

December 7, 2023

**Submitted via CFTC Portal**

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

Re: Commission Regulations 40.2(a) and 40.2(d): Class Certification (new elements) of Overnight Index Swaps: US Dollar Secured Overnight Financing Rate

Dear Mr. Kirkpatrick:

DW SEF LLC (“DW SEF”) hereby notifies the Commodity Futures Trading Commission (the “Commission”), pursuant to Commission Regulations 40.2(a) and 40.2(d), that it is certifying new elements to its prior product listing of Overnight Index Swaps: US Dollar Secured Overnight Financing Rate (“Swaps”) for trading on DW SEF’s electronic trading system (namely the stated maturity range/maturity date and trade start types). This certification should be read in conjunction with the class certification of interest rate swaps and other swaps submitted by DW SEF on October 2, 2013.

DW SEF will list the Swaps no earlier than December 9, 2023.

This submission letter contains the following attachments:

- Attached as Exhibit A-1 is a concise explanation and analysis of the class of Swaps;
- Attached as Exhibit B-1 is a copy of the product Rules, which will be published as contract specifications on DW SEF’s website in accordance with DW SEF Rule 901; Attached as Exhibit B-2 is a redline showing the changes made to DW SEF Rule 901.
- Attached as Exhibit C is a concise explanation and analysis of the products’ compliance with applicable provisions of the Commodity Exchange Act (the “CEA”), including the Core Principles and the Commission’s Regulations thereunder.

As required by Commission Regulation 40.2(d)(1), DW SEF hereby certifies that, with regard to the Swaps:

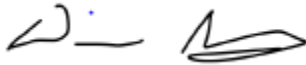
- (i) Each particular Swap within the certified class of Swaps is based upon an “excluded commodity” specified in Commission Regulation 40.2(d)(1);
- (ii) Each particular Swap within the certified class of Swaps is based upon an excluded commodity with an identical pricing source, formula, procedure, and methodology for calculating reference prices and payment obligations;

- (iii) The pricing source, formula, procedure, and methodology for calculating reference prices and payment obligations in each particular Swap within the certified class of swaps is identical to a pricing source, formula, procedure, and methodology for calculating reference prices and payment obligations in a product previously submitted to the Commission and certified or approved pursuant to Commission Regulation 40.2 or Commission Regulation 40.3; and
- (iv) Each particular Swap within the certified class of Swaps is based upon an excluded commodity involving an identical currency or identical currencies.

Based on the foregoing, DW SEF certifies that each Swap complies with the CEA and Commission Regulations thereunder. DW SEF additionally certifies that it has concurrently posted a copy of this submission letter and attachments hereto on DW SEF's website at <https://www.tradeweb.com/our-markets/market-regulation/sef/>.

Should you have questions regarding this submission, please contact the undersigned at (646) 767-4923 or by email at [Devi.Shanmugham@tradeweb.com](mailto:Devi.Shanmugham@tradeweb.com).

Very truly yours,



Devi Shanmugham  
DW SEF CCO

Mr. Christopher J. Kirkpatrick  
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### **Exhibit A-1**

Below is a concise explanation and analysis of Overnight Index Swaps: US Dollar Secured Overnight Financing Rate for trading on DW SEF's electronic trading system.

#### **Overnight Index Swaps: US Dollar Secured Overnight Financing Rate**

An Overnight Index Swap referencing the Secured Overnight Financing Rate (SOFR) is an agreement between two parties to exchange a fixed interest payment for a floating interest payment based on the compounded rate of SOFR over every day of the payment period.

For more information, the contract specifications for Overnight Index Swaps: US Dollar Secured Overnight Financing Rate are attached as Exhibit B-1.

**Exhibit B-1**

Amended Rule 901

(b) Overnight Index Swaps: US Dollar Secured Overnight Financing Rate

Contract Description	An Overnight Index Swap referencing the Secured Overnight Financing Rate (SOFR) is an agreement between two parties to exchange a fixed interest payment for a floating interest payment based on the compounded rate of SOFR over every day of the payment period.	
Currency and Floating Rate Index	USD	Secured Overnight Financing Rate
Contract Size	As agreed by parties.	
Minimum Size	As agreed by parties.	
Effective Date / Start Date	The date on which parties begin calculating accrued obligations such as fixed and floating interest rate payments.	
Stated Maturity Range / Maturity Date	2 days to 50 years   The final date on which the obligations no longer accrue and the final payment occurs.	
Trade Start Types	<ul style="list-style-type: none"> <li>• Spot Starting (T+2)</li> <li>• Trade Date Starting (T +0)</li> <li>• Forward Starting (starting on next Federal Reserve Announcement Date)</li> <li>• IMM Start Date (September, December, March, June).</li> </ul>	
Fixed Leg	<ul style="list-style-type: none"> <li>• Payment Frequency: Term, Annual, Quarterly</li> <li>• Day Count Convention: Actual/360</li> </ul>	
Transaction Types	<ul style="list-style-type: none"> <li>• Outright</li> <li>• Spread vs. US Treasury Securities ("Swap Spread" or "Spreadover")</li> <li>• Rate Switch</li> <li>• Spread Switch</li> <li>• Butterfly</li> </ul>	
Floating Leg	<ul style="list-style-type: none"> <li>• Term, Annual, Quarterly</li> <li>• Day Count Convention: Actual/360</li> </ul>	
Notional	Fixed Notional	
Holiday Calendar(s)	US Government Securities Calendar	
Business Day Conventions	Modified Following	
Periodic Settlement: Payment and Resets	<ul style="list-style-type: none"> <li>• Fixed Leg: The payment amount of the Fixed Leg is based on the following: Notional, Payment Frequency, Day Count Convention and Fixed Interest Rate.</li> <li>• Floating Leg: The payment amount of the Floating Leg is based on the following: Notional, Payment Frequency, Day Count Convention, Floating Interest Rate Index and Floating Reset Dates.</li> </ul> <p>Payments are settled in accordance with the payment frequency of the swap.</p>	
Optionality	No	
Dual Currencies	No	

Settlement Procedure	As determined by the DCO.
Trading Hours	Trading hours of DW SEF.
DCO(s)	LCH and CME
Block Size	See Rule 411 and CFTC Regulation Part 43, Appendix F.
Reportable Levels	See Rule 409 and CFTC Regulation 15.03.
Position Limits	See Rule 408 and CFTC Regulation Part 150.
Reporting	All trades reported to SDR in accordance with CFTC requirements.

**Exhibit B-1**

Redlined Pages of Current DW SEF Rulebook Rule 901

Contract Description	An Overnight Index Swap referencing the Secured Overnight Financing Rate (SOFR) is an agreement between two parties to exchange a fixed interest payment for a floating interest payment based on the compounded rate of SOFR over every day of the payment period.	
Currency and Floating Rate Index	USD	Secured Overnight Financing Rate
Contract Size	As agreed by parties.	
Minimum Size	As agreed by parties.	
Effective Date / Start Date	The date on which parties begin calculating accrued obligations such as fixed and floating interest rate payments.	
Stated Maturity Range / Maturity Date	<u>27</u> days to 50 years   The final date on which the obligations no longer accrue and the final payment occurs.	
Trade Start Types	<ul style="list-style-type: none"> <li>• <u>Spot Starting (T+2)</u></li> <li>• <u>Trade Date Starting (T +0)</u></li> <li>• Forward Starting (starting on next Federal Reserve Announcement Date)</li> <li>• IMM Start Date (September, December, March, June).</li> </ul>	
Fixed Leg	<ul style="list-style-type: none"> <li>• Payment Frequency: Term, Annual, Quarterly</li> <li>• Day Count Convention: Actual/360</li> </ul>	
Transaction Types	<ul style="list-style-type: none"> <li>• Outright</li> <li>• Spread vs. US Treasury Securities ("Swap Spread" or "Spreadover")</li> <li>• Rate Switch</li> <li>• Spread Switch</li> <li>• Butterfly</li> </ul>	
Floating Leg	<ul style="list-style-type: none"> <li>• Term, Annual, Quarterly</li> <li>• Day Count Convention: Actual/360</li> </ul>	
Notional	Fixed Notional	
Holiday Calendar(s)	US Government Securities Calendar	
Business Day Conventions	Modified Following	
Periodic Settlement: Payment and Resets	<ul style="list-style-type: none"> <li>• Fixed Leg: The payment amount of the Fixed Leg is based on the following: Notional, Payment Frequency, Day Count Convention and Fixed Interest Rate.</li> <li>• Floating Leg: The payment amount of the Floating Leg is based on the following: Notional, Payment Frequency, Day Count Convention, Floating Interest Rate Index and Floating Reset Dates.</li> </ul> <p>Payments are settled in accordance with the payment frequency of the swap.</p>	
Optionality	No	
Dual Currencies	No	

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Settlement Procedure	As determined by the DCO.
Trading Hours	Trading hours of DW SEF.
DCO(s)	LCH and CME
Block Size	See Rule 411 and CFTC Regulation Part 43, Appendix F.
Reportable Levels	See Rule 409 and CFTC Regulation 15.03.
Position Limits	See Rule 408 and CFTC Regulation Part 150.
Reporting	All trades reported to SDR in accordance with CFTC requirements.

### **Exhibit C**

DW SEF has determined that the Swaps certified herein bear upon the below Core Principles. This Exhibit should be read in conjunction with the class certification of interest rate swaps and other swaps submitted by DW SEF on October 2, 2013.

#### **Core Principle 2 – Compliance with Rules**

Trading in the Swaps will be subject to the DW SEF Rulebook (the “Rules”), which prohibits abusive trading practices, including: acts detrimental to DW SEF (Rule 609) or that are inconsistent with just and equitable principles of trade (Rule 602), fraudulent acts (Rule 603), fictitious transactions (Rule 604), price manipulation (Rule 606), disruptive trading practices (Rule 605), misstatements (Rule 608), wash sales (Rule 613) and pre-arranged or non-competitive trades, including money passes (Rule 614).

As with all swaps listed for trading on the Trading System (as such terms are defined in the DW SEF Rulebook), trading activity in Swaps will be subject to monitoring and surveillance by DW SEF’s Market Regulation Team. DW SEF has the authority to exercise its investigatory and enforcement power where potential Rule violations are identified. See Chapter 7 of the Rules.

#### **Core Principle 3 – Swaps Not Readily Susceptible to Manipulation**

Swaps based on standard interest rate swaps are not readily susceptible to manipulation because wide dealer and industry support provides significant liquidity in all market conditions for such products.

#### **Core Principle 4 – Monitoring of Trading and Trade Processing**

Chapter 5 of the Rules prohibits traders from manipulating, distorting the price of, and disrupting the cash settlement process of the Swaps. Such Rules are enforced by the Market Regulation Team.

#### **Core Principle 5 – Ability to Obtain Information**

Pursuant to the Rules, DW SEF will have the ability and authority to obtain sufficient information for each Swap to allow DW SEF to fully perform its operational, risk management, governance and regulatory functions and requirements under Part 37 of Commission Regulations.

#### **Core Principle 6 – Position Limits or Accountability**

Rule 409 allows DW SEF to adopt position limits and/or accountability levels for Required Transactions. Persons with positions in excess of position accountability levels established by DW SEF will be required to provide, upon request by DW SEF, information about their positions in excess of the relevant position accountability threshold and consent to halt any further increases in those positions.



### **Core Principle 7 – Financial Integrity of Transactions**

All Swaps that are required to be cleared pursuant to Section 2(h) of the CEA or that are voluntarily cleared by the counterparties will be submitted for clearing through a DCO. See Rule 1002.

### **Core Principle 9 – Timely Publication of Trading Information**

In accordance with Part 16 of Commission Regulations, DW SEF will publish daily market volume data reports for each Swap in terms of notional value. In addition, DW SEF will publish for each trading day, by tenor of the Swap, the opening price and the high and low prices. DW SEF will publish a settlement price for each such Swap.

DW SEF will submit electronic reports of all primary economic terms data for each Swap to a registered swap data repository immediately following execution of such Swap. All such reports will meet the standards set out in Commission Regulation 45.3, including the requirement to produce a unique swap identifier for each transaction.