

GFI Swaps Exchange LLC
Rule Implementation Submission 21-0002
December 31, 2021

1. The texts of the amended Rules are appended as Attachment A. Any additions are underlined and any deletions are struck through.
2. The date of intended implementation for these amendments is effective following the filing of this submission.
3. Attached, please find a certification that: (1) these rules comply with the Commodity Exchange Act (“Act”), and the Commission’s regulations thereunder; and (2) concurrent with this submission, GFI Swaps Exchange LLC posted on its website: (i) a notice of pending certification of the rule amendments with the Commission; and (ii) a copy of this submission.
4. A concise explanation and analysis of the operation, purpose, and effect of each of the amended rules appears below.
5. There were no opposing views expressed regarding these amended rules.
6. Confidential treatment is not requested.

CONCISE EXPLANATION AND ANALYSIS OF THE OPERATION, PURPOSE, AND EFFECT OF THE RULE AMENDMENT AND ITS COMPLIANCE WITH APPLICABLE PROVISIONS OF THE ACT, INCLUDING CORE PRINCIPLES AND THE COMMISSION’S REGULATIONS THEREUNDER

Pursuant to Commission Rule 40.6(a)(7)(vi), the following is a concise explanation and analysis of the operation, purpose, and effect of the amended rules. The attached amendments are cumulative and in response to suggestions and guidance from the staff during the course of the staff review of the GFI Swaps Exchange LLC application for registration as a Swap Execution Facility. These amendments are either:

- (1) technical corrections to align the rules more closely with the language of Commission Rules; and/or
- (2) amendments made in response to guidance of Commission staff.

The following chart identifies the changed rules and notes the effect of the change and an explanation of the operation, purpose, and effect of the change.

CONCISE EXPLANATION AND ANALYSIS OF THE OPERATION, PURPOSE, AND
EFFECT OF THE RULE AMENDMENT AND ITS COMPLIANCE WITH APPLICABLE
PROVISIONS OF THE ACT

Rule	Rule Title	Effect
Rule 508A	Mid-Market Level	In Rule 508A replace LIBOR with SOFR
Contract Specifications	Appendix A	In Table of Contents replace LIBOR with SOFR for GBP Interest Rate Swap
Contract Specifications	Appendix A	In Table of Contents replace LIBOR with SOFR for GBP Interest Rate Swap Fixed to Floating
Contract Specifications	Appendix A	In Table of Contents replace LIBOR with SOFR for GBP Interest Rate MAC
Contract Specifications	Appendix A	In Table of Contents replace LIBOR with SOFR for OIS
Contract Specifications	Appendix A	In Table of Contents replace LIBOR with SOFR for JPY Interest Rate Swap Fixed to Floating
Contract Specifications	Appendix A	In Table of Contents replace LIBOR with SOFR for JPY Interest Rate Swap Forward Rate Agreement
Contract Specifications	Appendix A	In Table of Contents add SOFR in Swaptions Interest Rate Swaps Basis
Contract Specifications	Appendix A	In Table of Contents replace add SOFR in Swaptions Interest Rate Swaps Fixed to Floating
Contract Specifications	Appendix A	In Table of Contents add SOFR in Swaptions Interest Rate Swaps Forward Rate Agreement
Contract Specifications	Appendix A	In Table of Contents add SOFR in Swaptions Interest Rate Swaps Market Agreed Coupon
Contract Specifications	Appendix A	In Table of Contents add SOFR in Swaptions Interest Rate Swaps Overnight Index Swap
Contract Specifications	Appendix A	In Contract Specs for the Chilean Interest Rate Swap Basis replace LIBOR with SOFR

Contract Specifications	Appendix A	In Contract Specs for the GBP Libor Interest Rate Swap Basis replace LIBOR with SOFR
Contract Specifications	Appendix A	In Contract Specs for the GBP Libor Interest Rate Swap Fixed to Floating replace LIBOR with SOFR
Contract Specifications	Appendix A	In Contract Specs for the GBP Libor Interest Rate Swap Forward Rate Agreement replace LIBOR with SOFR
Contract Specifications	Appendix A	In Contract Specs for the GBP Libor Interest Rate Market Agreed Coupon replace LIBOR with SOFR
Contract Specifications	Appendix A	In Contract Specs for the GBP Libor Interest Overnight Index Swap replace LIBOR with SOFR
Contract Specifications	Appendix A	In Contract Specs for the JPY Libor Interest Basis replace LIBOR with SOFR
Contract Specifications	Appendix A	In Contract Specs for the JPY Libor Interest Fixed to Floating replace LIBOR with SOFR
Contract Specifications	Appendix A	In Contract Specs for the JPY Libor Interest Rate Swap Forward Rate Agreement replace LIBOR with SOFR
Contract Specifications	Appendix A	In Contract Specs for the JPY Libor Interest Rate Swap Forward Rate Agreement replace LIBOR with SOFR
Contract Specifications	Appendix A	In Contract Specs for the Mexican Peso Interest Rate Swap Basis replace LIBOR with SOFR
Contract Specifications	Appendix A	In Contract Specs for the USD Libor Interest Rate Swap Basis add SOFR
Contract Specifications	Appendix A	In Contract Specs for the USD Libor Interest Fixed to Floating add SOFR
Contract Specifications	Appendix A	In Contract Specs for the USD Libor Interest Forward Rate Agreement add SOFR
Contract Specifications	Appendix A	In Contract Specs for the USD Libor Interest Rate Market Agreed Coupon add SOFR
Contract Specifications	Appendix A	In Contract Specs for the USD Libor Interest Overnight Index Swap add SOFR
Rule 1101	Swap Specifications	Added language to reference reliance on CFTC No-Action Letters 21-26, 21-27 and 21-28 for certain contract specifications

CERTIFICATIONS PURSUANT TO SECTION 5c OF THE COMMODITY EXCHANGE ACT, 7 U.S.C. §7A-2 AND COMMODITY FUTURES TRADING COMMISSION RULE 40.6, 17 C.F.R. §40.6

I hereby certify that:

- (1) the amended Rules above comply with the Commodity Exchange Act, and the Commodity Futures Trading Commission's regulations thereunder; and
- (2) concurrent with this submission, GFI Swaps Exchange LLC. posted on its website:
 - (a) a notice of pending certification of the above Rules with the Commission;
 - and (b) a copy of this submission

Kenneth Sklover

By: Kenneth Sklover
Title: Chief Compliance Officer
Date: December 31, 2021

All, the Company will apply analytical analysis to prices, executable or indicative bids or offers, or historical price information for a similar Swap traded on the Trading Platform, other swap execution facilities or markets to determine the proposed Mid-Market Level. The Company also may apply analytics where bids or offers are available from on the Trading Platform, other swap execution facilities or markets but the mid-market price may be ambiguous because of the width of the bid/offer spread or other factors, and the application of such analytics would provide additional clarity. Such analytical analysis may include, for example, but is not limited to, empirical cash flow valuations using [SOFR Libor_f](#), Euribor and Overnight Interest Rate bootstrapped Discount Factor curves and forward forecasting curves, credit adjustment and valuation models and options modelling using, but not limited to, industry standard Black Scholes, adjusted Black Scholes (Garman Kohlhagen) and Stochastic Options models on specific option structures.

(iii) *Market Participant Views*. The Company also may request the views of active market participants and consider such views in determining the proposed Mid-Market Level. In requesting the views of active market participants, the Company: (i) will act fairly in determining which active market participants to survey; (ii) will weigh the views of market participants based on market conditions and not on unrelated factors, and will not knowingly ask for or receive a market view intended solely to favor the market participant's position; (iii) will not attempt to coerce or pressure an active market participant to respond to the request for their views or to alter a view once it has been expressed; and (iv) will not divulge any information regarding the positions or intentions of any other Person without the consent of such Person. In using responses from active market participants as an input in the determination of the proposed Mid-Market Level, the Company will use its best efforts, acting in good faith, to disregard prices that are outliers from the consensus view expressed. Any communications (including Voice Communications) between the Company and market participants concerning market participants' views in determining the Mid-Market Level will be retained in accordance with CFTC Regulation 1.31.

509. Voice Execution; Brokered Trades

(a) Subject to the requirements of CFTC Regulations relating to the execution of Required Transactions and to such instructions as may be given by a Participant or Sponsored Access Firm, directions to effect a Swap submitted via Voice Communications may be effectuated as the Execution Specialist deems appropriate, taking into account liquidity, the size and price of the Order or RFQ, the credit arrangements of the parties to the trade (where applicable), and such other factors as such Execution Specialist deems relevant in the circumstances.

(b) An Execution Specialist may facilitate trading in Permitted Transactions by making known to Participants and Sponsored Access Firms the existence of trading interest in a Swap and communicating Orders, RFQs and Indications of Interest among Participants

CHAPTER 11 CONTRACTS

1101. Swap Specifications

(a) The Company will permit trading in Swaps that will be listed by the Company and submitted to the CFTC pursuant to Part 40 of the CFTC Regulations from time to time. The contract specifications for all such Swaps are attached hereto as Appendix A and incorporated by reference into these Rules. The London Interbank Offered Rate (LIBOR) will continue to be permitted as long as CFTC No-Action Letters 21-26, 21-27 and 21-28 remain in effect.

(b) The template terms of any non-deliverable forward contract, vanilla FX option or exotic FX option recommended by the Emerging Markets Trade Association (“EMTA”) or a recognized successor (the “EMTA Template”) are incorporated by reference into the product specifications for each relevant non-deliverable forward contract, vanilla FX option or exotic FX option. If the terms of an EMTA Template conflict with terms the parties may establish through their pre-existing bilateral agreement (including, without limitation, Sections 8.1 and 8.2 of the ISDA Definitions and the FX Definitions), the terms of the EMTA Template shall prevail. As used in this paragraph (b): (i) “**ISDA Definitions**” means the definitions and provisions contained in the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; and (ii) “**FX Definitions**” means the 1998 FX and Currency Option Definitions (including Annex A thereto) as published by ISDA, EMTA and The Foreign Exchange Committee.

1102. Rules of the Derivatives Clearing Organization

(a) The clearing services provided by the Derivatives Clearing Organization with respect to any Swap, and the rights and obligations of purchasers and sellers under cleared Swaps (including rights and obligations in respect of clearing and settlement, variation payments and performance at maturity), will be governed by the rules of the Derivatives Clearing Organization.

(b) Where relevant, delivery of the Commodity underlying a Swap upon termination of such Swap and payment of the price in respect thereof shall be made in accordance with the rules of the applicable Derivatives Clearing Organization.



APPENDIX A
CONTRACT SPECIFICATIONS

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CREDIT

Subject to the requirements of the Rules, Swaps in the credit asset class may be effected

The terms and conditions of the swaps incorporate by reference such credit and other terms as bilateral agreement. The swaps have the

Chilean Peso Interest Rate Swap: Basis

the parties may establish through their pre-existing following characteristics:

Currency	Chilean Peso (CLP)
Floating Rate Indexes	SOFR LIBOR /Indice Camara Promedio
Stated Termination Date Range	As negotiated between the parties Spot & Forward starting, and broken dates (bespoke tenors)
Optionality	No
Dual Currencies	No
Conditional Notional Amounts	No

by the DCO in its rules or bylaws are incorporated by reference herein and are the terms and conditions of the swap. The swaps have

GBP-~~LIBOR~~SOFR Interest Rate Swap: Basis

The terms and conditions of the swap as established the following characteristics:

Currency	Sterling (GBP)
Floating Rate Indexes	SOFR LIBOR/ SOFR LIBOR SOFR LIBOR/SONIAS
Stated Termination Date Range	28 days to 50 years Spot & Forward starting, and broken dates (bespoke tenors)
Optionality	No
Dual Currencies	No
Conditional Notional Amounts	No

by the DCO in its rules or bylaws are incorporated by reference herein and are the terms and conditions of the swap. The swaps have

GBP ~~LIBOR~~ SOFR Interest Rate Swap: Fixed-to-Floating

The terms and conditions of the swap as established the following characteristics:

Currency	Sterling (GBP)
Floating Rate Indexes	<u>SOFR</u> LIBOR
Stated Start Date Range	28 days to 50 years Spot & Forward starting, and broken dates (bespoke tenors)
Optionality	No
Dual Currencies	No
Conditional Notional Amounts	No

GBP ~~LIBOR~~SOFR Interest Rate Swap: Forward Rate Agreement

The terms and conditions of the swap as established by the DCO in its rules or bylaws are incorporated by reference herein and are the terms and conditions of the swap. The swaps have the following characteristics:

Currency	Sterling (GBP)
Floating Rate Indexes	LIBOR <u>SOFR</u>
Stated Termination Date Range	3 days to 3 years
Optionality	No
Dual Currencies	No
Conditional Notional Amounts	No

by the DCO in its rules or bylaws are incorporated by reference herein and are the terms and conditions of the swap. The swaps have

GBP ~~LIBOR~~ SOFR Interest Rate Swap: Market Agreed Coupon

The terms and conditions of the swap as established by the DCO in its rules or bylaws are incorporated by reference herein and are the terms and conditions of the swap. The swaps have the following characteristics:

Currency	Sterling
Fixed Coupon	http://www.sifma.org/services/standard-forms-and-documentation/swaps/
Floating Rate Indexes	<u>SOFR</u> LIBOR
Tenors	1y, 2yrs, 3yrs, 5yrs, 7yrs, 10yrs, 15yrs, 20yrs, 30yrs
Effective Dates	IMM dates (3rd Weds of March, June, September, December)

GBP ~~LIBOR~~-SOFR Interest Rate Swap: Overnight Index

The terms and conditions of the swap as established the following characteristics:

Currency	Sterling (GBP) (“SONIAS”)
Floating Rate Indexes	SOFR LIBOR
Stated Termination Date Range	7 days to 50 years Spot & Forward starting, and broken dates (bespoke tenors)
Optionality	No
Dual Currencies	No
Conditional Notional Amounts	No

by the DCO in its rules or bylaws are incorporated by reference herein and are the terms and conditions of the swap. The swaps have

JPY-~~LIBOR~~SOFR Interest Rate Swap: Basis

The terms and conditions of the swap as established the following characteristics:

Currency	Yen (JPY)
Floating Rate Indexes	<u>LIBOR</u> <u>SOFR</u>
Stated Start Date Range	28 days to 30 years Spot & Forward starting, and broken dates (bespoke tenors)
Optionality	No
Dual Currencies	No
Conditional Notional Amounts	No

JPY ~~SOFR~~LIBOR Interest Rate Swap: Fixed-to-Floating

The terms and conditions of the swap as established the following characteristics:

Currency	Yen (JPY)
Floating Rate Indexes	SOFR LIBOR
Stated Start Date Range	28 days to 30 years Spot & Forward starting, and broken dates (bespoke tenors)
Optionality	No
Dual Currencies	No
Conditional Notional Amounts	No

by the DCO in its rules or bylaws are incorporated by reference herein and are the terms and conditions of the swap. The swaps have

JPY ~~SOFR~~~~LIBOR~~ Interest Rate Swap: Forward Rate Agreement

The terms and conditions of the swap as established by the DCO in its rules or bylaws are incorporated by reference herein and are the terms and conditions of the swap. The swaps have the following characteristics:

Currency	Yen (JPY)
Floating Rate Indexes	LIBOR SOFR
Stated Termination Date Range	3 days to 3 years
Optionality	No
Dual Currencies	No
Conditional Notional Amounts	No

Mexican Peso Interest Rate Swap: Basis

The terms and conditions of the swaps incorporate by reference such credit and other terms as the parties may establish through their pre-existing bilateral agreement. The swaps have the following characteristics:

Currency	Mexican Peso (MXN)
Floating Rate Indexes	SOFRLIBOR /28 day MXN-TIE-Banxico Index
Stated Termination Date Range	As negotiated between the parties Spot & Forward starting, and broken dates (bespoke tenors)
Optionality	No
Dual Currencies	No
Conditional Notional Amounts	No

Notional Currency	Currency in which contract size is expressed
Settlement Procedure	Bilateral settlement performed in settlement currency
Trading Hours	00:01 - 24:00 Sunday-Friday Eastern Time
Clearing Venue	Bilateral

USD SOFRLIBOR Interest Rate Swap: Basis

The terms and conditions of the swap as established by the DCO in its rules or bylaws are incorporated by reference herein and are the terms and conditions of the swap. The swaps have the following characteristics:

Currency	U.S. Dollar
Floating Rate Indexes	<u>SOFRLIBOR</u> / <u>SOFRLIBOR</u> <u>SOFRLIBOR</u> /Fed Funds <u>SOFRLIBOR</u> /OIS Including Spread over Treasuries <u>SOFRLIBOR</u> /MXN-TIIE-Banxico (MXN IRS Benchmark) <u>SOFRLIBOR</u> /ICP (CLP IRS Benchmark)
Stated Termination Date Range	28 days to 50 years Spot & Forward starting, and broken dates (bespoke tenors)
Optionality	No
Dual Currencies	No
Conditional Notional Amounts	No

USD SOFRLIBOR Interest Rate Swap: Fixed-to-Floating

The terms and conditions of the swap as established by the DCO in its rules or bylaws are incorporated by reference herein and are the terms and conditions of the swap. The swaps have the following characteristics:

Currency	U.S. Dollar (USD)
Floating Rate Indexes	<u>SOFR</u> LIBOR
Stated Start Date Range	28 days to 50 years Spot & Forward starting, and broken dates (bespoke tenors)
Optionality	No
Dual Currencies	No
Conditional Notional Amounts	No

USD ~~SOFRLIBOR~~ Interest Rate Swap: Forward Rate Agreement

The terms and conditions of the swap as established by the DCO in its rules or bylaws are incorporated by reference herein and are the terms and conditions of the swap. The swaps have the following characteristics:

Currency	U.S. Dollar
Floating Rate Indexes	SOFRLIBOR
Stated Termination Date Range	3 days to 3 years
Optionality	No
Dual Currencies	No
Conditional Notional Amounts	No

USD ~~SOFRLIBOR~~ Interest Rate Swap: Market Agreed Coupon

The terms and conditions of the swap as established by the DCO in its rules or bylaws are incorporated by reference herein and are the terms and conditions of the swap. The swaps have the following characteristics:

Currency	U.S. Dollar
Fixed Coupon	http://www.sifma.org/services/standard-forms-and-documentation/swaps/
Floating Rate Indexes	SOFRLIBOR
Tenors	1y, 2yrs, 3yrs, 5yrs, 7yrs, 10yrs, 15yrs, 20yrs, 30yrs
Effective Dates	IMM dates (3rd Weds of March, June, September, December)

USD ~~SOFRLIBOR~~ Interest Rate Swap: Overnight Index

The terms and conditions of the swap as established by the DCO in its rules or bylaws are incorporated by reference herein and are the terms and conditions of the swap. The swaps have the following characteristics:

Currency	U.S. Dollar (USD) (“OIS”)
Floating Rate Indexes	SOFRLIBOR
Stated Termination Date Range	7 days to 50 years Spot & Forward starting, and broken dates (bespoke tenors)
Optionality	No
Dual Currencies	No
Conditional Notional Amounts	No