

October 13, 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 Rule Certification – 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 that it has amended its rulebook (the “Rulebook”), specifically Rules 201 and 202 and the Definitions, including conforming amendments throughout the Rulebook.

A concise explanation and analysis of 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 clean copy of the amended Rulebook exclusive of confidential Chapter 9 is attached hereto as Exhibit B 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 C.

The amendments will become effective on October 30, 2017. NEX SEF certifies that the amendments comply with the requirements of the 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 Act and has determined that the 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) 704-5491 with any questions regarding this matter.

Very truly yours,



Elisa Hirschmann, Chief Compliance Officer  
**NEX SEF LIMITED**  
2 Broadgate  
London EC2M 7UR  
United Kingdom

## **Exhibit A**

### *Explanation and Analysis*

NEX SEF has amended its Rulebook to (i) remove the limitation that Customers must be Trading Privilege Holders, and (ii) permit Trading Privilege Holders to be Intermediaries. These changes generally are principally addressed in Rule 201 and Rule 202 and the Definitions, but conforming and related changes have been made throughout the Rulebook. The principal definitions and Rules that have been amended are addressed below.

1. The term “Customer” has been amended to now include any person who transacts on the Facility through a Trading Privilege Holder acting as an Intermediary, in addition to any person who transacts on the Facility through an Authorised Trading Firm acting as an Intermediary.

The amendments are consistent with Core Principle 2.

2. The term “Intermediary” has been amended to include a Trading Privilege Holder, in addition to including an Authorised Trading Firm.

The amendments are consistent with Core Principle 2.

3. Rule 201 has been amended to permit Trading Privilege Holders to act as Intermediaries and to subject Intermediaries to applicable fitness standards set forth in Rule 201(c).

The amendments are consistent with Core Principles 2 and 4.

4. Rule 202 has been amended to permit Trading Privilege Holders acting as Intermediaries to designate one or more Authorised Traders to enter Bids/Offers and Pre-Arranged Crosses for Customers. The same permission, but with respect to Authorised Trading Firms, has been relocated to new Rule 202(a)(2)(i). Rule 202(e) has been added to clarify the circumstances under which an Authorised Trading Firm may act as an Intermediary.

The amendments are consistent with Core Principles 2 and 4.

5. Rule 207(a) has been added to reflect that Customers no longer must be Trading Privilege Holders, and accordingly requires Trading Privilege Holders and Authorised Trading Firms to enter into written agreements with the Customers (except in instances where a Customer of a Trading Privilege Holder is itself a Trading Privilege Holder) pursuant to which the Customers agree to be bound by the Rulebook and applicable law.

The amendments are consistent with Core Principles 2 and 4.