



LMX Labs, LLC  
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Chicago, IL 60606

**LMX Labs, LLC Submission #2021-15E**

December 17, 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: Broker Rebate Program Renewal**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), LMX Labs, LLC, d/b/a/ FairX (the “Exchange”) hereby submits for self-certification the renewal of its broker rebate program (the “Program”). The Program will incentivize liquidity and volume in the Exchange’s products. The terms and conditions of the Program are set forth in Exhibit A. The Program will become effective January 4, 2022.

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 Exchange 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 Rulebook.

*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.fairx.com](http://www.fairx.com).

If you have any questions or require any further information, please contact me at 773-409-4128 or [aloranger@fairx.com](mailto:aloranger@fairx.com).

Sincerely,

/s/

Anne Loranger  
Chief Regulatory Officer and  
Legal Counsel

Attachments: Exhibit A



## EXHIBIT A

### Broker Rebate Program Renewal

#### Program Purpose

The purpose of the Broker Rebate 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

There is no limit to the number of participants in the Program. The Program is open to CFTC registered introducing brokers and futures commission merchants that have active direct retail customers, are capable of providing their customers access to Exchange products, promote the Exchange products to its customers, through marketing, sales, and commercial initiatives, agree to provide the Exchange with evidence of such promotional activity, complete and submit an application form to the Exchange, and such other criteria as the Exchange deems appropriate and necessary.

Participants in any other rebate, reduced fee, or incentive program in the Exchange's products shall not be eligible for this Program.

Participants shall disclose their participation in this Program to their customers in writing.

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 March 31, 2022.

#### Obligations

[REDACTED]

#### Incentives

[REDACTED]

#### Monitoring and Termination of Status

The Exchange retains the right to revoke participant's status in the Program or terminate the program at any time at its sole discretion.