

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

In the Matter of the Application of
TeraExchange, LLC for a
Reinstatement of Registration as a
Swap Execution Facility

ORDER OF REINSTATEMENT OF SEF REGISTRATION

TeraExchange, LLC (“Tera”), a Delaware corporation and wholly owned subsidiary of Tera Group, Inc., headquartered in Wall Township, New Jersey, submitted to the Commodity Futures Trading Commission (“Commission”), pursuant to Section 5h of the Commodity Exchange Act (“Act”), 7 U.S.C. § 7b-3 and Commission Regulations 37.3(b) and 37.3(d), 17 C.F.R. §§ 37.3(b) and 37.3(d), an application for reinstatement of Tera’s swap execution facility registration which includes submissions dated January 13, 2022 through October 13, 2022.

WHEREAS Tera represents that all documents and information provided in support of its Request for Reinstatement of SEF Registration have been updated, or otherwise remain unchanged from their 2016 submission to the Commission, including its trading system and regulatory compliance program;

WHEREAS Tera represents that it will meet all the requirements for swap execution facility registration under Section 5(h) of the Act, comply with all core principles applicable to swap execution facilities under Section 5(h) 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 Tera's application for reinstatement of its swap execution facility registration, including Tera's rules and all amendments thereto and representations made by Tera.

Based on the foregoing, the Commission FINDS that, as required by Section 5h of the Act, 7 U.S.C. § 7b-3, and Commission Regulations 37.3(b) and 37.3(d), 17 C.F.R. §§ 37.3(b) and 37.3(d), Tera's reinstatement 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 that, pursuant to Section 5h of the Act, 7 U.S.C. § 7b-3, and Commission Regulation 37.3(b)(6)(i), 17 C.F.R. § 37.3(b)(6)(i), the application of Tera for a reinstatement of registration as a swap execution facility is approved, based on Tera's representations to the Commission in its reinstatement application, as shown in the application record, and subject to the following terms and conditions:

- (1) Tera shall comply with all representations and submissions made by Tera in support of its application for reinstatement of registration as a swap execution facility, as shown in the application record;
- (2) Tera 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 Tera issues a confirmation pursuant to Commission regulation 37.6(b), 17 C.F.R. § 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), 17 C.F.R. § 37.6(b), and maintaining a copy of such agreements, as required under Commission regulations 37.1000, 37.1001 and 45.2(a), 17 C.F.R. § 37.6(b), 17 C.F.R. §§ 37.1000, 37.1001 and 45.2(a), Tera shall comply with the following conditions:

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

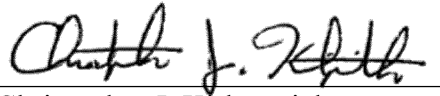
This condition (3) shall expire on the effective date, or compliance date if later, of any changes to Commission regulation 37.6(b), 17 C.F.R. § 37.6(b).

IT IS FINALLY ORDERED that this approval of reinstatement of swap execution facility registration and Order of Reinstatement of SEF Registration is based upon the

representations made and supporting material provided to the Commission by Tera. Any changes to or omissions in the material facts or circumstances pursuant to which this Order of Reinstatement of SEF 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 Reinstatement of SEF Registration, as appropriate and as permitted by law, on its own motion.

Issued in Washington, D.C., this 6th day of December, 2022.

By the Commission

A handwritten signature in black ink, appearing to read "Christopher J. Kirkpatrick", written over a horizontal line.

Christopher J. Kirkpatrick
Secretary of the Commission