

SUBMISSION COVER SHEET

Exchange Identifier Code **2012-5**

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-10. Restrictions on Certain Persons Who Possess Material, Non-Public Information dated October 1, 2012

DESCRIPTION (Rule Amendments Only)

New Cantor Clearinghouse, L.P. ("Clearinghouse") Rule I-10 outlines the proper and improper use of non-public information. For instance, the new rule states that no member of the Board of Directors ("Board") or committee thereof, or officer shall: (a) "use or disclose any material, non-public information obtained in connection with the performance of his or her official duties, for any purpose other than the performance of his or her official duties"; (b) "trade in any Contract, or any underlying or related commodity interest, if such Person is in possession of material, non-public information concerning such Contract or any underlying or related commodity interest"; or (c) "disclose to any other Person material, non-public information ... if such Person could reasonably expect that such information might assist another Person in trading any Contract or underlying or related commodity interest." The effect of this rule addition is to provide clear guidance to Board members and officers regarding the appropriate handling of non-public information obtained in the course of their duties.

**Cantor Clearinghouse
Rule Change 2012-5
October 1, 2012**

1. The text of the changes to Clearinghouse Rule I-10 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.

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

The addition of new Clearinghouse Rule I-10 is one of several modifications to the Clearinghouse's Rulebook to reflect amendments in the Clearinghouse's governance structure in response to amendments of the DCO Core Principles made by the Dodd Frank Wall Street Reform and Consumer Protection Act. In addition to this rule change, other rule changes: (a) require 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) provide 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*); and (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*).

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-10. Restrictions on Certain Persons Who Possess Material, Non-Public Information

(a) None of (i) any Officer of the Clearinghouse, (ii) any member of the Board of Directors or any committee established by the Board of Directors or the Clearinghouse, (iii) any employee or agent of the Clearinghouse shall use or disclose any material, non-public information obtained in connection with the performance of his or her official duties, for any purpose other than the performance of his or her official duties.

(b) No Officer, employee or agent of the Clearinghouse, and no member of the Board of Directors or any committee established by the Board of Directors of the Clearinghouse, shall (i) trade in any Contract, or any underlying or related commodity interest, if such Person is in possession of material non-public information concerning such Contract or any underlying or related commodity interest or (ii) disclose to any other Person material, non-public information, however obtained (including, without limitation, material non-public information obtained by an employee or agent of the Clearinghouse in connection with such employee or agent's employment or agency, as the case may be), if such Person could reasonably expect that such information might assist another Person in trading any Contract or underlying or related commodity interest.

(c) Any Officer, Director, or employee or agent of the Clearinghouse who violates any provision of this Clearinghouse Rule II-9 shall indemnify the Clearinghouse for, and hold the Clearinghouse harmless against, any losses, damages or costs that the Clearinghouse may incur as a result of such violation.

(d) Notwithstanding anything to the contrary in this Clearinghouse Rule II-9, the applicable Contract Rules for each Contract traded on the Exchange may impose additional prohibitions on the use of or trading on material non-public information by any Person.

(e) For purposes of this Clearinghouse Rule II-9, the terms "material information," "non-public information" and "commodity interest" shall have the meanings ascribed to them in CFTC Regulation 1.59 or in the applicable Contract Rules, as the case may be.