

FMX Futures Exchange, L.P.
Market Maker Incentive Program
Submission #2024-12
October 23, 2024

Via Electronic Portal

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

1. FMX Futures Exchange, L.P. (“FMX” or the “Exchange”) hereby certifies to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the attached amendment to the Market Maker Incentive Program of FMX (“Program”) in accordance with CFTC Regulation 40.6(a).
2. The proposed effective date of the amendment to the Program is November 6, 2024.
3. Attached please find a certification that: (1) this rule complies with the Commodity Exchange Act and the Commission’s regulations thereunder; and (2) concurrent with this submission, the Exchange posted on its website: (i) a notice of pending certification of this rule submission with the Commission; and (ii) a copy of this submission.¹
4. A concise explanation of the amendment to the Program appears below.
5. No opposing views to this amendment to the Program were expressed to FMX.

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¹ See <https://www.fmxfutures.com/rules-notices/>. Capitalized terms used but not defined herein shall have the meanings given to such terms in the FMX Rules, and references to “FMX Rules” refer to such rules.

A CONCISE EXPLANATION OF THE AMENDMENT TO THE PROGRAM, INCLUDING CORE PRINCIPLES.

Attached to this document is Schedule A, which reflects an amendment to the Program that will take effect on November 6, 2024. We note the following:

1. The Exchange is revising language previously included in its October 7, 2024 filing (Submission #2024-09), which took effect on October 22, 2024 (the “October 7 Filing”), to address the retroactive application of certain terms and clarify that the retroactive application of such terms will no longer apply once this filing takes effect on November 6, 2024. Attached hereto as Schedule A are the first two pages of the October 7 Filing, which contain the entirety of the changes being made by this filing.
2. For the avoidance of doubt, the Exchange is not making any amendment to its October 17, 2024 filing in respect of the Program.

The changes being made by this filing will be effective on November 6, 2024 and in each month thereafter that the Program is in effect, subject to any further changes that the Exchange may make to the Program, whether in the ordinary course of business or in response to market developments.

FMX has reviewed the core principles for designated contract markets set forth in Section 5 of the Commodity Exchange Act and in the Commission’s Part 38 Regulations thereunder (“Core Principles”), as well as the FMX Rules. Based on its review, FMX has identified the following Core Principles as relevant to its assessment of these changes to and continuing operation of the Program:

- ***Core Principle 2, Compliance with Rules.*** FMX believes that the Program will not adversely affect its ability to perform its trade practice and market surveillance obligations.
- ***Core Principle 3, Contracts Not Readily Susceptible to Manipulation.*** FMX believes that the Program will not cause the contracts it lists to be readily susceptible to manipulation.
- ***Core Principle 4, Monitoring of Trading.*** FMX believes that it will be able to monitor and surveil trading on the Exchange effectively, including trading by Persons or groups of Persons who have applied to be admitted into the Program, have been accepted in the Program by the Exchange, and are subject to the terms of the Program (“MMIPPs” and each, an “MMIPP”).
- ***Core Principle 7, Availability of General Information.*** FMX is making information about the Program available to the Commission, its regulatory services provider, all Participants, Customers, and the public.
- ***Core Principle 9, Execution of Transactions.*** FMX believes that the Program does not give rise to incentives that will adversely affect its ability to execute orders for all Participants.

- ***Core Principle 12, Protection of Market Participants.*** Trading by MMIPPs will be subject to the requirements of the FMX Rules, which have been designed to ensure the protection of the market and market participants.
- ***Core Principle 16, Conflicts of Interest.*** The activities of MMIPPs will be subject to the Exchange's regular monitoring and surveillance processes and the requirements of the FMX Rules, including FMX Rule X-10, Conflicts of Interest.
- ***Core Principle 18, Recordkeeping.*** The Program is subject to the Exchange's record retention policies, which have been designed to achieve compliance with applicable CFTC recordkeeping requirements.

The terms of the Program and eligibility to participate in it have been established in accordance with Chapter VI-1(a) and Chapter XII-12 of the FMX Rules.

By its terms, the Program does not affect order execution priority on the Exchange or otherwise give MMIPPs any execution preference or advantage. In addition, Chapter XIV of the FMX Rules requires the active monitoring of the Exchange for trading abuses. FMX's Control Desk monitors activity on the Exchange for disruptive trading. Both the Exchange's Surveillance Department and its regulatory services provider review for manipulative and other abusive trading practices. Chapter XIV of the FMX Rules also provides for the Exchange's Chief Compliance Officer to conduct investigations of Participants and to bring disciplinary measures against Participants as warranted.

Schedule A

FMX Market Maker Program
Certification with redactions

FMX Futures Exchange, L.P.
Adoption of Market Maker Incentive Program
Submission #2024-09
October 7, 2024

Via Electronic Portal

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre 1155 21st Street, N.W.
Washington, D.C. 20581

1. FMX Futures Exchange, L.P. (“FMX” or the “Exchange”) hereby certifies to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the attached amendments to the Market Maker Incentive Program of FMX (“Program”) in accordance with CFTC Regulation 40.6(a). The Exchange also certifies to the Commission a related amendment to Rule VI-1 of the FMX Rulebook in accordance with CFTC Regulation 40.6(a).
2. The proposed effective date of the amendment to the Program and the Rule amendment is October 22, 2024. ~~The Program as amended will apply as if it were in place from October 1, 2024.~~
3. Attached please find a certification that: (1) this rule complies with the Commodity Exchange Act and the Commission’s regulations thereunder; and (2) concurrent with this submission, the Exchange posted on its website: (i) a notice of pending certification of this rule submission with the Commission; and (ii) a copy of this submission.²
4. A concise explanation of the operation, purpose, and incentives of the Program appears below.
5. No opposing views to adopting the Program were expressed to FMX in connection with the Program’s development and approval.

² See <https://www.fmxfutures.com/rules-notices/>. Capitalized terms used but not defined herein shall have the meanings given to such terms in the FMX Rules, and references to “FMX Rules” refer to such rules.

A CONCISE EXPLANATION OF THE OPERATION, PURPOSE, AND INCENTIVES OF THE AMENDED PROGRAM, INCLUDING CORE PRINCIPLES.

Attached to this document is Exhibit I, which describes key terms of the Program. The Program took effect on September 30, 2024. In light of changed expectations regarding volume levels in front month Contracts and based on input from Participants and Customers following the Exchange's launch of trading, FMX has made certain revisions to the Program.

~~Those changes will be effective in each month that the Program is in effect, including for the entire month of October, subject to any further changes that the Exchange may make to the Program, whether in the ordinary course of business or in response to market developments.~~ FMX has reviewed the core principles for designated contract markets set forth in Section 5 of the Commodity Exchange Act and in the Commission's Part 38 Regulations thereunder ("Core Principles"), as well as the FMX Rules. Based on its review, FMX has identified the following Core Principles as relevant to its assessment of the Program:

- **Core Principle 2, Compliance with Rules.** FMX believes that the Program will not adversely affect its ability to perform its trade practice and market surveillance obligations.
- **Core Principle 3, Contracts Not Readily Susceptible to Manipulation.** FMX believes that the Program will not cause the contracts it lists to be readily susceptible to manipulation.
- **Core Principle 4, Monitoring of Trading.** FMX believes that it will be able to monitor and surveil trading on the Exchange effectively, including trading by Persons or groups of Persons who have applied to be admitted into the Program, have been accepted in the Program by the Exchange, and are subject to the terms of the Program ("MMIPPs" and each, an "MMIPP").
- **Core Principle 7, Availability of General Information.** FMX is making information about the Program available to the Commission, its regulatory services provider, all Participants, Customers, and the public.
- **Core Principle 9, Execution of Transactions.** FMX believes that the Program does not give rise to incentives that will adversely affect its ability to execute orders for all Participants.
- **Core Principle 12, Protection of Market Participants.** Trading by MMIPPs will be subject to the requirements of the FMX Rules, which have been designed to ensure the protection of the market and market participants.
- **Core Principle 16, Conflicts of Interest.** The activities of MMIPPs will be subject to the Exchange's regular monitoring and surveillance processes and the requirements of the FMX Rules, including FMX Rule X-10, Conflicts of Interest.

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 rule as attached complies with the Commodity Exchange Act and the Commission's regulations thereunder; and
- (2) Concurrent with this submission, FMX Futures Exchange, L.P. posted on its website, <https://www.fmxfutures.com/rules-notices/>: (a) a notice of pending certification of this rule submission with the Commission; and (b) a copy of this submission.

By: Thomas Thompson
Title: Chief Compliance Officer
Date: October 23, 2024