

**Cantor Clearinghouse, L.P.**  
**Rule Amendment Submission**  
**June 11, 2015**

1. The text of the rule changes to the Cantor Clearinghouse, L.P. Rulebook is attached. Additions are underlined and deletions are stricken through. This rule has been approved by Cantor Clearinghouse, L.P. Capitalized terms, unless otherwise defined herein shall possess the meaning(s) ascribed in the Cantor Clearinghouse, L.P. Rulebook.
2. The proposed effective date is ten business days after receipt by the Commodity Futures Trading Commission (“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 Clearinghouse, 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.

Chapter II-2 of the Cantor Clearinghouse, L.P. (the “Clearinghouse”) Rulebook requires that each applicant, in order to become a Participant of the Clearinghouse, maintain a United States bank account. The Clearinghouse adopted this provision for ease of clearing house administration and not in fulfillment of any statutory or regulatory provision or requirement.

The Clearinghouse has now determined that it will be able to process funds from a wider variety of sources and, therefore, does not wish to maintain this eligibility requirement. Accordingly, the Clearinghouse is removing the requirement for applicants to maintain a bank account in the United States. Going forward, the Clearinghouse intends to determine that each applicant has a means of transferring funds to and receiving funds from the Clearinghouse that is technically acceptable to the Clearinghouse.

The Clearinghouse has reviewed the Core Principles for Derivatives Clearing Organizations under section 5b of the Commodity Exchange Act, 7 U.S.C § 1 et seq. (“Act”) and rules thereunder and has determined that Rules 39.14 or 39.15 are relevant and the Core Principles (E and F) which they implement. This change will not impact the Clearinghouse’s ability to comply

with the Core Principles E or F or with Rules 39.14 or 39.15 thereunder. This provision of the Clearinghouse rules was for ease of administration and was not required by statutory or regulatory provisions and its removal does not affect any aspect of the Clearinghouse's operations. This change has no bearing on Participants' responsibility under the rules of the Clearinghouse (and its registration Order) that Participants fully pre-fund their Clearing Accounts. Further, the Clearinghouse will continue as it currently does, to hold all Participant funds in the United States.<sup>1</sup>

In summary, this rule amendment does not affect the ability of the Clearinghouse to comply with Rules 39.14 or 39.15.

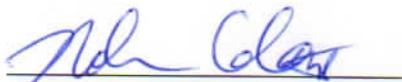
---

<sup>1</sup> Rule 1.49 only applies to depositories holding customer funds. Cantor Clearinghouse does not hold customer funds. Nevertheless, it keeps safe the funds of self-clearing Participants by using only depositories for such funds that meet the requirements of Rule 1.49.

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 Clearinghouse, 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: CEO  
Date: June 11, 2015

## Attachment —Rule Amendment

(deletions are struck through)

### II-2. Eligibility

(a) Each applicant to become a Participant that is an individual must: (i) be at least 18 years of age, (ii) have a mechanism that is acceptable to the Clearinghouse for transferring funds to and receiving funds from the Clearinghouse ~~have a U.S. bank account in the Participant's name~~, (iii) make an initial deposit appropriate to the Contracts then being traded to open a Participant Clearing Account, and (iv) satisfy such other operational, regulatory or other requirements as may from time to time be adopted by the Clearinghouse.

(b) Each applicant to become a Participant that is an entity must: (i) be duly organized and in good standing in its jurisdiction of organization, (ii) have a mechanism that is acceptable to the Clearinghouse for transferring funds to and receiving funds from the Clearinghouse ~~maintain a United States bank account in the name of the Participant~~, (iii) have the legal authority and be duly authorized and empowered to open accounts and effect transactions in futures and options, or other contracts, agreements or transactions, cleared through the Clearinghouse, (iv) make an initial deposit appropriate for the Contracts then being traded to open a Participant Clearing Account, and (v) satisfy such other operational, regulatory or other requirements as may from time to time be adopted by the Clearinghouse.

(c) Notwithstanding anything in the foregoing paragraphs (a) or (b) to the contrary:

(i) In considering any applicant for status as a Participant, the Clearinghouse 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;

(ii) The Clearinghouse may limit the clearing of particular Contracts to specific classes of Participants, based upon financial, regulatory or other criteria established by the Clearinghouse. Without limitation of the foregoing, the Clearinghouse may determine to limit the clearing of particular Contracts to Participants that are financial institutions; and

(iii) Every applicant to become a Participant must have a mechanism that is acceptable to the Clearinghouse for transferring funds to and receiving funds from the Clearinghouse ~~designate a United States bank account in the applicant's name to receive funds from the applicant's Participant Clearing Account.~~