

**Cantor Clearinghouse**  
**Rule Change 2013-2**  
**March 13, 2013**

1. The text of the amendment to Clearinghouse Rule II-5 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.

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

This rule change provides the Clearinghouse with greater discretion to respond as quickly as necessary in the case of a Participant's failure to meet its obligations. The benefit of this rule change enhances the Clearinghouse's risk management capabilities.

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 II PARTICIPANTS

### II-5. Limitations of Clearing Privileges

- (a) The Board may, in its sole discretion, subject to Rule II-5(b) below, suspend, revoke, limit, condition, restrict or qualify the Clearing Privileges of any Participant, and may make suspension, revocation, limitation, condition, restriction or qualification effective immediately if it deems such action necessary for the protection of the Clearinghouse and Participants, upon the occurrence of any of the following events:
- (i) such Participant fails to pay when due any margin requirements or any Clearinghouse dues, assessments, fees, fines or other amounts to be paid by such Participant, ~~and such payment obligation remains unsatisfied for 30 consecutive Business Days after its due date;~~
  - (ii) such Participant is near insolvency or becomes insolvent, as determined by the Board in its sole discretion; or
  - (iii) such Participant fails to satisfy any other obligations to the Clearinghouse, including but not limited to any margin or settlement obligations;
  - (iv) such Participant fails to satisfy any final arbitration award rendered pursuant to the Rules incorporated by reference into Rule VIII-2; or
  - (v) any other event or circumstances that, in the judgment of the Board, warrant such action.
- (b) Notwithstanding anything to the contrary in the foregoing, any suspension, revocation, limitation, condition, restriction or qualification of a Participant's Clearing Privileges pursuant to Rule II-5(a) shall apply only to a Participant's ability to clear new Contracts or increase the size of any Open Contract Position; such Participant shall continue to have Clearing Privileges with respect to the liquidation or reduction of Open Contract Positions.