

ELX Futures, L.P.
Rule Amendment Submission 2016-3
November 23, 2016

1. The text of the proposed amendment to the ELX Futures, L.P. (“ELX Futures”) Rules is appended as Attachment A. Any additions are underlined and any deletions are struck through.
2. The date of intended implementation of the proposed amendment is ten business days following the filing of this submission.
3. Attached, please find a certification that: (1) the rule complies with the Commodity Exchange Act, and the Commission’s regulations thereunder; and (2) concurrent with this submission, ELX Futures posted on its website: (i) a notice of pending certification of the rule amendment 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 rule appear below.
5. There were no opposing views expressed regarding this amended rule.
6. Confidential treatment is not requested.

**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 rule.

As requested by Commission staff, ELX Futures is amending Chapters VI-1, VI-2, VI-4, VI-5, and VI-6 of its rules to achieve greater consistency with certain Commodity Exchange Act provisions and the Commission’s regulations relating to disruptive trading, fraud, and manipulation.

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 Rule complies with the Commodity Exchange Act, and the Commodity Futures Trading Commission's regulations thereunder; and
- (2) concurrent with this submission, ELX Futures, L.P. posted on its website: (a) a notice of pending certification of the above Rule with the Commission; and (b) a copy of this submission



By: Richard Jaycobs
Title: Chief Executive Officer
Date: November 22, 2016

Attachment A—Amended Rule

Additions are underlined, deletions are struck through.

CHAPTER VI BUSINESS CONDUCT

VI-1. Rule Violations

It shall be an offense for any Subject Person to violate any Rule of the Exchange or Rule of the Clearinghouse regulating the conduct or business of a Subject Person, or any agreement made with the Exchange, or to engage in or attempt to engage in any act, practice, or course of business that operates or would operate as fraud, or deceit upon any person, dishonorable or dishonest conduct, or in conduct which is inconsistent with just and equitable principles of trade or CFTC Regulation 180.1.

VI-2. ~~Fraudulent Acts~~ Reserved

~~No Subject Person shall engage in any fraudulent act or engage in any scheme to defraud, deceive, trick or mislead in connection with or related to any trade on or other activity related to the Exchange or the Clearinghouse.~~

VI-4. Market Disruption

It shall be a violation of this Rule for any person to engage in any trading, practice, or conduct on or subject to the rules of the Exchange that:

- (a) violates bids or offers;
- (b) demonstrates intentional or reckless disregard for the orderly execution of transactions during the closing period; or
- (c) is, is of the character of, or is commonly known to the trade as, “spoofing” (bidding or offering with the intent to cancel the bid or offer before execution).

~~Orders entered into the ELX System for the purpose of upsetting the equilibrium of the market in any Contract or creating a condition in which prices do not or will not reflect fair market values are prohibited, and any Subject Person who makes or assists in entering any such Order with knowledge of the purpose thereof or who, with such knowledge, in any way assists in carrying out any plan or scheme for the entering of any such Order, will be deemed to have engaged in an act detrimental to the Exchange.~~

VI-5. Market Manipulation

Any ~~intentional attempted or completed~~ manipulation of or attempt to manipulate the price of the market in any Contract or any conduct that violates section 9(a)(2) of the Commodity Exchange Act is prohibited.

VI-6. Prohibition of Misstatements

It shall be an offense to make, or attempt to make, any untrue or misleading statement ~~knowing misstatement~~ of a material fact to the Exchange (including the Board, any committee thereof or any panel of any such committee, any Exchange Official or any committee of the Exchange) or to the RSP (including any members of its staff), or to engage in any other conduct that violates Commission Regulation 180.1.