



LMX Labs, LLC
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Chicago, IL 60606

LMX Labs, LLC Submission #2021-02E

May 5, 2021

Mr. Christopher J. Kirkpatrick
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581
VIA CFTC Electronic Filing

Re: CFTC Regulation 40.6 Certification: Lead Market Maker Program

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), LMX Labs, LLC, (the “Exchange”) hereby submits for self-certification its lead market maker program (the “Program”). The Program will incentivize liquidity and volume in the Exchange’s products, including upon the launch of the Exchange. The terms and conditions of the Program are set forth in Exhibit A. The Program will become effective on May 19, 2021.

Compliance with Core Principles

The Exchange has reviewed the designated contract market (“DCM”) core principles (“Core Principles”) set forth in the Commodity Exchange Act and has identified that the Program may most directly implicate the following Core Principles:

Core Principle 2 -- Compliance with Rules and Core Principle 4 -- Prevention of Market Disruption

All trading on the Exchange, including any trading and related activity by participants under the Program, is subject to the LMX Labs Rulebook (the “Rulebook”) including Chapter 5, which prohibits fraud, non-competitive trading, market manipulation and abusive and disruptive trade practices. Capitalized terms not otherwise defined herein are defined in the Rulebook. Additionally, as with all trading on the Exchange, trading in the Program’s products will be subject to monitoring and surveillance by the Market Regulation Department, which has the authority to investigate and enforce Exchange rules, as described in Chapter 7.

Core Principle 9 -- Execution of Transactions

The Program’s products are listed for trading on the Exchange’s trading system, which provides for efficient, competitive, and open execution of transactions pursuant to the Exchange rules.

Core Principle 12 -- Protection of Markets and Market Participants

Chapters 4 and 5 of the Rulebook require all market participants, including those participating in the Program, to observe high standards of integrity, market conduct, commercial honor, fair dealing, and just and equitable principles of trade and prohibits, among other things, fraud, non-competitive trading, market manipulation, and abusive and disruptive trade practices. As with all contracts traded on the Exchange, trading in the Program's products will be subject to monitoring and surveillance by the Market Regulation Department and compliance with the Program will be monitored and enforced by the Exchange.

Core Principle 18 – Recordkeeping

Records related to the Program will be maintained by the Exchange in compliance with its recordkeeping policies and the requirements of the Commodity Exchange Act and CFTC Rules.

Certification

The Exchange is not aware of any substantive opposing views to the Program. The Exchange certifies that the Program complies with the Commodity Exchange Act and the rules and regulations promulgated thereunder.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at: www.lmxlabs.com.

If you have any questions or require any further information, please contact me at 773-832-7973 or mpiracci@lmxlabs.com.

Sincerely,

/s/

Michael A. Piracci
Chief Regulatory Officer and
Senior Counsel

Attachments: Exhibit A



EXHIBIT A

Lead Market Maker Program

Program Purpose

The purpose of the Lead Market Maker Program (the “Program”) is to support the development of the products listed below by increasing liquidity in the Exchange’s central limit order book and, therefore, benefit all Participants in the market.

Product Scope

All products available for trading on the Exchange.

Eligible Participants

The Exchange may designate up to five (5) Participants as Lead Market Makers (as defined in the Rulebook)¹ in the Program for each Exchange product. In order to be considered, Participants must agree to make two-sided markets, have a demonstrable ability to quote two-sided markets during all trading hours, have the technological and operational ability to connect to the Exchange, and be ready to begin making two-sided markets on the first day the Exchange begins offering products for trading. In determining whether to accept a participant, Exchange staff will take into account a variety of factors, which may include among other things, industry reputation, the robustness of the quoting obligation to which the Participant will commit, the likelihood the Participant will be able maintain such obligations, global market making capabilities across the US, Europe, and Asian markets, demonstrated track record of being a top tier market maker in equity, FX, and other types of derivatives, and commit to completing necessary connectivity and testing and being ready to make markets prior to launch of the relevant product. The Exchange may add or subtract from the aforementioned criteria as it deems necessary.

Program Term

The initial term of the Program shall end on June 30, 2022, unless otherwise extended by the Exchange.

Obligations

[REDACTED]

Incentives

[REDACTED]

Monitoring and Termination of Status

The Exchange will monitor each participant’s trading activity and performance and retains the right to revoke participant’s status if it determines that a participant failed to meet the obligations of the Program.

¹ Concurrent with this filing, the Exchange has filed amendments to Rule 101, to define a Lead Market Maker.