

August 14, 2017

Submitted via CFTC Portal

Division of Market Oversight
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: NEX SEF Limited – Regulation 40.6(a) Certification – Market Regulation Advisory Notice & Amended Rulebook

Ladies and Gentlemen:

Pursuant to Section 5c(c) of the Commodity Exchange Act (the “Act”) and Section 40.6(a) of the regulations of the Commodity Futures Trading Commission (the “Commission”), NEX SEF Limited (“NEX SEF” or the “Facility”) hereby notifies the Commission this it is self-certifying the issuance of NEX SEF Market Regulation Advisory Notice 2017-001 (“MRAN 2017-001”) and that it has amended its Rulebook, specifically Rules 502, 514, the Definitions and Confidential Chapter 9.

A concise explanation and analysis of MRAN 2017-001 and the amendments to the Rulebook and their compliance with applicable provisions of the Act and the Commission’s regulations thereunder is attached hereto as Exhibit A.

A copy of MRAN 2017-001 is attached hereto as Exhibit B. A clean copy of the amended Rulebook exclusive of confidential Chapter 9 is attached hereto as Exhibit C and a copy of the Rulebook exclusive of confidential Chapter 9 marked to show changes against the version most recently submitted to the Commission is attached hereto as Exhibit D. A clean copy of confidential Chapter 9 is attached hereto as Exhibit E, and a copy of the Confidential Chapter 9 marked to show changes against the version last submitted to the Commission is attached hereto as Exhibit F. A request for confidential treatment of Exhibit B, Exhibit E and Exhibit F is being simultaneously submitted to the Commission and a copy of that request for confidential treatment is included with this submission.

MRAN 2017-001 and the Rulebook amendments will become effective on September 1, 2017. NEX SEF certifies that MRAN 2017-001 and the Rulebook amendments comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. NEX SEF has reviewed the swap execution facility core principles (“Core Principles”) as set forth in the Commodity Exchange Act and has determined that the issuance of MRAN 2017-001 and the Rulebook amendments impact the Core Principles identified in Exhibit A.

NEX SEF is not aware of any substantive opposing views expressed with respect to this filing and certifies that, concurrent with this filing, a copy of this submission was posted on the NEX SEF website and may be accessed at: <http://www.nexsef.com>. Please contact the undersigned at (212) 521-4694 with any questions regarding this matter.

Very truly yours,



Steven Bartfield, Chief Compliance Officer
NEX SEF LIMITED
2 Broadgate
London EC2M 7UR
United Kingdom

Exhibit A

Explanation and Analysis

MRAN 2017-001

MRAN 2017-001 reminds Participants that NEX SEF has an obligation to maintain orderly markets and that certain trading practices risk creating market disruption on the basis that excessive Bids/Offers in a market that have a very low likelihood of being executed may not represent true liquidity in those instruments. Accordingly, the MRAN establishes a specific Maintenance of Orderly Markets protocol (the "Market Protocol"), as authorized pursuant to Rule 901, that is intended to ensure Participants are transacting on the EBS Order Book in accordance with the trading standards set forth in Chapter 4 of the Rulebook which, among other things, prohibit disruptive trading practices. The MRAN sets forth the specific Market Protocol, the calculation methodology used to calculate such protocols and the actions that NEX SEF may take for breach of such protocol. Specifically, the MRAN provides that any breach of the Market Protocol will be deemed to be a Violation of Rule 406 - Disruptive Trading Practices for which a Participant may be summarily suspended under Rule 514 from trading in a specific NEX SEF market, or a specific instrument in such market. This clearly defined Market Protocol and similarly clearly defined sanctions for violations thereof enhances NEX SEF's ability to deter such trading practices as well as NEX SEF's ability to enforce trading and participation Rules.

The amendments are consistent with Core Principle 2.

Rulebook Amendments

1. NEX SEF has revised the definition of Proprietary Data and Personal Information to clarify that Bids/Offers, quotes and Orders, Confirmations and Trade Communications are included in the definition.

The amendments are consistent with Core Principle 2 and Commission Regulation 37.7.

2. Rule 514 has been amended to include new Rule 514(b), which provides that the Market Regulation Staff may impose summary suspensions on Participants for those Violations of Rule 406 that are a result of breaches of the Market Protocol established by NEX SEF pursuant to Rule 901 and set forth in MRAN 2017-001. Rule 502 has been amended to include a reference to the new summary suspension rules in Rule 514(b). The Definitions have also been amended to include a definition of MRAN.

The amendments are consistent with Core Principle 2.

3. Rule 901 has been revised to provide additional detail on how the Maintenance of Orderly Markets protocols may be calculated and to require that NEX SEF publish an MRAN providing certain details on such protocols, including the calculation methodology used to establish the relevant protocol. Rule 901 has also been revised to expressly provide that a violation of the Maintenance of Orderly Markets protocols may be deemed a Violation of Rule 406.

The amendments are consistent with Core Principle 2.