

April 14, 2022

Christopher J. Kirkpatrick  
Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

**Re: SMFE 2022-006 - Self-Certification Pursuant to CFTC Regulation 40.6 –  
Exchange Rules 34003.D.3., 35003.D.3., 36003.D.3., and 37003.D.3.**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c) of the Commodity Exchange Act, as amended (“Act”), and Section 40.6 of the Commission’s regulations thereunder, Small Exchange, Inc. (“SMFE” or the “Exchange”) submits this self-certification as written notice that the Exchange is amending Exchange Rules 34003.D.3., 35003.D.3., 36003.D.3., and 37003.D.3., as set forth on the attached Exhibit A, which is attached hereto and incorporated herein by reference (“Rule Change”). Each amendment is effective on the date on which the July Contract for each product commences trading; which is May 16, 2022 for Exchange Rule 37003.D.3. and May 23, 2022 for Exchange Rules 34003.D.3., 35003.D.3., and 36003.D.3.

The purpose of the Rule Change is to set forth the price below which each respective Contract shall not trade or settle: \$0.01. The Rule Change is needed to facilitate the Exchange’s anticipated trading of Options on such Contracts and, further, to accommodate the Exchange’s designated clearing organization’s (the Options Clearing Corporation) ability to clear and settle Options on such Contracts, provided that such Contracts do not trade or settle below \$0.01.

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Act and identified that the amendments may have some bearing on the following Core Principles:

- Core Principle 2, Compliance with Rules: The Exchange shall continue their normal practice to establish, monitor, and enforce compliance with the rules applicable to the trading of Exchange Contracts.
- Core Principle 4, Prevention of Market Disruption: The Exchange has the capacity to detect abnormal price movements and unusual trading volumes, including such abnormal price movements or trading volumes as may be associated with bilaterally negotiated trades, and holds the authority to take remedial action as appropriate. Further, the Rule Change will not impact the Exchange’s ability to perform its trade practice and market surveillance obligations under the CEA, CFTC Regulations and its Rules.

- Core Principle 9, Execution of Transactions: The Rule Change, once Options are self-certified for trading on the Exchange, will further enable the Exchange to continue their current practice of providing a competitive, open, and efficient market mechanism for executing transactions.
- Core Principle 12, Protection of Market Participants: The Rule Change is subject to the Rules of the Exchange, which include prohibitions against abusive practices, including fraudulent, anti-competitive or unfair activity.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange certifies that the amendments comply with the Act, including regulations under the Act. The Exchange is not aware of any opposing views. The Exchange also certifies that this submission has been posted on the Exchange's website at [www.themallexchange.com](http://www.themallexchange.com).

If you require any additional information regarding this submission, please contact the undersigned at (312) 761-1660.

Regards,

/s/ Peter D. Santori  
Chief Regulatory Officer and  
Head of Legal

Enclosed: Exhibit A

Exhibit A

(additions underlined; deletions ~~overstruck~~)

## Chapter 34: Small 10-Year US Treasury Yield Index Futures Contracts

\* \* \*

34003. Trading Specifications

\* \* \*

*34003.D. Price Limits*

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- The market cannot trade at prices 5.00 above or below the Contract's previous day's Daily Settlement. This is a pre-order validation that prevents the acceptance of orders at such prices in such circumstances. Further, the Contract shall not trade or settle at a price below \$0.01.

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## Chapter 35: Small 30 Year US Treasury Yield Futures Contracts

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35003. Trading Specifications

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*35003.D. Price Limits*

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- The market cannot trade at prices 6.50 above or below the Contract's previous day's Daily Settlement. This is a pre-order validation that prevents the acceptance of orders at such prices in such circumstances. Further, the Contract shall not trade or settle at a price below \$0.01.

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## Chapter 36: Small 2 Year US Treasury Yield Futures Contracts

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36003. Trading Specifications

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*36003.D. Price Limits*

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- The market cannot trade at prices 4.00 above or below the Contract's previous day's Daily Settlement. This is a pre-order validation that prevents the acceptance of orders at such prices in such circumstances. Further, the Contract shall not trade or settle at a price below \$0.01.

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## Chapter 37: Small US Crude Oil Futures Contracts

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37003. Trading Specifications

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*37003.D. Price Limits*

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- The market cannot trade at prices 20% above or below the Contract's previous day's settlement value. This is a pre-order validation that prevents the acceptance of orders at such prices in such circumstances. Further, the Contract shall not trade or settle at a price below \$0.01.



## Chapter 36: Small 2 Year US Treasury Yield Futures

### Contracts

36003.            Trading Specifications            \*            \*            \*

\*            \*            \*

*36003.D. Price Limits*

\*            \*            \*

- The market cannot trade at prices 4.00 above or below the Contract's previous day's Daily Settlement. This is a pre-order validation that prevents the acceptance of orders at such prices in such circumstances. Further, the Contract shall not trade or settle at a price below \$0.01.

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## Chapter 37: Small US Crude Oil Futures Contracts

37003.            Trading Specifications            \*            \*            \*

\*            \*            \*

*37003.D. Price Limits*

\*            \*            \*

- The market cannot trade at prices 20% above or below the Contract's previous day's settlement value. This is a pre-order validation that prevents the acceptance of orders at such prices in such circumstances. Further, the Contract shall not trade or settle at a price below \$0.01.