

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

**Registered Entity Identifier Code (optional):** 21-366

**Organization:** NEX SEF Limited ("NEX SEF")

**Filing as a:**  DCM  SEF  DCO  SDR

**Please note - only ONE choice allowed.**

**Filing Date (mm/dd/yy):** 08/06/21 **Filing Description:** Amendments to the NEX SEF Limited Governance Policy and Compliance Manual

**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:** N/A

**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:**

August 6, 2021

**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 Governance Policy and Compliance Manual.  
NEX SEF Submission No. 21-366**

Dear Mr. Kirkpatrick:

NEX SEF Limited (“NEX SEF”) hereby certifies to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments to the NEX SEF Governance Policy (the “Policy”) and Compliance Manual (the “Manual”) (collectively, the “Rule Amendments”) effective on August 23, 2021.

NEX SEF is amending the Policy to:

- Include language on commercial conflict of interest, whereby the Board must align business advancement with the company’s risk appetite
- Include language on the tie breaker logic for the Regulatory Oversight Committee (“ROC”)
- Include language on the process to handle potential conflicts of interest for the Chief Compliance Officer (“CCO”)/Head of Compliance and Oversight (“SMF16”) when serving NEX SEF, including but not limited to when the CCO/SMF16 owes an obligation to a Trading Privilege Holder (“TPH”) and where the interests of NEX SEF may be in conflict with the interests of another business within the CME Group organization

NEX SEF is amending the Manual to:

- Include policy language requiring the CCO/SMF16 to raise to the ROC potential conflicts of interest when serving NEX SEF including when the CCO/SMF16 owes an obligation to a TPH and where the interests of NEX SEF may be in conflict with the interests of another business within the CME Group organization
- Include policy language requiring an annual review of policies and procedures
- Delete obsolete references to legacy NEX policies and No Action Letters, and remove requirements that are not applicable to the NEX SEF business
- Update policy language to reflect changes in the CFTC SEF Rules around Audit Trail, CCO and Annual Compliance Report, clarify defined terms, harmonize with previously submitted Rulebook and MRAN changes, as well as make other administrative changes

The Policy has been previously certified with the Commission (see [NEX SEF Submission 21-197](#) dated April 26, 2021) and the Manual has been previously certified with the Commission (see [NEX SEF Submission 20-364](#) dated August 17, 2020). 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.<sup>1</sup> The Rule Amendments serve to amend [NEX SEF Submission 20-524](#). As a result, NEX SEF is certifying the Rule Amendments to comply with the requirements set forth by the Commission's Regulation.

Appendix A and Appendix B provide the Policy and the Manual, respectively in blackline format. Appendix A and Appendix B 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>.

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

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A: Form SEF Exhibit G3 - Governance Policy (blackline format) (attached under separate cover and confidential treatment requested)  
Appendix B: Form SEF Exhibit O - Compliance Manual (attached under a separate cover and confidential treatment requested)

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<sup>1</sup> See 78 Fed. Reg. 33476, at 33485 (June 4, 2013).

**Appendix A**

**CONFIDENTIAL TREATMENT REQUESTED**

**NEX SEF**

**Governance Policy**

(provided under separate cover)

**Appendix B**

**CONFIDENTIAL TREATMENT REQUESTED**

**NEX SEF**

**Compliance Manual**

(provided under separate cover)