

April 17, 2018

Submitted via CFTC Portal

Division of Market Oversight  
U.S. Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

Re: NEX SEF Limited – Regulation 40.6(a) Certification – Market Regulation Advisory Notice

Ladies and Gentlemen:

Pursuant to Section 5c(c) of the Commodity Exchange Act (the “Act”) and Section 40.6(a) of the regulations of the Commodity Futures Trading Commission (the “Commission”), NEX SEF Limited (“NEX SEF” or the “Facility”) hereby notifies the Commission that it has amended its Rulebook, specifically Rules 205, 206, 302, 309, 406, 511, 513, 514, Chapter 8, Confidential Chapter 9 and the Definitions, and is self-certifying the issuance of NEX SEF Market Regulation Advisory Notice 2018-001 (“MRAN 2018-001”).

A concise explanation and analysis of MRAN 2018-001 and the amendments to the Rulebook and their compliance with applicable provisions of the Act and the Commission’s regulations thereunder is attached hereto as Exhibit A.

A clean copy of MRAN 2018-001 is attached hereto as Exhibit B. A clean copy of the amended Rulebook exclusive of confidential Chapter 9 is attached hereto as Exhibit C and a copy of the Rulebook exclusive of confidential Chapter 9 marked to show changes against the version most recently submitted to the Commission is attached hereto as Exhibit D. A clean copy of confidential Chapter 9 is attached hereto as Exhibit E, and a copy of the Confidential Chapter 9 marked to show changes against the version last submitted to the Commission is attached hereto as Exhibit F. A request for confidential treatment of Exhibit E and Exhibit F is being simultaneously submitted to the Commission and a copy of that request for confidential treatment is included with this submission.

MRAN 2018-001 and the Rulebook amendments will become effective on May 1, 2018. NEX SEF certifies that MRAN 2018-001 and the Rulebook amendments comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. NEX SEF has reviewed the swap execution facility core principles (“Core Principles”) as set forth in the Commodity Exchange Act and has determined that the issuance of MRAN 2018-001 and the Rulebook amendments impact the Core Principles identified in Exhibit A.

NEX SEF is not aware of any substantive opposing views expressed with respect to this filing and certifies that, concurrent with this filing, a copy of this submission was posted on the NEX SEF website and may be accessed at: <http://www.nexsef.com>.

Please contact the undersigned at (212) 704-5491 with any questions regarding this matter.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Elisa Hirschmann', written in a cursive style.

Elisa Hirschmann, Chief Compliance Officer  
**NEX SEF LIMITED**  
2 Broadgate  
London EC2M 7UR  
United Kingdom

## Exhibit A

### Explanation and Analysis

#### Facility Rulebook

NEX SEF has amended its Rulebook as provided below. Capitalized terms used but not defined herein have the meanings assigned to them in the Rulebook.

Section/Rule	Description of Revision	Reason and/or Supporting Rule or Core Principle
Cover Page	Updated version number and effective date.	Conforming change
Table of Contents	Updated page numbers.	Conforming change
Various	Conforming to British spelling in various places in Rulebook.	Conforming change
Definitions	The following definitions were revised or added in connection with new and updated Rules: <ul style="list-style-type: none"><li>• API</li><li>• ATS Operator</li><li>• ATS Team</li><li>• Authorised Trader</li><li>• Automated Trading System</li><li>• Eurex</li></ul>	<ul style="list-style-type: none"><li>• Core Principle 2</li></ul>
Rule 205	Updated Rule 205 to conform to updated Part 9 of the Commission Regulations by updating provisions related to notices of denials of trading privileges or suspension or termination of access to the Facility.	<ul style="list-style-type: none"><li>• Core Principle 2</li></ul>
Rule 206	Updated Rule 206(c) to clarify that NEX SEF may revoke or suspend the access to the Facility of any Automated Trading System. Updated Rule 206(h) to clarify that NEX SEF's conformance testing requirements include testing of Automated Trading Systems.	<ul style="list-style-type: none"><li>• Core Principle 2</li></ul>
Rule 302	Updated Rule 302 to set forth requirements related to user identifications for Authorised Traders and Trading Privilege Holders accessing the Facility through an Automated Trading System. The updated Rule, among other things, differentiates between user identifications issued for natural persons manually accessing the Facility and for user identifications issued to the operators of Automated Trading Systems.	<ul style="list-style-type: none"><li>• Core Principle 2</li><li>• Core Principle 4</li><li>• Core Principle 5</li></ul>
Rule 309	Replaced reference to NAL 15-58 with reference to NAL 17-54.	<ul style="list-style-type: none"><li>• Core Principle 2</li><li>• NAL 17-54</li></ul>
Rule 406	Updated Rule 406 to include as Violations: (i) reckless conduct that adversely impacts the orderly conduct of trading or the fair execution of transactions is a Violation and (ii) cancelling or modify Bids/Offers in order to avoid execution.	<ul style="list-style-type: none"><li>• Core Principle 2</li></ul>

Section/Rule	Description of Revision	Reason and/or Supporting Rule or Core Principle
Rule 511	Updated Rule 205 for clarity and to conform to updated Part 9 of the Commission Regulations by removing procedures for delivery of disciplinary decisions to NFA that are no longer applicable.	<ul style="list-style-type: none"> <li>• Core Principle 2</li> </ul>
Rule 513	Updated Rule 513 to clarify that the Board may act in the capacity of the Participation Committee.	<ul style="list-style-type: none"> <li>• Core Principle 2</li> </ul>
Rule 514	Updated Rule 514 for clarity.	<ul style="list-style-type: none"> <li>• Core Principle 2</li> </ul>
Chapter 8	NEX SEF has entered into a clearing services agreement with Eurex Clearing AG (“Eurex”) under which Eurex will clear certain Contracts. The Contract specifications in Chapter 8 have been updated to indicate which Contracts are eligible for clearing at Eurex and to include, where applicable, a legend required by Eurex. NEX SEF will file the Eurex clearing services agreement (and related amended Form SEF exhibits) in a separate Form SEF amendment.	<ul style="list-style-type: none"> <li>• Core Principle 2</li> <li>• Core Principle 7</li> </ul>
Chapter 9	Updated Rule 901 to include reference to cancelations of Bids/Offers under Rule 310 and to update the rules governing Quote Fill Ratios and to introduce new Distributed Quote Interrupt protocol under Rule 901’s Maintenance of Orderly Markets provisions.	<ul style="list-style-type: none"> <li>• Core Principle 2</li> </ul>

**MRAN 2018-001**

MRAN 2018-001 provides additional guidance on compliance with Chapter 4 of the Rulebook which, among other things, prohibits disruptive trading practices, by identifying examples of prohibited trading practices that will be deemed Violations of the Facility Rulebook.

MRAN 2018-001 is consistent with Core Principle 2.