



DISCIPLINARY DECISION
Cboe Futures Exchange, LLC
File No. URE-201-09
Tudor Investment Corporation

Pursuant to Exchange Rule 703, attached to and incorporated as part of this Decision is a Letter of Consent, accepted by the CFE Business Conduct Committee.

Applicable Rule

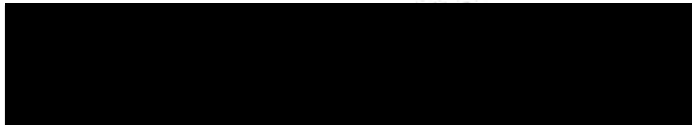
CFE Rule 403(b)(x) – Order Entry and Maintenance of Front-End Audit Trail Information

Sanction

A monetary fine in the amount of \$35,000.

Effective Date

September 20, 2023



Richard Bruder
Chair, CFE Business Conduct Committee

Cboe Futures Exchange, LLC
LETTER OF CONSENT
File No. URE-201-09

In the Matter of:

Tudor Investment Corporation
200 Elm Street
Stamford, CT 06902,

Subject

Pursuant to the provisions of Cboe Futures Exchange, LLC (“CFE” or the “Exchange”) Rule 703 – Expedited Proceeding, Tudor Investment Corporation (the “Firm”) submits this Letter of Consent for the purpose of proposing a settlement of the alleged rule violations described below.

The Firm neither admits nor denies that violations of Exchange Rules have been committed, and the stipulation of facts and findings described herein do not constitute such an admission.

BACKGROUND

1. During all relevant periods herein, the Firm was a registered Commodity Pool Operator and Commodity Trading Advisor, and was a CFE Trading Privilege Holder (“TPH”). The Firm’s registrations remain in effect.

VIOLATIVE CONDUCT

Applicable Rule

2. During all relevant periods herein, the following rule was in full force and effect: CFE Rule 403(b)(x) – Order Entry and Maintenance of Front-End Audit Trail Information.¹
3. During all relevant periods herein, CFE Rule 403(b) provided, in relevant part: “[e]ach single Order other than a Cancel Order or Cancel Replace/Modify Order must contain the following information: ... (x) Customer Type Indicator code ...”
4. As described in CFE Regulatory Circular RG18-003, Customer Type Indicator (“CTI”) codes 1, 2 and 3 are for types of TPH transactions and CTI code 4 is for non-TPH transactions:

¹ CFE Rule 403(b)(x) was re-numbered to CFE Rule 403(b)(xi) as of July 10, 2023.

CTI 1 – Transactions initiated and executed by an individual TPH for the TPH's own account, for an account the TPH controls, or for the account in which the TPH has an ownership or financial interest.

CTI 2 – Transactions executed for the proprietary account of a clearing member or non-clearing member TPH.

CTI 3 – Transactions where an individual TPH or authorized trader executes for the personal account of another individual TPH, for an account the other individual TPH controls or for an account in which the other individual TPH has an ownership or financial interest.

CTI 4 – Any transaction not meeting the definition of CTI 1, 2 or 3. (These should be non-TPH customer transactions).

Incorrect CTI Codes

5. From on or about January 3, 2022 through on or about November 28, 2022 (the "Review Period"), the correct CTI code for transactions for the account of a pool that the Firm operated was CTI code 2.
6. When establishing accounts with one of its brokers, the Firm inadvertently input an incorrect CTI code 4. As a result of such error, during the Review Period, the Firm included such incorrect CTI code 4 in orders submitted to the Exchange for the pool's account. The Firm identified the incorrect CTI code 4 in approximately 463,408 orders submitted to the Exchange for the pool's account during the Review Period, which totaled 1,429,288 Cboe Volatility Index (VX) futures contracts, of which 89,736 VX futures contracts executed. The failure to identify the correct CTI code in orders sent to the Exchange misidentified the type of transaction and impacted the accuracy of the CFE audit trail.
7. The acts, practices, and conduct described in Paragraph 6 constitute violations of Exchange Rule 403(b)(x) by the Firm, in that the Firm failed to identify the correct CTI code in orders sent to the Exchange.

SANCTIONS

8. The Firm does not have any prior relevant disciplinary history related to order entry and incorrect CTI code usage.
9. In light of the alleged rule violations described above, the Firm consents to the imposition of the following sanction:
 - a. A monetary fine in the amount of \$35,000.

If this Letter of Consent is accepted, the Firm acknowledges that it shall be bound by all terms, conditions, representations, and acknowledgements of this Letter of Consent, and, in accordance with the provisions of Exchange Rule 703, waives the right to review or to defend against any of these allegations in a disciplinary hearing before a CFE Business Conduct Committee ("BCC").

The Firm further waives the right to appeal any such decision to the Commodity Futures Trading Commission, a U.S. Federal District Court, or a U.S. Court of Appeals.

The Firm waives any right to claim bias or prejudgment of the BCC in connection with the BCC's participation in discussions regarding the terms and conditions of this Letter of Consent, or other consideration of this Letter of Consent, including acceptance or rejection of this Letter of Consent.

The Firm agrees to pay the monetary sanction upon notice that this Letter of Consent has been accepted and that such payment is due and payable. The Firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.


The Firm understands that submission of this Letter of Consent is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the BCC, pursuant to Exchange Rule 703. If the Letter of Consent is not accepted, it will not be used as evidence to prove any of the allegations against the Firm.

The Firm understands and acknowledges that acceptance of this Letter of Consent will become part of its disciplinary record and may be considered in any future actions brought by the Exchange or any other regulator against the Firm.

The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this Letter of Consent and has been given a full opportunity to ask questions about it; that it has agreed to the Letter of Consent's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce the Firm to submit it.

Date: 8/29/2023

Tudor Investment Corporation

By:  _____

Name: Bronwyn Eckhardt

Title: Chief Compliance Officer, US