



February 15, 2022

Christopher J. Kirkpatrick  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

Re: Cboe Futures Exchange, LLC Rule Certification  
Submission Number CFE-2022-001

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Regulation 40.6(a) promulgated by the Commodity Futures Trading Commission (“CFTC” or “Commission”) under the Act, Cboe Futures Exchange, LLC (“CFE” or “Exchange”) hereby submits a CFE rule amendment (“Amendment”) to implement a summary fine schedule for violations of CFE Rule 513B (Business Continuity Preparations). Exhibit 1 to this submission sets forth the rule changes included in the Amendment. The Amendment will become effective on March 2, 2022.

Rule 513B requires CFE Trading Privilege Holders (“TPHs”) to take appropriate actions as instructed by the Exchange to accommodate the Exchange’s business continuity-disaster recovery plans and to connect to the Exchange’s disaster recovery systems and participate in Exchange and industry business continuity-disaster recovery testing as and to the extent required by the Exchange. Among other things, Rule 513B also provides that the Exchange may apply the requirements of Rule 513B to one or more categories of TPHs designated by the Exchange based on objective criteria or to all TPHs; includes a non-exclusive list of objective criteria that may be utilized in applying the requirements of Rule 513B to one or more categories of TPHs; and states that the Exchange shall provide prior notice to each TPH to which the requirements of Rule 513B are applied.

CFE Rule 714 (Imposition of Fines for Minor Rule Violations) allows the Exchange to apply a summary fine schedule for enumerated types of minor rule violations in lieu of bringing a formal disciplinary proceeding for those rule violations. The Amendment adds new Rule 714(f)(xvii) to include violations of Rule 513B within the list of minor rule violations for which the Exchange may impose summary fines and to establish a summary fine schedule for those violations. The Amendment also re-numbers current Rule 714(f)(xvii), which includes a summary fine schedule for violations of CFE Rule 513C (Technical and Systems Specifications and System Testing Requirements), as Rule 714(f)(xviii).

The summary fine schedule for violations of Rule 513B will be based on the number of cumulative violations of Rule 513B by a TPH in any five year rolling period. The first offense during that time period will result in a \$250 fine; the second offense during that time period will result in a \$500 fine; the third offense during that time period will result in a \$1,000 fine; and subsequent offenses during that time period will result in a \$2,000 fine. The Exchange is applying a five year rolling period

under the summary fine schedule for violations of Rule 513B because CFE generally conducts disaster recovery testing with TPHs on an annual basis and thus this fine schedule fits better for this violation type than a shorter rolling time period.

Additionally, pursuant to Rule 714(d), the Exchange may proceed under the Exchange's formal disciplinary rules rather than under Rule 714 whenever it determines that any violation of Rule 513B is intentional, egregious, or otherwise not minor in nature or that the number of recurring violations of Rule 513B within the rolling time period under the fine schedule warrants a formal disciplinary proceeding.

CFE believes that the Amendment is consistent with Designated Contract Market Core Principles 2 (Compliance with Rules), 13 (Disciplinary Procedures), and 20 (System Safeguards) under Section 5 the Act because the addition of a minor rule violation fine schedule for violations of Rule 513B (i) provides additional motivation and incentive for TPHs to connect to the Exchange's disaster recovery systems and participate in Exchange and industry business continuity-disaster recovery testing as required by the Exchange in order to avoid summary fines and (ii) provides an effective and efficient means of disciplining for infractions that do not warrant a regular disciplinary proceeding.

CFE believes that the impact of the Amendment will be beneficial to the public and market participants. CFE is not aware of any substantive opposing views to the Amendment. CFE hereby certifies that the Amendment complies with the Act and the regulations thereunder. CFE further certifies that CFE has posted a notice of pending certification with the Commission and a copy of this submission on CFE's website ([http://www.cboe.com/us/futures/regulation/rule\\_filings/cfe/](http://www.cboe.com/us/futures/regulation/rule_filings/cfe/)) concurrent with the filing of this submission with the Commission.

Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570. Please reference our submission number CFE-2022-001 in any related correspondence.

Cboe Futures Exchange, LLC

/s/ Michael Mollet

By: Michael Mollet  
Managing Director

**EXHIBIT 1**

The Amendment, marked to show additions in underlined text and deletions in ~~stricken~~ text, consists of the following:

\* \* \* \* \*

**Cboe Futures Exchange, LLC Rules**

\* \* \* \* \*

**714. Imposition of Fines for Minor Rule Violations**

(a) – (e) No change.

(f) The following is a list of the rule violations subject to, and the applicable fines that may be imposed by the Exchange pursuant to, this Rule 714:

(i) – (xvi) No change.

**(xvii) Failure to Connect to Exchange Disaster Recovery Systems and to Participate in Exchange and Industry Business Continuity-Disaster Recovery Testing. (Rule 513B)**

<i>Number of Cumulative Violations in Any Five (5) Year Rolling Period</i>	<i>Fine Amount</i>
<u>First Offense.....</u>	<u>\$250</u>
<u>Second Offense.....</u>	<u>\$500</u>
<u>Third Offense.....</u>	<u>\$1,000</u>
<u>Subsequent Offenses.....</u>	<u>\$2,000</u>

**(~~xvii~~ xviii) Failure to Comply with Technical and System Specifications or Testing Requirements. (Rule 513C)**

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	\$250
Second Offense.....	\$500
Third Offense.....	\$1,000
Subsequent Offenses.....	\$2,000

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