

February 14, 2022

Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: SMFE 2022-002 - Self-Certification Pursuant to CFTC Regulation 40.6 – Exchange Rule 31004.A.

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c) of the Commodity Exchange Act, as amended (“Act”), and Section 40.6 of the Commission’s regulations thereunder, Small Exchange, Inc. (“SMFE” or the “Exchange”) submits this self-certification as written notice that the Exchange is amending Exchange Rule 31004.A., as set forth on the attached Exhibit A, which is attached hereto and incorporated herein by reference (“Rule Change”). The Rule Change is effective March 1, 2022.

The purpose of the Rule Change is to set forth the time and date by which the buyer of an Option may exercise the Option by giving notice of the exercise by 5:00:00PM CT to the Options Clearing Corporation (OCC), prior to the day of the Option’s Expiration.

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Act and identified that the amendments 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.
- Core Principle 9, Execution of Transactions: The Rule Change, once Options are self-certified for trading on the Exchange, will further enable the Exchange to continue their current practice of providing a competitive, open, and efficient market mechanism for executing transactions.

- Core Principle 12, Protection of Market Participants: The Rule Change is subject to the Rules of the Exchange, which include prohibitions against abusive practices, including fraudulent, anti-competitive or unfair activity.

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.

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

Enclosed: Exhibit A

Exhibit A

(additions underlined; deletions ~~overstruck~~)

Chapter 31A: Small Precious Metals Index Options on Futures Contracts

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31A004.

Exercise Procedures

31A004.A. American Style Options with a Monthly Expiration

The buyer of the Option may exercise the Option by giving notice of the exercise by 5:00:00PM CT to the Options Clearing Corporation (OCC) ~~during Exchange market hours,~~ prior to the day of the Option's Expiration. Option exercise will result in a position in SPRE.

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Chapter 31A: Small Precious Metals Index Options on Futures Contracts

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31A004.

Exercise Procedures

31A004.A. American Style Options with a Monthly Expiration

The buyer of the Option may exercise the Option by giving notice of the exercise by 5:00:00PM CT to the Options Clearing Corporation (OCC), prior to the day of the Option's Expiration. Option exercise will result in a position in SPRE.

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