

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 22-066

Organization: NEX SEF Limited ("NEX SEF")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 03/08/22 Filing Description: Amendments to NEX SEF Limited Form SEF Exhibits for Migration to the CME Globex Electronic Trading Platform and General NEX/CME Group Integration

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 |

Official Product Name:

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:

March 8, 2022

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 the NEX SEF Limited Form SEF Exhibits for Migration to the CME Globex Electronic Trading Platform and General NEX/CME Group Integration. NEX SEF Submission No. 22-066

Dear Mr. Kirkpatrick:

NEX SEF Limited (“NEX SEF”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments to the following NEX SEF Form SEF Exhibits and related Market Regulation Advisory Notices (“MRANs”) (collectively, the “Rule Amendments”) effective on April 4, 2022.

The Rule Amendments as more specifically described below are being made to reflect technology changes for NEX SEF migration to CME Globex, as well as miscellaneous general and operational changes due to NEX Group and CME Group integration:

1. Rulebook (Exhibit M):
 - Updated Trade Practice and Enforcement rules in Chapters 4 and 5, respectfully, for consistency with CME rules
 - Updated EBS functionality protocols in Chapter 9, as well as rules related to Audit Trail and Recordkeeping in Chapters 2 and 3, for EBS Migration to CME Globex
 - Miscellaneous changes throughout the definitions and other chapters of the rulebook for consistency with the above-mentioned changes
2. Governance Policy (Exhibit G3):
 - Updated to reflect changes made to the Chapter 5 Enforcement Rules, specifically removal of the Review Panel and Disciplinary Panels sections and clarification of Hearing Panel duties and authority
3. Fee Schedule (Exhibit K):
 - Updated to include CME Globex access fees, as well as to combine all of the incentive and market maker programs into a single document
4. Outsourcing Agreements (Exhibit N, N1-N16): This exhibit list out all of the NEX SEF outsourcing service agreements which aid in NEX SEF’s compliance with CFTC Core Principles.
 - Agreements retired: legacy service agreements with ICAP; legacy Regulatory Service agreement with NFA and related addendums; legacy software license agreement with EBS Dealing Resources Inc; legacy secondment certification

- Agreements added: Trading Facility System License Agreement under which relevant CME Globex IP is sub-licensed to NEX SEF and Trading Facility Services Agreement and the supplemental Technology, Operations and Market Regulation SLDs previously approved by the Board; Secondment Certifications for Employees and Contractors; Market Making Agreement for NEX SEF Participants acting as Market Makers
- 5. Market Regulation Procedures (Exhibits O1-O3): Exhibits append the Compliance Manual (Exhibit O) and outline Market Regulation procedures for conducting surveillance, trade practice and audit trail reviews. Audit Trail Recordkeeping Program (Exhibit O1) updated to include audit trail validation label requirements for CME Globex.
- Surveillance Procedures (Exhibit O2) and Trade Practice Review Procedures (Exhibit O3) updated to include the transition from SMARTS surveillance tool to CME ARES, as well as administrative changes to staff titles.

6. Trade Data Maintenance (Exhibits S, S1, S2)

- Updated to remove legacy NEX SEF policies and added CME Group Records Information Management Policy (Exhibit S1) and Confidentiality Policy (Exhibit S2)

7. MRANs:

- New Audit Trail related MRANs that outline updated audit trail requirements for Participants
 - Operator ID
 - Front End Audit Trail
- New CME Globex related MRAN outlining EBS user access. User Access requirements section in Chapter 9 of the Rulebook removed, to be consistent with other EBS market venues Rulebooks; however, this MRAN was created to ensure the Participants were aware of these specific requirements on SEF
- Updated MRAN 2021-01 on Error Trade Review Process for minor changes around customer support contact
- Updated MRAN 2021-05 on Operational Parameters Annex for CME Globex migration

Pursuant to Commission Regulation 37.3(b)(3), once a SEF is registered as such with the Commission, any amendments to Form SEF must be filed as a submission under part 40 of the Commission's regulations or as otherwise specified by the Commission.¹ The Rule Amendments serve to amend previous NEX SEF submissions.

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 Core Principles, see analysis with core principles analysis table below. As a result, NEX SEF is certifying the Rule Amendments to comply with the requirements set forth by the Commissions Regulation.

Appendix A and Appendix B provide the Rulebook (Exhibit M), respectively in blackline and clean formats. Appendix C through QQ are provided under separate cover (confidential treatment requested).

Pursuant to Section 5c(c) of the Commodity Exchange Act (the "Act") 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 its website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

¹ See 78 Fed. Reg. 33476, at 33485 (June 4, 2013).

If you require any additional information regarding this submission, please contact the undersigned at 212-299-2200 or via email at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments:

- Appendix A: NEX SEF Rulebook (Form SEF Exhibit M) clean version
- Appendix B: NEX SEF Rulebook (Form SEF Exhibit M) redlined version
- Appendix C: Governance Policy (Exhibit G3) redlined version
- Appendix D: Governance Policy (Exhibit G3) clean version
- Appendix E: NEX SEF Fee Schedule (Exhibit K) redlined version
- Appendix F: NEX SEF Fee Schedule (Exhibit K) clean version
- Appendix G: Outsourcing Agreements Listing (Exhibit N) redline version (confidential treatment requested)
- Appendix H: Outsourcing Agreements Listing (Exhibit N) clean version (confidential treatment requested)
- Appendix I: Exhibit N1 – TFS License Agreement (confidential treatment requested)
- Appendix J: Exhibit N2 – License Agreement with Reset (confidential treatment requested)
- Appendix K: Exhibit N3 – Services Agreement between NEX SEF and Reset (confidential treatment requested)
- Appendix L: Exhibit N4 – Trading Facility Services Agreement (confidential treatment requested)
- Appendix M: Exhibit N5(A) – NEX SEF Technology SLD (confidential treatment requested)
- Appendix N: Exhibit N5(B) – NEX SEF Market Operations SLD (confidential treatment requested)
- Appendix O: Exhibit N5(C) – NEX SEF Market Regulation SLD (confidential treatment requested)
- Appendix P: Exhibit N6 – Regulatory Services Agreement (confidential treatment requested)
- Appendix Q: Exhibit N6(A) – Regulatory Services Agreement Amended and Restated (confidential treatment requested)
- Appendix R: Exhibit N7 – SEF TPHA (confidential treatment requested)
- Appendix S: Exhibit N8(A) – MarkitWire NEX SEF Broker Terms (confidential treatment requested)
- Appendix T: Exhibit N8(B) – MarkitWire NEX SEF Broker Terms Addendum (confidential treatment requested)
- Appendix U: Exhibit N9 – DTCC and NEX SEF Agreement (confidential treatment requested)
- Appendix V: Exhibit N10 – CME Clearing Services Agreement (confidential treatment requested)
- Appendix W: Exhibit N11 – LCH Clearing Services Agreement (confidential treatment requested)
- Appendix X: Exhibit N12 – ASX Clearing Services Agreement (confidential treatment requested)
- Appendix Y: Exhibit N13 – Eurex Clearing Services Agreement (confidential treatment requested)
- Appendix Z: Exhibit N14(A) – Secondment Agreement for contractors (confidential treatment requested)
- Appendix AA: Exhibit N14(B) – Secondment Agreement for employees (confidential treatment requested)
- Appendix BB: Exhibit N15 – ISV Agreement (confidential treatment requested)
- Appendix CC: Exhibit N16 – NEX SEF Market Maker Agreement (confidential treatment requested)
- Appendix DD: Audit Trail Recordkeeping Program (Exhibit O1) redline (confidential treatment requested)
- Appendix EE: Surveillance Procedures (Exhibit O2) redline (confidential treatment requested)
- Appendix FF: Trade Practice Review Procedures (Exhibit O3) redline (confidential treatment requested)
- Appendix GG: Trade Data Maintenance (Exhibit S) redline (confidential treatment requested)

Appendix HH: Trade Data Maintenance (Exhibit S) clean (confidential treatment requested)
 Appendix II: Records Information Management Policy (Exhibit S1) (confidential treatment requested)
 Appendix JJ: Confidentiality Policy (Exhibit S2) (confidential treatment requested)
 Appendix KK: 2022-01 MRAN Operator ID
 Appendix LL: 2022-02 MRAN Front End Audit Trail
 Appendix MM: 2022-03 MRAN EBS User Access
 Appendix NN: 2022-04 MRAN Error Trade Review Process redline
 Appendix OO: 2022-04 MRAN Error Trade Review Process clean
 Appendix PP: 2022-05 MRAN Operational Parameters Annex redline
 Appendix QQ: 2022-05 MRAN Operational Parameters Annex clean

Table: Analysis with Core Principles:

Form SEF Exhibit and Section/Rule	Description of Revision	Reason and/or Supporting Rule or Core Principle
Rulebook - Definitions, Chapters 2 through 5, 9	<ul style="list-style-type: none"> • Updated Trade Practice and Enforcement rules in Chapters 4 and 5, respectfully, for consistency with CME rules • Updated EBS functionality protocols in Chapter 9, as well as rules related to Audit Trail and Recordkeeping in Chapters 2 and 3, for EBS Migration to CME Globex • Miscellaneous changes throughout the definitions and other chapters of the rulebook for consistency with the above-mentioned changes 	<ul style="list-style-type: none"> • Changes related to NEX SEF migration to CME Globex as well as integration with CME Group Inc. • Core Principles 2, 4, 5, 7, 8, 10, 12, 15
Exhibit G3	<ul style="list-style-type: none"> • Updated to reflect changes made to the Chapter 5 Enforcement Rules, specifically removal of the Review Panel and Disciplinary Panels sections and clarification of Hearing Panel duties and authority 	<ul style="list-style-type: none"> • Core Principles 2, 8, 15
Exhibit K	<ul style="list-style-type: none"> • Updated to include CME Globex access fees, as well as to combine all of the incentive and market maker programs into a single document 	<ul style="list-style-type: none"> • Core Principle 2
Exhibits N, N1 through N16	<ul style="list-style-type: none"> • Agreements retired: legacy service agreements with ICAP; legacy Regulatory Service agreement with NFA and related addendums; legacy software license agreement with EBS Dealing Resources Inc; legacy secondment certification • Agreements added: Trading Facility System License Agreement under which relevant CME Globex IP is sub-licensed to NEX SEF and Trading Facility Services Agreement and the supplemental Technology, Operations and Market 	<ul style="list-style-type: none"> • Core Principles 1, 2, 3, 4, 5, 7, 9, 10, 14, 15

Form SEF Exhibit and Section/Rule	Description of Revision	Reason and/or Supporting Rule or Core Principle
	Regulation SLDs previously approved by the Board; Secondment Certifications for Employees and Contractors; Market Making Agreement for NEX SEF Participants acting as Market Makers	
Exhibits O1, O2, O3	Exhibits append the Compliance Manual (Exhibit O) and outline Market Regulation procedures for conducting surveillance, trade practice and audit trail reviews. Audit Trail Recordkeeping Program (Exhibit O1) updated to include audit trail validation label requirements for CME Globex. Surveillance Procedures (Exhibit O2) and Trade Practice Review Procedures (Exhibit O3) updated to include the transition from SMARTS surveillance tool to CME ARES, as well as administrative changes to staff titles	<ul style="list-style-type: none"> • Core Principles 1, 2, 4, 5, 15
Exhibits S, S1, S2	<ul style="list-style-type: none"> • Updated to remove legacy NEX SEF policies and added CME Group Records Information Management Policy (Exhibit S1) and Confidentiality Policy (Exhibit S2) 	<ul style="list-style-type: none"> • Core Principle 14
MRANs 2022-01 and 2022-02	<ul style="list-style-type: none"> • New Audit Trail related MRANs that outline updated audit trail requirements for Participants regarding Operator ID and Front End Audit Trail. These MRANs mirror the current CME audit trail requirements for the F&O business and reflect NEX SEF migration to Globex. 	<ul style="list-style-type: none"> • Core Principles 2, 4, 5, 8, 10
MRAN 2022-03	<ul style="list-style-type: none"> • New CME Globex related MRAN outlining EBS user access. User Access requirements section in Chapter 9 of the Rulebook removed, to be consistent with other EBS market venues Rulebooks; however, this MRAN was created to ensure the Participants were aware of these specific requirements on SEF. 	<ul style="list-style-type: none"> • Core Principle 2
MRAN 2022-04	<ul style="list-style-type: none"> • superseded MRAN 2021-01 on Error Trade Review Process for minor changes around customer support contact 	<ul style="list-style-type: none"> • Core Principles 2, 4, 7
MRAN 2022-05	<ul style="list-style-type: none"> • superseded MRAN 2021-05 on Operational Parameters Annex for CME Globex migration 	<ul style="list-style-type: none"> • Core Principles 2, 4, 5, 14

Appendix A

NEX SEF Rulebook

(provided under separate cover)

Appendix B

NEX SEF Rulebook

(blacklined, provided under separate cover)

Appendix C

Governance Policy (Exhibit G3)

(blacklined, provided under separate cover)

Appendix D

Governance Policy (Exhibit G3)

(provided under separate cover)

Appendix E

NEX SEF Fee Schedule (Exhibit K)

(blacklined, provided under separate cover)

Appendix F

NEX SEF Fee Schedule (Exhibit K)

(provided under separate cover)

Appendix G – JJ

CONFIDENTIAL TREATMENT REQUESTED BY NEX SEF

(provided under a separate cover)

Appendix KK

2022-01 MRAN Operator ID

(provided under a separate cover)

Appendix LL

2022-02 MRAN Front End Audit Trail

(provided under a separate cover)

Appendix MM

2022-03 MRAN EBS User Access

(provided under a separate cover)

Appendix NN

2022-04 MRAN Error Trade Review Process redline

(provided under a separate cover)

Appendix OO

2022-04 MRAN Error Trade Review Process clean

(provided under a separate cover)

Appendix PP

2022-05 MRAN Operational Parameters Annex redline

(provided under a separate cover)

Appendix QQ

2022-05 MRAN Operational Parameters Annex clean

(provided under a separate cover)