

**BEFORE THE BUSINESS CONDUCT COMMITTEE**  
**OF THE**  
**CBOE FUTURES EXCHANGE**

\_\_\_\_\_  
In the Matter of: )

UBS Securities LLC, )

Subject. )  
\_\_\_\_\_

CFE 18-0007

USFI 144/27

**DECISION ACCEPTING LETTER OF CONSENT**

This proceeding was instituted by the Business Conduct Committee (“BCC”) of the Cboe Futures Exchange (“CFE”), as a result of an investigation by CFE Regulation. In order to resolve this matter, UBS LLC has submitted a Letter of Consent for purposes of this proceeding without admitting or denying that a violation of Exchange Rules has been committed. With due regard to the stipulated facts and findings and the proposed sanction contained therein, the BCC believes it is appropriate to accept the Letter of Consent, attached hereto, and made a part of this decision.

**So Ordered for the Committee**

**January 23, 2019**

**By:/s/ Richard Bruder**

**Richard Bruder**

**Chairman**

**Business Conduct Committee**

**BEFORE THE BUSINESS CONDUCT COMMITTEE PANEL**  
**OF THE**  
**CBOE FUTURES EXCHANGE, LLC**

In the Matter of:

UBS Securities LLC,

Subject.

File No. CFE 18-0007

**LETTER OF CONSENT**

In order to resolve these proceedings pursuant to the CBOE Futures Exchange, LLC (“CFE” or “Exchange”) Rule 703, Expedited Proceeding, UBS Securities LLC (“UBS”), hereby submits this Letter of Consent in the above captioned matter. For purposes of this proceeding and without admitting or denying that a violation of CFE Rules has been committed, UBS consents to the Stipulation of Facts and Findings and the Sanction set forth below.

**Stipulation of Facts and Findings:**

1. During all relevant periods herein, UBS was a CFE Trading Privilege Holder and Clearing Member.
2. During all relevant periods herein, CFE Rule 410A – Reporting Open Interest Information to the Clearing Corporation was in full force and effect, as follows, in relevant part:

Each Clearing Member shall report to the Clearing Corporation, on each Business Day, gross position adjustment information as necessary to identify the actual open interest in each Clearing Member account at the Clearing Corporation based on the trading activity for that Business Day, to the extent required by and in accordance with the rules of the Clearing Corporation.

3. During all relevant periods herein, the following regulation was in full force and effect, in relevant part:

CFTC Reg 17.00(e)(1) *Gross positions*. ...The futures commission merchant, clearing member or foreign broker shall report gross long and short positions in each future of a commodity ... for each expiration month in all special accounts:

(1) Positions which are reported to an exchange or the clearinghouse of an exchange on a gross basis, which the exchange uses for calculating total open interest in a commodity;

4. On various dates throughout 2017, UBS made erroneous adjustments to OI causing overall exchange open interest in the expiring VX contract to be inaccurately reported.
5. The conduct described above constitutes a violation of CFE Rule 410A.

Sanction: \$15,000 fine

UBS acknowledges that it has read the foregoing Letter of Consent; no promise or inducement of any kind has been made to it by the Exchange or its staff; and this Letter of Consent is voluntary on its part.

UBS understands and acknowledges that the Business Conduct Committee's ("Committee") decision in this matter will become part of its disciplinary record and may be considered in any future Exchange proceeding.

UBS also acknowledges that the Committee's decision to accept or reject this Letter of Consent is final, and that it may not seek review thereof in accordance with Exchange Rule 703.

\_\_\_\_\_  
Date

\_\_\_\_\_  
UBS Securities LLC

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title