

FMX Futures Exchange, L.P.
Rule Amendment Submission #2022-2
June 7, 2022

1. The text of the rule changes to the FMX Futures Exchange L.P. (“Exchange”) Rulebook is attached. Additions are underlined and deletions are stricken through. This rule has been approved by the Board of Directors of the Exchange. Capitalized terms, unless otherwise defined herein shall possess the meaning(s) ascribed in Exchange Rulebook
2. The proposed effective date is July 1, 2022.
3. Attached, please find a certification that: (1) these rules comply with the Commodity Exchange Act and the Commodity Futures Trading Commission’s (“CFTC” or “Commission”) regulations thereunder; and (2) concurrent with this submission, the Exchange posted on its website: (i) a notice of pending certification of the rule submissions 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 appears below.
5. There were no opposing views expressed regarding these amended rules.

**CONCISE EXPLANATION AND ANALYSIS OF THE PRODUCT 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.

FMX will list the first 2022 Atlantic Named Storm Landfall Swaps contracts on July 1, 2022. The attached amendment to the Exchange’s Rules revises Rule XI-103 to provide for the same incentive program for trading in 2022 that was implemented in 2021 and updates Schedule A with 2021 landfall locations.

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 below comply with the Commodity Exchange Act, and the Commodity Futures Trading Commission's regulations thereunder; and
- (2) concurrent with this submission, FMX Futures Exchange, 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: Thomas Thompson
Title: Chief Compliance Officer
Date: June 7, 2022

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CHAPTER XI
INCENTIVE PROGRAMS

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XI-103. 2022~~1~~ Automated Liquidity Provider (ALP) Program

- a) This incentive program provides the initial liquidity for the Atlantic Named Storm Landfall Swaps contracts for the 2022~~1~~ tropical storm season.
- b) No direct payments to Participants will be made under this program.
- c) The Exchange, using its own funds, will allocate an amount not to exceed \$25~~7~~,000 for this program and such funds will be placed in a Participant Clearing Account for this purpose.
- d) Using funds allocated for this program, the exchange will purchase 500 contracts at 109 different locations upon the listing of each named storm contract, provided that:
 - i. the named storm is listed on or after ~~July~~ July 1, 2022~~1~~;
 - ii. at the time of listing, the purchase price of contracts is \$1.00;
 - iii. the Participant Clearing Account has at least \$4,500 of available funds to cover such purchases.
- e) Contracts will be purchased at the zip codes closest to the 109 landfall locations of tropical storms during the 2021~~0~~ tropical storm season. The locations are attached here as Schedule A.
- f) Once purchased, contracts will be retained by the Exchange in a designated Participant Account for this program. Accordingly, all such contract purchases will be reported as volume and open interest in the normal course.
- g) Contracts purchased will be held until settlement at the original strike code locations. This Participant Account will not engage in strike code switching, as permitted by contract rules.
- h) Contracts will be settled in the normal course for each named storm. Any proceeds from settlements will be returned to the Exchange's Participant Clearing Account in the normal course and, therefore, may continue to be used for the program.
- i) At the end of the 2022~~1~~ tropical storm season, the Exchange will close its account(s) and withdraw any remaining funds.
- j) This program shall be in effect for the 2022~~1~~ tropical storm season and may be terminated at any time by the Exchange in its absolute discretion upon three (3) days' notice to Participants.

Initial effective date: ~~June 1, 2021~~ July 1, 2022

Schedule A

2021~~0~~ Landfall Locations

- 29.2N 91.0W
- 32.3N 80.5W
- 29.8N 83.5W
- 40.9N 72.3W
- 41.4N 71.7W
- 29.7N 89.4W
- 41.2N 71.6W
- 29.1N 90.2W
- 29.7N 85.1W
- 28.7N 95.7W
- ~~39.5N 74.3W~~
- ~~26.8N 97.4W~~
- ~~33.9N 78.4W~~
- ~~29.8N 93.3W~~
- ~~29.0N 89.2W~~
- ~~30.3N 87.7W~~
- ~~28.5N 96.4W~~
- ~~29.8N 93.1W~~
- ~~29.2N 90.6W~~