

**SUBMISSION COVER SHEET**

Exchange Identifier Code **2012-7**

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-11. Chief Compliance Officer dated October 1, 2012

**DESCRIPTION (Rule Amendments Only)**

New Cantor Clearinghouse, L.P. ("Clearinghouse") Rule I-11 (Chief Compliance Officer) establishes the position of Chief Compliance Officer at the Clearinghouse. This rule change is made in light of the adoption of new Commodity Futures Trading Commission Rule ("CFTC" or the "Commission") Rule 39.10(c) which requires that Derivatives Clearing Organizations establish the position of CCO. New Rule I-11 mandates that the CCO must report to the Board of Directors ("Board") or a committee thereof, and that the Board, or its committee, sets the CCO's compensation. The CCO's responsibilities are also outlined in the rule, including to: (a) resolve conflicts of interest (in consultation with the Board or senior officer), (b) establish and administer written policies and procedures; and (c) establish procedures for the remediation of noncompliance issues. The effect of this rule change is to further support the Clearinghouse's efforts to comply with applicable law, including the regulations of the CFTC.

**Cantor Clearinghouse  
Rule Change 2012-7  
October 1, 2012**

1. The text of the rule change to Clearinghouse Rule I-11 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**

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-11. Chief Compliance Officer**

(a) The Board will designate a Chief Compliance Officer, who will report to the Board, or a committee thereof, or the President. The Board, or a committee thereof, or the President will establish the Chief Compliance Officer's compensation.

(b) The individual designated to serve as Chief Compliance Officer must have the background and skills appropriate for fulfilling the responsibilities of the position. No individual who would be disqualified from registration under applicable law may serve as a Chief Compliance Officer.

(c) The Chief Compliance Officer shall meet with the Board of Directors, or a committee thereof, or the President at least once a year.

(d) The duties of the Chief Compliance Officer will include:

(i) Reviewing the Clearinghouse's compliance with applicable law, including the regulations of the CFTC;

(ii) In consultation with the Board, resolving any conflicts of interest that may arise;

(iii) Establishing and administering written policies and procedures reasonably designed to prevent violation of applicable law, including the regulations of the CFTC;

(iv) Taking reasonable steps to ensure compliance with applicable law, including the regulations of the CFTC, relating to agreements, contracts, or transactions;

(v) Establishing procedures for the remediation of noncompliance issues identified by the chief compliance officer through any compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint;

(vi) Establishing and following appropriate procedures for the handling, management response, remediation, retesting, and closing of noncompliance issues; and

(vii) Annually, preparing, signing, and providing to the Board of Directors, or a committee thereof, or the President and the CFTC, a written report, consistent with applicable law, describing the Clearinghouse's compliance with applicable law during the most recently completed fiscal year.