



Rule Self-Certification

June 25, 2020

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

Re: SMFE 2020-007 - Self-Certification Pursuant to CFTC Regulation 40.6 – Exchange Rules 30003.E.; 31003.E. and 32003.E.

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 Rules 30003.E., 31003.E. and 32003.E., all titled “Position Limits, Exemptions, Accountability Levels and Reportable Levels” concerning the Small Stocks 75 Index Futures Contracts, Small Precious Metals Index Futures Contracts and Small Dollar Index Futures Contracts, respectively, as set forth on the attached Exhibit A, which is attached hereto and incorporated herein by reference (“Rule Change”). The Rule Change is effective July 10, 2020.

The purpose of the Rule Change is to amend the reportable levels for such Contracts as follows:

1. Small Stocks 75 Index Futures Contracts – 200 Contracts
2. Small Precious Metals Index Futures Contracts – 50 Contracts
3. Small Dollar Index Futures Contracts – 50 Contracts

The Exchange believes that the reportable levels for these Contracts are consistent with CFTC Regulation 15.03. Further, 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 its normal practice to establish, monitor, and enforce compliance with the rules applicable to the trading of Exchange Contracts. The Exchange will establish policies and procedures concerning compliance with the Rule Change.
- Core Principle 4, Prevention of Market Disruption: The Exchange shall continue its normal practice of preventing manipulation, price distortion, and disruptions of

the delivery or cash settlement process through market surveillance, compliance, and enforcement practices and procedures.

- Core Principle 7, Availability of General Information: The Exchange shall continue to make available to all required parties concerning the terms and conditions of the Contracts that the Exchange offers; the rules, regulations, and mechanisms for executing transactions on or through the Exchange; and the rules and specifications describing the operation of the Exchange.
- Core Principle 11, Financial Integrity of Transactions: The Exchange shall continue its normal practice to establish and enforce: rules and procedures for ensuring the financial integrity of transactions entered into, on or through the facilities of the Exchange contract (including the clearance and settlement of the transactions with a derivatives clearing organization); and rules to ensure the financial integrity of any FCM and introducing broker, and the protection of customer funds.
- Core Principle 12, Protection of Markets and Market Participants: The Exchange shall continue its normal practice to establish and enforce rules: to protect markets and market participants from abusive practices committed by any party, including abusive practices committed by a party acting as an agent for a participant; and to promote fair and equitable trading on the contract market.

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 30: Small Stocks 75 Index Futures Contracts

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30003.E. Position Limits, Exemptions, Accountability Levels and Reportable Levels

Position limits for the Contracts are 5,000 Contracts five business days prior to expiration.

There are no exemptions.

Position accountability levels for the Contracts are 10,000.

Reportable levels for the Contracts are ~~25~~200.

Position limits, accountability levels and reportable levels are set forth in Exchange Rule 522, "Position Limits, Accountability Levels and Reportable Levels". Refer to Rule 522 for requirements concerning position limits, accountability levels, and reportable levels.

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Chapter 31: Small Precious Metals Index Futures Contracts

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31003.E. Position Limits, Exemptions, Accountability Levels and Reportable Levels

Position limits for the Contracts are 5,000 Contracts five business days prior to expiration.

There are no exemptions.

Position accountability levels for the Contracts are 10,000.

Reportable levels for the Contract are ~~25~~50.

Position limits, accountability levels and reportable levels are set forth in Exchange Rule 522, "Position Limits, Accountability Levels and Reportable Levels". Refer to Rule 522 for requirements concerning position limits, accountability levels and reportable levels.

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Chapter 32: Small Dollar Index Futures Contracts

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32003.E. Position Limits, Exemptions, Accountability Levels and Reportable Levels

Position limits for the Contracts are 5,000 Contracts five business days prior to expiration.

There are no exemptions.

Position accountability levels for the Contracts are 10,000.

Reportable levels for the Contract are 2550.

Position limits, accountability levels and reportable levels are set forth in Exchange Rule 522, "Position Limits, Accountability Levels and Reportable Levels". Refer to Rule 522 for requirements concerning position limits, accountability levels and reportable levels.

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