

SUBMISSION COVER SHEET

Registered Entity Identifier Code (optional) 2013-3

Date: March 13, 2013

IMPORTANT: CHECK BOX IF CONFIDENTIAL TREATMENT IS REQUESTED.

ORGANIZATION

Cantor Clearinghouse, L.P.

FILING AS A:

DCM

SEF

DCO

SDR

ECM/SPDC

TYPE OF FILING

• Rules and Rule Amendments

- Certification under § 40.6 (a) or § 41.24 (a)
- “Non-Material Agricultural Rule Change” under § 40.4 (b)(5)
- Notification under § 40.6 (d)
- Request for Approval under § 40.4 (a) or § 40.5 (a)
- Advance Notice of SIDCO Rule Change under § 40.10 (a)

• Products

- Certification under § 39.5(b), § 40.2 (a), or § 41.23 (a)
- Swap Class Certification under § 40.2 (d)
- Request for Approval under § 40.3 (a)
- Novel Derivative Product Notification under § 40.12 (a)

RULE NUMBERS

IV-7. Approved Financial Institutions and Custody Banks dated March 13, 2013.

DESCRIPTION

Commodity Futures Trading Commission (“CFTC”) Rule 39.14(c)(1) states that, “A derivatives clearing organization shall have documented criteria that must be met by any settlement bank used by the derivatives clearing organization or its clearing members, including criteria addressing the capitalization, creditworthiness, access to liquidity, operational reliability, and regulation or supervision of such bank(s).” In order to demonstrate its compliance with this rule, Cantor Clearinghouse, L.P. (“Clearinghouse”) is amending Rule IV-7(a) to require that the Clearinghouse establish criteria for settlement banks based on factors including “capitalization, creditworthiness, access to liquidity, operational reliability, and regulation or supervision of such bank(s).”

Cantor Clearinghouse
Rule Change 2013-3
March 13, 2013

1. The text of the amendment to Clearinghouse Rule IV-7 of the Cantor Clearinghouse, L.P. Rulebook is attached. Additions are underlined and deletions are stricken through. This rule has been approved by the Board of Directors of Cantor Clearinghouse Holdings, LLC.
2. The proposed effective date is March 28, 2013.
3. No opposing views were expressed with respect to the proposed rule changes by governing board or committee members or market participants.

SUPPLEMENTAL EXPLANATION OF THE OPERATION, PURPOSE AND EFFECT OF THE
PROPOSED RULE

The purpose of this amendment is to make clear that the criteria which an Approved Financial Institution, Custody Bank or Settlement Bank must meet in order to be designated as such by the Clearinghouse, shall be established in the written policies of the Clearinghouse. The Policy establishing the criteria applicable to the designation of Approved Financial Institution, Custody Bank or Settlement Bank shall address the following criteria: the capitalization, creditworthiness, access to liquidity, operational reliability, and its regulation or supervision.

As amended, Rule IV-7(a) complies with the requirements of Commission Rule 39.14(c)(1), which states that, “A derivatives clearing organization shall have documented criteria that must be met by any settlement bank used by the derivatives clearing organization or its clearing members. . . .”

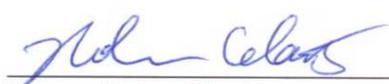
CERTIFICATIONS PURSUANT TO SECTION 5c OF THE COMMODITY EXCHANGE ACT, 7 U.S.C. §7a-2 AND COMMODITY FUTURES TRADING COMMISSION RULE 40.6, 17 C.F.R. §40.6

I hereby certify that the foregoing rule amendments comply with the Commodity Exchange Act, 7 U.S.C. §1 *et seq.* and regulations thereunder.



By: Nolan Glantz
Title: Chief Operations Officer
Dated: 3/13/2013

I hereby certify that a copy of this filing was posted on the Cantor Clearinghouse, L.P. website the day of its submission to the Commission.



By: Nolan Glantz
Title: Chief Operations Officer
Dated: 3/13/2013

CANTOR CLEARINGHOUSE, L.P. RULES

CHAPTER IV MARGIN AND FUNDING REQUIREMENTS

IV-7. Approved Financial Institutions, ~~and~~ Custody Banks and Settlement Banks

- (a) The Board, in its discretion may from time to time designate any bank, trust company or other institution as:
- (i) an Approved Financial Institution for the purpose of guaranteeing the obligations of, or providing credit support to (including, but not limited to, by issuing letters of credit on behalf of) any Participant; ~~or~~
 - (ii) a Custody Bank for the purpose of holding Participant assets in a Clearinghouse Custody Account or Subcustody Accounts; or
~~provided, however, that rating, as determined by S&P or Moody's, of the long-term, unsecured, unsubordinated indebtedness of such bank, trust company or other institution, as the case may be, shall be at or above a minimum rating category as determined by the Board from time to time in its sole discretion.~~
 - (iii) a Settlement Bank (as defined by CFTC Rule 39.14(a)(2)), for the purpose of maintaining an account either for the Clearinghouse or for any of its Participants which is used for the purpose of any settlement.
- (b) To be designated as an Approved Financial Institution, ~~or a~~ Custody Bank, or Settlement Bank, a bank, trust company or other institution must: (i) submit an application in such form and containing such information as the Clearinghouse may from time to time require; and (ii) meet such ~~financial and other requirements as the Board~~ written criteria as the Clearinghouse may from time to time establish in its sole discretion, which apply to Approved Financial Institutions, Custody Banks or Settlement Banks, as the case may be. Such written criteria for Settlement Banks shall address the capitalization, creditworthiness, access to liquidity, operational reliability, and the regulation or supervision of the Settlement Bank. A bank, trust company or other institution which has been designated by the Board as an Approved Financial Institution, ~~or a~~ Custody Bank or a Settlement Bank may act as such until such designation is suspended or terminated in accordance with paragraph (c) below.
- (c) If a bank, trust company or other institution does not meet, or no longer meets, all of the requirements set forth in, or established by the Clearinghouse or the Board pursuant to, this Rule IV-7(eb), or if the Board determines, based on such facts or circumstances as the Board may deem relevant or appropriate, that it would not be in the best interests of the Clearinghouse or its Participants for such bank, trust company or other institution, as the case may be, to act, or continue to act, as an Approved Financial Institution, Custody Bank or Settlement Bank, as the case may be, the Board may:
- (i) deny the application of such bank, trust company or institution, as the case may be, for designation as an Approved Financial Institution, ~~or a~~ Custody Bank or Settlement Bank, as the case may be; or

- (ii) suspend or terminate the status of such bank, trust company or institution, as the case may be, as an Approved Financial Institution, ~~or a~~ Custody Bank or Settlement Bank, as the case may be.