

June 21, 2023

**Submitted via CFTC Portal**

Secretary of the Commission  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

Re: *TeraExchange, LLC – Regulation 40.6 Delisting of Option - USD LIBOR Fixed for Floating IRS*

Ladies and Gentlemen:

TeraExchange, LLC (“TeraExchange”) hereby notifies the Commodity Futures Trading Commission (the “Commission”) of its intent to delist Option - USD LIBOR Fixed for Floating IRS from the TeraExchange swap execution facility. TeraExchange intends to delist this Contract effective June 26, 2023.

Pursuant to Commission Regulation 40.6, this submission includes:

1. A copy of the submission cover sheet in accordance with the instructions provided in Appendix D to Part 40 of the Commission’s regulations, attached as Exhibit A.
2. The intended delisting date is June 26, 2023.
3. A certification by TeraExchange that (a) the Contract complies with the Commodity Exchange Act, as amended (the “Act”), and the Commission regulations thereunder; and (b) concurrent with this submission, TeraExchange posted on its website (i) a notice of pending certification of the Contract and (ii) a copy of this submission, attached as Exhibit B;
4. The Contract’s terms and conditions, attached as Exhibit C; and
5. An explanation of the purpose of the delisting of the Contract, attached as Exhibit D.

Questions regarding this submission should be directed to Todd Langdon, Chief Compliance Officer, at 908-273-8277 or by e-mail at [tlangdon@teraexchange.com](mailto:tlangdon@teraexchange.com).

Sincerely,

*Christopher Rossman*  
Christopher Rossman  
Chief Operating Officer

EXHIBIT A

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): \_\_\_\_\_

Organization: TeraExchange, LLC \_\_\_\_\_

Filing as a:  DCM  SEF  DCO  SDR Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 06/21/2023 Filing Description:

Notification of Product Delisting \_\_\_\_\_

**SPECIFY FILING TYPE** Please note only ONE choice allowed per Submission.

**Organization Rules and Rule Amendments**

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers: \_\_\_\_\_

**New Product**

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Official Product Name: \_\_\_\_\_

**Product Terms and Conditions (product related Rules and Rule Amendments)**

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(b)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected: Option - USD LIBOR Fixed for Floating IRS \_\_\_\_\_

Rule Numbers: \_\_\_\_\_

EXHIBIT B

CERTIFICATIONS PURSUANT TO SECTION 5c OF THE COMMODITY  
EXCHANGE ACT, 7 U.S.C. §7A-2 AND COMMODITY FUTURES TRADING  
COMMISSION REGULATION 40.2, 17 C.F.R. §40.2

TeraExchange, LLC (“TeraExchange”) hereby certifies that: a) the Option - USD LIBOR Fixed for Floating IRS Contract complies with the Commodity Exchange Act, 7 U.S.C. §1 *et seq.* and the Commodity Futures Trading Commission (the “Commission”) regulations thereunder; and b) concurrent with this submission, TeraExchange, posted on its website: (i) a notice of delisting of the Contract with the Commission; and (ii) a copy of this submission.

TeraExchange, LLC

By: Christopher Rossman

Name: Christopher Rossman

Title: Chief Operating Officer

Date: June 21, 2023

## EXHIBIT C

### Terms and Conditions

Option - USD LIBOR FIXED FOR FLOAT IRS	
Trade Structure	A USD Swaption is an option exercisable on a specific date granting the owner the right, but not the obligation, to enter into an underlying USD LIBOR Swap listed for trading by TeraExchange.
ISDA Taxonomy	
OTC Asset Class:	Interest Rate (IR)
OTC Base Product:	Option (O)
OTC Sub-Product:	Swaption (SWO)
Trading Hours:	00:01 to 24:00 Eastern Standard Time or as otherwise published on TeraExchange website
Currency:	United States Dollar (USD)
Counterparties:	Buyer purchases the right to exercise the option; Seller sells the right to exercise the option
Option Type:	Payer, Receiver or Straddle
Trading Conventions:	A payer option gives the owner of the option the right to enter into a swap where it pays the fixed leg and receives the floating leg. A receiver option gives the owner of the option the right to enter into a swap where it receives the fixed leg and pays the floating leg. A straddle option gives the owner the right to determine whether to pay or receive fixed on the Exercise Date.
Strike Price:	Fixed rate that will be used for the underlying Interest Rate Swap if exercised
*Quoting Convention:	Quoted in \$ Premium (basis points of notional)
Premium Payment Date:	Date the premium is paid to the seller, calculated as the trade date plus two business days, or as specified by the counterparties
*Option Tenor:	1-month; 2-month; 3-month; 6-month; 12-month; 18-month; and 24-month
*Option Exercise Date:	Date on which buyer's right to exercise option expires, calculated as trade date plus Option Tenor, subject to option day count frequency, day count convention and local calendar, or as specified by the counterparties.
Roll Type:	Standard or IMM Dates
*Roll/Payment Date Holiday Calendar:	New York (USNY), London (GBLO)
*Day Count Convention:	ACT/360; 30/360; ACT/365.FIXED
*Business Day Convention:	Following; Modified Following; Preceding
*Option Settlement:	Cleared, Physical or Cash, as specified by counterparties
Physical Settlement:	Seller grants buyer the right to cause the underlying IRS swap transaction to become effective.
Cleared Physical Settlement:	Seller grants buyer the right to cause the underlying IRS swap transaction to become effective, provided, however that the underlying IRS swap transaction is cleared through a mutually agreed upon Clearing House.
Cash Settlement:	Seller grants buyer the right to cause seller to pay to buyer the cash settlement amount in lieu of physical delivery, if any, on the cash settlement payment date. Cash settlement includes details of applicable valuation date, time, business center, settlement currency, quotation rate, rate source and reference banks.
Underlying Swap:	USD LIBOR Fixed for Floating IRS
*Max Maturity (Underlying Swap):	30 Years
*Notional:	Notional amount of the underlying swap (1 million currency unit minimum)
*Reset Frequency:	Quarterly (3M USD-ICE-LIBOR)
*Payment Frequency:	3M (Float leg only) 6M (Fixed leg only)
*Fixing Date:	Two London Business Days prior to the Reset Date, subject to Preceding Business Day adjustment
*Floating Rate Index:	USD-ICE-LIBOR (3 Month USD)
*Fixing Date Holiday Calendar:	London (GBLO)
Exercise Method:	The purchaser of the Swaption must notify the seller of the Swaption of the purchaser's intent to exercise the Swaption prior to negotiation of the manner of exercise (physical delivery or cash). Notice shall be in the form indicated on the order ticket. If counterparties elect the exercise by physical delivery, the counterparties must submit the underlying Swap for clearing to the designated Clearing House, otherwise cash will be exchanged.
Exercise Procedure:	As determined by the Clearing House. In the case of exercise by physical delivery, positions in the underlying swap will be established via book entry by the designated Clearing House. In the case of cash settlement, the exercise shall be conducted by exchanging cash as agreed by the counterparties.
Block Size:	As set forth in Appendix F to Part 43 of the CFTC Regulations
Position Accountability:	Position accountability will be the same as for the underlying swap, as determined and published by TeraExchange under CFTC Regulation 37.600(c)
*The above items represent the customary attributes of the swaption contracts; those marked with an asterisk "*" may be customized by agreement of counterparties in conformance with the Clearing Venue Specifications, if applicable.	

## EXHIBIT D

### EXPLANATION OF THE DELISTING OF THE CONTRACT

As required by Commission Regulation § 40.6(a)(7)(v), TeraExchange presents the following explanation, in narrative form, regarding the decision to delist Option - USD LIBOR Fixed for Floating IRS.

LIBOR was phased out at the end of 2021 and as of late 2022 parts of LIBOR have been discontinued. The remainder of LIBOR is scheduled to end within 2023. As this contract references LIBOR which is set to be discontinued presently and since TeraExchange has no open interest in the contracts, the decision has been made to delist the contract.