

Peter D. Santori  
Chief Regulatory Officer and  
Chief Compliance Officer  
p: 312-761-1660  
e: [peter.santori@thesmallexchange.com](mailto:peter.santori@thesmallexchange.com)

## Rule Self-Certification

October 24, 2022  
Christopher J. Kirkpatrick  
Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Center  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

**Re: SMFE 2022-025 - Self-Certification Pursuant to CFTC Regulation 40.6 – Amendments to Exchange Rule 205**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Section 40.6 of the Commission’s regulations thereunder, Small Exchange, Inc. d/b/a crypto.com | Derivatives North America (the “Exchange”) submits notice to the Commission for self-certification amendments to Exchange Rule 205 as set forth on the attached Exhibit A, which is attached hereto and incorporated herein by reference (“Rule Change”).

The Rule Change is effective November 7, 2022. The purpose of the Rule Change is to modify the periodicity of the meetings of the Exchange’s Audit Committee from once each quarter to once each year. The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Act and identified that the amendment 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.

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- Core Principle 7, Availability of General Information: The terms of the Program have been disseminated on the Exchange's website ([www.thesmallexchange.com](http://www.thesmallexchange.com)). For further inquiry, Market Participants may contact the Exchange for more information regarding the Rule Change. Daily publication of trading information, trading volume, open interest and price information will be published daily on the Exchange's website and via quote vendors.
- Core Principle 16, Conflicts of Interest: The Exchange continues to establish and enforce rules to minimize conflicts of interest in the decision-making process of the Exchange; and to establish a process for resolving conflicts of interest. Specifically, the Exchange continues to minimize conflicts of interest through the proper: composition of the Exchange's board of directors, Audit Committee, and disciplinary panels (when necessary) from a public director perspective; and establishment of a Regulatory Oversight Committee composed of only public directors.
- Core Principle 21, Financial Resources: The Exchange has adequate financial, operational, and managerial resources to discharge each responsibility of the Exchange.

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.thesmallexchange.com](http://www.thesmallexchange.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  
Chief Compliance Officer

Enclosed: Exhibit A

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## Exhibit A

(additions underlined; deletions ~~overstruck~~)

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### Rule 205. Audit Committee of the Board

\* \* \*

(d) The Audit Committee shall meet as often as it may deem necessary and appropriate in its judgment, but in no event less than once each year~~quarter~~ and shall report directly to the Board and at least annually an internal audit report shall be provided to the Audit Committee.

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## Exhibit A

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### Rule 205. Audit Committee of the Board

\* \* \*

(d) The Audit Committee shall meet as often as it may deem necessary and appropriate in its judgment, but in no event less than once each year and shall report directly to the Board and at least annually an internal audit report shall be provided to the Audit Committee.