


Cantor Futures Exchange, L.P.
New Rule Change Submission
October 31, 2014
[Non-confidential portion pages 4-10]

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. No opposing views were expressed with respect to the proposed rule changes by governing board or committee members or market 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 the foregoing rule amendments comply with the Commodity Exchange Act, 7 U.S.C. §1 *et seq.* and regulations thereunder.

I further 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: October 31, 2014

Cantor Futures Exchange, L.P. Rules

CHAPTER 1 DEFINITIONS; INTERPRETATION; AMENDMENTS

Referring Participant

The term “Referring Participant” means a Participant that has been approved by the Exchange to solicit or refer another Person to become a Participant or to solicit another Participant to enter Orders into the Exchange for execution.

CHAPTER III OWNERSHIP AND TRADING PRIVILEGES

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III-2 Authorized Traders

(b) Participants that are natural persons may act as their own Authorized Trader or may appoint a third party as his or her Authorized Trader, pursuant to a power of attorney or other instrument, in a form prescribed or approved by the Exchange, providing such third party with discretionary trading authority with respect to the Participant's Trading Account; provided however, where the law of a Participant's home country so requires, a Participant that is a natural person shall appoint a third-party Authorized Trader to trade on the Participant's behalf on either a discretionary or non-discretionary basis. No third-party Authorized Trader may act in that capacity for compensation except under the conditions specified in Rule III-3(h).

(c) Participants that are Entities may appoint an employee to act as their Authorized Trader or may appoint a third party as its Authorized Trader pursuant to a power of attorney or other instrument, in a form prescribed or approved by the Exchange, providing such third party with discretionary trading authority with respect to the Participant's Trading Account; provided however, where the law of a Participant's home country so requires, a Participant that is an Entity shall appoint a third-party Authorized Trader to trade on its behalf on either a discretionary or non-discretionary basis. No third-party Authorized Trader may act in that capacity for compensation except under the conditions specified in Rule III-3(h). A Participant that authorizes a third party to trade for its Trading Account on a discretionary basis pursuant to a power of attorney or other instrument must identify a specific natural person as its Authorized Trader with respect to such Trading Account.

III-3

Eligibility

(b) Notwithstanding anything to the contrary in Rule III-3(a), the Exchange shall have the right to establish more than one class of Participants, which shall include Referring Participants as a separate class, in connection with the trading of particular Contracts, subject to and in accordance with the applicable Exchange Contract Rules. All Rules that apply to Participants also apply to Referring Participants except where the context requires otherwise. All rules that refer to Referring Participants shall only apply to such Persons.

(c) Each applicant to become a Participant that is a natural person must: (A) maintain a United States bank account in his or her own name that the applicant will use to receive funds from the applicant's Trading Participant Clearing Account and as a vehicle for funding the applicant's Trading Participant Clearing Account, (B) have attained the age of majority in the individual's place of residence, (C) appoint one or more Authorized Traders pursuant to Rule III-2, and (D) satisfy such other requirements or criteria as may from time to time be adopted by the Exchange.

(d) Each applicant to become a Participant that is an Entity must: (A) be duly organized and in good standing in its jurisdiction of organization, (B) maintain a United States bank account in the name of the entity that the applicant will use to receive funds from the applicant's Trading Participant Clearing Account, (C) have the legal authority and be duly authorized and empowered to become a Participant and to effect transactions on the Exchange, (D) appoint one or more Authorized Traders pursuant to Rule III-2, and (E) satisfy such other requirements or criteria as may from time to time be adopted by the Exchange.

(e) Notwithstanding anything in the foregoing paragraphs (c) or (d) to the contrary:

(i) in considering any applicant for status as a Participant, ~~or as 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 important, to ascertain relevant bearing on the applicant's qualifications; and

(ii) The Exchange may limit trading in particular Contracts to specific Participants or third-party Authorized Traders, or Referring Participants based upon financial, regulatory or other criteria established by the Exchange.

(g) The Exchange in its sole discretion may condition or revoke a Participant's Trading Privileges or, in the case of an Authorized Trader (including a third-party Authorized Trader) condition or revoke its association with a Participant, if any of the circumstances specified in the preceding paragraph (f) exist with respect to such Participant or Authorized Trader, or such Participant or Authorized Trader:

(h) ~~Futures commission merchants or other intermediaries shall not be permitted to submit trades in Contracts for execution on behalf of customers.~~ No futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator or other intermediary shall be permitted to submit trades in Contracts for execution on behalf of customers except as the third-party Authorized Trader of a Participant under the following conditions:

(i) each third-party Authorized Trader and its Authorized Traders is registered with the National Futures Association in an appropriate registration capacity or is exempt from such registration;

(ii) as applicable, each third-party Authorized Trader and its Authorized Traders is registered in the capacity or category required by the law of its home country to carry out such activities and is in good standing with any home country regulatory authorities having jurisdiction over such activities; and

(iii) the third-party Authorized Trader and its Authorized Traders prior to accessing the Cantor Direct System will consent, in a form satisfactory to the Exchange, to abide by the Rules of the Exchange and Applicable Law and to be subject to the jurisdiction of the Exchange.

(i) No Participant may refer or solicit another Person to become a Participant of the Exchange or to solicit another Participant to enter an Order on the Exchange except in accordance with the provisions of Rule III-11.

III-5. Fees and Payments

The Board of Directors shall have the sole authority to set the times and amounts of any fees to be paid by Participants, or any payments to be paid by the Exchange to Referring Participants, which fees or payments shall be paid when due. The Exchange shall disclose to referred Participants whether it makes payments for referrals to Referring Participants.

If a Participant fails to pay when due any Exchange fees or other amounts due on such Participant, and such payment obligation remains unsatisfied for 30 Business Days after its due date, the Exchange as it deems necessary or appropriate may suspend, revoke, limit, condition, restrict or qualify the Trading Privileges of such Participant and its Authorized Traders or the permission of a Referring Participant to act in that capacity. ~~as it deems necessary or appropriate.~~

III-11.

Referral and Solicitation of Participants and Orders

(a) Notwithstanding anything to the contrary in these Rules, a Participant may refer or solicit another Person to become a Participant or may solicit another Participant to enter Orders into the Exchange for execution upon being notified by the Exchange under the procedures specified in paragraph (b) that the Participant satisfies and remains in compliance with the following conditions and is being permitted by the Exchange to act in the capacity of Referring Participant. The Referring Participant must:

(i) be in good standing with the Exchange;

(ii) be registered with the National Futures Association in an appropriate registration category, or be exempt from such registration;

(iii) as applicable, be registered in the capacity or category required by the law of its home country to carry out the activities of a Referring Participant and be in good standing with any home country regulatory authorities having jurisdiction over such activities;

(iv) submit to the Exchange such additional forms and agreements as the Exchange shall require and promptly update any information provided therein that becomes inaccurate or incomplete;

(v) maintain an amount of funds on deposit (the level of such amount(s) to be determined by the Exchange in the Exchange's sole discretion) for as long as the person remains a Referring Participant of the Exchange. Such amount, minus any financial obligations payable to the Exchange, shall be returned to the Referring Participant upon the Referring Participant's withdrawal from the Exchange or revocation of such Person's status as a Referring Participant; provided however, that in establishing the level of such deposits, the Exchange may implement a tiered structure with the level of deposit corresponding to a particular category of Participant;

(vi) provide a means acceptable to the Exchange of identifying to the Exchange those Participants which it refers or solicits. Such means may be through a website, portal or other electronic media of the Referring Participant or made available to the Referring Participant by the Exchange, or such other method as the Exchange may accept from time to time;

(vii) demonstrate sufficient technical and operational capabilities to meet Exchange technical specifications and requirements as specified by the Exchange from time to time;

(viii) solicit or refer Persons to become a Participant or solicit their Orders to the Exchange via:

(A) electronic media of the Referring Participant approved by the Exchange;

(B) electronic media made available to the Referring Participant by the Exchange; or

(C) such other method as the Exchange may accept from time to time.

(ix) Satisfy such other requirements or criteria as may from time to time be adopted by the Exchange under these Rules.

(b) Following a request by a Participant for a determination by the Exchange that the Participant meets the conditions of paragraph (a) to act as a Referring Participant, the Exchange shall notify such Participant without unreasonable delay whether such Participant is permitted by the Exchange to refer or solicit Participants or their Orders. Provided, however, the Exchange may limit its permission to particular Contracts.

(c) The Exchange in its sole discretion may deny, condition or revoke its permission to a Participant to act as a Referring Participant. Any such action may be appealed by the Participant in accordance with the procedures under the provisions of Chapter VII, provided, however, that such sanction shall continue in effect during the appeal. The Exchange may take such action to deny, condition or revoke its permission, if:

(i) upon request, the Referring Participant is unable satisfactorily to demonstrate a capacity to adhere to all applicable Rules of the Exchange, Rules of the Clearinghouse, CFTC Regulations and Applicable Law;

(ii) at any time the Referring Participant fails to meet any of the conditions in paragraph (a);

(iii) the Referring Participant fails to meet any limitation placed by the Exchange on its permission to the Referring Participant under paragraph (b);

(iv) the Referring Participant violates any agreement with the Exchange;

(v) the actions or activities of the Referring Participant would bring the Exchange into disrepute;

(vi) in the discretion of the Exchange, such action is in the best interests of the Exchange or for such other causes as the Exchange may determine from time to time.

(d) Upon granting permission to a Referring Participant to act in that capacity, the Exchange shall record the referral relationship between a Participant and the Referring Participant in its account records and shall make available daily reports and information about the referred account activity in such form and manner as the Exchange shall from time to time determine.

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Financial Requirements for Order Entry and Executions

(d) Notwithstanding the provisions of paragraph (c) of this Rule, in the event that:

(i) 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; and

(ii) If such amount remains non-collectable for a period of 30 days then the Participant's Referring Participant, if any, at the time of such Participant's Funds Deposit Request shall be subject to a summary fine not to exceed \$2,500 for each such Funds Deposit Request.