

**BGC Derivative Markets, L.P**  
**Rule Implementation Submission 2020-04**  
**December 14, 2020**

1. The texts of the amended Rules are appended as Attachment A. Any additions are underlined and any deletions are struck through.
2. The date of intended implementation for these rules is ten business days following the filing of this submission.
3. Attached, please find a certification that: (1) these rules comply with the Commodity Exchange Act (“Act”), and the Commission’s regulations thereunder; and (2) concurrent with this submission, BGCDMLP posted on its website: (i) a notice of pending certification of the rule amendments with the Commission; and (ii) a copy of this submission.
4. A concise explanation and analysis of the operation, purpose, and effect of each of the amended rules appears below.
5. There were no opposing views expressed regarding these amended rules.
6. Confidential treatment is not requested.

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CONCISE EXPLANATION AND ANALYSIS OF THE OPERATION, PURPOSE, AND EFFECT OF THE RULE AMENDMENT 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 rules. The attached amendments are cumulative and in response to suggestions and guidance from the staff during the course of the staff review of the BGCDMLP application for registration as a Swap Execution Facility. These amendments are either:

- (1) technical corrections to align the rules more closely with the language of Commission Rules; and/or
- (2) amendments made in response to guidance of Commission staff.

The following chart identifies the changed rules and notes the effect of the change and an explanation of the operation, purpose, and effect of the change.

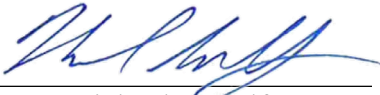
CONCISE EXPLANATION AND ANALYSIS OF THE OPERATION, PURPOSE, AND  
EFFECT OF THE RULE AMENDMENT AND ITS COMPLIANCE WITH APPLICABLE  
PROVISIONS OF THE ACT

| <b>Rule</b>  | <b>Rule Title</b>                           | <b>Effect</b>  |
|--------------|---|--|
| 505          | Pre-Execution Discussions and Cross Trades. | Add a cross-reference to Rule 603.                         |
| 603(b)(i)(F) | Orders                                      | Amend Rule 603 to add AON Cross order type.                |
| 603(b)(i)(G) | Orders                                      | Amend Rule 603 to add Exchange Cross (X-Cross) order type. |

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



By: Michael C. Sulfaro  
Title: Chief Compliance Officer  
Date: December 11, 2020

## BGC Derivative Markets, L.P. Rules

### PART 5. TRADING.

#### 505. Pre-Execution Discussions and Cross Trades.

- (a) No Person shall enter a pre-discussed Required Transaction through the Electronic Trading System or through Voice Functionality for illegal or improper purposes (including, without limitation, any conduct prohibited by Part 9 of these Rules) or for a Required Transaction knowingly assume on its own behalf or on behalf of a Customer Account the opposite side of its own Order or its Customer's Order (a "Cross Trade"), except where the Person is entering into both sides of a Customer Order on a non-discretionary, pre-arranged basis, unless:
- (i) Prior written blanket or transaction specific consent has been obtained in respect of any relevant Customer Account;
  - (ii) The Person waits for at least 15 seconds (or such other time as the Facility may publish from time to time for particular contracts based upon liquidity or such other product-specific considerations as may be permitted under Commission Rule 37.9(b)(2)) after the initial Order is submitted to the Trading System or Execution Specialist before submitting the opposite side;
  - (iii) The trade was matched but unable to be executed on a system or venue and was sent to the SEF for execution in accordance with Rule 603, as applicable;
  - (iv) As applicable, the trade is recognized as a qualifying block trade size in accordance with Rule 510

### PART 6. TRADING VIA ELECTRONIC ORDER BOOK.

#### 603. Orders.

- (F) AON Cross. Following the pre-execution communication, as permitted under Rule 505, a Request for Cross ("RFC") order will be entered into the Electronic Order Book where the first party's order is entered into the Electronic Order Book first. The second party's order may not be entered into the Electronic Order Book until a period of fifteen (15) seconds has elapsed. The orders may be entered by either party to the transaction or by an agent on behalf of the participants. The first party's order will immediately match against any orders in the Electronic Order Book on the opposite side of the market which are at a price better than or equal to the price of the first order and will complete the order. The AON Cross will not interact with prices in quantities less than the order size of the transaction.

### 603. Orders.

- (G) Exchange Cross (X- Cross). Following the pre-execution communication, as permitted under Rule 505, a Request for Cross (“RFC”) order, which contains both the buy and the sell orders, must be entered onto the Electronic Order Book, either by a party to the transaction or by an agent on behalf of the participants. Upon entry of the RFC, the Electronic Order Book will display an indication that a cross will occur in fifteen (15) seconds. If the RFC price improves both the best bid and best offer (or if there is no bid/offer) in the Electronic Order Book, after fifteen (15) seconds following the submission of the RFC, all of the RFC quantity will match at the RFC price. If the RFC price matches, or is outside the best bid or offer in the Electronic Order Book once the fifteen (15) second period has expired following the submission of the RFC, the applicable side of the RFC order will match against the orders in the Electronic Order Book at a price better than or equal to the RFC price. Immediately thereafter, the quantity remaining from the initial RFC order will match against the order on the opposite side of the RFC at the RFC price. Any unmatched balance from the initial RFC order will remain in the Electronic Order Book unless it is cancelled by the user.