§ 41.23 Listing of security futures products for trading.

(a) Initial listing of products for trading. To list new security futures products for trading, a designated contract market or registered derivatives transaction execution facility shall submit to the Commission at its Washington, DC headquarters, either in electronic or hard-copy form, to be received by the Commission no later than the day on which any security underlying a security futures product is traded, and any market on which any related security is traded. A board of trade that is an alternative trading system does not need to make this certification, provided that:

(1) The alternative trading system is a member of a national securities association registered pursuant to section 15A(a) of the Securities Exchange Act of 1934 or national securities exchange registered pursuant to section 6(a) of the Securities Exchange Act of 1934; and

(2) The national securities association or national securities exchange of which the alternative trading system is a member has in place such procedures;

(b) An audit trail is in place to facilitate coordinated surveillance among the board of trade, any market on which any security underlying a security futures product is traded, and any market on which any related security is traded. A board of trade that is an alternative trading system does not need to make this certification, provided that:

(1) The alternative trading system is a member of a national securities association registered pursuant to section 15A(a) of the Securities Exchange Act of 1934 or national securities exchange registered pursuant to section 6(a) of the Securities Exchange Act of 1934; and

(2) The national securities association or national securities exchange of which the alternative trading system is a member has in place such procedures;

(c) Procedures are in place to coordinate regulatory trading halts between the board of trade and markets on which any security underlying the security futures product is traded and other markets on which any related security is traded. A board of trade that is an alternative trading system does not need to make this certification, provided that:

(1) The alternative trading system is a member of a national securities association registered pursuant to section 15A(a) of the Securities Exchange Act of 1934 or national securities exchange registered pursuant to section 6(a) of the Securities Exchange Act of 1934; and

(2) The national securities association or national securities exchange of which the alternative trading system is a member has in place such procedures;

(d) The margin requirements for the security futures product will comply with the provisions specified in §41.43 through §41.48.
prior to the initiation of trading, a filing that:
(1) Is labeled "Listing of Security Futures Product;"
(2) Includes a copy of the product’s rules, including its terms and conditions;
(3) Includes the certifications required by §41.22;
(4) Includes a certification that the terms and conditions of the contract comply with the additional conditions for trading of §41.25;
(5) If the board of trade is a designated contract market pursuant to section 5 of the Act or a registered derivatives transaction execution facility pursuant to section 5a of the Act, it includes a certification that the security futures product complies with the Act and rules thereunder; and
(6) Includes a copy of the submission cover sheet in accordance with the instructions in appendix D of part 40.
(7) Includes a request for confidential treatment as permitted under the procedures of §40.8.
(b) Voluntary submission of security futures products for Commission approval. A designated contract market or registered derivatives transaction execution facility may request that the Commission approve any security futures product under the procedures of §40.6 of this chapter, including a certification that the security futures product complies with the Act and rules thereunder; and
(5) Includes a copy of the submission cover sheet in accordance with the instructions in appendix D of part 40.
(c) Voluntary submission of rules for Commission review and approval. A designated contract market, registered derivatives transaction execution facility, or a registered derivatives clearing organization clearing security futures products may request that the Commission approve any new rule or rule amendment relating to a security futures product, provided however that the registered entity shall include the certifications required by §41.22 with its submission.