

**UNITED STATES OF AMERICA**  
**Before the**  
**COMMODITY FUTURES TRADING COMMISSION**

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In the Matter of the Application of  
AEGIS SEF, LLC for  
Registration as a Swap Execution Facility

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**ORDER OF REGISTRATION**

AEGIS SEF, LLC (“AEGIS SEF”), a Delaware limited liability company headquartered in The Woodlands, Texas and wholly owned by AEGIS Hedging Solutions, LLC (“AEGIS HS”), has submitted to the Commodity Futures Trading Commission (“Commission” or “CFTC”), pursuant to Section 5h of the Commodity Exchange Act (“Act”), 7 U.S.C. § 7b-3, and Commission Regulation 37.3(b), 17 C.F.R. § 37.3(b), an application for registration as a swap execution facility, which includes submissions dated February 3, 2021 through May 20, 2022.

WHEREAS AEGIS SEF represents that AEGIS SEF will offer a central limit order book and an electronic request-for-quote function and AEGIS SEF will not facilitate clearing.

WHEREAS AEGIS SEF represents that AEGIS SEF developed a custom surveillance system; AEGIS SEF is responsible for conducting its own real-time market monitoring and conducting its own regulatory reporting and recordkeeping, investigations, disciplinary actions, and arbitration hearings involving AEGIS SEF market participants; and AEGIS SEF will

monitor members' compliance with the SEF's minimum financial standards, as required under Commission Regulation 37.202.

WHEREAS AEGIS SEF represents that AEGIS SEF and AEGIS HS developed policies and procedures requiring a physical and informational separation between AEGIS SEF and AEGIS CTA, LLC ("AEGIS CTA"); AEGIS SEF and AEGIS CTA operations will be conducted within separate office spaces; and AEGIS SEF's regulatory oversight committee made up of all public directors and responsible for oversight of AEGIS SEF's exercise of its self-regulatory responsibilities as a SEF will assist the AEGIS SEF board in minimizing potential conflicts of interests relating to AEGIS SEF's self-regulatory obligations.

WHEREAS AEGIS SEF represents that it will meet all the requirements for swap execution facility registration under Section 5h of the Act, comply with all core principles applicable to swap execution facilities under Section 5h of the Act and the Commission's regulations thereunder and remain subject to and compliant with all provisions of the Act and the Commission's regulations applicable to swap execution facilities.

WHEREAS Commission staff reviewed and analyzed AEGIS SEF's application for registration as a swap execution facility, including AEGIS SEF's rules and all amendments thereto and representations made by AEGIS SEF.

Based upon the foregoing, the Commission FINDS that, as required by Section 5h of the Act, 7 U.S.C. §7b-3 and Commission Regulation 37.3(b), 17 C.F.R. §37.3(b), AEGIS SEF's application, subject to the conditions set forth below, has demonstrated compliance with the Act and the Commission's regulations applicable to swap execution facilities.

Therefore:

IT IS HEREBY ORDERED, pursuant to Section 5h of the Act and Commission Regulation 37.3(b)(6)(i), that the application of AEGIS SEF for registration as a swap execution facility is approved. This approval of AEGIS SEF's application for registration as a swap execution facility is based on AEGIS SEF's representations to the Commission in its application, as shown in the application record, and subject to the following terms and conditions specified herein:

- (1) AEGIS SEF shall comply with all representations and submissions made by AEGIS SEF in support of its application for registration as a swap execution facility, as shown in the application record; and
- (2) AEGIS SEF shall comply with all provisions of the Act and all requirements set forth in the Commission's regulations, as may be amended or adopted from time to time, that are applicable to swap execution facilities.
- (3) When AEGIS SEF issues a confirmation pursuant to Commission Regulation 37.6(b), which incorporates by reference terms from previously-negotiated freestanding agreements between the counterparties, in lieu of obtaining such agreements prior to execution, as required under Commission Regulation 37.6(b), and maintaining a copy of such agreements, as required under Commission Regulations 37.1000, 37.1001 and 45.2(a), AEGIS SEF shall comply with the following conditions:
  - i. AEGIS SEF must have a rule in its rulebook requiring its confirmation to state, where applicable, that it incorporates by reference the terms of the underlying previously-negotiated freestanding agreements between the counterparties.

- ii. AEGIS SEF must have a rule in its rulebook stating that in the event of any inconsistency between an AEGIS SEF confirmation and the underlying previously-negotiated freestanding agreements, the terms of the AEGIS SEF confirmation legally supersede any contradictory terms; AEGIS SEF must also have a rule requiring AEGIS SEF's confirmations to state the same.
- iii. AEGIS SEF must have a rule in its rulebook requiring its participants to provide copies of the underlying previously-negotiated freestanding agreements to AEGIS SEF upon request.
- iv. AEGIS SEF must have a rule in its rulebook requiring AEGIS SEF to request from participants the underlying previously-negotiated freestanding agreements upon request from the Commission, and requiring AEGIS SEF to furnish such documents to the Commission as soon as they are available.

This condition (3) shall expire on the effective date of any changes to Commission Regulation 37.6(b).

- (4) In lieu of complying with the 2020 Amendments<sup>1</sup> to Parts 43, 45, and 49 of the Commission's regulations, AEGIS SEF must comply with the Parts 43, 45, and 49 regulations that were in effect on January 1, 2021,<sup>2</sup> except that AEGIS SEF need not

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<sup>1</sup> Final Rule, Swap Data Recordkeeping and Reporting Requirements, 85 Fed. Reg. 75503 (Nov. 25, 2020); Final Rule, Real-Time Public Reporting Requirements, 85 Fed. Reg. 75422 (Nov. 25, 2020); and Final Rule, Certain Swap Data Repository and Data Reporting Regulations, 85 Fed. Reg. 75601 (Nov. 25, 2020) (together the "Amendments").

<sup>2</sup> This treatment of AEGIS SEF is consistent with that of currently-registered SEFs. See CFTC Letter No. 22-03, (Division of Data, January 31, 2022), available at [CFTC Staff Letters | CFTC](#).

report certain confirmation data pursuant to Commission Regulation 45.3(a) when such confirmation data is:

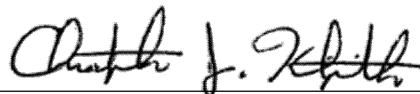
- (i) contained solely in the terms of the underlying agreements that are incorporated by reference in AEGIS SEF's 37.6(b) confirmation; and
- (ii) does not include primary economic terms data.

This condition (4) shall expire on December 5, 2022.

This Order of Registration is based upon the representations made and supporting material provided to the Commission by AEGIS SEF. Any changes to or omissions in the material facts or circumstances pursuant to which this Order of Registration is issued may require a new or amended order. The Commission may condition, suspend, terminate, or otherwise restrict the terms of this Order of Registration, as appropriate and as permitted by law, on its own motion.

Issued in Washington, D.C. on this 19th day of July, 2022.

By the Commission



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Christopher J. Kirkpatrick  
Secretary of the Commission