

**SUBMISSION COVER SHEET**

Exchange Identifier Code **2012-1**

Date **October 1, 2012**

**ORGANIZATION**

Cantor Clearinghouse, L.P.

**FILING AS A:**

**DCM**

**DCO**

**DTEF**

**TYPE OF FILING**

• **Rule Amendments**

Self-Certification Under Reg. 40.6(a) or 41.24

Commission Approval Requested Under Reg. 40.5 or 40.4 (a)

Notification of Rule Amendment Under Reg. 40.6(c)

Non-Material Agricultural Rule Change Determination Under Reg. 40.4(b)

• **New Products**

Self-Certification Under Reg. 40.2 or 41.23

Commission Approval Requested Under Reg. 40.3

**RULE NUMBERS**

I-1. Defined Terms

**DESCRIPTION (Rule Amendments Only)**

This amendment to Cantor Clearinghouse, L.P.'s ("Clearinghouse") Rule I-1 adds a definition for "Public Director" to the "Defined Terms," which corresponds to the description of public directors in new Clearinghouse Rule I-8(b) (Board Eligibility). This Clearinghouse Rule I-1 amendment, in conjunction with the addition of Clearinghouse Rules I-6 and I-8(b),<sup>1</sup> mandates that the Clearinghouse's Board of Directors ("Board") must be composed of at least 35% public directors. The effect of this rule change will be, in accordance with Core Principle Q, to add an independent perspective to the diversity of viewpoints represented on the Clearinghouse Board.

<sup>1</sup> Separate self-certification filings for new Clearinghouse Rules I-6 and I-8 are being submitted in conjunction with this filing.

**Cantor Clearinghouse**  
**Rule Change 2012-1**  
**October 1, 2012**

1. The text of the rule change to Clearinghouse Rule I-1 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 October 16, 2012.
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 amendment to Clearinghouse Rule I-1 is one of several modifications to the Clearinghouse's Rulebook relating to the Clearinghouse's governance structure. This change will, consistent with Core principles O, P, and Q, enhance the governance of the Clearinghouse by: (a) requiring that 35% percent of the Board be composed of public directors to ensure an independent perspective in the Board's decision-making (*amendments to Clearinghouse Rule I-6 – Board of Directors*); (b) providing clear guidance on what constitutes a conflict of interest and the process to mitigate such conflicts upon discovery (*new Clearinghouse Rule I-9 – Conflicts of Interest*); (c) further defining the fitness standards necessary for an individual to serve as a Board member or Officer of the Clearinghouse (*new Clearinghouse Rule I-8 – Board Eligibility*); and (d) delineating the proper and improper use of non-public information obtained in the regular course of business (*new Clearinghouse Rule I-10 – Restrictions on Certain Persons Who Possess Material, Non-Public Information*).

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: 10/1/2012

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: 10/1/2012

# CANTOR CLEARINGHOUSE, L.P. RULES

## GENERAL PROVISIONS

### CHAPTER I DEFINITIONS

#### I-1. Defined Terms

**“President”** shall mean the individual appointed by the Board from time to time to serve as president of the Clearinghouse.

**“Public Director”** shall have the meaning ascribed to it in Clearinghouse Rule I-8(b), provided that such definition shall be amended from time to time as may be necessary to conform to any amendments or modifications to the term “Public Director” set forth in the CFTC Regulations as the CFTC may adopt from time to time.

**“Rules”** shall mean the rules, interpretations and stated policies of the Clearinghouse, and any instruments corresponding to any of the foregoing, in each case as adopted or amended from time to time by the Clearinghouse.