SUBMISSION COVER SHEET

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

Registered Entity Identifier Code (optional): LATAM

Organization: LatAm SEF, LLC

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

Filing Date (mm/dd/yy): 01/29/2024 **Filing Description:**

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: Mexican MXN F-TIIE/USD SOFR Cross-Currency Basis Swap

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:
Rule Numbers:

LatAm SEF, LLC
115 Broadway, Suite 1303
New York, NY 10006-1625
U.S.A.

January 30, 2024

BY ELECTRONIC SUBMISSION VIA CFTC PORTAL

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

Re: Commission Regulation 40.2(a) –
Certification of Mexican MXN F-TIIE/USD SOFR Cross-Currency Basis Swap

Dear Mr. Kirkpatrick:

LatAm SEF, LLC ("LatAm SEF") hereby notifies the Commodity Futures Trading Commission (the "Commission"), pursuant to Commission Regulation 40.2(a), that it is certifying Mexican MXN F-TIIE/USD SOFR Cross-Currency Basis Swap contract ("MXN F-TIIE/USD SOFR") for trading on LatAm SEF's electronic trading system (the "Trading System").

LatAm SEF will list the MXN F-TIIE/USD SOFR on February 1, 2024.

Pursuant to Commission Regulation 40.2, this submission includes:

i. The submission cover sheet;

ii. The intended listing date of February 1, 2024;

iii. Attached as Exhibit A, a certification by LatAm SEF that: (a) the contract complies with the Act and Commission regulations thereunder; (b) LatAm SEF has concurrently posted on its website: (i) a notice of pending certification of the Contract; and (ii) a copy of this submission letter and attachments hereto;

iv. Attached as Exhibit B, the terms and conditions of the Contract;

v. Attached as Exhibit C, a concise explanation and analysis of the MXN F-TIIE/USD SOFR and its compliance with applicable provisions of the Commodity Exchange Act (the "CEA"), including the Core Principles, and the Commission's Regulations thereunder;

vi. Attached as Exhibit D-1, a copy of the contract rules, including all rules related to its terms and conditions, which will be published as contract specifications on LatAm SEF's website concurrently with this submission; and attached as Exhibit D-2, a copy of the contract rules marked to show changes to Rule 1217.

Questions regarding this certification should be directed to the undersigned at (646) 344-3274 or jskelly@latamsef.com.

Sincerely,

Joseph Skelly

Joseph Skelly
Chief Compliance Officer

Attachments

LatAm SEF

Exhibit A

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

LatAm SEF, LLC ("LatAm SEF") hereby certifies that: (i) the Mexican MXN F-TIIE/USD SOFR Cross-Currency Basis Swap contract ("MXN F-TIIE/USD SOFR") complies with the Commodity Exchange Act, 7 U.S.C. §1 et seq. and Commodity Futures Trading Commission ("Commission") regulations thereunder; and (ii) concurrent with this submission, LatAm SEF posted on its website: (a) a notice of pending certification of the Contract with the Commission and (b) a copy of this submission.

LatAm SEF, LLC

Joseph Skelly

Joseph Skelly
Chief Compliance Officer
January 30, 2024

Exhibit B

LatAm SEF Contract Specifications:
Mexican F-TIIE/USD SOFR Cross-Currency Basis Swap

The following are contract specifications and trading conventions for the Mexican F-TIIE/SOFR Cross-Currency Basis Swap ("MXN F-TIIE/USD SOFR") contract to be listed on LatAm SEF.

1. Contract Specifications

The contract product type, description, naming convention and taxonomy are as follows:

1.1. Product Overview

The Mexican F-TIIE/SOFR Cross-Currency Basis Swap ("MXN F-TIIE/USD SOFR") involves the exchange of principal and cash flows in Mexican Peso ("MXN") based on the Mexican Overnight TIIE Funding Rate ("F-TIIE") for cash flows in US Dollar ("USD") as calculated based on the Secured Overnight Financing Rate ("SOFR") interest rate reference index, with payments settled in United States dollar ("USD") according to EMTA template terms.

1.2. Naming Convention

Format: [Product Name] - [Tenor]

Example: MXN F-TIIE/USD SOFR - 3-Month

1.3. Product Type: Cross-Currency Basis Swap

A Cross-Currency Basis Swap is an agreement between two parties to exchange principal and cash flows of payments based on a notional amount as calculated based on reference indices in two different currencies. In the Cross-Currency Basis Swap, the buyer pays a floating rate plus/minus a spread and the seller pays a floating rate over a predetermined term until maturity, and the contract is settled in a deliverable currency.

1.4. Taxonomy

Cross-currency basis swap products are classified according to the following ISDA OTC taxonomy:

- ISDA OTC Asset Class – Interest Rate (IR)
- ISDA OTC Base Product – Cross-currency (CC)
- ISDA OTC Sub-Product – Basis (FFL)

2. Trading Conventions

The terms of the MXN F-TIIE/USD SOFR contract are as follows:

2.1. Trading Hours

Monday – Friday 7:00 AM to 4:00 PM ET, or as published on the LatAm SEF website subject to LatAm SEF Rule 502.

2.2. Payment Convention: Floating-for-Floating

Exchange of payments based on a floating rate plus/minus a spread in one index and a floating rate of another index.

2.3. Counterparties

- Buyer – Pays floating interest rate plus/minus a spread and receives floating interest rate.
- Seller – Receives floating interest rate plus/minus a spread and pays a floating interest rate.

2.4. Reporting Counterparty

For a swap executed on or pursuant to the rules of a swap execution facility, Reporting Counterparty means the counterparty required to report swap continuation data. The Reporting Counterparty for each Swap executed on the Trading System shall be established pursuant to CFTC Regulation 45.8 and LatAm SEF Rule 903(2).

2.5. Trade Unit, Size and Price Parameters

Trade Unit, Minimum Size, Minimum Size Increment and Minimum Price Increment (Minimum Tick) are listed below by Notional Currency ISO Code. Orders may be quoted in the currency below.

- Trade Unit is the denomination in which the contract notional amount is specified (e.g. millions, billions), as listed for the Notional Currency in Currencies.
- Minimum Size is the smallest size in which contract can be traded, as listed for the Notional Currency in Currencies.
- Minimum Size Increment is the smallest amount by which contract size can change, as listed for the Notional Currency in Currencies.
- Minimum Price Increment is the smallest amount by which contract price can change, as listed for the Notional Currency in Currencies.

Notional Currency ISO Code	Trade Unit	Minimum Size	Minimum Size Increment	Minimum Price Increment
MXN	Millions	0.01 Million	0.01 Million	0.01 bps
USD	Millions	0.01 Million	0.01 Million	0.01 bps

2.6. Notional Amount

Size of the transaction and the value on which the exchanged interest payments are based, specified in Notional Currency and Trade Unit.

2.7. Notional Currency

Currency in which the contract Notional Amount is quoted, as specified by the Counterparties from among the currencies below. Use Spot Rate to convert Notional Currency to non-notional currency.

Currency Name	ISO Code	Business Center Code (Description)
Mexican Peso	MXN	MXMC (Mexico City, Mexico)
US Dollar	USD	USGS (New York, USA)

2.8. Spot Rate

Exchange rate, as specified by the Counterparties, used to convert Notional Amount from Notional Currency to non-notional currency.

2.9. Tenor

The duration of time from the Effective Date to the Maturity Date. Tenors can range in duration from one month to 30 years. Standard tenors include 3-month, 6-month, 9-month, 12-month, 18-month, and 2-year through 30-year.

2.10. Start Type

Convention for determining the Effective Date relative to Trade Date, from one of those listed below. The product default is T+2.

- T+0 – Also called “Same Day Starting,” Effective Date is the same as the Trade Date.
- T+1 – Effective Date is one business day after the Trade Date.
- T+2 – Also called “Spot Starting,” Effective Date is two business days after the Trade Date.

2.11. Effective Date

Also referred to as “Start Date,” the first date from which floating interest amounts accrue, as determined using Start Type. The Effective Date must be a business day, subject to the applicable Effective Date Business Center.

2.12. Effective Date Business Center

Business day calendar location(s) referenced to determine the Effective Date, as specified by the Counterparties from among the Available Business Centers. The product defaults are "MXMC" (Mexico City, Mexico) for float leg one and USGS (New York, USA) for float leg two.

2.13. Maturity Date

Also referred to as "Termination Date," the final date until which payment amounts accrue, calculated as the Trade Date plus Tenor, subject to day count frequency, day count convention and Maturity Date Business Center, or as specified by the Counterparties.

2.14. Maturity Date Business Center

Business day calendar location(s) referenced to determine the Maturity Date, as specified by the Counterparties from among the Available Business Centers. The product defaults are "MXMC" (Mexico City, Mexico) for float leg one and USGS (New York, USA) for float leg two.

2.15. Day Count Convention

Also called Day Count Fraction, this is the convention employed to determine how interest accrues and the number of days between payments. Conventions that may apply to LatAm SEF swaps are listed below. The product default is "Actual/360".

- Actual/360 – The actual number of days in the period divided by 360.
- 30/360 – Also called "360/360", the year fraction is calculated based on a 360-day year with 30-day months, after applying the following rules: If the first date falls on the 31st of the month, it is changed to the 30th. If the second date falls on the 31st, it is changed to the 30th, but only if the first date falls on the 30th or the 31st.
- Business/252 – Used exclusively in Brazilian Interest Rate Swaps, 252-Business-Day – Calculation Days / 252, where Calculation Days means the number of Brazil Business Days (each such Day, a "Scheduled Reset Date") from and including the Effective Date (which is equal to the Trade Date) to but not including the Termination Date.

2.16. Business Day Convention

Method for adjusting dates to business days when unadjusted dates fall on weekends or holidays. Business day conventions apply to a variety of relevant dates, including calculation, payment, reset, fixing and maturity dates. The product default is "Following".

- Following – Date is rolled to the next business day for the business center(s) specified denoted for the date type.
- Modified Following – Date is rolled to the next business day for the business center(s) specified denoted for the date type, unless doing so would cause the payment to be in the next calendar month, in which case the payment date is rolled to the previous business day.
- Preceding – Date is rolled to the first preceding day that is a business day in the business center(s) specified denoted for the date type.

2.17. Payment Date

The date on which transfer of floating rate payments are conducted between the Buyer and the Seller. Payment Date is determined according to the Payment Frequency as applied to the Effective Date, subject to day count frequency, day count convention and business center(s), or as specified by the Counterparties.

2.18. Payment Frequency

As indicated for each listed product, the payment frequency is one or more of those listed below. Interest Rate derivatives may feature a zero coupon payment frequency for short-term tenors (e.g. 18 months or less) and a periodic payment frequency for longer-term tenors. The product default is "Monthly (28D)".

- Zero Coupon – Full payment at swap termination.
- Monthly – Payments made on monthly basis.
- Quarterly – Payments made every three months.

- Semi-annual – Payments made every six months.

2.19. Payment Date Business Center

Business day calendar location(s) referenced to determine Payment Date, as specified by the Counterparties from among the Available Business Centers.

2.20. Available Business Centers

The following Business Centers may be specified by the Counterparties in determining relevant dates:

Code	Description
MXMC	Mexico City, Mexico
USGS	U.S. Government Securities Business Day

2.21. Principal Exchange

Counterparties exchange the notional amount in each currency at the onset of the trade, subject to Settlement terms as agreed upon by the counterparties.

2.22. Maturity Exchange

Counterparties exchange the notional amount in each currency at the maturity of the trade, subject to Settlement terms as agreed upon by the counterparties.

2.23. Clearing

Not available. DCOs currently recognized by LatAm SEF (Chicago Mercantile Exchange, Inc. and LCH.Clearnet Limited) do not support the MXN F-TIIE/USD SOFR.

2.24. Floating Rate 1 Payments: MXN F-TIIE

Payments calculated based on interest rate of the F-TIIE as determined by the Banco de Mexico on each Reset Date (each Mexico City, Mexico Business Day).

Currency Code	Index Codes	Business Center Code
MXN	MXN-TIIE ON MXN-TIIE ON-OIS Compound	MXMC

2.24.1. Floating Rate 1 Payer: Buyer

The Buyer of the swap. Party obligated to make payment on the payment date of the MXN payment amount accrued by applying the floating F-TIIE interest rate to the Notional Amount on each Reset Date.

2.24.2. Floating Notional Amount

Notional Amount in MXN.

2.24.3. Basis Spread

Spread rate in basis points, as agreed upon by the counterparties, if set on this leg (Basis Spread may be set on either leg one or leg two). Basis Spread is added to the floating rate to calculate Floating Coupon Payment.

2.24.4. Floating Coupon Payments

Subject to Settlement terms:

MXN Notional Amount x (Payment Date MXN-TIIE ON Rate + Basis Spread*

*If Basis Spread set on leg one; otherwise omitted from leg one and applied on leg two.

2.24.5. Reset Date

Date used to determine the Floating Rate amounts for each interest accrual period during the Tenor of the contract. Product default is Floating Rate Payment Date minus two business days, subject to

Reset Date Business Center. Except in the case of a Stub Period, the Reset Date frequency is aligned with the Payment Frequency.

2.24.6. Reset Date Business Center

Business day calendar location(s) referenced to determine Reset Date, as specified by the Counterparties from among the Available Business Centers.

2.24.7. Floating Rate Payment Date

The date on which transfer of a floating rate payment is made by the Seller to the Buyer. Payment Date is determined according to the Payment Frequency as applied to the Effective Date, subject to day count frequency, day count convention and business center(s), or as specified by the Counterparties.

2.25. Floating Rate 2 Payments: USD SOFR

Interest rate of the SOFR as determined by the Federal Reserve Bank of New York on each Reset Date (each good New York, USA Business Day).

Currency Code	Index Code	Business Center Code
USD	USD-SOFR-OIS Compound	USGS

2.25.1. Floating Rate 2 Payer: Seller

The Seller of the swap. Party obligated to make payment on the payment date of the USD payment amount accrued by applying the floating SOFR interest rate to the Notional Amount on each Reset Date.

2.25.2. Floating Notional Amount

Notional Amount in USD.

2.25.3. Basis Spread

Spread rate in basis points, as agreed upon by the counterparties, if set on this leg (Basis Spread may be set on either leg one or leg two). Basis Spread is added to the floating rate to calculate Floating Coupon Payment.

2.25.4. Floating Coupon Payments

Subject to Settlement terms:

Floating Notional Amount x (Payment Date SOFR Rate + Basis Spread**

**If Basis Spread set on leg two; otherwise omitted from leg two and applied on leg one.

2.25.5. Reset Date

Date used to determine the Floating Rate amounts for each interest accrual period during the Tenor of the contract. Product default is Floating Rate Payment Date minus two business days, subject to Reset Date Business Center. Except in the case of a Stub Period, the Reset Date frequency is aligned with the Payment Frequency.

2.25.6. Reset Date Business Center

Business day calendar location(s) referenced to determine Reset Date, as specified by the Counterparties from among the Available Business Centers.

2.25.7. Floating Rate Payment Date

The date on which transfer of a floating rate payment is made by the Seller to the Buyer. Payment Date is determined according to the Payment Frequency as applied to the Effective Date, subject to day count frequency, day count convention and business center(s), or as specified by the Counterparties.

3. Reference Indices

The indices referenced by the MXN F-TIIE/USD SOFR contract are described below.

3.1. MXN-TIIE-ON

The Overnight TIIE Funding Rate is calculated with wholesale overnight repurchase agreement (repo) transactions denominated in Mexican pesos, settled by banks and brokerage firms. These repo transactions are secured by debt instruments issued by the Mexican Federal Government, the Mexican Bank Savings Protection Institute (IPAB) and the Mexican Central Bank. The database considered by Banco de México consists of all repo transactions with the characteristics described above and settled through S.D. Indeval (Institución para el Depósito de Valores, S.A. de C.V. (INDEVAL)).

The Overnight TIIE Funding Rate is determined as a volume-weighted median of interest rates paid on Mexican peso denominated repo transactions mentioned in the previous paragraph. For the calculation of the Overnight TIIE Funding Rate, the INDEVAL database is filtered to remove transactions settled among institutions belonging to the same financial group. The remaining transactions determine the base sample used in the rate calculation. The volume-weighted median is calculated by ordering the transactions of the base sample from the lowest to the highest rate, thus, the first transaction is the one with the lowest interest rate of the base sample and the last operation is the one with the highest interest rate. If there are two or more transactions with the same interest rate, the transaction with the lowest amount is sorted first. Then, for each transaction of the ordered base sample the cumulative volume is calculated and expressed as a percentage of the total volume of said base sample. The Overnight TIIE Funding Rate is then determined as the interest rate associated with the first transaction which cumulative volume represents 50% or more. At publication, the volume-weighted median is expressed in annual terms and rounded to two decimal places.

The full calculation is published in English translation by Banco de México at:
https://www.banxico.org.mx/markets/d/%7B1FDD2772-9F1C-FDA3-FBBC-AC641FE94CD2%7D.pdf.

3.2. Secured Overnight Financing Rate (SOFR)

SOFR is managed by the Federal Reserve Bank of New York (the "New York Fed"). The New York Fed defines SOFR as a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities. The SOFR includes all trades in Broad General Collateral Rate plus bilateral Treasury repurchase agreement (repo) transactions cleared through the Delivery-versus-Payment (DVP) service offered by the Fixed Income Clearing Corporation (FICC), which is filtered to remove a portion of transactions considered "specials".

The SOFR is calculated as a volume-weighted median of transaction-level tri-party repo data collected from the Bank of New York Mellon as well as GCF Repo transaction data and data on bilateral Treasury repo transactions cleared through FICC's DVP service, which are obtained from DTCC Solutions LLC, an affiliate of the Depository Trust & Clearing Corporation. Each business day, the New York Fed publishes the SOFR on the New York Fed website at approximately 8:00 a.m. ET.

Exhibit C

Compliance with CEA Provisions and CFTC Regulations

As required by Commodity Futures Trading Commission ("Commission") Regulation 40.2(a), the following analysis, in narrative form, demonstrates that the MXN F-TIIE/USD SOFR contract is consistent with the requirements of the Commodity Exchange Act, as amended (the "Act"), and the Commission regulations and guidance thereunder (in particular, Appendix B to Part 37 and Appendix C to Part 38).

Part 37 Appendix B

Core Principle 2 of Section 5h of the Act—Compliance With Rules

A swap execution facility shall:

(A) Establish and enforce compliance with any rule of the swap execution facility, including the terms and conditions of the swaps traded or processed on or through the swap execution facility and any limitation on access to the swap execution facility;

(B) Establish and enforce trading, trade processing, and participation rules that will deter abuses and have the capacity to detect, investigate, and enforce those rules, including means to provide market participants with impartial access to the market and to capture information that may be used in establishing whether rule violations have occurred;

(C) Establish rules governing the operation of the facility, including rules specifying trading procedures to be used in entering and executing orders traded or posted on the facility, including block trades; and

(D) Provide by its rules that when a swap dealer or major swap participant enters into or facilitates a swap that is subject to the mandatory clearing requirement of section2(h) of the Act, the swap dealer or major swap participant shall be responsible for compliance with the mandatory trading requirement under section 2(h)(8) of the Act.

Trading in the MXN F-TIIE/USD SOFR will be subject to the LatAm SEF Rulebook (the "Rules"), which prohibits abusive trading practices and other illicit behavior, including misuse of the Trading System (Rule 705), conduct that is inconsistent with just and equitable principles of trade (Rule 704), fraudulent acts (Rule 707), fictitious transactions (Rule 707), market manipulation (Rule 707), disruptive trading practices (Rule 707), misstatements (Rule 707), wash sales (Rule 707), pre-negotiated or non-competitive trades, including money passes (Rule 707) and improper cross-trading (Rule 707). Trading in these swaps will also be subject to Rules relating to protection of customers. See Chapter 7 of the Rules.

As with all swaps listed for trading on the Trading System, trading activity in the MXN F-TIIE/USD SOFR will be subject to monitoring and surveillance by LatAm SEF's Market Operations and Compliance Departments. LatAm SEF has the authority to exercise its investigatory and enforcement power where potential Rule violations are identified. See Chapter 8 of the Rules.

The MXN F-TIIE/USD SOFR is not currently required to be cleared under section 2(h)(1)(A) of the U.S. Commodity Exchange Act, and is not voluntarily clearable by DCOs currently recognized by LatAm SEF (Chicago Mercantile Exchange, Inc. and LCH.Clearnet Limited). Should the MXN F-TIIE/USD SOFR become subject to a clearing requirement, pursuant to Rule 601, all Participants and Sponsored Access Participants must clear all Swaps that are required to be cleared under Section 2(h)(1) of the CEA and CFTC Regulation § 39.5, provided that an end-user exception is not elected.

Core Principle 3 of Section 5h of the Act—Swaps Not Readily Susceptible to Manipulation

The swap execution facility shall permit trading only in swaps that are not readily susceptible to manipulation.

(a) Guidance.

(1) In general, a swap contract is an agreement to exchange a series of cash flows over a period of time based on some reference price, which could be a single price, such as an absolute level or a differential, or a price index calculated based on multiple observations. Moreover, such a reference price may be reported by the swap execution facility itself or by an independent third party. When listing a swap for

trading, a swap execution facility shall ensure a swap's compliance with Core Principle 3, paying special attention to the reference price used to determine the cash flow exchanges. Specifically, Core Principle 3 requires that the reference price used by a swap not be readily susceptible to manipulation. As a result, when identifying a reference price, a swap execution facility should either: Calculate its own reference price using suitable and well-established acceptable methods or carefully select a reliable third party index.

(2) The importance of the reference price's suitability for a given swap is similar to that of the final settlement price for a cash-settled futures contract. If the final settlement price is manipulated, then the futures contract does not serve its intended price discovery and risk management functions. Similarly, inappropriate reference prices cause the cash flows between the buyer and seller to differ from the proper amounts, thus benefitting one party and disadvantaging the other. Thus, careful consideration should be given to the potential for manipulation or distortion of the reference price.

(3) For swaps that are settled by physical delivery or by cash settlement refer to the guidance in appendix C to part 38 of this chapter—Demonstration of Compliance That a Contract is not Readily Susceptible to Manipulation, section b(2) and section c(5), respectively.

The MXN F-TIIE/USD SOFR references the Mexican Overnight TIIE Funding Rate ("F-TIIE") index rate to calculate floating rate payments. The F-TIIE is an interest rate calculated by the Banco de Mexico based on overnight repurchase agreement ("repo") transactions denominated in Mexican pesos, with the starting date of its publication in the Official Gazette of the Federation.

The F-TIIE is not readily susceptible to manipulation because it has the following characteristics: (i) it is derived from a market that has considerable depth and liquidity due to the involvement of numerous market participants; (ii) the way in which the reference price is calculated is well documented and well understood by swap market participants; (iii) it is commonly used in the swap and financial markets; (iv) information about the reference price is publicly and readily available; (v) the reference price is administered and published by a reputable organization; and (vi) many active participants in the relevant market are entities that are subject to regulation.

The MXN F-TIIE/USD SOFR also references the Secured Overnight Financing Rate ("SOFR") interest rate index to calculate floating rate payments. The SOFR is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities. The SOFR includes all trades in the Broad General Collateral Rate plus bilateral Treasury repurchase agreement (repo) transactions cleared through the Delivery-versus-Payment (DVP) service offered by the Fixed Income Clearing Corporation (FICC), which is filtered to remove a portion of transactions considered "specials".

The SOFR is not readily susceptible to manipulation because it has the following characteristics: (i) it is derived from a market that has considerable depth and liquidity due to the involvement of numerous market participants; (ii) the way in which the reference price is calculated is well documented and well understood by swap market participants; (iii) it is commonly used in the swap markets; (iv) information about the reference price is publicly and readily available; (v) the reference price is administered and published by a reputable organization; and (vi) many active participants in the relevant cash market are entities that are subject to regulation.

The MXN F-TIIE/USD SOFR is subject to cash payments in MXN and USD, both of which are deliverable currencies not susceptible to manipulation.

The MXN F-TIIE/USD SOFR is not settled by physical delivery.

<u>Core Principle 4 of Section 5h of the Act—Monitoring of Trading and Trade Processing</u>

The swap execution facility shall:

(A) Establish and enforce rules or terms and conditions defining, or specifications detailing:

(1) Trading procedures to be used in entering and executing orders traded on or through the facilities of the swap execution facility; and

(2) Procedures for trade processing of swaps on or through the facilities of the swap execution facility; and

(B) Monitor trading in swaps to prevent manipulation, price distortion, and disruptions of the delivery or cash settlement process through surveillance, compliance, and disciplinary practices and procedures, including

methods for conducting real-time monitoring of trading and comprehensive and accurate trade reconstructions.

Chapter 5 of the Rules establishes trading practices for swaps traded on the SEF, including Permitted transactions and Intermediated transactions, the product classification and execution method actively traded on the SEF. Additionally, Chapter 6 of the Rules establishes rules for cleared transactions.

Chapter 7 of the Rules prohibits traders from manipulating, distorting the price of, and disrupting the cash settlement process of the Swaps.

LatAm SEF's Rules and compliance procedures address manipulation, price distortion, and disruption of the delivery or cash settlement process through surveillance, compliance, and disciplinary practices and procedures, including methods for conducting real-time monitoring of trading and comprehensive and accurate trade reconstructions.

Core Principle 5 of Section 5h of the Act—Ability To Obtain Information

The swap execution facility shall:

(A) Establish and enforce rules that will allow the facility to obtain any necessary information to perform any of the functions described in section 5h of the Act;

(B) Provide the information to the Commission on request; and

(C) Have the capacity to carry out such international information-sharing agreements as the Commission may require.

Pursuant to the Rules, LatAm SEF has the ability and authority to obtain sufficient information for each Swap to allow LatAm SEF to fully perform its operational, risk management, governance and regulatory functions and requirements under Part 37 of Commission Regulations. Rule 402 establishes Trading Privilege Holder responsibilities on maintaining books and records, and making such records available to the SEF and the CFTC upon request.

Core Principle 6 of Section 5h of the Act—Position Limits or Accountability

(A) In general. To reduce the potential threat of market manipulation or congestion, especially during trading in the delivery month, a swap execution facility that is a trading facility shall adopt for each of the contracts of the facility, as is necessary and appropriate, position limitations or position accountability for speculators.

(B) Position limits. For any contract that is subject to a position limitation established by the Commission pursuant to section 4a(a) of the Act, the swap execution facility shall:

(1) Set its position limitation at a level no higher than the Commission limitation; and

(2) Monitor positions established on or through the swap execution facility for compliance with the limit set by the Commission and the limit, if any, set by the swap execution facility.

Rule 708 establishes that LatAm SEF shall adopt position limits or position accountability levels for contracts listed on the SEF as is necessary and appropriate for speculators. Rule 708(2) addresses contracts subject to a position limitation established by the Commission. The Commission has not currently established speculator position limits for contracts listed on the SEF. Rule 708(3) addresses Permitted Transactions, as that term is defined by CFTC Regulations. At this time, all contracts listed on the SEF qualify as Permitted Transactions. LatAm SEF continually monitors its markets and periodically assesses whether position limits or position accountability levels are necessary, appropriate, and should be adopted for contracts to reduce the threat of market manipulation or congestion.

Core Principle 7 of Section 5h of the Act—Financial Integrity of Transactions

The swap execution facility shall establish and enforce rules and procedures for ensuring the financial integrity of swaps entered on or through the facilities of the swap execution facility, including the clearance and settlement of the swaps pursuant to section 2(h)(1) of the Act.

All swaps that are required to be cleared pursuant to Section 2(h) of the CEA or that are voluntarily cleared by the counterparties will be submitted for clearing through a DCO. See Rule 601.

<u>*Core Principle 9 of Section 5h of the Act—Timely Publication of Trading Information*</u>

(A) In general. The swap execution facility shall make public timely information on price, trading volume, and other trading data on swaps to the extent prescribed by the Commission.

(B) Capacity of swap execution facility. The swap execution facility shall be required to have the capacity to electronically capture and transmit trade information with respect to transactions executed on the facility.

In accordance with Part 16 of Commission Regulations, LatAm SEF publishes a daily report on its web site containing data prescribed by the Commission, including product classification and identifiers, currency, volume, open, high, low and closing prices, block trade indicator, option indicator, clearing indicator and destination (if applicable), and such other information as the Commission requires. See Rule 413. Should the Commission revise requirements for the daily report, LatAm SEF will make such changes to the report as necessary to comply with the requirements.

LatAm SEF submits electronic reports of all primary economic terms data required for each swap to a registered swap data repository immediately following execution of such swap. See Rule 903. All such reports are generated and delivered according to the standards set out in Commission Regulation 45.3, including the requirement to produce a unique trade identifier for each transaction and the requirement to include a unique product identifier for each transaction. LatAm SEF also issues confirmations of transactions pursuant to Rule 515.

<u>Demonstration of Compliance That a Contract Is Not Readily Susceptible to Manipulation</u>

<u>Part 38 Appendix C(c) – Non-deliverable Contracts (Cash Settlement)</u>

(c) Futures Contracts Settled by Cash Settlement. (1) Cash settlement is a method of settling certain futures or option contracts whereby, at contract expiration, the contract is settled by cash payment in lieu of physical delivery of the commodity or instrument underlying the contract. An acceptable specification of the cash settlement price for commodity futures and option contracts would include rules that fully describe the essential economic characteristics of the underlying commodity (e.g., grade, quality, weight, class, growth, issuer, maturity, source, rating, description of the underlying index and index's calculation methodology, etc.), as well as how the final settlement price is calculated. In addition, the rules should clearly specify the trading months and hours of trading, the last trading day, contract size, minimum price change (tick size) and any limitations on price movements (e.g., price limits or trading halts).

<u>Essential Economic Characteristics of the Contract</u>

The terms and conditions of the contract are described in Exhibit B.

<u>Final Settlement Price</u>

The cash settlement price is paid in USD and MXN. These are both deliverable currencies. This method of cash settlement is consistent with the customary practice of cash-settling non-deliverable cross-currency swaps in the market.

<u>Trading Hours</u>

Monday – Friday 7:00 AM to 4:00 PM ET, or as published on the LatAm SEF website subject to LatAm SEF Rule 502.

(2) Cash settled contracts may be susceptible to manipulation or price distortion. In evaluating the susceptibility of a cash-settled contract to manipulation, a designated contract market should consider the size and liquidity of the cash market that underlies the listed contract in a manner that follows the determination of deliverable supply as noted above in (b)(1). In particular, situations susceptible to manipulation include those in which the volume of cash market transactions and/or the number of participants contacted in determining the cash-settlement price are very low. Cash-settled contracts may create an incentive to manipulate or artificially influence the data from which the cash-settlement price is derived or to exert undue influence on the cash-settlement price's computation in order to profit on a futures position in that commodity. The utility of a cash-settled contract for risk management and price discovery would be significantly impaired if the cash settlement price is not a reliable or robust indicator of the value

of the underlying commodity or instrument. Accordingly, careful consideration should be given to the potential for manipulation or distortion of the cash settlement price, as well as the reliability of that price as an indicator of cash market values. Appropriate consideration also should be given to the commercial acceptability, public availability, and timeliness of the price series that is used to calculate the cash settlement price. Documentation demonstrating that the settlement price index is a reliable indicator of market values and conditions and is commonly used as a reference index by industry/market agents should be provided. Such documentation may take on various forms, including carefully documented interview results with knowledgeable agents.

The contract operates in a very liquid market with numerous participants. Also, the cash settlement price is not easily susceptible to manipulation or distortion as the method of determining the price is based on factors that are fixed at the start of the particular contract (i.e., payment frequency, day count conventions, fixed interest rate, floating reset dates) and the applicable reference rate. Each of the available reference rates is widely accepted by market participants and data is readily accessible through numerous news outlets.

(3) Where an independent, private-sector third party calculates the cash settlement price series, a designated contract market should consider the need for a licensing agreement that will ensure the designated contract market's rights to the use of the price series to settle the listed contract.

(i) Where an independent, private-sector third party calculates the cash settlement price series, the designated contract market should verify that the third party utilizes business practices that minimize the opportunity or incentive to manipulate the cash-settlement price series. Such safeguards may include lock-downs, prohibitions against derivatives trading by employees, or public dissemination of the names of sources and the price quotes they provide. Because a cash-settled contract may create an incentive to manipulate or artificially influence the underlying market from which the cash-settlement price is derived or to exert undue influence on the cash-settlement computation in order to profit on a futures position in that commodity, a designated contract market should, whenever practicable, enter into an information-sharing agreement with the third-party provider which would enable the designated contract market to better detect and prevent manipulative behavior.

As described above, the cash settlement price is calculated through a cash settlement method that is not easily susceptible to manipulation.

(ii) Where a designated contract market itself generates the cash settlement price series, the designated contract market should establish calculation procedures that safeguard against potential attempts to artificially influence the price. For example, if the cash settlement price is derived by the designated contract market based on a survey of cash market sources, the designated contract market should maintain a list of such entities which all should be reputable sources with knowledge of the cash market. In addition, the sample of sources polled should be representative of the cash market, and the poll should be conducted at a time when trading in the cash market is active.

Not applicable. LatAm SEF does not generate the cash settlement price.

(iii) The cash-settlement calculation should involve computational procedures that eliminate or reduce the impact of potentially unrepresentative data.

(iv) The cash settlement price should be an accurate and reliable indicator of prices in the underlying cash market. The cash settlement price also should be acceptable to commercial users of the commodity contract. The registered entity should fully document that the settlement price is accurate, reliable, highly regarded by industry/market agents, and fully reflects the economic and commercial conditions of the relevant designated contract market.

Please see answers to previous questions regarding calculation of cash settlement price.

(v) To the extent possible, the cash settlement price should be based on cash price series that are publicly available and available on a timely basis for purposes of calculating the cash settlement price at the expiration of a commodity contract. A designated contract market should make the final cash settlement price and any other supporting information that is appropriate for release to the public, available to the public when cash settlement is accomplished by the derivatives clearing organization. If the cash settlement price is based on cash prices that are obtained from non-public sources (e.g., cash market surveys

conducted by the designated contract market or by third parties on behalf of the designated contract market), a designated contract market should make available to the public as soon as possible after a contract month's expiration the final cash settlement price as well as any other supporting information that is appropriate or feasible to make available to the public.

The final cash settlement price is not determined by a derivatives clearing organization.

Please see answers to previous questions regarding calculation of cash settlement price.

(4) Contract terms and conditions requirements for futures contracts settled by cash settlement.

(i) An acceptable specification of the terms and conditions of a cash-settled commodity contract will also set forth the trading months, last trading day, contract size, minimum price change (tick size) and daily price limits, if any.

The terms and conditions of the contract are described in Exhibit B.

(A) Commodity Characteristics: The terms and conditions of a commodity contract should describe the commodity underlying the contract.

The terms and conditions of the contract in Exhibit B describe the indices on which the contract is based.

(B) Contract Size and Trading Unit: An acceptable specification of the trading unit would be a contract size that is consistent with customary transactions in the cash market. A designated contract market may opt to set the contract size smaller than that of standard cash market transactions.

Contract size, as described in the terms and conditions of the contract in Exhibit B, is consistent with customary transactions in the cash market.

(C) Cash Settlement Procedure: The cash settlement price should be reliable, acceptable, publicly available, and reported in a timely manner as described in paragraphs (c)(3)(iv) and (c)(3)(v) of this appendix C.

Please see answers to previous questions regarding calculation of cash settlement price, reliability and availability.

(D) Pricing Basis and Minimum Price Fluctuation (Minimum Tick): The minimum price increment (tick) should be set a level that is equal to, or less than, the minimum price increment commonly observed in cash market transactions for the underlying commodity. Specifying a futures' minimum tick that is greater than the minimum price increment in the cash market can undermine the risk management utility of the futures contract by preventing hedgers from efficiently establishing and liquidating futures positions that are used to hedge anticipated cash market transactions or cash market positions.

As agreed between the counterparties, the pricing basis is consistent with customary transactions in the market.

The minimum price fluctuation is set at 0.01 bps, which is a common price increment commonly observed in the market for the swap.

(E) Maximum Price Fluctuation Limits: Designated contract markets may adopt price limits to: (1) Reduce or constrain price movements in a trading day that may not be reflective of true market conditions but might be caused by traders overreacting to news; (2) Allow additional time for the collection of margins in times of large price movements; and (3) Provide a ''cooling-off'' period for futures market participants to respond to bona fide changes in market supply and demand fundamentals that would lead to large cash and futures price changes. If price-limit provisions are adopted, the limits should be set at levels that are not overly restrictive in relation to price movements in the cash market for the commodity underlying the futures contract. For broad-based stock index futures contracts, rules should be adopted that coordinate with New York Stock Exchange (''NYSE'') declared Circuit Breaker Trading Halts (or other market coordinated Circuit Breaker mechanism) and would recommence trading in the futures contract only after trading in the majority of the stocks underlying the index has recommenced.

As agreed between the Counterparties.

(F) Last Trading Day: Specification of the last trading day for expiring contracts should be established such that it occurs before publication of the underlying third-party price index or determination of the final settlement price. If the designated contract market chooses to allow trading to occur through the determination of the final settlement price, then the designated contract market should show that futures trading would not distort the final settlement price calculation.

The last trading day is the Maturity Date of each contract, which is set by the Counterparties.

(G) Trading Months: Trading months should be established based on the risk management needs of commercial entities as well as the availability of price and other data needed to calculate the cash settlement price in the specified months. Specification of the last trading day should take into consideration whether the volume of transactions underlying the cash settlement price would be unduly limited by occurrence of holidays or traditional holiday periods in the cash market. Moreover, a contract should not be listed past the date for which the designated contract market has access to use a proprietary price index for cash settlement.

Payments are settled in accordance with the Payment Frequency of the contract, which is a flexible term. Payment and other day count determinations take into consideration holidays in relevant business centers, as described in Exhibit B.

(H) Speculative Limits: Specific rules and policies for speculative position limits are set forth in part 150 and/or part 151, as applicable, of the Commission's regulations.

None required by Parts 150 or 151. LatAm SEF shall comply with Parts 150 and 151 of the Commission's regulations.

(I) Reportable Levels: Refer to § 15.03 of the Commission's regulations.

LatAm SEF will adhere to the applicable reporting levels set forth in § 15.03 of the Commission's regulations.

(J) Trading Hours: Should be set by the designated contract market to delineate each trading day.

Monday – Friday 7:00 AM to 4:00 PM ET, or as published on the LatAm SEF website subject to LatAm SEF Rule 502.

Exhibit D-1

Related and Amended Rules - Clean

1203. IRS General Terms and Conditions

An Interest Rate Swap (IRS) is an agreement between two parties to exchange cash flows of interest payments based on a notional amount. Payments are calculated based on the notional amount and the value of the reference index or indices over a predetermined term until maturity.

The terms and conditions of IRS contracts are based on combinations of the criteria that follow.

(1) IRS Product Types

LatAm SEF lists the following types of interest rate derivative products:

- Fixed-for-Floating – An Interest Rate Swap in which the "buyer" makes periodic payments based on a fixed interest rate, and the "seller" makes periodic payments based on a floating interest rate over the term to maturity.
- Overnight Index Swap (OIS) – An Interest Rate Swap in which periodic fixed and floating interest payments based on an overnight rate are exchanged over the term to maturity. Cash flows are net settled in a major currency on fixing date. Overnight index swaps are considered a good indicator of the interbank credit markets, and less risky than other traditional interest rate spreads.
- Cross-Currency Basis Swap – An Interest Rate Swap that involves the periodic exchange of two floating-rate cash flows in different currencies.
- Cross-Currency Swap – A swap involving the exchange of periodic payments in one fixed-rate currency for periodic payments in another floating rate currency.
- Cross-Currency Inflation Swap – A fixed-floating swap involving the exchange of a synthetic inflation-indexed currency for a physical currency. Cross-currency inflation swaps include "domestic" swaps involving an inflation currency and a physical currency of the same country, as well as swaps involving an inflation currency and a physical currency of a different country.
- Swaption – An option agreement granting the buyer the right, but not the obligation, to enter into an underlying interest rate derivative transaction – typically a Fixed/Float IRS – on a given exercise date. As specified in the terms of the Swaption, the Swaption buyer may (1) pay a fixed interest rate at a given strike price and receive a floating rate based on a reference index defined in the underlying instrument ("Payer"), (2) receive a fixed interest rate at a given strike price and pay a floating rate based on a reference index defined in the underlying instrument ("Receiver"), or (3) determine on Exercise Date whether they will be a Payer or Receiver ("Straddle"). The value of payments exchanged is based on the agreed notional value of the transaction, the agreed strike price for fixed rate payments, and the agreed reference index rate for floating rate payments.

(2) Trading Conventions

Fixed-for-Floating:

- Buyer pays fixed interest rate and receives floating interest rate (expects rates to rise).
- Seller pays floating interest rate and receives fixed interest rate (expects rates to fall).

Cross-Currency/Basis Swap:

- Buyer of swap “pays” floating interest rate plus/minus a spread and “receives” floating interest rate.
- Seller of swap “receives” floating interest rate plus/minus a spread and “pays” floating interest rate.

(3) Trade Types

The Trading System may support the following trade types:

- Outright – A single-leg swap involving a single maturity of an IRS product.
- Spread – A multi-leg swap involving the simultaneous purchase and sale of two different maturities of the yield curve (e.g. 2-year by 5-year).

(4) Contract Size

Also referred to as “Trade Unit,” the notional size and currency the contract is specified in. Standard contract sizes are millions and billions. E.g.: Millions, USD.

(5) Quotation Currencies

The SEF lists IRS contracts quoted in the following currencies:

- ARS – Argentinian Peso
- BRL – Brazilian Real
- CLP – Chilean Peso
- COP – Colombian Peso
- MXN – Mexican Peso
- PEN – Peruvian Nuevo Sol
- USD – U.S. Dollar

(6) Effective Date

The first date from which floating interest amounts accrue, also referred to as the “Start Date”. The Effective Date of the contract must be a business day subject to the appropriate Business Day Convention.

(7) Fixing Date

Also referred to as “Valuation Date,” the date on which the values to be exchanged between Buyer and Seller on Settlement Date are calculated. The Fixing Date of the Contract must be a business day subject to the appropriate Business Day Convention.

(8) Maturity Date

Also referred to as “Termination Date,” the final date until which Fixed and Floating payment amounts accrue, subject to Business Day Convention.

(9) Settlement Date

The date on which transfer of fixed rate payments and floating rate payments are conducted between the Buyer and the Seller. Settlement Date is subject to Business Day Convention.

(10) Trade Start Type

Method for determining Effective Date relative to Trade Date.

- T+0 (also called "Same Day Starting") – A swap whose Effective Date is the same as the Trade Date.
- T+1 – A swap whose Effective Date is 1 business day after the Trade Date.
- T+2 (also called "Spot Starting") – A swap whose Effective Date is 2 business days after the Trade Date.

(11) Holiday Calendars

One or more holiday calendars are referenced in determining effective, maturity and settlement dates. Holiday calendars are applied in accordance with the country currency or currencies denoted for instrument.

(12) Business Day Conventions

- Method for adjusting payment dates to business days when unadjusted dates fall on weekends or holidays.
- Following – Payment date is rolled to the next business day for the country currency denoted for the product.
- Modified Following – Payment date is rolled to the next business day for the country currency denoted for the product, unless doing so would cause the payment to be in the next calendar month, in which case the payment date is rolled to the previous business day.
- Preceding – Date is rolled to the first preceding day that is a business day in the business center(s) specified denoted for the date type.

(13) Day Count Conventions

As indicated for each listed product, one of the following day count conventions is employed to determine how interest accrues and the number of days between payments:

- Actual/360 – The actual number of days in the period over 360.
- 30/360 (also called "360/360") – The year fraction is calculated based on a 360 day year with 30-day months, after applying the following rules: If the first date falls on the 31st of the month, it is changed to the 30th. If the second date falls on the 31th, it is changed to the 30th, but only if the first date falls on the 30th or the 31st.
- Business/252 – Used exclusively in Brazilian Interest Rate Swaps, 252-Business-Day – Calculation Days / 252, where Calculation Days means the number of Brazil Business Days (each such Day, a "Scheduled Reset Date") from and including the Effective Date (which is equal to the Trade Date) to but not including the Termination Date.

(14) Payment Frequencies

As indicated for each listed product, the payment frequency is one or more of those listed below. Interest Rate Swaps often feature a zero coupon payment frequency for short-term tenors (e.g. 18 months or less) and a periodic payment frequency for longer-term tenors.

- Zero Coupon – Also referred to as "bullet," full payment at swap termination
- Monthly – Payments made on monthly basis

- Quarterly – Payments made every three months
- Semi-annual – Payments made every six months

(15) Tenor

The duration of time from the Effective Date to the Maturity Date. Tenors range in duration greater than 0 years to 50 years.

- Listed Tenors, also known as On-the-Run, are whole calendar year Spot Starting Contracts with a Tenor of 1 through 60 years.
- Other Tenors, also known as Off-the-Run, means any partial year Tenor (Months, Weeks, Days).

(16) Term

Also referred to as “Calculation Days,” the number of Business Days from and including Effective Date to, but not including, Maturity Date.

(17) Floating Reset Dates

The Floating Reset Dates are utilized to determine the Floating Rate amounts for each interest accrual period during the Tenor of the contract. Except in the case of a Stub Period, the Reset Date is aligned with the floating rate frequency as determined.

(18) Roll Day Convention

The date used for determining all fixed and floating Reset Dates. Roll Days define the beginning and end of interest accrual periods within the full swap duration.

For On-the-Run Contracts, the Roll Day falls on the same date of the month as the Effective Date. For Off-the-Run Contracts, it can be any date of the month, subject to the provisions of the Business Day Convention. Roll Day marks the start of a new interest accrual period, and is the date on which a reset rate takes effect.

(19) First Period Fixing Date

For Spot Starting swaps, the Interest Rate for the first interest period is fixed on the Trade Date, for both Floating and Fixed Rates.

For Forward Starting swaps, the Fixed Rate for the first interest period is fixed on the Trade Date, and the Floating Rate for the first interest period is fixed 2 business days prior to the first floating payment date, taking into account agreed non-working days.

(20) Stub Period Rate

For swaps with partial year Tenors, an interest period that is shorter than the standard underlying Floating index interest periods may occur between the Effective Date and the first or last Roll Date (known as a Stub Period). In these cases, the Interest Rate for such Stub Period is determined using linear interpolation based on the two index rates that surround the Stub Period. This can be applied either at the start (“Front”) or end (“Back”) of that period.

(21) Settlement Type

Non-Deliverable, with the effect that any Reference Currency amounts payable hereunder on Settlement Date shall be paid in and, if necessary, converted to, Settlement Currency amounts on the applicable Valuation Date. All payments shall be made in the Settlement Currency on the Settlement Date.

(22) Settlement Price

Multiple payments may take place during the term of the swap. Settlement price used for the periodic exchange of fixed and floating payments is based on the following factors:

- Fixed Leg – Payment amount on the fixed leg is based on the traded price and notional amounts of the swap on Trade Date. Payment timing on the fixed leg is based on the Payment Frequency, Day Count Convention, Business Day Convention, and Roll Day.
- Floating Leg – Payment on the floating leg is based on the Interest Rate and notional amounts of the swap. Payments on the floating leg are based on the Payment Frequency, Day Count Convention, Business Day Convention, Roll Day Convention and Floating Reset Dates.

(23) Settlement Price Spot Rate Reference

The spot rate used to convert from the swap's base currency to the settlement currency, if necessary.

(24) Minimum Price Fluctuation

The smallest amount by which the price of the swap can increase or decrease.

(25) Calculation Agent

As agreed by the parties.

(26) Option Types

Also referred to as "Transaction Type," may be one of the following:

- Receiver – Buyer receives fixed/pays float.
- Payer – Buyer pays fixed/receives float.
- Straddle – Buyer determines to receive or pay fixed on Exercise Date.

(27) Exercise Type

European – Buyer's right is exercisable only on Option Expiration Date.

(28) Strike Price

Fixed rate that will be used for the Underlying Interest Rate Derivative Transaction should it be exercised.

(29) Premium

The cost the Seller charges the Buyer for the contract, expressed in basis points.

(30) Premium Payment

Amount the Seller charges the Buyer for the contract, calculated as premium (bps) multiplied by Notional Amount.

(31) Premium Payment Date

Date the premium payment is due to the Seller, calculated as trade date plus two business days, or as specified by the Counterparties.

(32) Option Effective Date

Date that is the first day of the term of the option, as determined using Option Start Type. The Option Effective Date must be a business day, subject to the applicable Effective Date Business Center.

(33) Option Start Type

Convention for determining the Option Effective Date relative to Trade Date. Option Start Type for Swaptions is typically T+0.

- T+0 – Also called "Same Day Starting," Effective Date is the same as the Trade Date.
- T+1 – Effective Date is one business day after the Trade Date.
- T+2 – Also called "Spot Starting," Effective Date is two business days after the Trade Date.

(34) Option Tenor

Duration of time from the Option Effective Date to the Option Expiration Date. Tenors range in duration from one day to 50 years, or as specified by the Counterparties. Standard tenors include 1-month, 2-month, 3-month, 6-month, 9-month, 12-month, 18-month, and 2-year through 20-year.

(35) Option Expiration Date

Date on which Buyer's right to exercise option expires, calculated as the Trade Date plus Option Expiry Tenor, subject to option day count frequency, day count convention and Option Expiration Business Center, or as specified by the Counterparties. In a European Swaption, this is the only date on which the Buyer can exercise the option.

(36) Option Expiration Business Center

Business day calendar location referenced to determine the valid business day for option expiration.

(37) Option Earliest Exercise Time

Earliest time of day in Option Exercise Business Center that Buyer can exercise option on Option Expiration Date.

(38) Option Latest Exercise Time

Latest time of day in Option Exercise Business Center that Buyer can exercise option on Option Expiration Date.

(39) Option Exercise Business Center

Business day calendar location referenced to determine the time zone for Option Earliest Exercise Time and Option Latest Exercise Time.

(40) Option Settlement

Physical, Cleared Physical or Cash, as specified by the parties.

- Physical – Seller grants Buyer the right to cause the Underlying Interest Rate Derivative Transaction (which in the case of a Straddle will be either a Payer or a Receiver Option Type) to become effective.
- Cleared Physical – Seller grants Buyer the right to cause the Underlying Interest Rate Derivative Transaction (which in the case of a Straddle will be either a Payer or a Receiver Option Type) to become effective; provided, however that the Underlying Swap Transaction is cleared through a mutually agreed upon clearinghouse.
- Cash – Seller grants Buyer the right to cause Seller to pay Buyer the Cash Settlement Amount in lieu of physical delivery, if any, on the cash settlement payment date. Cash settlement includes details on applicable valuation date, time, business center, settlement currency, quotation rate, rate source and reference banks.

1217. Mexican MXN F-TIIE/USD SOFR Cross-Currency Basis Swap

Floating U.S. Dollar Secured Overnight Financing Rate ("SOFR") versus floating Mexican Overnight TIIE Funding Rate ("F-TIIE") cross-currency basis swap is listed with the following terms and conditions:

Product Type:	Cross-Currency Basis Swap
Reference Indices:	Mexican Overnight TIIE Funding Rate, U.S. Dollar SOFR
Reference Currencies:	MXN, USD
Clearing:	No

The trading conventions listed below are default settings that are applied unless otherwise agreed and instructed by the counterparties:

Trade Start Type:	T+2
Tenors:	1-month, 3-month, 6-month, 9-month, 12-month, 18-month, 2-year through 30-year
Trade Unit, Currency:	Millions, USD
Minimum Price Change:	0.001 bps
Minimum Size:	0.01 Million
Payment Frequency:	28-day Roll
Day Count Convention:	ACT/360
Holiday Calendar:	Mexico City and New York combined
Business Day Convention:	Following

Exhibit D-2

Amended Rule - Marked

1217. ~~[Reserved]~~Mexican MXN F-TIIE/USD SOFR Cross-Currency Basis Swap

Floating U.S. Dollar Secured Overnight Financing Rate ("SOFR") versus floating Mexican Overnight TIIE Funding Rate ("F-TIIE") cross-currency basis swap is listed with the following terms and conditions:

Product Type:	Cross-Currency Basis Swap
Reference Indices:	Mexican Overnight TIIE Funding Rate, U.S. Dollar SOFR
Reference Currencies:	MXN, USD
Clearing:	No

The trading conventions listed below are default settings that are applied unless otherwise agreed and instructed by the counterparties:

Trade Start Type:	T+2
Tenors:	1-month, 3-month, 6-month, 9-month, 12-month, 18-month, 2-year through 30-year
Trade Unit, Currency:	Millions, USD
Minimum Price Change:	0.001 bps
Minimum Size:	0.01 Million
Payment Frequency:	28-day Roll
Day Count Convention:	ACT/360
Holiday Calendar:	Mexico City and New York combined
Business Day Convention:	Following