



DISCIPLINARY DECISION
Cboe Futures Exchange, LLC
File No. URE-298-09
RBC Dominion Securities Inc.

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 412B(b) – Ownership and Control Reports and Reportable Positions

Sanction

A monetary fine in the amount of \$30,000.

Effective Date

April 10, 2024



Richard Bruder
Chair, CFE Business Conduct Committee

Cboe Futures Exchange, LLC
LETTER OF CONSENT
File No. URE-298-09

In the Matter of:

RBC Dominion Securities Inc.
111 S. Wacker, Suite 3200
Chicago, IL 60606,

Subject.

Pursuant to the provisions of Cboe Futures Exchange, LLC (“CFE” or the “Exchange”) Rule 703 – Expedited Proceeding, RBC Dominion Securities Inc. (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 foreign broker and Market Participant, and therefore, pursuant to CFE Rule 308, consented to the jurisdiction of the Exchange.

VIOLATIVE CONDUCT

Applicable Rules

2. During all relevant periods herein, the following rules were in full force and effect: Exchange Rules 412B(b) – Ownership and Control Reports and Reportable Positions (as further described in CFE Regulatory Circular RG19-001 and RG12-02 – Cboe Volatility Index (VX) Futures Contract Specifications).
3. During all relevant periods herein, CFE Rule 412B(b) provided that “[a]ny Person that is not a Trading Privilege Holder and that is required to make to the Commission pursuant to Commission regulations CFTC Form 102 (including CFTC Form 102A and CFTC Form 102B) or CFTC Form 71 submissions (including any attachments, related submissions, or related information) relating to Exchange Contracts shall, in a manner and form prescribed by the Exchange: (i) concurrently file with the Exchange copies of all CFTC Form 102 (including

CFTC Form 102A and CFTC Form 102B), or CFTC Form 71 submissions (including any attachments, related submissions, or related information) relating to Exchange Contracts that the Person is required to report to the Commission pursuant to Commission regulations¹; and (ii) concurrently report to the Exchange reportable positions in Exchange Contracts that the Person is required to report to the Commission pursuant to Commission regulations.”

4. During all relevant periods herein, CFE Regulatory Circular RG19-001 provided, in relevant part, that the reporting method prescribed by CFE for submitting reportable positions (“Large Trader Reporting”) was electronic submission to The Options Clearing Corporation (“OCC”) and the reporting methods prescribed by CFE for Ownership and Control Reporting (“OCR”) were XML-based and web-based OCR reporting.
5. During all relevant periods herein, CFE Rule 1202(n)(i) provided that “[p]ursuant to Commission Regulation §15.03 and Commission Regulation Part 17, the position level that is required to be reported to the Commission is any open position in VX futures contracts at the close of trading on any trading day equal to or in excess of 200 contracts on either side of the market.”

Ownership and Control Reporting

6. On or about January 11, 2022, an account carried by the Firm had an open position in VX futures contracts at the close of trading equal to or in excess of 200 contracts on one side of the market. As the account had a reportable position, the account became reportable as a special account and CFTC Form 102A was due no later than 9 a.m. on January 12, 2022. The Firm filed with the Exchange a copy of CFTC Form 102A via web-based OCR reporting in May 2023.
7. The acts, practices and conduct described in Paragraph 6 constitute violations of Exchange Rule 412B(b)(i) (as further described in RG19-001) by the Firm, in that the Firm failed to, in a manner and form prescribed by the Exchange, file with the Exchange no later than 9 a.m. on the business day following the date on which the special account became reportable a copy of CFTC Forms 102A that the Firm was required to report to the Commission pursuant to Commission regulations.

Large Trader Reporting

8. From on or about January 11, 2022 through on or about August 28, 2023, the special account referenced in Paragraph 6 had open positions in VX futures contracts at the close of trading on each trading day equal to or in excess of 200 contracts on either side of the market. From on or about January 11, 2022

¹ Commission regulation § 17.02(b) provides, in relevant part, that “[f]or each account that becomes reportable as a special account... the applicable reporting party shall submit a completed Form 102 to the Commission no later than 9 a.m. on the business day following the date on which the special account becomes reportable.” Commission regulation § 15.00(r) defines special account as “any commodity futures or option account in which there is a reportable position.”

through on or about August 28, 2023, the Firm did not submit the aforementioned positions to CFE electronically via the OCC.

9. The acts, practices, and conduct described in Paragraph 8 constitute violations of Exchange Rule 412B(b)(ii) (as further described in RG19-001) by the Firm, in that the Firm failed to report to the Exchange, in the manner and form prescribed by the Exchange, reportable positions in VX futures contracts that the Firm was required to report to the Commission pursuant to Commission regulations.

SANCTIONS

10. The Firm does not have any prior relevant disciplinary history related to reporting requirements for CFE Rule 412B(b).
11. 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 \$30,000.

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.

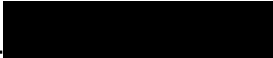
The Firm understands that submission of this Letter of Consent is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the BCC, pursuant to Exchange Rule 703. If the Letter of Consent is not accepted, it will not be used as evidence to prove any of the allegations 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: 28-Mar-2024

RBC Dominion Securities Inc.

By:  _____

Name: _____

Title: Managing Director