



December 15, 2022

Submitted via CFTC Portal

Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street
Washington, DC 20581

Re: Submission of Cboe SEF, LLC Rule Amendments (Submission No. 22-15)

Dear All:

Pursuant to Section 5c(c) of the Commodity Exchange Act (**CEA**) and Section 40.6(a) of the regulations of the Commodity Futures Trading Commission (**Commission**), Cboe SEF, LLC (**Cboe SEF**) hereby notifies the Commission that it is publishing a revised fee schedule (the “Fee Schedule”) as a Fee-related Rule, adding options for Participants to access its New York matching engine located in the Equinix NY5 data center from (1) a London wide area network located in the Equinix LD4 data center (**Transatlantic Connectivity**) or (2) a Tokyo point of presence (**PoP**) located in the Equinix TY3 data center (**Transpacific Connectivity**).

Cboe SEF is also adding categories for ISV Fees and Messaging Fees. In accordance with Rules 321 and 324, Participants may access the SEF Trading System via a SEF ISV. To the extent a SEF ISV charges fees (**ISV Fees**) as a result of a Participant’s activity on the SEF, Cboe SEF is clarifying that such fees will be passed through to the relevant Participant. Cboe SEF is making a similar addition regarding fees charged by third-party vendors providing post-trade messaging services (**Messaging Fees**). Specifically, to the extent such a third-party charges Messaging Fees, such fees will be passed through to the relevant Participant.

A marked copy of the Fee Schedule is attached hereto as Exhibit A, and a clean copy, as amended, attached hereto as Exhibit B. The revised Fee Schedule will be effective on January 1, 2023.

Cboe SEF certifies that the Fee Schedule complies with the CEA and the Commission’s regulations. Cboe SEF has reviewed the swap execution facility core principles (**Core Principles**) as set forth in the CEA and has determined that the Fee Schedule complies with the requirements of impartial access in Core Principle 2 and Commission Regulation 37.202 because all fees and any discounts will be applied on an impartial, fair, and non-discriminatory manner and the Fee Schedule will be made transparent to all Participants.

In addition, in compliance with Core Principle 2 and Commission Regulation 37.200, the Fee Schedule does not incentivize manipulative trading or market abuse or impact Cboe SEF's ability to perform its trade practice and market surveillance obligations under the CEA, and Cboe SEF's Regulatory Division will continue to monitor trading to seek to prevent manipulative trading and market abuse. The Fee Schedule also complies with the requirements for monitoring and trade processing in Core Principle 4 and Commission Regulation 37.401, and the recordkeeping and reporting requirements in Core Principle 10 and Commission Regulations 37.1000 and 37.1001.

Cboe SEF further certifies that this submission has been concurrently posted on its website at <http://markets.cboe.com/global/fx/sef/resources>. No substantive opposing views were expressed with respect to this Fee-related Rule.

If you have any questions regarding this submission, please contact me at (312) 786-7153 or mmargolis@cboe.com.

Sincerely,

/s/ Michael H. Margolis

Michael H. Margolis
Assistant General Counsel
Cboe SEF, LLC

Attachments

EXHIBIT A
DUES, FEES, AND OTHER CHARGES

A. List of all dues, fees, or other charges

The only services for which Cboe SEF, LLC (“Cboe SEF”) will charge its Participants are trade execution services and, for some Participants, connectivity fees to access the SEF Trading System, as follows:

1. **Transaction Fees:** Transaction Fees will be charged on the basis of each Transaction, and may vary depending on the tenor and currency pair of each Contract. Different pricing may be charged depending on whether the Participant has acted in a “passive” or “removing” capacity in connection with each such Transaction. In connection with each Transaction, Cboe SEF systematically identifies each Participant counterparty as either passive or aggressive (removing) and charges fees in respect of each such category of Participant counterparty. Specifically, Cboe SEF identifies as “passive” the Participant counterparty whose Order resided on the order book and subsequently matched against an inbound Order, while Cboe SEF identifies as “aggressive” or “removing” the Participant counterparty submitting such inbound Order.
2. **Connectivity Fees:** Participants may be charged connectivity fees to access the SEF Trading System. Cboe SEF will charge Connectivity Fees for each physical connection a Participant establishes with the SEF Trading System. Cboe SEF will not charge for connectivity via either its Transatlantic or Transpacific point of presence. Cboe SEF will pass through all data center cross-connect charges, if applicable. Cboe SEF may also charge fees on a per-session basis.
3. **ISV Fees:** In accordance with Rules 321 and 324, Participants may access the SEF Trading System via a SEF ISV. ISV Fees incurred by Cboe SEF as a result of a Participant’s activity on the SEF will be passed through to that Participant, as applicable.
- 2-4. **Messaging Fees:** Participants may use third-party vendors for post-trade messaging services. Messaging Fees incurred by Cboe SEF as a result of a Participant’s activity on the SEF will be passed through to that Participant, as applicable.

B. Description of the basis for all dues, fees, or other charges

There are two categories of Participants that can execute Transactions on Cboe SEF: A Trading Firm may execute Transactions on behalf of and as agent of a Prime Broker; and a Principal Trading Firm may execute Transactions on its own behalf. Cboe SEF charges Participants that are Trading Firms or Principal Trading Firms a Fee for each Transaction executed on the SEF Trading System. The Fee is based on the Notional Amount in USD of each Transaction and is charged as a dollar amount per USD million of Notional Amount. A minimum Transaction Fee of USD 1.00 per Transaction is also charged in respect of any Order submitted to the SEF Trading System.

Transaction Fees

Currency Pair	Tenor	Passive Fee (in USD, per USD 1mm of Notional Amount)	Removing (Aggressing) Fee (in USD, per USD 1mm of Notional Amount)
All	All	5.00	10.00

Connectivity Fees

Physical Connectivity Pricing:		
Bandwidth	Installation	Monthly Fee
1G and Below	no charge	\$500.00 / connection
10G	no charge	\$1,000.00 / connection
<u>Transatlantic Connectivity (LD4 to NY5)</u>	<u>no charge</u>	<u>Free</u>
<u>Transpacific Connectivity (TY3 to NY5)</u>	<u>no charge</u>	<u>Free</u>
Session Charges:		Monthly Fee
FIX Order Entry		Free
FIX BookFeed (Market Data)		Free
ITCH		Free

ISV Fees – Pass Through

Messaging Fees – Pass Through

EXHIBIT B
DUES, FEES, AND OTHER CHARGES

A. List of all dues, fees, or other charges

The only services for which Cboe SEF, LLC (“Cboe SEF”) will charge its Participants are trade execution services and, for some Participants, connectivity fees to access the SEF Trading System, as follows:

1. **Transaction Fees:** Transaction Fees will be charged on the basis of each Transaction, and may vary depending on the tenor and currency pair of each Contract. Different pricing may be charged depending on whether the Participant has acted in a “passive” or “removing” capacity in connection with each such Transaction. In connection with each Transaction, Cboe SEF systematically identifies each Participant counterparty as either passive or aggressive (removing) and charges fees in respect of each such category of Participant counterparty. Specifically, Cboe SEF identifies as “passive” the Participant counterparty whose Order resided on the order book and subsequently matched against an inbound Order, while Cboe SEF identifies as “aggressive” or “removing” the Participant counterparty submitting such inbound Order.
2. **Connectivity Fees:** Participants may be charged connectivity fees to access the SEF Trading System. Cboe SEF will charge Connectivity Fees for each physical connection a Participant establishes with the SEF Trading System. Cboe SEF will not charge for connectivity via either its Transatlantic or Transpacific point of presence. Cboe SEF will pass through all data center cross-connect charges, if applicable. Cboe SEF may also charge fees on a per-session basis.
3. **ISV Fees:** In accordance with Rules 321 and 324, Participants may access the SEF Trading System via a SEF ISV. ISV Fees incurred by Cboe SEF as a result of a Participant’s activity on the SEF will be passed through to that Participant, as applicable.
4. **Messaging Fees:** Participants may use third-party vendors for post-trade messaging services. Messaging Fees incurred by Cboe SEF as a result of a Participant’s activity on the SEF will be passed through to that Participant, as applicable.

B. Description of the basis for all dues, fees, or other charges

There are two categories of Participants that can execute Transactions on Cboe SEF: A Trading Firm may execute Transactions on behalf of and as agent of a Prime Broker; and a Principal Trading Firm may execute Transactions on its own behalf. Cboe SEF charges Participants that are Trading Firms or Principal Trading Firms a Fee for each Transaction executed on the SEF Trading System. The Fee is based on the Notional Amount in USD of each Transaction and is charged as a dollar amount per USD million of Notional Amount. A minimum Transaction Fee of USD 1.00 per Transaction is also charged in respect of any Order submitted to the SEF Trading System.

Transaction Fees

Currency Pair	Tenor	Passive Fee (in USD, per USD 1mm of Notional Amount)	Removing (Aggressing) Fee (in USD, per USD 1mm of Notional Amount)
All	All	5.00	10.00

Connectivity Fees

Physical Connectivity Pricing:		
Bandwidth	Installation	Monthly Fee
1G and Below	no charge	\$500.00 / connection
10G	no charge	\$1,000.00 / connection
Transatlantic Connectivity (LD4 to NY5)	no charge	Free
Transpacific Connectivity (TY3 to NY5)	no charge	Free
Session Charges:		Monthly Fee
FIX Order Entry		Free
FIX BookFeed (Market Data)		Free
ITCH		Free

ISV Fees – Pass Through**Messaging Fees** – Pass Through