

Cantor Futures Exchange, L.P.
Rule Amendment Submission #2016-1
January 21, 2016

1. The text of the rule changes to the Cantor Futures Exchange, L.P. Rulebook is attached. Additions are underlined and deletions are stricken through. This rule has been approved by Cantor Futures Exchange, L.P. Capitalized terms, unless otherwise defined herein shall possess the meaning(s) ascribed in the Cantor Futures Exchange, L.P. Rulebook.
2. The proposed effective date is ten business days after receipt by the Commodity Futures Trading Commission of this submission.
3. Attached, please find a certification that: (1) these rules comply with the Commodity Exchange Act, and the Commission's regulations thereunder; and (2) concurrent with this submission, Cantor Futures Exchange, L.P. posted on its website: (i) a notice of pending certification of the rule submissions with the Commission; and (ii) a copy of this submission.
4. A concise explanation and analysis of the operation, purpose, and effect of the amended rule appears below.
5. There were no opposing views expressed regarding these amended rules.

CONCISE EXPLANATION AND ANALYSIS OF THE OPERATION, PURPOSE, AND
EFFECT OF THE CERTIFIED RULE 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. CX has reviewed the Core Principles for Designated Contract Markets under section 5 of the Commodity Exchange Act, 7 U.S.C § 7 et seq. ("Act"), and has determined these change will not impact CX's ability to comply with the Core Principles.

The following charts identify the amendments to the Rulebook. The first chart identifies a number of non-substantive Rulebook revisions consisting of corrections of typographical errors and renumbering. As typographical corrections, these changes are not required to be certified, and may be put into effect with notice to the Commission. *See*, Commission Rule 40.6(d)(2)(i). This filing constitutes such notice that these changes are being put into effect. The second chart identifies the substantive changes to the Rulebook which are being certified under Commission Rule 40.6. That chart includes an explanation of the operation, purpose, and effect of each such change.

Notice of Non-substantive Rule Changes

Rule	Rule Title	Purpose
Cover Page	N/A	Correct typo
I-1 Defined Terms	Market Order	Correct typo
I-1 Defined Terms	Matched Trade	Correct typo
II-5(b)(i)	Eligibility	Correct Typo
III-3(e)(i)	Eligibility	Correct Typo
IV-4(a)	Financial Requirements for Order Entry and Executions	Correct Typo
IV-4(h)(iii)	Financial Requirements for Order Entry and Executions	Correct Typo
IV-4(i)	Financial Requirements for Order Entry and Executions	Correct Typo
IV-4(j)(i)-(ii)	Financial Requirements for Order Entry and Executions	Correct Typo
IV-11(e)	Errors	Correct Typo
V-5(c)	Trade Confirmations	Correct Typo
VII-1(e)-(g)	Discipline and Enforcement - General	Renumbering
VII-2	Inquiries and Investigations	Correct Typo

Rule Amendments Certified Under Rule 40.6; Explanation of Operation, Purpose and Effect of Amendment

Rule	Rule Title	Change/Purpose
I-1	Defined Terms “Executive Committee”	Removing “Executive Committee” and definition because an Executive Committee is not necessary for the efficient operation of the Board.
II-2(a)	Standing Committees	Deletion of the Executive Standing Committee because it is not necessary for the efficient operation of the Board and its mandate duplicated in part, the mandate of the Regulatory Oversight Committee (“ROC”). Following this amendment, the ROC will constitute the sole standing committee of the Board of Directors.
II-3	Executive Committee	Delete the definition of “Executive Committee” to reflect the changes in II-2.
II-5(a)	Eligibility	Delete reference to “Executive Committee” to reflect the changes in II-2.
III-3(a)	Eligibility	Remove language the meaning of which was ambiguous.
IV-10	Information Regarding Orders	The purpose of this change is to prohibit Participants from redistributing confidential order information.
V-4(a)	Minimum Financial Requirements	To clarify that Participants must satisfy the minimum financial requirements of the Clearinghouse in addition to those of the Exchange.
V-5(a)	Trade Confirmations	Clarifying that the Exchange may send or cause to be sent e-mail or downloadable confirmations.

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, Cantor Futures Exchange, L.P. posted on its website: (a) a notice of pending certification of the above Rules with the Commission; and (b) a copy of this submission.



By: Nolan Glantz
Title: COO
Date: January 21, 2016

Attachment — Rule Amendments

(deletions are struck through; additions underlined)

CHAPTER I DEFINITIONS; INTERPRETATION; AMENDMENTS

I-1. Defined Terms

~~Executive Committee~~

The term “~~Executive Committee~~” means the committee of the Board of Directors constituted in accordance with ~~Rule II 3~~.

CHAPTER II GOVERNANCE OF THE EXCHANGE

II-2 Standing Committees

(a) ~~The~~ Unless otherwise determined by the Board of Directors, the Board of Directors shall initially have one ~~two~~ standing committees: ~~the “Executive Committee” and the “Regulatory Oversight Committee”~~.

II-3 Executive Committee

~~The Executive Committee of the Board of Directors shall consist of the chairperson of the Board of Directors, the President (as *ex officio* member) and such additional individuals, who shall be members of the Board of Directors, as may be appointed from time to time by the chairperson of, and approved by, the Board of Directors. At least thirty five (35%) percent of the members of the Executive Committee shall be Public Directors. The Executive Committee shall have general supervision over the property, business and affairs of the Exchange, subject to the authority of the Board of Directors. It shall make such recommendations to the Board of Directors as will, in its judgment, best promote the interests of the Exchange. The Executive Committee shall also have such other powers and perform such other duties as the Board of Directors may delegate to it from time to time.~~

~~Without limiting the generality of the foregoing, the Executive Committee shall have authority (and may delegate such authority) to: (a) monitor compliance with the Rules of the Exchange or any interpretation thereof and with the rules, regulations, resolutions and stated policies of the Board of Directors or any committee of the Board of Directors or of the Exchange by Participants or Authorized Traders; (b) approve any applicant to become a Participant in accordance with Rule III-3; (c) inquire into the business conduct and financial condition of Participants or Authorized Traders and require detailed financial reports and such other operational reports as it may deem advisable of any Participant related to its futures trading; (d) suspend, revoke, limit, condition, restrict or qualify a Participants' Trading Privileges in accordance with Chapter VII; (e) prohibit any trading activities by a Participant that are excessive in relation to such Participant's capital; and (f) exercise any other functions expressly assigned to it in these Rules.~~

II-65. Eligibility

(a) No Person may serve as an Officer of the Exchange, or a member of the Board of Directors, ~~the Executive Committee~~ or any other disciplinary committee, arbitration panel or oversight panel of the Exchange or as Compliance Director if such Person:

CHAPTER III OWNERSHIP AND TRADING PRIVILEGES

III-3. Eligibility

(a) Participants are eligible to hold either long or short positions in Contracts only for their proprietary Trading Accounts. ~~on a direct basis.~~ In addition, Participants must: (i) satisfy all requirements generally applicable to Participants and Authorized Traders under these Rules and any applicable Contract Rules; (ii) satisfy such financial criteria as may be prescribed by the Exchange from time to time; (iii) have sufficient technical and operational capabilities to fulfill any other obligations applicable to Participants or their Authorized Traders as may from time to

time be required by the Exchange; and (iv) satisfy such other requirements or criteria as may from time to time be adopted by the Exchange.

CHAPTER IV TRADING STANDARDS

IV-10. Information Regarding Orders

The Exchange ~~may will~~ make information regarding Orders (including prices bid or offered), trades and any other matters it may deem appropriate available to Participants, Authorized Traders and other Persons at such times and in such manner (whether through the Cantor Direct System, a ticker, financial information services or otherwise) as it may consider necessary or advisable from time to time.

Each Participant, Authorized Trader or other Person receiving any such information through the Cantor Direct System is ~~may redistribute~~ expressly prohibited from redistributing such information ~~only to such extent and in such manner as may be unless expressly~~ permitted by the Exchange ~~from time to time~~. Employees and agents of the Exchange shall have access to the offices of any Participant and each of its Authorized Traders during regular business hours in order to observe the compliance by such Participant and its Authorized Traders with the immediately preceding sentence.

CHAPTER V OBLIGATIONS OF PARTICIPANTS

V-4. Minimum Financial Requirements

(a) Each Participant shall be required to satisfy such minimum financial requirements as may be established from time to time by the Exchange or the Clearinghouse.

V-5. Trade Confirmations

(a) The Exchange shall furnish, or cause to be furnished, to each Participant that enters into a trade, no later than 12:00 Noon on the Trading Day immediately following the day on which such trade is entered into, an e-mail or downloadable confirmation of such trade in such form as the Exchange may from time to time prescribe, indicating the Contract bought or sold, the price, quantity, time of execution and such other information as the Exchange may require. In the case of an Option on Futures trade, such confirmation shall also indicate: (i) the amount of the premium and all other commissions, costs and fees, separately listed; (ii) the Option on Futures series; and (iii) the expiration date of the Option on Futures.

Attachment —Non-substantive rule Changes

(deletions are struck through; additions underlined)

COVER PAGE

N/A

BY ACCESSING, OR ENTERING ANY ORDER INTO, THE CANTOR DIRECT SYSTEM, AND WITHOUT ANY NEED FOR ANY FURTHER ACTION, UNDERTAKING OR AGREEMENT, A PARTICIPANT, AND ITS AUTHORIZED TRADERS AGREE (I) TO BE BOUND BY, AND COMPLY WITH, THE RULES OF THE EXCHANGE, THE RULES OF THE CLEARINGHOUSE, ANY APPLICABLE CONTRACT RULES AND APPLICABLE LAW, IN EACH CASE TO THE EXTENT APPLICABLE TO IT OR THEM, AND (II) TO BECOME SUBJECT TO THE JURISDICTION OF THE EXCHANGE WITH RESPECT TO ANY AND ALL MATTERS ARISING FROM, RELATED TO, OR IN CONNECTION WITH, THE STATUS, ACTIONS OR OMISSIONS OF SUCH PARTICIPANT AND/OR ITS AUTHORIZED TRADERS. SEE CHAPTER III AND THE RELATED DEFINITIONS IN THESE RULES.

CHAPTER I DEFINITIONS; INTERPRETATION; AMENDMENTS

I-1. Defined Terms

Market Order

The term “Market Order” has the meaning set forth in Rule IV-54(ii).

Matched Trade

The term “Matched Trade” has the meaning set forth in Rule IV-4(he).

CHAPTER II GOVERNANCE OF THE EXCHANGE

II-65. Eligibility

(a) ***

(b) ***

(i) within the last year, the individual or any member of his or her immediate family has been an officer or employee of the Exchange or any of its affiliates. Solely for purposes of this Rule II-6, the term “affiliate” shall mean parents or subsidiaries of the Exchange or entities that share a common parent with the Exchange. For the avoidance of doubt, an individual may still qualify as a Public Director if such individual (x) has, within the last year, served as a director of an affiliate of the Exchange, but (y) otherwise meets the eligibility criteria under this Rule II-6(b).

**CHAPTER III
OWNERSHIP AND TRADING PRIVILEGES**

III-3. Eligibility

(e) ***

(i) In considering any applicant for status as a Participant, an Authorized Trader of a Participant, or a Referring Participant, the Exchange may request additional information, or employ such other means that it deems desirable or appropriate, to ascertain relevant facts bearing on the applicant’s qualifications; and

**CHAPTER IV
TRADING STANDARDS**

IV-4. Financial Requirements for Order Entry and Executions

(a) Participants are required to have sufficient funds on deposit with the Clearinghouse such that any executed Orders will “PASS” the credit check as described in Rule IV-4(eh).

(h) ***

(i) ***

(ii) ***

(iii) The credit check will “FAIL” if the funds immediately available in the applicable Participant Clearing Account are less than the Original Margin required to establish the new position or increase an existing position. In such case, the size of the matched trade shall be reduced such that the minimum quantity of Contracts that would PASS the credit check, if any, based on the level of Original Margin in the applicable Participant Clearing Account, will be matched. Any remaining portion of the purchaser’s or seller’s Order that would have passed the credit check had the purchaser or seller’s Order originally been limited to such amount shall be restored with its original price and time priority to the Master Order Book and any remaining portion of the purchaser’s or seller’s Order that failed the credit check shall be cancelled. For the avoidance of doubt, if any part of an Order “FAILS” under this Rule IV-4(he), the placing of such Order shall be deemed to be a violation of this Rule for which penalties may be imposed under Rule IV-4(f) below.

(i) If a standing Limit Order “FAILS”, as described in Rule IV-4(he) above, then the Exchange will immediately notify the Participant of such event via email and the following penalties shall immediately be assessed by the Exchange on the Participant Clearing Account of the corresponding Participant:

(j) ***

(i) The entry of any Order or series of Orders that, when taken in the aggregate, could reasonably be expected to result in Orders being cancelled as described in IV-4(he) for any Participant; or

(ii) The third instance of Orders being cancelled pursuant to Rule IV-4(he) for any Participant.

IV-11. Errors

(e) Notwithstanding anything to the contrary in this Rule IV-119, if the Exchange determines in its sole discretion that the execution of any trade was the result of Orders being incorrectly processed by the Cantor Direct System, or any other cause beyond the control of any Participant, then the Exchange may cancel such trade in the Trading Accounts of all affected Participants.

CHAPTER V OBLIGATIONS OF PARTICIPANTS

V-5. Trade Confirmations

(c) Notwithstanding paragraphs (a) and (b) above:~~(i)~~, a trade that is executed for a commodity pool needs to be confirmed only to the operator of such pool.

CHAPTER VII DISCIPLINE AND ENFORCEMENT

VII-1. General

(e) Any Participant or Authorized Trader may be represented by counsel during any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary imposition of fines, summary suspension or other summary actions pursuant to this Chapter VII.

(f) Pursuant to this Chapter VII, the Exchange may hold:

(i) a Participant liable for, and impose sanctions against such Participant, for such Participant's own acts and omissions that constitute a violation;

(ii) a Participant liable for, and impose sanctions against such Participant, for the acts and omissions of each Authorized Trader authorized by, and each other agent or representative of, such Participant that constitute a violation as if such violation were that of the Participant;

(iii) an Authorized Trader liable for, and impose sanctions against him or her, for such Authorized Trader's own acts and omissions that constitute a violation; and

(iv) an Authorized Trader liable for, and impose sanctions against him or her, for the acts and omissions of each agent or representative of such Authorized Trader that constitute a violation as if such violation were that of the Authorized Trader.

(g) Pursuant to this Chapter VII, the Exchange may in its sole discretion, and subject to the conditions specified in Rule III-3(g), review an appeal by any applicant of the Exchange's decision to deny or otherwise limit Trading Privileges of such applicant pursuant to the Rules of the Exchange; *provided, however*, that any such decision by the Exchange to deny or otherwise limit applicant's Trading Privileges shall continue in effect during such review.

VII-2. Inquiries and Investigations