

AEGIS SEF, LLC is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that pursuant to Commission Regulation 40.2(a), the Exchange is self-certifying the listing of the uncleared, bilateral swap contract **2000 – SOFR USD Interest Rate Swap – FRBNY** for trading on AEGIS SEF beginning on or after May 1, 2023.

The contract specifications describing the new Exchange swap contract is attached to this letter as Exhibit A, to be added to the AEGIS SEF Website: [www.aegis-hedging.com/swap-execution-facility](http://www.aegis-hedging.com/swap-execution-facility). The discussion of contracts not readily susceptible to manipulation has been segregated as Exhibit B, for which confidential treatment is requested. The reporting levels, accountability levels, and position limits for these contracts is attached to the AEGIS SEF Website. Exchange management has assessed the Exchange’s contracts’ compliance with applicable provisions of the Commodity Exchange Act (“Act”), including the Commissions Regulations thereunder and the Core Principles.

AEGIS SEF product listings are based on contracts which have been previously certified by existing Designated Contract Markets (“DCM”). Each financially settled swap contract is comprised of either (a) a referenced price index calculated by an independent, private-sector third party or (b) an underlying formula based on a DCMs futures contract.

Regulatory compliance of AEGIS SEF’s swaps and options contracts are mostly addressed in the AEGIS SEF Rulebook, concisely explained as follows:

**Core Principle 2 - Compliance with the Rules:** Trading in the Exchange’s contracts will be subject to the AEGIS SEF Rulebook in Section IV, describing trading procedures, and Section VI, which establishes trading codes of conduct, sound trading practices, and identifies prohibited trading behavior and abuses. In addition, trading behavior and activity will be subject to extensive monitoring and surveillance by the Exchange’s Compliance Department. The Exchange’s Compliance Department has the authority to address disciplinary matters through investigation and enforcement procedures in accordance with Section VII of the Exchange Rulebook.

**Core Principle 3 - Contracts not Readily Susceptible to Manipulation:** A description of the underlying cash markets for the Exchange’s new contracts is provided in separately attached Exhibit B, which demonstrates compliance that the Exchange’s new contracts are not readily susceptible to manipulation. In addition, the Compliance Department will review, monitor ongoing development, and conduct necessary amendment on the eligible products and registries in accordance with the applicable CFTC Regulations.

**Core Principle 4 - Prevention of Market Disruption:** Trading in the Exchange’s contracts will be subject to the AEGIS SEF Rulebook Section VI, which prohibits disruptive trading behavior and manipulation, subject to monitoring and surveillance by the Exchange’s Compliance Department.

**Core Principle 6 - Position Limitations or Accountability:** To reduce the potential threat of market manipulation or congestion, AEGIS-SEF shall adopt for each SEF Contract, as is necessary and appropriate, a table containing Position Limits, position accountability levels, and reportable levels (the “**Table**,” on the Exchange’s website). The Exchange monitors and enforces position accountability rules as set forth by the Commission for any SEF contract for which the Commission has adopted a position limit. AEGIS SEF anticipates that 100% of its SEF Contract will be designated as a Hedging Contract by at least one

Participant as a Commercial End User (“CEU”) that is eligible for the End-User Exception or (ii) an Eligible Affiliate of a CEU that is eligible for the Hedging-Affiliate Exception. This requirement will enable such SEF Contract to be exempt from the CFTC’s Position Limits for speculative swap transactions under CFTC Regulations Part 150 and any Position Limits or accountability levels set by AEGIS-SEF for speculative swap transactions.

Core Principle 7 - Availability of General Information: The Exchange will post general information, including the contract specifications for the new contracts, Exchange fees, and the AEGIS SEF Rulebook, on the Exchange’s website.

Core Principle 8 - Daily publication of Trading Information: The Exchange will publish daily information on settlement prices, volume, open interest and opening and closing ranges for the Exchange’s actively traded contracts on its website.

Core Principle 9 - Execution of Transactions: The Exchange’s new contracts will be available on the Exchange’s electronic trading platform. The platform provides the market with the ability to execute the Exchange’s contracts via CLOB and RFQ from the interaction of multiple bids and multiple offers between Market Participants and Financial Counterparties which have mutual credit risk mitigation agreements in place. The Exchange also provides offline posting of transactions, enabling the market to execute the Exchange’s contracts via OEF.

Core Principle 10 - Trade Information: The platform will maintain all information with respect to each order and each consummated trade, as well as all other information relating to the trade environment. As such, any trade submitted to the CLOB and RFQ can be tracked from the time it is entered into the system until the time that it is executed, canceled or otherwise removed. OEF trade information contains final deal terms.

Core Principle 11 - Financial Integrity of Transactions: The Exchange will only offer and list contracts which are uncleared, bilateral swaps. The new contracts executed on the CLOB, RFQ and OEF will be subject to the Exchange Rulebook provisions as described in Section IV. All Participants on the Exchange attest to their status as an Eligible Contract Participant (“ECP”) in their N-1 Participant Agreement and/or NPFC/NPECP and annually per Rule 3.4.3 of the AEGIS SEF Rulebook. All SEF Contracts settle financially between Participants bilaterally off of the Exchange.

Core Principle 12 - Protection of Markets and Market Participants: Section VI of the AEGIS SEF Rulebook protects the market and market participants from abusive, disruptive, fraudulent, noncompetitive and unfair conduct and trade practices. The new contracts are subject to these rules that apply to all transactions in the Exchange’s contracts.

Core Principle 13 - Disciplinary Procedures: Section VII of the AEGIS SEF Rulebook describes the disciplinary procedures of the Exchange that authorize the Exchange to discipline, suspend, or expel anyone on the Exchange that violates these rules.

Core Principle 14 - Dispute Resolution: Section VIII of the AEGIS SEF Rulebook establishes rules concerning alternative dispute resolution, which provide for the resolution of disputes between or among Exchange users through the American Arbitration Association (AAA) under its Commercial Arbitration Rules. Under Section VIII, arbitration is available for all disputes, controversies or claims among all Exchange users relating to Exchange activities. Pursuant to Section 5c(c) of the Act and the Commission’s Regulation



40.2(a), the Exchange certifies that the Exchange's new swaps and options contracts to be listed comply with the Act and the Commission's Regulations thereunder. AEGIS SEF certifies that this submission has been concurrently posted on the AEGIS SEF website.

If you have any questions or need additional information regarding the above, please contact the undersigned at 832-413-5973 or [sef@aegis-hedging.com](mailto:sef@aegis-hedging.com) or Andrew Furman, Chief Compliance Officer at [afurman@aegis-hedging.com](mailto:afurman@aegis-hedging.com).

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