

Cantor Futures Exchange, L.P.
New Rule Change Submission
October 15, 2014

1. The text of the rule changes to the Cantor Futures Exchange, L.P. Rulebook is attached. Additions are underlined. These rules have been approved by Cantor Futures Exchange, L.P.
2. The proposed effective date is ten business days after receipt by the Commodity Futures Trading Commission of this submission.
3. No opposing views were expressed with respect to the proposed rule changes by governing board or committee members or market participants.

EXPLANATION AND ANALYSIS OF THE OPERATION, PURPOSE AND EFFECT OF
THE PROPOSED RULE(S) AND COMPLIANCE WITH APPLICABLE PROVISIONS OF
THE ACT

New Rule IV-4(c) permits Cantor Futures Exchange, L.P. (“CX” or the “Exchange”) to advance its own funds for immediate use to a Participant’s Account in the event that the Participant has submitted a Funds Deposit Request (defined *infra*) and the request is processed in the normal course by the Clearinghouse. The amount of such advance may not exceed \$1,000. Pursuant to new Rule IV-4(d), the Exchange will assess a penalty of up to \$2,500 for any instance in which such an advance is non-collectible.

The purpose of Rule IV-4(c) is to enable the Exchange to advance funds in order to ensure that payment of margin is not upset due to banking delays or delays in the receipt of funds. As noted in new Rule IV-4 (e), nothing in the rule affects the margin rules of the Clearinghouse or the fully-funded nature of the margining system.

In view of the insertions of Rules IV (c), (d) and (e), the numbering of the Exchange’s Rule IV-4 shall be deemed revised, *mutatis mutandis*.

The foregoing rules comport with Core Principle 11 and the rules thereunder. The limitation on the amount of funds that is subject to this rule ensures that its operation is consistent with the sound financial operation of the Exchange. A similar program has been instituted by another futures exchange.


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: Manavinder S. Bains
Title: Counsel and Chief Regulatory Officer
Dated: 10/15/14

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



By: Manavinder S. Bains
Title: Counsel and Chief Regulatory Officer
Dated: 10/15/14

Cantor Futures Exchange, L.P. Rules

CHAPTER 1 DEFINITIONS; INTERPRETATION; AMENDMENTS

Funds Deposit Request

The term “Funds Deposit Request” means a Participant’s written or electronic authorization to withdraw and transmit funds from such Participant’s bank account including all information required to give effect to such withdrawal and transmission.

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CHAPTER IV TRADING STANDARDS

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IV-4. Financial Requirements for Order Entry and Executions

(c) To facilitate compliance with Rule IV-4(a) the Exchange, in its sole discretion and from its own funds, may advance funds for immediate use to a Participant’s Clearing Account provided that:

- (i) Such Participant has Trading Privileges;
- (ii) such Participant has submitted a bona-fide Funds Deposit Request;
- (iii) such Funds Deposit Request is being processed in the normal course of banking transactions by the Clearinghouse;
- (iv) such amount shall not exceed the lesser of the Funds Deposit Request or \$1,000.

(d) Notwithstanding the provisions of paragraph (c) of this Rule, in the event that any Funds Deposit Request has not cleared the Participant’s issuing bank or are otherwise deemed as non-collectable by the Clearinghouse then such Participant shall be subject to a summary fine not to exceed \$2,500 for each such Funds Deposit Request;

(e) Nothing hereinabove shall be deemed a limitation or waiver of the Clearinghouse’s rights to enforce its own rules respecting the collection of Original Margin (as defined in the rules of the Clearinghouse).