

# TERA<sup>▲</sup>EXCHANGE

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 USD LIBOR Basis Swap*

Ladies and Gentlemen:

TeraExchange, LLC (“TeraExchange”) hereby notifies the Commodity Futures Trading Commission (the “Commission”) of its intent to delist USD LIBOR Basis Swap 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: USD LIBOR Basis Swap \_\_\_\_\_

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 USD LIBOR Basis Swap 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

USD LIBOR BASIS IRS	
General	
Swap Structure	A fixed notional, float for float Interest Rate Swap whose value is based upon the difference between a stream of floating interest payments that are tied to a floating reference rate, over a term to maturity.
Currency	USD
Clearing Venue Specifications	CME available at <a href="https://www.cmegroup.com/trading/interest-rates/cleared-otc.html">https://www.cmegroup.com/trading/interest-rates/cleared-otc.html</a> LCH available at <a href="https://www.lch.com/index.php/services/swapclear/what-we-clear">https://www.lch.com/index.php/services/swapclear/what-we-clear</a>
*Quoting Convention	Standard: Float Leg 2 Spread in basis points (000.0) Upfront: NPV per hundred million notional
*Price Increment	0.001 points = 0.1 basis points
*Minimum Notional Size	\$1,000
*Minimum Notional Size Increment	\$1,000
Trading Conventions	Buy = Pay Spread Sell=Receive Spread
Trading Hours	00:01 - 24:00 Sunday - Friday (Eastern Time)
Last Trade Day	Available to trade on every US business day
*Effective Date	The Effective Date is the first date for which fixed and floating payments accrue. For spot starting instruments, the Effective Date is Trade Date + 2, subject to adjustment based on Modified Following convention. For forward starting instruments, the Effective Date is Trade Date + 2 + Forward Starting Period, subject to adjustment based on Modified Following convention.
*Maturity Date	The Maturity Date (also referred to as the Termination Date) is the final date to which fixed and floating amounts accrue. For spot starting instruments, this date is Effective Date + Tenor.
*Forward Starting Date	Up to 10 Years
*Tenor	LIBOR v LIBOR: Up to 51 Years
*Upfront Payment	Standard: None Upfront: Determined by the price of execution
Block Size	As set forth in Appendix F to Part 43 of the CFTC Regulations
Settlement Procedure	As determined by the Clearing Venue
Position Accountability	As may be determined and published by TeraExchange under CFTC Regulation 37.600 (c)
Float Leg 1	
*Reset Frequency	Monthly (1M USD-ICE-LIBOR) Quarterly (3M USD-ICE-LIBOR)
*Payment Frequency	Monthly (1M USD-ICE-LIBOR) Quarterly (3M USD-ICE-LIBOR)
*Compounding	Flat
*Day Count Convention	Act/360
*Business Day Convention	Modified Following
*Reset Dates	Reset Dates define the beginning and end of accrual periods. Floating Rate Reset Dates facilitate the determination of the Reference Rate Fixing Dates. Each Reset Date is subject to adjustment based on
Fixing Date	Two London Business Days prior to the Reset Date, subject to Preceding Business Day adjustment
*Floating Rate Index	USD-ICE-LIBOR (1, 3 Month)
*Fixing Date Holiday Calendar	New York (USNY), London (GBLO)
Float Leg 2	
*Reset Frequency	Quarterly (3M USD-ICE-LIBOR) Semiannually (6M USD-ICE-LIBOR)
*Payment Frequency	Quarterly (3M USD-ICE-LIBOR) Semiannually (6M USD-ICE-LIBOR)
*Compounding	None
*Day Count Convention	Act/360
*Business Day Convention	Modified Following
*Reset Dates	Reset Dates define the beginning and end of accrual periods. Floating Rate Reset Dates facilitate the determination of the Reference Rate Fixing Dates. Each Reset Date is subject to adjustment based on Modified Following.
Fixing Date	Two London Business Days prior to the Reset Date, subject to Preceding Business Day adjustment
*Floating Rate Index	USD-ICE-LIBOR (3, 6 Month)
*Fixing Date Holiday Calendar	New York (USNY), London (GBLO)
*The above items represent the customary attributes of the swap agreements; those marked with an asterisk "*" may be customized but only in conformance with the Clearing Venue Specifications.	

## 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 USD LIBOR Basis Swap.

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.