

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 23-011

Organization: NEX SEF Limited ("NEX SEF")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 01/05/23 **Filing Description:** Initial Listing of the Euro/Swiss Franc (EUR/CHF) Option Contract

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|--------------------------|-------------------------------------|------------|
| <input 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:

New Product

Please note only ONE product per Submission.

- | | | |
|-------------------------------------|---------------------------------------|------------|
| <input checked="" 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:

January 5, 2023

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

**Re: CFTC Regulation 40.2(a) Certification. Initial Listing of the Euro/Swiss Franc (EUR/CHF) Option Contract.
NEX SEF Submission No. 23-011**

Dear Mr. Kirkpatrick:

NEX SEF Limited (“NEX SEF”), a registered Swap Execution Facility (“SEF”), is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the initial listing of the Euro/Swiss Franc (EUR/CHF) Option (the “Contract”) for trading effective on January 9, 2023.

Specifically, NEX SEF is adopting amendments to Rule 803 (“Foreign Exchange Options”) to facilitate the listing the Contract for trading. Exhibit A below sets forth Rule 803 with additions underscored.

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

- **Compliance with Rules:** Trading in the Contract will be subject to all NEX SEF Rules, including the rules on trading procedures set forth in Chapter 3 of its rulebook, the prohibitions against fraudulent, noncompetitive, unfair and abusive practices as outlined in Chapter 4 of its rulebook, and the dispute resolution and arbitration procedures of Chapter 5 of its rulebook. As with all products listed for trading on NEX SEF, trading activity in the Contracts will be subject to monitoring and surveillance by NEX SEF’s market regulation staff, which has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.
- **Swaps Not Readily Subject to Manipulation:** The Contract is not readily subject to manipulation because of the underlying market and reliance on a well administered index.
- **Monitoring of Trading and Trade Processing:** Trading in the Contract will be subject to the NEX SEF rules (“Rulebook”) which include prohibitions on manipulation and price distortion.
- **Ability to Obtain Information:** NEX SEF will publish on its website information in regard to contract specifications, terms, and conditions, as well as daily trading volume and price information for the Contracts. In addition, NEX SEF will advise the marketplace of the launch of the Contracts by releasing a notice to its participants.
- **Timely Publication of Trading Information:** NEX SEF will publish contract trading volumes and price information daily on its website.

- **Recordkeeping and Reporting:** All required trade information is included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.2(a), NEX SEF hereby certifies that listing the Contract complies with the Act, including regulations under the Act. There were no substantive opposing views to the proposal.

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

Should you have any questions concerning the above, please contact the undersigned at 212-299-2200 or CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A: NEX SEF Rulebook - Rule 803 (blackline format)

Exhibit A

NEX SEF Rulebook
(additions underscored)

Products — Rule 803:

(1) Foreign Exchange Options (FX Options)

Contract Specification	Details																																																																																
Product Description	FX Option: a transaction in which the buyer has the right, but not the obligation, to buy (call option) or sell (put option) a fixed amount of foreign exchange at a fixed exchange rate agreed by the parties for a specified time period.																																																																																
Reference & Settlement Currencies	<table border="1"> <thead> <tr> <th>Reference Currency</th> <th>Counter Currency</th> <th>Settlement Currency</th> <th>Units of Trading</th> </tr> </thead> <tbody> <tr><td>EUR</td><td>USD</td><td>USD</td><td>EUR</td></tr> <tr><td>GBP</td><td>USD</td><td>USD</td><td>GBP</td></tr> <tr><td>EUR</td><td>GBP</td><td>GBP</td><td>EUR</td></tr> <tr><td>USD</td><td>JPY</td><td>USD</td><td>USD</td></tr> <tr><td>EUR</td><td>JPY</td><td>EUR</td><td>EUR</td></tr> <tr><td>USD</td><td>CHF</td><td>USD</td><td>USD</td></tr> <tr><td>USD</td><td>CAD</td><td>CAD</td><td>USD</td></tr> <tr><td>AUD</td><td>USD</td><td>AUD</td><td>AUD</td></tr> <tr><td>USD</td><td>MXN</td><td>USD</td><td>USD</td></tr> <tr><td>USD</td><td>CNH</td><td>USD</td><td>USD</td></tr> <tr><td>USD</td><td>INR</td><td>USD</td><td>USD</td></tr> <tr><td>USD</td><td>SGD</td><td>USD</td><td>USD</td></tr> <tr><td>NZD</td><td>USD</td><td>NZD</td><td>NZD</td></tr> <tr><td>USD</td><td>HKD</td><td>USD</td><td>USD</td></tr> <tr><td>BRL</td><td>USD</td><td>USD</td><td>USD</td></tr> <tr><td>MXN</td><td>USD</td><td>USD</td><td>USD</td></tr> <tr><td>USD</td><td>ZAR</td><td>USD</td><td>USD</td></tr> <tr><td>EUR</td><td>SEK</td><td>EUR</td><td>EUR</td></tr> <tr><td><u>EUR</u></td><td><u>CHF</u></td><td><u>EUR</u></td><td><u>EUR</u></td></tr> </tbody> </table>	Reference Currency	Counter Currency	Settlement Currency	Units of Trading	EUR	USD	USD	EUR	GBP	USD	USD	GBP	EUR	GBP	GBP	EUR	USD	JPY	USD	USD	EUR	JPY	EUR	EUR	USD	CHF	USD	USD	USD	CAD	CAD	USD	AUD	USD	AUD	AUD	USD	MXN	USD	USD	USD	CNH	USD	USD	USD	INR	USD	USD	USD	SGD	USD	USD	NZD	USD	NZD	NZD	USD	HKD	USD	USD	BRL	USD	USD	USD	MXN	USD	USD	USD	USD	ZAR	USD	USD	EUR	SEK	EUR	EUR	<u>EUR</u>	<u>CHF</u>	<u>EUR</u>	<u>EUR</u>
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Notional Amount	As agreed by the parties																																																																																
Option Style	American and European																																																																																
Option Premium	As agreed by the parties																																																																																
Premium Payment	Spot date relative to option trade date																																																																																
Trading Hours	24 Hours, beginning at 6:00 a.m. Wellington Time on Monday (5:00 p.m. UTC on Sunday during NZDT/6:00 p.m. UTC on Sunday during NZST) and ending at 5:00 p.m. New York Time on Friday (10:00 p.m. UTC during EST/9:00 p.m. UTC during EDT)																																																																																
Quotation	The price quotation is determined as a decimal number with up to five decimal places																																																																																

Units of Trading	See current currency list above.
Expiration Date and Time	As agreed by the parties
Settlement Terms	Bilateral settlement performed in Settlement Currency
Settlement Date	Settlement Date – Spot date relative to Expiration Date (if option is exercised)
Minimum Price Fluctuation/Price Tick Size	The minimum price change is 0.0001
Settlement Price	N/A
Strike Prices	As agreed by the parties
Contract Size	As agreed by the parties
Maturity Date	As agreed by the parties
Exercise	Manual. Exercise decision is determined by the buyer of the option.
Last Trading Day / Time	Not Applicable
Trading Conventions	<ul style="list-style-type: none"> a. Buyer of the option has the right, but not the obligation to buy (call option) or sell (put option) the Reference Currency b. Seller of the option must sell (call) or buy (put) the Reference Currency if exercised by the option buyer
Block Size	1 million notional units of Reference Currency; 2 million units minimum trade size
Position Limits	Not Applicable
Reportable Levels	All FX Option trades are reported
Clearing	FX Options are not cleared