



October 14, 2022

Submitted via Portal

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

**Re: CFTC Regulation 40.6(a) Required Certification AEGIS SEF, LLC
Amendment to Rulebook**

Dear Sir:

Pursuant to Section 40.6(a) of the regulations of the U.S. Commodity Futures Trading Commission (the "CFTC", or the "Commission"), AEGIS SEF, LLC ("AEGIS") hereby notifies the Commission that it has amended its Rulebook. The rule amendment submission from AEGIS SEF modifies its authority over Participants with respect to inspections, trade reviews, position transfers and record requests to be congruent with the transactions taking place on the SEF, without in any way diminishing the authority and jurisdiction of the SEF over such matters.

A concise explanation and analysis of the rules and their compliance with applicable provisions of the Act, including core principles and the Commission's regulations, is attached hereto as Exhibit A. A copy of the Rulebook is attached under separate cover as Exhibit B. A redlined version of the Rulebook is attached under separate cover as Exhibit C.

AEGIS hereby certifies that: (i) the amended rule complies with the Act and the Commission's regulations thereunder, and (ii) a notice and copy of this submission is being concurrently posted on AEGIS's website. There were no substantive opposing views to the amendments to the rule.

Please contact the undersigned at 832-413-5973 or afurman@aegis-hedging.com with any questions regarding this matter.

Andrew Furman

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Exhibit A – Explanation

Amendment and Explanation	Supporting Rule / Core Principle
<p>Updating Rule 3.13.1 – Inspections by AEGIS-SEF</p> <ul style="list-style-type: none"> • Prior inspection language was overly broad. • New language focuses inspections on systems, equipment, and software used specifically in connection with SEF activity (versus “relating to”) and also narrows the focus specifically to Bids/Offers, SEF Contracts, RFQs and responses to RFQs (versus “related to”). • Financial Counterparties are specifically concerned that “relating to” or “related to” could open up inspection rights across many functions. 	<ul style="list-style-type: none"> • Core Principle 1(B)- Reasonable Discretion of swap execution facility • Core Principle 5(A)- Ability to obtain information • Core Principle 11(A)(B) – restraint of trade, anticompetitive burden • §1.31(d)(3)
<p>Updating Rule 3.13.4 – Inspections by AEGIS-SEF</p> <ul style="list-style-type: none"> • Limiting inspection requests to only happen upon a failure to produce requested records. • Inspection language narrowed and allows AEGIS-SEF to initiate inspection requests after the subject of the investigation has failed to respond with request. 	<ul style="list-style-type: none"> • Core Principle 1(B)- Reasonable Discretion of swap execution facility • Core Principle 5(A)- Ability to obtain information • Core Principle 11(A)(B) – restraint of trade, anticompetitive burden • §1.31(d)(3)

<p>Updating Rule 3.13.5 – Inspections by AEGIS-SEF</p> <ul style="list-style-type: none"> • Ensuring any information obtained through inspections as Proprietary Data. • There was no prior limitation in the handling of records, which is challenging for Financial Counterparties to agree to. 	<ul style="list-style-type: none"> • Core Principle 1(B)- Reasonable Discretion of swap execution facility • Core Principle 11(A)(B) – restraint of trade, anticompetitive burden. • §1.31(d)(3) • AEGIS SEF Rulebook 2.8.4
<p>Updating Rule 3.15.1 – Broker Firms</p> <ul style="list-style-type: none"> • Updates the authority of Broker Firms to assist Participants using both the Order Book and the RFQ function. 	<ul style="list-style-type: none"> • Core Principle 1(B)- Reasonable Discretion of swap execution facility • Core Principle 2- Compliance with rules • § 37.9(c)(2)- Execution Methods
<p>Updating Rule: 4.1.2- Procedures</p> <p>Addition of the “Broker Firms” and “Authorized Users” to be inclusive along with Participants for notifications and opportunity for comment</p>	<ul style="list-style-type: none"> • §40.6(a)(7) – Rule Submissions
<p>Updated Rule 4.12 – Position Transfers</p> <ul style="list-style-type: none"> • Clarifies that the SEF may effect transfers of positions on only cleared or otherwise non-bilateral positions AEGIS-SEF only assists with permitted bilateral swaps; it does not house any positions which can be transferred 	<ul style="list-style-type: none"> • Core Principle 1(B)- Reasonable Discretion of swap execution facility • Core Principle 2- Compliance with rules • AEGIS SEF Rulebook 4.6.1. 4.18.6 – SEF Contracts that are not cleared

<p>Updated Rule 4.13.1 – Trade Cancellation Authority</p> <ul style="list-style-type: none"> • Clarification was made to show that Trade Cancellation Authority only applies to the Order Book. 	<ul style="list-style-type: none"> • Core Principle 1(B)- Reasonable Discretion of swap execution facility • Core Principle 4- Monitoring of trading and trade processing
<p>Updated Rule 4.13.2 – Review of Trades and Resolution of Errors Among SEF Contract Parties; Error Trades</p> <ul style="list-style-type: none"> • Review of trades for amendment or cancellation for SEF Contracts which are illiquid was reduced from 60 minutes to 10 minutes • Participants are concerned that too lengthy a delay in review can result in a greater economic impact • AEGIS SEF still maintains the authority to review and amend trades during the entire business day 	<ul style="list-style-type: none"> • Core Principle 1(B)- Reasonable Discretion of swap execution facility • Core Principle 4- Monitoring of trading and trade processing • §37.9(e)(2)(i) – timely resolution
<p>Updated Rule 4.14.2 – Clearing</p> <ul style="list-style-type: none"> • Clarified that Broker Firms (which are not Participants) cannot enter cleared transactions. 	<ul style="list-style-type: none"> • Core Principle 2 – Compliance with rules • 4.6.1, 4.7.7, 4.18.6 of the AEGIS SEF Rulebook
<p>Updating Rule 7.2(c)(ii) – Produce Records</p> <ul style="list-style-type: none"> • Ensures a narrower request of information “specifically” as it pertains to investigations. 	<ul style="list-style-type: none"> • Core Principle 1(B)- Reasonable Discretion of swap execution facility • Core Principle 11(A)(B) – restraint of trade, anticompetitive burden. • §1.31(d)(3)



Exhibit B – AEGIS SEF Rulebook

(attached under separate cover)

Exhibit C – AEGIS SEF Rulebook - Redline

(attached under separate cover)