FMX Futures Exchange, L.P.
Amendment to Rule III-4(c)
Submission #2025-02
January 23, 2025

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 Rule III-4 Acceptable FMX Division Contract Orders of FMX ("Rule") in accordance with CFTC Regulation 40.6(a).

2. The proposed effective date is ten business days after receipt by the Commission of this submission.

3. Attached please find a certification that: (1) this rule amendment 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 and analysis of the operation, purpose, and effect of the amended rule changes appear below.

5. There were no opposing views expressed regarding this amendment.

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[1] *See* https://www.fmxfutures.com/rules-notices/regulatory-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" or an "FMX Rule" refer to such rules.

A CONCISE EXPLANATION AND ANALYSIS OF THE OPERATION, PURPOSE, AND EFFECT OF THE AMENDED RULE, INCLUDING CORE PRINCIPLES.

Attached to this document is Exhibit I, which reflects an amendment to FMX Rule III-4 Acceptable FMX Division Contract Orders.

The Exchange is amending its Rule III-4 Acceptable FMX Division Contract Orders to provide for the opportunity for an incoming Outright Order to be combined with a resting Outright Order to match against resting Combination Orders. The Exchange believes that the proposed change will improve liquidity and advantage the execution of Outright Orders by allowing them to be executed against matching combinations of resting Outright Orders and resting Combination Orders since such executions can only occur at a price that is more favorable to the incoming Order than matching against Orders resting in the Outright Order book.

Currently, Rule III-4(c) allows an incoming Combination Order to match against a resting Combination Order or, in the event that the price for the execution against Orders not in the Combination Order books would be more favorable to the Participant or Participant's Customer, against a combination of resting Orders that match the incoming Combination Order's specifications.

The present amendment to Rule III-4(c) allows for a similar execution protocol except that the incoming Order is an Outright Order and matches against one or more Combination Orders resting in Combination Order books and one or more resting Outright Orders. In this case, the price for the incoming Outright Order must be more favorable to the Participant or Participant's Customer than matching with Orders resting in the Outright Order book.

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 Rule:

- ***Core Principle 2, Compliance with Rules.*** FMX believes the Rule 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 Rule 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 under the terms of the Rule.

- ***Core Principle 7, Availability of General Information.*** FMX is making information about the Rule available to the Commission, its regulatory services provider, all Customers, and the public.

- ***Core Principle 9, Execution of Transactions.*** FMX believes that the Rule does not give rise to incentives that will adversely affect its ability to execute orders for all Customers.

- **Core Principle 12, Protection of Markets and Market Participants.** Trading 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.** FMX Division Contract Orders 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 Rule is subject to the Exchange's record retention policies, which have been designed to achieve compliance with applicable CFTC recordkeeping requirements.

- **Core Principle 20, System Safeguards.** The Exchange believes that the systems used in relation to the FMX Division Contract Orders have sufficient safeguards in place.

By its terms, the Rule acts in concert with FMX and CFTC requirements, and neither imposes unnecessary restrictions nor violates the Core Principles.

Exhibit I

Combination Orders Rule Amendment of FMX Futures Exchange, L.P.

III-4 Acceptable FMX Division Contract Orders

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(c)   Combination Orders:

(i)   The Exchange may provide for the entry of Combination Orders into the Exchange Trading System. Any Combination Order may be matched against another Combination Order on the other side of the market provided that the Exchange Trading System maintains an order book for such Combination Orders. If an incoming Combination Order can be matched at a price more favorable to the Participant, or the Participant's Customer if it is a Customer Order, entering the Combination Order by matching against Orders not in the Combination Order books, the Exchange Trading System, where and as possible shall match the incoming Combination Order against Orders for two or more Contracts which together match the requirements of the Combination Order; provided that such Order match shall not be guaranteed by the Exchange Trading System.

(ii)   An "Outright Order" is an Order that is not a Combination Order. An incoming Outright Order may be combined by the Electronic Trading System with a resting Outright Order to generate a Combination Order that matches immediately against one or more resting Combination Orders; provided that the incoming Outright Order can be executed at a price more favorable to the Participant, or the Participant's Customer if it is a Customer Order, than against the most favorably priced resting Outright Order if there is a resting Outright Order in the order book. Such Order match shall not be guaranteed by the Exchange Trading System.

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.

Thomas Thompson
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By: Thomas Thompson
Title: Chief Compliance Officer
Date: January 23, 2025