



July 14, 2022

BY ELECTRONIC SUBMISSION

Christopher J. Kirkpatrick
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: SwapEx CFTC Submission 02-22: Certification Pursuant to Commission Rule 40.6 – Rule Amendments

Dear Mr. Kirkpatrick:

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 “CFTC” or “Commission”), SwapEx, LLC (“SwapEx”, or the “Company”) hereby notifies the Commission that it has amended its Rulebook and that it is certifying those amendments. The Rulebook has been amended to clarify Section (b) of Rule 524 - Operation of the Trading System regarding Execution Methods for Permitted Transactions. The amended Rulebook will become effective on July 29, 2022.

A concise explanation of the amendments to the Rulebook and their compliance with applicable provisions of the Act, including core principles and the Commission’s regulations, is attached hereto as Exhibit A. A clean copy of the amended Rules is attached hereto as Exhibit B, and a copy of the Rules marked to show changes against the version submitted to the Commission as part of the Rule certification on February 14, 2022, is attached hereto as Exhibit C. SwapEx hereby certifies that: (i) the amended Rulebook complies with the Act and the Commission’s regulations thereunder, and (ii) a notice and copy of this submission is being concurrently posted on SwapEx’s web site. There were no opposing views to the amendments to the Rulebook.

If you have questions, please contact the undersigned at (212) 259-3126 or KAAluise@statestreet.com.

Sincerely,

Karen A Aluise

Karen A. Aluise
Chief Compliance Officer

Encl. (Exhibits A, B and C)

Exhibit A

Explanation of Amendments to SwapEx Rulebook

Capitalized terms used but not defined herein have the meanings assigned to them in the Rulebook.

Amendment	Explanation
<p><u>Rule 524 (b)</u></p> <p>Made clarifying changes to our description of current trading protocols on SwapEx.</p>	<p>Rule 524 (b) has been amended to clarify the trading protocols around Request for Quote (“RFQ”) functionality, including (1) that Makers cannot submit firm quotes via Standard RFQ functionality; (2) during the RFQ Review Period and the Reverse RFQ Review Period, Makers may provide a rate that is more favorable to the price Taker than the quoted rate that was accepted by the Taker; and (3) provide clarification as to trading protocols where a Maker rejects or otherwise does not confirm acceptance of a transaction based on a rate quoted by such Maker.</p>

Exhibit B

Rulebook (clean)

Rule 524. Operation of the Trading System

The following is a summary of the execution methods and credit and risk limit functionality available on the Trading System. It is not intended to provide a comprehensive description of the operation of the Trading System or the execution methods and/or credit and risk functionality available thereon. Certain execution methods may not be available for certain Contracts (e.g. Contracts that are not cleared, Contracts in certain product types, etc.). Additional information with respect to the operation of the Trading System, the execution methods and credit and risk functionality is provided in the applicable user guide and other specific information that the Company may make available to Participants, Authorized Traders and Authorized Users.

(a) Execution Methods for Required Transactions:

(1) Order Book. The Trading System's Central Limit Order Book functionality uses a price/time algorithm to match Orders that are eligible to be matched. Whether an Order is eligible to be matched depends on a number of factors including, the order type and expiry type and, if applicable, credit and/or risk limits established for transactions effected through the Trading System.

(b) Execution Methods for Permitted Transactions. For Permitted Transactions, the Trading System will provide the execution method as described in paragraph (a)(1) above and, for certain Permitted Transactions, will also provide two request for quote ("Request for Quote" or "RFQ") execution styles: Standard RFQ and Reverse RFQ, as described in paragraphs (b)(1) and (b)(2), respectively, below. In addition, the Trading System may provide various other execution methods for Permitted Transactions as notified by the Company to Participants and Authorized Traders from time to time. A Permitted Transaction will be deemed executed on the Trading System upon the Company providing a record of the terms of an executed transaction to each counterparty as provided in Rule 525.

(1) Standard RFQ. Through the Standard RFQ functionality, a Person (the "Taker") may submit an RFQ to certain other Persons (each a "Maker") to which all such Makers may respond.

(i) A Taker may submit a Request for Quote for a Permitted Transaction that is a Cleared Contract through the Standard RFQ functionality to any or all Participants and/or Authorized Traders who have indicated to the Company in writing that they intend to act as "RFQ Makers" on the Standard RFQ functionality; provided that the

Taker and each such Participant or Authorized Trader have clearing arrangements at the same Derivatives Clearing Organization and have available credit.

(ii) A Taker may submit a Request for Quote for a Permitted Transaction that is not a Cleared Contract through the Standard RFQ functionality to any or all Participants and/or Authorized Traders, provided that both the Taker and each such Participant or Authorized Trader have indicated to the Company in writing that they are willing to transact with each other via the Standard RFQ functionality and, if a credit relationship has been established between the Taker and a Participant or Authorized Trader pursuant to paragraph (c) below, there is available credit. Through the Standard RFQ functionality, the Taker may submit a Request for Quote composed of two Contracts (that are not Cleared Contracts) for the same currency pair but with different fixing dates and maturity/valuation dates.

(iii) Makers submit indicative quotes via the Standard RFQ functionality. A Maker who provides an indicative quote in response to an RFQ in the Standard RFQ functionality is provided the opportunity, during a set period of time (the "Standard RFQ Review Period"), after a Taker has accepted such indicative price quote, to confirm that it remains willing to execute a transaction at that quoted rate. During the Standard RFQ Review Period, the RFQ status will be set to "pending" and the Taker can no longer make any edits to it and (2) the Taker is not permitted to send the same RFQ to any other market participant on the Trading System. If the quote provided is confirmed by the Maker prior to expiration of the applicable Standard RFQ Review Period, the status of the RFQ will be updated to reflect completion of the transaction at the quoted rate or, solely at the discretion of the Maker, a rate more favorable to the Taker than the quoted rate. If the Maker rejects or otherwise does not confirm acceptance of the transaction within the applicable Standard RFQ Review Period noted above, the Trading System will not execute a transaction between the Maker and Taker and (1) if the RFQ was sent only to that Maker, the RFQ session will be terminated or (2) if the RFQ was sent to multiple Makers, the RFQ will resume (but quotes from the Maker who did not confirm acceptance of the transaction will be ineligible to be selected by the Taker) and the Taker can select another quoted rate, if available, from the remaining Makers in the RFQ session.

(2) Reverse RFQ. Through the Reverse RFQ functionality, a Person (the "Sender") may stream quotes for certain Permitted Transactions that are not Cleared Contracts to any or all Participants and/or Authorized Traders (each a "Recipient") provided that both the Sender and each such Participant or Authorized Trader have indicated to the Company in writing that they are willing to transact with each other via the Reverse RFQ functionality and, if a credit relationship has been established between the Sender and a Participant or Authorized Trader pursuant to paragraph (c) below, there is available

credit. The Recipient of such quote may indicate its desire to accept a quote from the Sender, and such acceptance will be communicated to the Sender, who then will have the opportunity, during a set period of time (the "Reverse RFQ Review Period") to confirm that it remains willing to execute a transaction at that quoted rate. During the Reverse RFQ Review Period, (1) the RFQ status will be set to "pending" and the Recipient can no longer make any edits to it and (2) the Sender is not permitted to stream the same price quote to any other market participant on the Trading Platform. If the quote provided is confirmed by the Sender prior to expiration of the applicable Reverse RFQ Review Period, the status of the RFQ will be updated to reflect completion of the transaction at the quoted rate or, solely at the discretion of the Maker, a rate more favorable to the Taker than the quoted rate. If the Sender rejects or otherwise does not confirm acceptance of the transaction within the applicable Reverse RFQ Review Period noted above, the Trading System will not execute a transaction between the Sender and the Recipient of the quote.

(c) Credit and Risk Limits. The Trading System permits Participants, Authorized Traders and Clearing Firms to input and establish credit and/or risk limits on the Trading System. The Company may also require Participants, Authorized Traders and/or Clearing Firms to input and establish credit and/or risk limits on the Trading System. A Person establishing credit and/or risk limits on the Trading System shall be solely responsible for evaluating the creditworthiness of each Person for whom it establishes such limit and for determining whether such Person is in compliance with any such limits with respect to its activity on the Trading System. The Company shall not have any responsibility for compliance with credit limits by a Participant, Authorized Trader or Authorized User, notwithstanding that such credit limits may have been input into the Trading System, or for monitoring, maintaining or enforcing any such credit limits.

Exhibit C

Rulebook (redline)

Rule 524. Operation of the Trading System

The following is a summary of the execution methods and credit and risk limit functionality available on the Trading System. It is not intended to provide a comprehensive description of the operation of the Trading System or the execution methods and/or credit and risk functionality available thereon. Certain execution methods may not be available for certain Contracts (e.g. Contracts that are not cleared, Contracts in certain product types, etc.). Additional information with respect to the operation of the Trading System, the execution methods and credit and risk functionality is provided in the applicable user guide and other specific information that the Company may make available to Participants, Authorized Traders and Authorized Users.

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Taker and each such Participant or Authorized Trader have clearing arrangements at the same Derivatives Clearing Organization and have available credit.

(ii) A Taker may submit a Request for Quote for a Permitted Transaction that is not a Cleared Contract through the Standard RFQ functionality to any or all Participants and/or Authorized Traders, provided that both the Taker and each such Participant or Authorized Trader have indicated to the Company in writing that they are willing to transact with each other via the Standard RFQ functionality and, if a credit relationship has been established between the Taker and a Participant or Authorized Trader pursuant to paragraph (c) below, there is available credit. Through the Standard RFQ functionality, the Taker may submit a Request for Quote composed of two Contracts (that are not Cleared Contracts) for the same currency pair but with different fixing dates and maturity/valuation dates.

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~~(2) the RFQ will resume and the Taker can select another quoted rate to accept.~~

(2) Reverse RFQ. Through the Reverse RFQ functionality, a Person (the "Sender") may stream quotes for certain Permitted Transactions that are not Cleared Contracts to any or all Participants and/or Authorized Traders (each a "Recipient") provided that both the Sender and each such Participant or Authorized Trader have indicated to the Company in writing that they are willing to transact with each other via the Reverse RFQ functionality and, if a credit relationship has been established between the Sender and a

Participant or Authorized Trader pursuant to paragraph (c) below, there is available credit. The Recipient of such quote may indicate its desire to accept a quote from the Sender, and such acceptance will be communicated to the Sender, who then will have the opportunity, during a set period of time (the "Reverse RFQ Review Period") to confirm that it remains willing to execute a transaction at that quoted rate. During the Reverse RFQ Review Period, (1) the RFQ status will be set to "pending" and the Recipient can no longer make any edits to it and (2) the Sender is not permitted to stream the same price quote to any other market participant on the Trading Platform. If the quote provided is confirmed by the Sender prior to expiration of the applicable Reverse RFQ Review Period, the status of the RFQ will be updated to reflect completion of the transaction at the quoted rate or, solely at the discretion of the Maker, a rate more favorable to the Taker than the quoted rate. If the Sender rejects or otherwise does not confirm acceptance of the transaction within the applicable Reverse RFQ Review Period noted above, the Trading System will not execute a transaction between the Sender and the Recipient of the quote.

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