Protocol” – “Contracts offered for trading”) (Form SEF Exhibit M) to Include Non-Deliverable Forwards (“NDFs”) on the Shield Order Book and the Issuance of NEX SEF Market Regulation Advisory Notice (“MRAN”) 2024-02 to Suspend Trading of NDFs on Globex. NEX SEF Submission No. 24-391

Dear Mr. Kirkpatrick:

NEX SEF Limited (“NEX SEF”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments to NEX SEF Rule 902 Appendix 1 (“Shield System Protocol” – “Contracts offered for trading”) to provide that Non-Deliverable Forwards (“NDFs”) be available on the Shield Order Book and the issuance of Market Regulation Advisory Notice (“MRAN”) 2024-02 advising of the suspension of NDFs on EBS Markets on the CME Globex electronic trading platform (“Globex”) pursuant to NEX SEF Rule 105 (“Suspension of Trading”) (collectively, the “Rule Amendments”) effective close of business Friday, September 27, 2024.

Specifically, the Rule Amendments are as follows:

1. Amendments to Rule 902 Appendix 1, attached as Exhibit A, shall: (a) provide for the addition of NDFs on the Shield Order Book; and (b) correctly reference the Shield Order Book rather than the EBS Order Book; and
2. Issuance of MRAN 2024-02, attached as Exhibit B, provides notice of suspension of trading of NDFs on EBS Markets on Globex by the Board of Directors of NEX SEF pursuant to NEX SEF Rule 105.

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 2 – Compliance with Rules: CEA Section 5h(f)(2)(A) requires a swap execution facility to establish and enforce compliance with its rules. The CFTC has implemented this statutory requirement by adopting CFTC Regulation 37.201(a), which requires a swap execution facility to establish rules governing the operation of the swap execution facility, including, but not limited to, rules specifying trading procedures to be followed by members and market participants when entering and executing orders traded or posted on the swap execution facility. The Rule Amendments relate to trading procedures set forth in Rule 902 Appendix 1.

Core Principle 4 – Monitoring of Trading and Trade Processing: CEA Section 5h(f)(4)(A) requires swap execution facility to establish trading procedures to be used in entering and executing orders traded on or through the facilities of the swap execution facility. The Rule Amendments are subject to the NEX SEF rules which include prohibitions on manipulation and price distortion.

Core Principle 9 – Timely Publication of Trading Information: NEX SEF will continue to publish trading volumes and price information in the NDFs daily on its website.

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

Attachments: Exhibit A – NEX SEF Rule 902 Appendix 1 (blackline format)
Exhibit B – NEX SEF MRAN 2024-02

Exhibit A

NEX SEF Rulebook
Rule 902 (“Shield System Protocol” – “Appendix 1”)
(additions underscored; deletions ~~struck through~~)

Rule 902 – Appendix 1

Contracts Offered for Trading on the Shield Order Book:

- 1. All Contracts listed by NEX SEF ~~except Non-Deliverable Forwards~~ are offered for trading on the ~~EBS~~ Shield Order Book.**

[End of Rule.]

Exhibit B

MARKET REGULATION ADVISORY NOTICE

From	<i>NEX SEF Limited (“NEX SEF”)</i>
To	<i>All Participants</i>
Subject	<i>Suspension of Trading – Non-Deliverable Forwards (NDFs) on Globex</i>
Rule References	105
Effective Date	<i>September 27, 2024</i>
Notice Date	<i>September 12, 2024</i>
Notice Number	2024-02

NEX SEF | Notice of Suspension of Trading

Effective at the close of business on Friday, September 27, 2024*, pursuant to NEX SEF Rule 105 (“Suspension of Trading”), the NEX SEF Limited Board of Directors is suspending all Non-Deliverable Forwards (“NDFs”) on EBS Market on Globex.

*Pending CFTC review.