



DISCIPLINARY DECISION
Cboe Futures Exchange, LLC
File No. URE-288-09
UBS Securities LLC

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

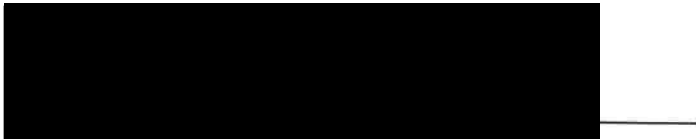
CFE Rule 620(b) – Disruptive Practices

Sanction

A monetary fine in the amount of \$10,000.

Effective Date

April 10, 2024



Richard Bruder
Chair, CFE Business Conduct Committee

Cboe Futures Exchange, LLC
LETTER OF CONSENT
File No. URE-288-09

In the Matter of:

UBS Securities LLC
1285 Avenue Of The Americas
New York, NY 10019,

Subject

Pursuant to the provisions of Cboe Futures Exchange, LLC (“CFE” or the “Exchange”) Rule 703 – Expedited Proceeding, UBS Securities LLC (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 CFE Trading Privilege Holder and Clearing Member. The Firm’s registrations remain in effect.

VIOLATIVE CONDUCT

Applicable Rules

2. During all relevant periods herein, the following rule was in full force and effect: CFE Rule 620 – Disruptive Practices.
3. During all relevant periods herein, CFE Rule 620(b) provided, in relevant part, that “[a]ll Orders must be entered for the purpose of executing bona fide transactions.” CFE Rule 620(b)(iv) provided that “[n]o Person shall intentionally or recklessly submit or cause to be submitted an actionable or non-actionable message(s) that has the potential to disrupt the systems of the Exchange or other market participants”.
4. During all relevant periods herein, CFE Policy and Procedure Section XVIII - Disruptive Trading Practices (Rule 620), Paragraph S – Orders entered into the CFE System for the purpose of testing, such as to verify a connection to the CFE System or a data feed from the CFE System provided, in relevant part, that “[t]he entering of an Order(s) other than in a test environment or test symbol without the intent to execute a bona fide transaction, including for the purpose of verifying connectivity or checking a data feed, is not permissible.”

Non-Bona Fide Order Conduct

5. On or about January 26, 2023, Firm personnel entered an order in the February 2023 / March 2023 Cboe Volatility Index (VX) futures calendar spread in the Firm's automated trading system for purposes of testing market data connectivity and without the intent to execute bona fide transactions. The order caused the Firm's automated trading system to submit two child orders to the Exchange.
6. The acts, practices, and conduct described in Paragraph 5 constitute violations of CFE Rule 620(b)(iv) by the Firm, in that the Firm entered orders that were not entered for the purpose of executing bona fide transactions and caused to be submitted actionable messages that had the potential to disrupt other market participants.

SANCTIONS

7. The Firm does not have any prior relevant disciplinary history.
8. 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 \$10,000.

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 prejudice 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.

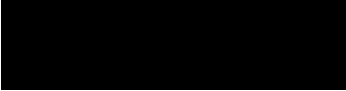
The Firm understands that submission of this Letter of Consent is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the BCC, pursuant to Exchange Rule 703. If the Letter of Consent is not accepted, it will not be used as evidence to prove any of the allegations 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: 03/22/2024

UBS Securities LLC

By:  _____

Name: Kristen Doyle

Title: Executive Director, Head of US IB Regulatory Affairs