CX Futures Exchange, L.P.
Rule Amendment Submission #2019-01
March 18, 2019

1.   The text of the rule changes to the CX Futures Exchange L.P. ("Exchange" or "CX") Rulebook is attached. Additions are underlined and deletions are stricken through. This rule has been approved by the Exchange. Capitalized terms, unless otherwise defined herein shall possess the meaning(s) ascribed in Exchange Rulebook.

2.   The proposed effective date is ten business days after receipt by the Commodity Futures Trading Commission ("CFTC" or "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, CX 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 rules appear below.

5.   There were no opposing views expressed regarding these amended rules.

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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.

Description of CX Independent Software Vendor Large Order Incentive Program

This program is being submitted for self-certification as incentive programs of the Exchange.

The Independent Software Vendor Large Order Incentive Program (ISVLOIP) provides that any Participants that are Independent Software Vendors (ISVs) and that (1) provide API connectivity to Cantor Exchange, (2) have executed the Exchange's Vendor Connectivity Agreement (VCA), (3) have had their API connection certified by the Exchange, and (4) transmit Qualifying Large Orders to the Exchange shall receive compensation from the Exchange.

Specifically, the program provides that the Exchange will pay each ISV that meets the requirements above $3,000 for having its API connection certified by the Exchange and will receive an additional $3,000 for each 1,000 Qualifying Large Orders transmitted. A Qualifying Large Order is any order for 1,000 or more contracts that is transmitted through

the ISV's software and successfully executed on the exchange.

The Exchange has considered whether the ISVLOIP complies with Exchange Rules and with the following Core Principles:

a)   Core Principle 9: to provide a competitive, open, and efficient market for execution;

b)   Core Principle 12: to establish and enforce rules to protect markets and market participants from abusive practices and to promote fair and equitable trading on designated contract markets; and

c)   Core Principle 19: to avoid adopting any rules or taking any actions that result in unreasonable restraints of trade.

This program complies with the cited Core Principles by encouraging ISVs to build functionality that facilitates the submission of large orders to the Exchange. Such functionality will enhance liquidity in the market in a manner designed to promote fair and equitable trading and, by being available to all Participants, does not impose any restraint of trade or undue burden on competition. This program will be available for a period of two years and may be renewed in the discretion of the Exchange for an additional two-years. This program may be terminated with thirty (30) days' advance notice to Participants.

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 below comply with the Commodity Exchange Act, and the Commodity Futures Trading Commission's regulations thereunder; and

(2) concurrent with this submission, CX 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.

Nolan Glantz

By: Nolan Glantz
Title: COO
Date: March 18, 2019

Attachment A — Rule Amendment

<u>CHAPTER XI</u>
<u>INCENTIVE PROGRAMS</u>

<u>XI-103. Independent Software Vendor Large Order Incentive Program (ISVLOIP)</u>

This incentive program shall be available to any Participant that is an Independent Software Vendor and (1) provides API connectivity to Cantor Exchange, (2) has executed the Exchange's Vendor Connectivity Agreement (VCA) and such agreement is currently in effect, (3) has had its API connection certified by the Exchange.

Incentive payments will consist of:
1. $3,000 for having its API connection certified by the Exchange, and
2. an additional $3,000 for each 1,000 Qualifying Large Orders that are transmitted through the ISV's software and successfully executed on the exchange.

A Qualifying Large Order is any order submitted by a Participant using the ISV's connection to the Exchange that is for 1,000 or more contracts and is successfully matched for the total order size with contra-side order(s).

This program shall be in effect for two years from its effective date and may be renewed in the absolute discretion of the Exchange for another two years. The program may be terminated at any time by the Exchange in its absolute discretion upon thirty (30) days' notice.