

**CX Futures Exchange, L.P.**  
**Rule Amendment Submission 2018-10**  
**November 2, 2018**

1. The text of the rule changes to the CX Futures Exchange, L.P. Rulebook is attached. Additions are underlined and deletions are stricken through. These rule amendments have been approved by CX Futures Exchange, L.P. Capitalized terms, unless otherwise defined herein shall possess the meaning(s) ascribed in the CX Futures Exchange, L.P. Rulebook.
2. The proposed effective date is ten business days after receipt by the Commodity Futures Trading 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, CX Futures Exchange, 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 rules appear below.
5. There were no opposing views expressed regarding these amended rules.

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**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.

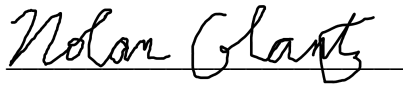
CX Futures Exchange, L.P. (the "Exchange") is amending its Rulebook to adopt rules prohibiting the practice of front-running and wash trading. CX believes that front running and wash trading violate Exchange Rules VI-2 Fraudulent Acts and VI-3 Fictitious Trades and VI-7 Adherence to Law, which prohibits any Participant from engaging in conduct in violation of "Applicable Law." Nevertheless, insofar as Commission Rule 38.152 requires designated contract markets explicitly to prohibit front running and wash trading, CX is adopting rules prohibiting those practices explicitly.

The effect of these amendments will be to prohibit explicitly abusive conduct that previously was prohibited implicitly by Exchange rules.

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, CX Futures Exchange, 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: COO  
Date: November 2, 2018

## Attachment —Rule Amendment

(Additions are underlined, deletions are struck through)

### **VI-13. Front Running**

It shall be a violation of this Rule for any person to engage in the practice of trading ahead of another person by taking a futures or option position based upon non-public information obtained in violation of a duty to that person regarding an impending transaction by that other person in the same or related future or option.

### **IV-14 Wash Trading**

It shall be a violation of this Rule for any person to engage in a transaction that is, of the character of, or is commonly known to the trade as a “wash trade.”