

FMX Futures Exchange, L.P.
CX Division Rule Amendment Submission #2025-10
June 13, 2025

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 CX Division Rule XXV-1 of the FMX Rulebook in accordance with CFTC Regulation 40.6(a). The changes to Rule XXV-1 were approved by the Board of Directors at its meeting on June 13, 2025.
2. The proposed effective date is on or after trade date July 1, 2025.
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 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 the amended Rule.

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

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 Rule XXV-1.

FMX intends to list the first 2025 Atlantic Named Storm Landfall Swaps contracts (“ANSL Contracts”) on July 1, 2025. The Exchange is updating its CX Division automated liquidity program (“the Program”) for the 2025 tropical storm season. The Exchange is amending its Rule XXV-1 2024 Automated Liquidity Provider (ALP) Program, which governs the incentive program for Atlantic Named Storm Landfall Swaps contracts, to provide two substantially similar incentives to market participants in 2025 as in 2024. The number of landfall locations which will be seeded with incentive funds will decrease to 12 from last year’s 16 by including the three landfall locations from the 2024 season in addition to the 2022 and 2023 season landfall locations that were used in the 2024 program. The updated list of locations appears in the amended Schedule A.

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 ANSL Contracts 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 in ANSL Contracts.
- ***Core Principle 7, Availability of General Information.*** FMX is making information about the Program available to the Commission, its regulatory services provider, all Participants, 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 in ANSL Contracts.
- ***Core Principle 12, Protection of Market Participants.*** All trading in ANSL Contracts 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 trading of ANSL Contracts by participants will be subject to the Exchange's 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 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, <https://cxmarkets.com/rules-and-regulations/notice-to-participants/>: (a) a notice of pending certification of the above Rules with the Commission; and (b) a copy of this submission.

Rhianna Ross

By: Rhianna Ross
Title: Chief Compliance Officer
Date: June 13, 2025

CHAPTER XXV
CX DIVISION INCENTIVE PROGRAMS

XXV-I. 2024~~5~~ Automated Liquidity Provider (ALP) Program

- a) This incentive program provides the initial liquidity for the Atlantic Named Storm Landfall Swaps contracts for the 2024~~5~~ 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 \$25,000 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 350 ~~250~~ contracts at 12 different locations upon the listing of each named storm contract, provided that:
 - i. the named storm is listed on or after June 1, 2024~~5~~;
 - ii. at the time of listing, the purchase price of contracts is \$1.00;
 - iii. the Participant Clearing Account has at least \$4,200 ~~\$4,000~~ of available funds to cover such purchases.
- e) Contracts will be purchased at the zip codes closest to the 12 ~~16~~ landfall locations of tropical storms during the 2022, 2023, and 2024 ~~2021, 2022, and 2023~~ tropical storm seasons. 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 2025~~4~~ tropical storm season, the Exchange will close its account(s) and withdraw any remaining funds.
- j) This program shall be in effect for the 2025 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~~ July 1, 2025~~4~~

Schedule A

~~2021 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~~

2022 Landfall Locations

- 26.7N 82.2W
- 33.3N 79.2W
- 27.6N 80.4W

2023 Landfall Locations

- 27.1N 97.4W
- 29.8N 83.6W
- 34.7N 77.0W

2024 Landfall Locations

- 28.6N 96.0W
- 29.7N 83.5W
- 33.0N 79.6W
- 29.3N 91.3W
- 30.0N 83.7W
- 27.3N 82.6W