

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-102305)

January 29, 2025

Order Granting Registration of Security-Based Swap Execution Facilities

I. INTRODUCTION

On or prior to August 12, 2024, eight entities filed with the Securities and Exchange Commission (“Commission”) applications on Form SBSEF to register as security-based swap execution facilities (“SBSEF(s)”) pursuant to section 3D(a)(1) of the Securities Exchange Act of 1934 (“Exchange Act” or “Act”) and 17 CFR 242.803 (“Rule 803”).¹ As discussed below, after reviewing each SBSEF Applicant’s Form SBSEF registration application (including the representations included therein), this order grants each SBSEF Applicant registration as a SBSEF.

II. BACKGROUND

A. Statutory and Rule Requirements

Section 3D of the Exchange Act was enacted as part of Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act.² Section 3D(a)(1) of the Exchange Act provides that no person may operate a facility for the trading or processing of security-based swaps (“SBS”) unless the facility is registered as a SBSEF or as a national securities exchange.³ Section

¹ 15 U.S.C. 78c-4; 17 CFR 242.803. See Form SBSEF applications filed by Bloomberg SEF LLC (August 2, 2024); GFI Swaps Exchange LLC (initially filed as GFI Securities LLC) (Aug. 12, 2024); GLMX Technologies, LLC (Aug. 12, 2024); ICE Swap Trade, LLC (Aug. 12, 2024); tpSEF Inc. (Aug. 7, 2024); Tradition SEF, LLC (Aug. 12, 2024); TW SEF LLC (Aug. 12, 2024); WEMATCH.LIVE LLC (July 26, 2024) (collectively, “SBSEF Applicant(s)”). The portions of the SBSEF Applicants’ applications on Form SBSEF that are not subject to confidential treatment requests are available for public viewing on the Commission’s website at https://www.sec.gov/edgar/search/#/q=SBSEF&filter_forms=SBSEF.

² Pub. L. No. 111-203, H.R. 4173, sec. 763(c).

³ 15 U.S.C. 78c-4(a)(1).

3D(d) enumerates 14 Core Principles with which SBSEFs must comply.⁴ And section 3D(f) requires the Commission to prescribe rules governing the regulation of SBSEFs.

On November 2, 2023, the Commission adopted Regulation SE to govern the registration and regulation of SBSEFs as required by section 3D of the Exchange Act.⁵ Regulation SE sets forth rules governing the registration and post-registration regulation of SBSEFs, rules that implement the 14 statutory Core Principles with which SBSEFs must comply, and rules that address issues relating to SBS execution generally. Specifically, the 14 core principles, and corresponding Regulation SE rule provisions, are:

| Core Principle Title | Regulation SE Rule # |
|--|-----------------------------|
| Compliance with Core Principles | 818 |
| Compliance with Rules | 819 |
| Security-Based Swaps Not Readily Susceptible to Manipulation | 820 |
| Monitoring of Trading and Trade Processing | 821 |
| Ability to Obtain Information | 822 |
| Financial Integrity of Transactions | 823 |
| Emergency Authority | 824 |
| Timely Publication of Trading Information | 825 |
| Recordkeeping and Reporting | 826 |
| Antitrust Considerations | 827 |
| Conflicts of Interest | 828 |
| Financial Resources | 829 |
| System Safeguards | 830 |
| Designation of Chief Compliance Officer | 831 |

⁴ 15 U.S.C. 78c-4(d).

⁵ Securities Exchange Act Release No. 98845 (Nov. 2, 2023), 88 FR 87156, 87237 (Dec. 15, 2023) (“Adopting Release”); 15 U.S.C. 78c-4. The Commission proposed Regulation SE on Apr. 6, 2022. See Rules Relating to Security-Based Swap Execution and Registration and Regulation of Security-Based Swap Execution Facilities, Securities Exchange Act Release No. 94615 (Apr. 6, 2022), 87 FR 28872 (May 11, 2022) (“Proposing Release”).

The Regulation SE rules other than those that implement the statutory Core Principles

are:

| Regulation SE Rule Title | Regulation SE Rule # |
|---|-----------------------------|
| Scope | 800 |
| Applicable provisions | 801 |
| Definitions | 802 |
| Requirements and procedures for registration | 803 |
| Listing products for trading by certification | 804 |
| Voluntary submission of new products for Commission review and approval | 805 |
| Voluntary submission of rules for Commission review and approval | 806 |
| Self-certification of rules | 807 |
| Availability of public information | 808 |
| Staying of certification and tolling of review period pending jurisdictional determination | 809 |
| Product filings by security-based swap execution facilities that are not yet registered and by dormant security-based swap execution facilities | 810 |
| Information related to security-based swap execution facility compliance | 811 |
| Enforceability | 812 |
| Prohibited use of data collected for regulatory purposes | 813 |
| Entity operating both a national securities exchange and security-based swap execution facility | 814 |
| Methods of execution for required and permitted transactions | 815 |
| Trade execution requirement and exemptions therefrom | 816 |
| Trade execution compliance schedule | 817 |
| Application of the trade execution requirement to cross-border security-based swap transactions | 832 |
| Cross-border exemptions | 833 |
| Mitigation of conflicts of interest of security-based swap execution facilities and certain exchanges | 834 |
| Notice to Commission by security-based swap execution facility of final disciplinary action or denial or limitation of access | 835 |

Rule 802 of Regulation SE defines a SBSEF as having the same meaning as in section 3(a)(77) of the Act, which states that a SBSEF is a trading system or platform in which multiple participants have the ability to execute or trade SBSs by accepting bids and offers made by

multiple participants in the facility or system, through any means of interstate commerce, including any trading facility, that facilitates the execution of SBSs between persons; and is not a national securities exchange.⁶ For any trading system or platform that falls within the SBSEF definition, Rule 803 of Regulation SE requires that system or platform to register with the Commission as a SBSEF or a national securities exchange.⁷

Specifically, Rule 803 of Regulation SE sets forth the requirements and procedures for registration as a SBSEF, including what must inform the Commission's determination whether to grant or deny registration. With respect to granting registration, Rule 803(b)(6)(i) states:

The Commission shall issue an order granting registration upon a Commission determination, in its own discretion, that the applicant has demonstrated compliance with the Act and the Commission's rules applicable to security-based swap execution facilities. If deemed appropriate, the Commission may issue an order granting registration subject to conditions.

And with respect to denying registration, Rule 803(b)(6)(ii) states:

The Commission may issue an order denying registration upon a Commission determination, in its own discretion, that the applicant has not demonstrated compliance with the Act and the Commission's rules applicable to security-based swap execution facilities. If the Commission denies an application, it shall specify the grounds for the denial.

B. Compliance Schedule

In 2011, the Commission published for comment proposed Regulation SBSEF relating to, among other things, the registration and regulation of SBSEFs.⁸ After issuing the 2011 SBSEF Proposal, the Commission granted temporary exemptive relief regarding registration of any SBS

⁶ See 17 CFR 242.802; 15 U.S.C. 78c(77). Rule 802 does not include in the SBSEF definition any entity that is registered with the Commission as a clearing agency pursuant to section 17A of the Act and limits its SBSEF functions to operation of a trading session that is designed to further the accuracy of end-of-day valuations. See 17 CFR 242.802; see also 15 U.S.C. 78q-1.

⁷ See 17 CFR 242.803.

⁸ See Securities Exchange Act Release No. 63825 (Feb. 2, 2011), 76 FR 10948 (Feb. 28, 2011) ("2011 SBSEF Proposal").

trading venue as a SBSEF, national securities exchange, and/or broker.⁹ The Temporary SBSEF Exemptions, among other things, permitted SBS trading venues that were not registered as exchanges or brokers, and that could not register as SBSEFs (because final rules for such registration had not been adopted), to continue to trade SBS products.¹⁰ According to their terms, the Temporary SBSEF Exemptions expire upon the earliest compliance date for the Commission’s final rules regarding SBSEF registration.¹¹ In 2022, the Commission re-proposed Regulation SE,¹² and the Temporary SBSEF Exemptions remained in force.¹³

In the Adopting Release, the Commission set forth the following compliance schedule: (1) the adopted rules became effective on February 13, 2024 (the “Effective Date”); (2) the Temporary SBSEF Exemptions expired on August 12, 2024, which was 180 days after the Effective Date, for any entity that had not filed an application to register with the Commission on Form SBSEF; (3) for any entity that filed a Form SBSEF registration application on or before August 12, 2024, and whose Form SBSEF registration application was complete (having responded to requests by the Commission’s staff for revisions or amendments) on or before October 11, 2024, which was 240 days after the Effective Date, the Temporary SBSEF Exemptions expire 30 days after Commission action to approve or disapprove the Form SBSEF registration application.¹⁴

⁹ See Securities Exchange Act Release Nos. 64678 (June 15, 2011), 76 FR 36287 (June 22, 2011); and 64795 (July 1, 2011), 76 FR 39927 (July 7, 2011) (collectively, the “Temporary SBSEF Exemptions”).

¹⁰ See Temporary SBSEF Exemptions, supra note 9; see also Adopting Release, supra note 5, 88 FR at 87228.

¹¹ See Temporary SBSEF Exemptions, supra note 9.

¹² See Proposing Release, supra note 5.

¹³ See id. at 28874.

¹⁴ See Adopting Release, supra note 5, 88 FR at 87237.

III. DISCUSSION

The SBSEF Applicants each filed a Form SBSEF registration application on or before August 12, 2024. After initial review focused on the completeness of each application, the Commission determined that each application was complete prior to October 11, 2024. Having determined each application to be complete, the Commission must determine whether each application has met the requirements of Rule 803 for registration as a SBSEF.

As stated above, pursuant to Rule 803, the Commission must issue an order granting SBSEF registration upon a Commission determination, in its own discretion, that the applicant has demonstrated compliance with the Exchange Act and the Commission's rules applicable to SBSEFs. Additionally, Rule 818(b) provides that, "[u]nless otherwise determined by the Commission, by rule or regulation, a security-based swap execution facility ... shall have reasonable discretion in establishing the manner in which it complies with the core principles described in section 3D of the Act."¹⁵ The Exchange Act provisions and Commission rules applicable to SBSEFs are those set forth in the background section above, namely, the statutory provisions contained in section 3D of the Exchange Act, and the Commission rules contained in Regulation SE.

After review, the Commission has determined that each SBSEF Applicant has demonstrated compliance with the Exchange Act and the Commission rules applicable to SBSEFs. Each SBSEF Applicant's Form SBSEF application sets forth materials that demonstrate the SBSEF Applicant's compliance with the requirements of section 3D of the Exchange Act and Regulation SE that must be met upon a grant of registration.

¹⁵ 17 CFR 242.818(b).

IV. CONCLUSION

IT IS HEREBY ORDERED that the Form SBSEF application filed by each SBSEF Applicant listed below, pursuant to section 3D(a)(1) of the Exchange Act and Rule 803 thereunder, be, and hereby is, APPROVED:

- (1) Bloomberg SEF LLC (File No. 039-100022).
- (2) Tradition SEF, LLC (File No. 039-100035).
- (3) GFI Swaps Exchange LLC (File No. 039-100079).
- (4) ICE Swap Trade, LLC (File No. 039-100038).
- (5) TW SEF LLC (File No. 039-100034).
- (6) WEMATCH.LIVE LLC (File No. 039-100017).
- (7) tpSEF Inc. (File No. 039-100023).
- (8) GLMX Technologies, LLC (File No. 039-100030).

By the Commission.

Vanessa A. Countryman,

Secretary.