

NOTICE OF LISTING OF PRODUCTS BY NEX SEF LIMITED FOR TRADING BY CERTIFICATION

1. This submission is made pursuant to CFTC Reg. 40.2 by NEX SEF Limited ("NEX SEF").
2. The products certified by this submission are the following: Non Deliverable Forwards (the "Contracts").
3. Attached as Attachment A is a copy of the Contract's rules.
4. The Contracts are currently listed for trading on ICAP SEF (US) LLC ("ICAP SEF") and set forth in ICAP SEF Rule 801(6). The Contracts were previously certified on September 29, 2013 in ICAP SEF's initial product certification and were revised on April 11, 2016 in filing ICAP-2016-R-3. ICAP SEF was previously an affiliate of NEX SEF. On December 30, 2016, ICAP plc, the parent company of NEX SEF, sold its global voice broking business, including ICAP SEF, and rebranded as NEX Group plc. ICAP SEF continues to execute the Contracts pursuant to an agreement between EBS Dealing Resources Inc., a subsidiary of NEX Group plc., and ICAP SEF. This product certification reflects that the trading of the Contracts is being transferred from ICAP SEF to NEX SEF upon the commencement of operations of NEX SEF. The only terms and conditions of the Contracts that will be amended by this filing are: the Trading Hours will be changed; Pre-Arranged Crosses will no longer be offered; the Today's Fixing (TOD) fixing methodology will no longer be offered; EUR, THB, RUB, NGN, KZT, UAH and CNH will no longer be offered currencies; and UYU will no longer be offered on a Holiday Calendar. A copy of the Contracts' rules marked to show changes from the version previously certified by ICAP SEF is attached as Attachment B.
5. The SEF intends to make this submission of the certification of the Contracts effective on the day following submission pursuant to CFTC Reg. 40.2(a)(2).
6. Attached as Attachment C is a certification from the SEF that the Contracts comply with the Commodity Exchange Act and CFTC Regulations, and that the SEF has posted a notice of pending product certification and a copy of this submission on its website concurrent with the filing of this submission with the Commission.
7. As required by Commission Regulation 40.2(a), the following concise explanation and analysis demonstrates that the Contracts comply with the core principles of the Commodity Exchange Act for swap execution facilities, and in particular Core Principle 3, which provides that a swap execution facility shall permit trading only in swaps that are not readily susceptible to manipulation, in accordance with the applicable guidelines in Appendix B to Part 37 and Appendix C to Part 38 of the Commission's Regulations for contracts settled by cash settlement and options thereon.

Each Contract has previously been certified for compliance with the Commodity Exchange Act and CFTC Regulations by ICAP SEF, previously an affiliate of NEX SEF, including certification that each Contract is not readily susceptible to manipulation. No terms and conditions of the Contracts are being amended by this filing other than those listed above and reflected in Attachment B, which are limited to changing the Trading Hours and removing previously certified terms and conditions from the Contracts. No additional terms and conditions of the Contracts are being added. Because the Contracts have been previously certified for compliance with the Commodity Exchange Act and CFTC Regulations and no additional terms or conditions of the Contracts have been added since such certification, NEX SEF believes that the Contracts are not readily susceptible to manipulation and continue to comply with the Commodity Exchange Act and the CFTC Regulations.

Appendix B to Part 37—Demonstration of Compliance That a Contract is Not Readily Susceptible to Manipulation

Core Principle 3 of Section 5h of the Act—Swaps Not Readily Susceptible to Manipulation. The swap execution facility shall permit trading only in swaps that are not readily susceptible to manipulation.

(a) Guidance.

(1) In general, a swap contract is an agreement to exchange a series of cash flows over a period of time based on some reference price, which could be a single price, such as an absolute level or a differential, or a price index calculated based on multiple observations. Moreover, such a reference price may be reported by the swap execution facility itself or by an independent third party. When listing a swap for trading, a swap execution facility shall ensure a swap's compliance with Core Principle 3, paying special attention to the reference price used to determine the cash flow exchanges. Specifically, Core Principle 3 requires that the reference price used by a swap not be readily susceptible to manipulation. As a result, when identifying a reference price, a swap execution facility should either: Calculate its own reference price using suitable and well-established acceptable methods or carefully select a reliable third-party index.

- The reference price on which each of the Contracts settles is the published spot rate of the selected currency on the fixing date selected by the parties (the "Spot Rate"), as adjusted by the selected fixing methodology. For each currency offered for the Contracts, the Spot Rate is published by Thompson Reuters ("Reuters") or Bloomberg.

(2) The importance of the reference price's suitability for a given swap is similar to that of the final settlement price for a cash-settled futures contract. If the final settlement price is manipulated, then the futures contract does not serve its intended price discovery and risk management functions. Similarly, inappropriate reference prices cause the cash flows between the buyer and seller to differ from the proper amounts, thus benefitting one party and disadvantaging the other. Thus, careful consideration should be given to the potential for manipulation or distortion of the reference price.

- Please see below.

(3) For swaps that are settled by physical delivery or by cash settlement refer to the guidance in appendix C to part 38 of this chapter—Demonstration of Compliance That a Contract is not Readily Susceptible to Manipulation, section b(2) and section c(4), respectively.

- Please see below.

Appendix C to Part 38—Demonstration of Compliance That a Contract is Not Readily Susceptible to Manipulation

(c) Futures Contracts Settled by Cash Settlement. (1) Cash settlement is a method of settling certain futures or option contracts whereby, at contract expiration, the contract is settled by cash payment in lieu of physical delivery of the commodity or instrument underlying the contract. An acceptable specification of the cash settlement price for commodity futures and option contracts would include rules that fully describe the essential economic characteristics of the underlying commodity (e.g., grade, quality, weight, class, growth, issuer, maturity, source, rating, description of the underlying index and index's calculation methodology, etc.), as well as how the final settlement price is calculated. In addition, the rules should clearly specify the trading months and hours of trading, the last trading day, contract size, minimum

price change (tick size) and any limitations on price movements (e.g., price limits or trading halts).

- Essential Economic Characteristics of the Contracts. The terms and conditions of the Contracts match the terms of non deliverable forwards (“NDFs”) that are commonly offered in the market and are listed in Attachment A. Each Contract is a cash-settled NDF that allows a party to speculate on, or hedge risks associated with, currency exchange rates. The Contracts are available in multiple currencies. The key variables in the Contracts are: the notional amount of each Contract, the currency involved, the agreed upon exchange rate, the fixing date, the fixing methodology and the Spot Rate. Each Contract is cash settled in U.S. dollars or another major currency based on the differential between the agreed upon exchange rate and the Spot Rate. All of the essential terms of the Contracts, other than the payments contingent on the Spot Rate, are agreed at the effective date of each Contract (“Effective Date”). The only terms and conditions of the Contracts that will be changed by this filing from the Contracts as previously certified by ICAP SEF are: the Trading Hours will be changed to 3:00 a.m. Sydney time to 5:00 p.m. New York time (Monday – Friday); Pre-Arranged Crosses will no longer be offered; the Today’s Fixing (TOD) fixing methodology will no longer be offered; EUR, THB, RUB, NGN, KZT, UAH and CNH will no longer be offered currencies; and UYU will no longer be offered on a Holiday Calendar. All the other terms and conditions of the Contracts will remain as previously certified by ICAP SEF.
- Calculation of Cash Settlement Price. The cash settlement price is based on the net difference between the agreed upon exchange rate and the Spot Rate, as adjusted by the fixing methodology. The parties agree upon the settlement currency on the Effective Date. The calculation of the relevant Spot Rate is governed by a standard set of rules and calculation procedures published by Reuters or Bloomberg, as discussed below.

(2) Cash settled contracts may be susceptible to manipulation or price distortion. In evaluating the susceptibility of a cash-settled contract to manipulation, a designated contract market should consider the size and liquidity of the cash market that underlies the listed contract in a manner that follows the determination of deliverable supply as noted above in (b)(1). In particular, situations susceptible to manipulation include those in which the volume of cash market transactions and/or the number of participants contacted in determining the cash-settlement price are very low. Cash-settled contracts may create an incentive to manipulate or artificially influence the data from which the cash-settlement price is derived or to exert undue influence on the cash-settlement price's computation in order to profit on a futures position in that commodity. The utility of a cash-settled contract for risk management and price discovery would be significantly impaired if the cash settlement price is not a reliable or robust indicator of the value of the underlying commodity or instrument. Accordingly, careful consideration should be given to the potential for manipulation or distortion of the cash settlement price, as well as the reliability of that price as an indicator of cash market values. Appropriate consideration also should be given to the commercial acceptability, public availability, and timeliness of the price series that is used to calculate the cash settlement price. Documentation demonstrating that the settlement price index is a reliable indicator of market values and conditions and is commonly used as a reference index by industry/market agents should be provided. Such documentation may take on various forms, including carefully documented interview results with knowledgeable agents.

- Contract Not Readily Susceptible to Manipulation. The Contracts are not readily susceptible to manipulation for a number of reasons. As noted above, all of the essential terms of the Contracts, other than the payments contingent on the Spot Rate, are agreed at the Effective Date, thereby reducing the impact of potentially unrepresentative data. NDFs are widely used by corporations, insurance companies, banks and other market participants to transfer and manage exchange rate and currency valuation risk with respect to currencies that are not widely traded or where trading may be limited by regulations in the currency’s domestic market. The size and liquidity of the market in NDFs is well documented and the significant liquidity in NDFs such as the Contracts makes the Contracts difficult to manipulate. The settlement price

of each Contract is determined by the selected Spot Rate. Each currency listed in the Contracts' terms and conditions has a Spot Rate that is widely used and is calculated and published by a reliable independent third party. Reuters and Bloomberg publish the Spot Rates, which the SEF has ready access to.¹ Each Spot Rate is calculated and published based on comprehensive, well-established and transparent rules.² The Spot Rates are widely accepted by market participants as reliable currency spot rates. Additionally, each Spot Rate is widely followed by numerous market participants and basing NDFs on the Spot Rates has been a longstanding and widely accepted practice. Accordingly, the Contracts are not easily susceptible to manipulation or price distortion because the method of determining the cash settlement price is based on terms that are fixed at the Effective Date of each Contract and a reliable Spot Rate.

(3) Where an independent, private-sector third party calculates the cash settlement price series, a designated contract market should consider the need for a licensing agreement that will ensure the designated contract market's rights to the use of the price series to settle the listed contract.

(i) Where an independent, private-sector third party calculates the cash settlement price series, the designated contract market should verify that the third party utilizes business practices that minimize the opportunity or incentive to manipulate the cash-settlement price series. Such safeguards may include lock-downs, prohibitions against derivatives trading by employees, or public dissemination of the names of sources and the price quotes they provide. Because a cash-settled contract may create an incentive to manipulate or artificially influence the underlying market from which the cash-settlement price is derived or to exert undue influence on the cash-settlement computation in order to profit on a futures position in that commodity, a designated contract market should, whenever practicable, enter into an information-sharing agreement with the third-party provider which would enable the designated contract market to better detect and prevent manipulative behavior.

- Independent Third-Party Pricing. As described above, the cash settlement price is calculated through a cash settlement method that is not easily susceptible to manipulation. Reuters and Bloomberg manage and publish each Spot Rate. The SEF believes that Reuters and Bloomberg are each impartial, employ appropriate safeguards against manipulation to protect the value of the relevant Spot Rate, and use business practices that minimize the opportunity or incentive to manipulate the exchange rates associated with each Contract's settlement price. To the extent that the SEF's Market Regulation Department determines that there is reason to suspect manipulation or attempted manipulation with respect to the Contracts that involves one of the Spot Rates, it will so inform Reuters or Bloomberg, as applicable, and will seek to share information as necessary to investigate the potential manipulation or attempted manipulation.

(ii) Where a designated contract market itself generates the cash settlement price series, the designated contract market should establish calculation procedures that safeguard against potential attempts to artificially influence the price. For example, if the cash settlement price is derived by the designated contract market based on a survey of cash market sources, the designated contract market should maintain a list of such entities which all should be reputable sources with knowledge of the cash market. In addition, the sample

¹ See e.g., <http://www.reuters.com/finance/currencies/quote?srcCurr=BRL&destCurr=USD>; <https://www.bloomberg.com/quote/USDBRL:CUR>.

² See <http://financial.thomsonreuters.com/en/products/data-analytics/market-data/financial-benchmarks/spot-rates.html>; <http://financial.thomsonreuters.com/content/dam/openweb/documents/pdf/financial/wm-reuters-methodology.pdf>; and https://data.bloomberglp.com/notices/sites/3/2016/04/bfix_methodology.pdf.

of sources polled should be representative of the cash market, and the poll should be conducted at a time when trading in the cash market is active.

- Please see above.

(iii) The cash-settlement calculation should involve computational procedures that eliminate or reduce the impact of potentially unrepresentative data.

- Please see above.

(iv) The cash settlement price should be an accurate and reliable indicator of prices in the underlying cash market. The cash settlement price also should be acceptable to commercial users of the commodity contract. The registered entity should fully document that the settlement price is accurate, reliable, highly regarded by industry/market agents, and fully reflects the economic and commercial conditions of the relevant designated contract market.

- Please see above.

(v) To the extent possible, the cash settlement price should be based on cash price series that are publicly available and available on a timely basis for purposes of calculating the cash settlement price at the expiration of a commodity contract. A designated contract market should make the final cash settlement price and any other supporting information that is appropriate for release to the public, available to the public when cash settlement is accomplished by the derivatives clearing organization. If the cash settlement price is based on cash prices that are obtained from non-public sources (e.g., cash market surveys conducted by the designated contract market or by third parties on behalf of the designated contract market), a designated contract market should make available to the public as soon as possible after a contract month's expiration the final cash settlement price as well as any other supporting information that is appropriate or feasible to make available to the public.

- The Spot Rate is readily available via Reuters and Bloomberg, as noted above, and the settlement price is made available to the public by the SEF in accordance with Core Principal 9.

(4) Contract terms and conditions requirements for futures contracts settled by cash settlement.

(i) An acceptable specification of the terms and conditions of a cash-settled commodity contract will also set forth the trading months, last trading day, contract size, minimum price change (tick size) and daily price limits, if any.

- The essential terms and conditions of the Contracts are attached as Attachment A.

(A) Commodity Characteristics: The terms and conditions of a commodity contract should describe the commodity underlying the contract.

- The terms and conditions of the Contracts specify that the Contracts are based on the Spot Rates.

(B) Contract Size and Trading Unit: An acceptable specification of the trading unit would be a contract size that is consistent with customary transactions in the cash market. A designated contract market may opt to set the contract size smaller than that of standard cash market transactions.

- The size of each Contract is consistent with customary transactions in the market.

(C) Cash Settlement Procedure: The cash settlement price should be reliable, acceptable, publicly available, and reported in a timely manner as described in paragraphs (c)(3)(iv) and (c)(3)(v) of this appendix C.

- The cash settlement procedures and an explanation of how the Contracts are not readily susceptible to manipulation are described above.

(D) Pricing Basis and Minimum Price Fluctuation (Minimum Tick): The minimum price increment (tick) should be set a level that is equal to, or less than, the minimum price increment commonly observed in cash market transactions for the underlying commodity. Specifying a futures' minimum tick that is greater than the minimum price increment in the cash market can undermine the risk management utility of the futures contract by preventing hedgers from efficiently establishing and liquidating futures positions that are used to hedge anticipated cash market transactions or cash market positions.

- As agreed to between the parties.

(E) Maximum Price Fluctuation Limits: Designated contract markets may adopt price limits to: (1) Reduce or constrain price movements in a trading day that may not be reflective of true market conditions but might be caused by traders overreacting to news; (2) Allow additional time for the collection of margins in times of large price movements; and (3) Provide a “cooling-off” period for futures market participants to respond to bona fide changes in market supply and demand fundamentals that would lead to large cash and futures price changes. If price-limit provisions are adopted, the limits should be set at levels that are not overly restrictive in relation to price movements in the cash market for the commodity underlying the futures contract. For broad-based stock index futures contracts, rules should be adopted that coordinate with New York Stock Exchange (“NYSE”) declared Circuit Breaker Trading Halts (or other market coordinated Circuit Breaker mechanism) and would recommence trading in the futures contract only after trading in the majority of the stocks underlying the index has recommenced.

- The SEF believes price limits are not necessary for the Contracts and accordingly has not adopted price limits.

(F) Last Trading Day: Specification of the last trading day for expiring contracts should be established such that it occurs before publication of the underlying third-party price index or determination of the final settlement price. If the designated contract market chooses to allow trading to occur through the determination of the final settlement price, then the designated contract market should show that futures trading would not distort the final settlement price calculation.

- The last trading day for a Contract is the fixing date of the Contract, which is set by the counterparties. The Spot Rates are published daily.

(G) Trading Months: Trading months should be established based on the risk management needs of commercial entities as well as the availability of price and other data needed to calculate the cash settlement price in the specified months. Specification of the last trading day should take into consideration whether the volume of transactions underlying the cash settlement price would be unduly limited by occurrence of holidays or traditional holiday periods in the cash market. Moreover, a contract should not be

listed past the date for which the designated contract market has access to use a proprietary price index for cash settlement.

- The fixing date of each Contract is agreed to between the parties and based on their risk management needs. The fixing date may be in any calendar month.

(H) Speculative Limits: Specific rules and policies for speculative position limits are set forth in part 150 and/or part 151, as applicable, of the Commission's regulations.

- None are currently required by the Commission. If and to the extent the Commission imposes speculative limits on any of the Contracts, the limits imposed by the SEF will be the same.

(I) Reportable Levels: Refer to § 15.03 of the Commission's regulations.

- None are currently required by the Commission. If and to the extent the Commission imposes a reporting requirement based on reportable levels of the Contracts imposed by the Commission, the reportable levels imposed by the SEF will be the same.

(J) Trading Hours: Should be set by the designated contract market to delineate each trading day.

- Order Book: 24 Hours, beginning at 3:00 a.m. Sydney Time on Monday and ending at 5:00 p.m. New York Time on Friday.
- Voice RFQ: Not Available.
- All Pre-Arranged Crosses: Not Available.

* * *

In addition to the foregoing, the SEF has adopted rules in its Rulebook prohibiting any Participant or Customer from engaging in manipulative trading activity and the SEF is required to, and will, monitor all trading on the SEF in order to identify any such manipulative activity. The SEF has authority to impose on its Participants and Customers fines and disciplinary sanctions in the event that such manipulative activity has occurred.

Attachment A

SEF Rule 801

Product Descriptions – Non Deliverable Forwards

Rule 801 NDF Product Descriptions

Trading Hours

The trading hours for all Swaps governed by this Rule 801 are as follows:

- Order Book: 24 Hours, beginning at 3:00 a.m. Sydney Time on Monday and ending at 5:00 p.m. New York Time on Friday.
- Voice RFQ: Not Available.
- All Pre-Arranged Crosses: Not Available.

Products — Rule 801:

- (1) Non Deliverable Forwards (NDFs)

Product Specifications

NDF's are synthetic foreign currency forward contracts on non-convertible currencies or are traded on currencies with very little liquidity in the market place. These derivatives allow corporates and other investors to hedge or take positions to local currency movements without actually dealing in the underlying.

A (notional) principal amount, forward exchange rate and forward date are all agreed at the deal's inception. The difference is that there will be no physical transfer of the principal amount in the transaction. The deal is agreed on the basis that net settlement will be made in USD, or another fully convertible currency, to reflect any differential between the agreed forward rate and the actual exchange rate on the agreed forward date. It is a cash-settled outright forward.

The demand for NDFs arises principally out of regulatory and liquidity issues in the underlying currency, where overseas players are essentially barred from access to the domestic market.

When an NDF deal is contracted, a fixing methodology is agreed, which includes the following three methodologies:

1. Outright. Under the standard outright NDF contract a fixing spot rate is determined on the fixing date, which is normally two working days before settlement, to reflect the spot value.
2. Tomorrow's Fixing (TOM). The TOM methodology permits a currency position to be rolled forward one month on the day before the fixing used to price the contract. The contract is a back-to-back trade with a near leg closing out the original currency position (the "Original NDF") and a far leg reestablishing the position the next trading day. The fixing rate applicable to the far leg is the current market rate for the relevant outright NDF contract at the time the contract is entered into. The fixing rate for the near leg is the far leg fixing rate minus a number of basis points agreed upon by the parties (the "Near Leg Rate"). The close out of the Original NDF is then calculated as the difference between the fixing rate applicable to the Original NDF and the Near Leg Rate.

In all cases, the fixing spot rate is based on the reference page on either Reuters or Bloomberg. Settlement is made in the major currency, paid to or by the client, and reflects the differential between the agreed upon non-deliverable forward rate and the fixing spot rate.

The NDF is quoted using foreign exchange forward market convention, with two way prices quoted as bid/offer pips, at a premium or discount to the prevailing spot market. As with a normal forward transaction, the market user either buys or sells the NDF, depending on the position to be hedged or according to the view of the underlying currency of interest rates.

NDFs are a risk management tool used to hedge the risk of forward currency convertibility, which can result from a number of factors, including credit risk, sovereign risk, regulatory restrictions, or lack of settlement procedures. NDFs are typically utilized by banks, multinational corporations, investment

Product Descriptions – Non Deliverable Forwards

managers, and proprietary traders to hedge currency risk. NDFs are also used as a tool to facilitate locking in the enhance yields of emerging market currencies.

Currencies		
CLP	KRW	USD
PEN	INR	PHP
COL	IDR	CNY
ARS	MYR	
BRL	TWD	

Holiday Calendar

- USD, KRW, MYR, TWD, IDR, PHP, CNY, INR, CLP, PEN, COP, ARS, BRL
- Value date must be a good USD day
- Fixing date must be a good local day

Components

- Notional
 - This is the “face value” of the NDF, which is agreed between the two counterparties
- Fixing date
 - This is the day and time whereby the comparison between the NDF rate and the prevailing spot rate is made
- Settlement date (or delivery date)
 - This is the day when the difference is paid or received. It is usually one or two business days after the fixing date
- Publish Date
 - For CLP only, the mkt refers to the publish date as one day after the fixing date
- Contracted NDF rate
 - The rate agreed on the transaction date, and is essentially the outright forward rate of the currencies dealt
- Effective date
 - The date which the NDF contract takes effect, usually the trade date

Clearing

- NDFs traded on NEX SEF are not cleared.

Attachment B

Marked SEF Rule 801

Product Descriptions – Non Deliverable Forwards

Rule 801(6) — Non Deliverable Forwards

NDF Product Descriptions

Trading Hours

The trading hours for all Swaps governed by this Rule ~~806~~801 are as follows:

- Order Book: 24 Hours, beginning at ~~3:00 p.m. Eastern Time on Sunday and ending at 5:30 p.m. Eastern 5:00 a.m. Sydney Time on Monday and ending at 5:00 p.m. New York~~ Time on Friday.
- Voice RFQ: Not Available.
- All Pre-Arranged Crosses: ~~24 Hours, beginning at 3:00 p.m. Eastern Time on Sunday and ending at 5:30 p.m. Eastern Time on Friday. Not Available.~~

Products — Rule ~~806~~801:

- (1) Non Deliverable Forwards (NDFs)

Product Specifications

NDF's are synthetic foreign currency forward contracts on non-convertible currencies or are traded on currencies with very little liquidity in the market place. These derivatives allow corporates and other investors to hedge or take positions to local currency movements without actually dealing in the underlying.

A (notional) ~~principle~~principal amount, forward exchange rate and forward date are all agreed at the deal's inception. The difference is that there will be no physical transfer of the ~~principle~~principal amount in the transaction. The deal is agreed on the basis that net settlement will be made in USD, or another fully convertible currency, to reflect any differential between the agreed forward rate and the actual exchange rate on the agreed forward date. It is a cash-settled outright forward.

The demand for ~~NDF's~~NDFs arises principally out of regulatory and liquidity issues in the underlying currency, where overseas players are essentially barred from access to the domestic market.

When an NDF deal is contracted, a fixing methodology is agreed, which includes the following three methodologies:

3. Outright. Under the standard outright NDF contract a fixing spot rate is determined on the fixing date, which is normally two working days before settlement, to reflect the spot value.
- ~~4. Today's Fixing (TOD). The TOD methodology permits a currency position to be rolled forward one month on the same day as the contract is entered into. The contract specifies a number of basis points that will be added to the fixing spot rate, which is determined at the close of business on the trade date.~~
4. ~~5.~~ Tomorrow's Fixing (TOM). The TOM methodology permits a currency position to be rolled forward one month on the day before the fixing used to price the contract. The contract is a back-to-back trade with a near leg closing out the original currency position (the "Original NDF") and a far leg reestablishing the position the next trading day. The fixing rate applicable to the far leg is the current market rate for the relevant outright NDF contract at the time the contract is entered into. The fixing rate for the near leg is the far leg fixing rate minus a number of basis points agreed upon by the parties (the "Near Leg Rate"). The close out of the Original NDF is then calculated as the difference between the fixing rate applicable to the Original NDF and the Near Leg Rate.

In all cases, the fixing spot rate is based on the reference page on either Reuters or Bloomberg.

Settlement is made in the major currency, paid to or by the client, and reflects the differential between the agreed upon non-deliverable forward rate and the fixing spot rate.

Product Descriptions – Non Deliverable Forwards

The NDF is quoted using foreign exchange forward market convention, with two way prices quoted as bid/offer pips, at a premium or discount to the prevailing spot market. As with a normal forward transaction, the market user either buys or sells the NDF, depending on the position to be hedged or according to the view of the underlying currency of interest rates.

~~NDF's~~NDFs are a risk management tool used to hedge the risk of forward currency convertibility, which can result from a number of factors, including credit risk, sovereign risk, regulatory restrictions, or lack of settlement procedures. ~~NDF's~~NDFs are typically utilized by banks, multinational corporations, investment managers, and proprietary traders to hedge currency risk. ~~NDF's~~NDFs are also used as a tool to facilitate locking in the enhance yields of emerging market currencies.

Currencies		
USD	THB	PHP
EUR	RUB	CNY
CLP	KRW	NGN USD
PEN	INR	KZT PHP
COL	IDR	UAH CNY
ARS	MYR	CNH
BRL	TWD	

Holiday Calendar

- USD, KRW, MYR, TWD, IDR, PHP, CNY, INR, CLP, PEN, COP, ARS, BRL, ~~UYU~~
- Value date must be a good USD day
- Fixing date must be a good local day

Components

- Notional
 - This is the “face value” of the NDF, which is agreed between the two counterparties*
- Fixing date
 - This is the day and time whereby the comparison between the NDF rate and the prevailing spot rate is made*
- Settlement date (or delivery date)
 - This is the day when the difference is paid or received. It is usually one or two business days after the fixing date*
- Publish Date
 - For CLP only, the mkt refers to the publish date as one day after the fixing date
- Contracted NDF rate
 - The rate agreed on the transaction date, and is essentially the outright forward rate of the currencies dealt
- Effective date
 - The date which the NDF contract takes effect, usually the trade date

Clearing

- NDFs traded on ~~ICAP~~NEX SEF are not cleared.

ATTACHMENT C – CERTIFICATION PURSUANT TO CFTC REGULATION 40.2

The undersigned hereby certifies that each product described in this submission complies with the Commodity Exchange Act and the CFTC Regulations thereunder, and that concurrent with the filing of this submission with the Commission, NEX SEF Limited will be posting on its website, on June 7, 2017, a copy of this submission and a notice of pending product certification of this product with the Commission.

NEX SEF LIMITED



By: Stephen Bartfield
Title: Chief Compliance Officer
Date: June 7, 2017