



March 21, 2018

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-2018-004

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and §40.6(a) of the regulations 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 reflect changes to Commission Regulations published by the CFTC. The Amendment will become effective on April 4, 2018.

CFE Rules 519 and 522 in the Appendix to Chapter 5 of the CFE Rulebook incorporate the text of Commission Regulations 1.10 and 1.17 and require that CFE Trading Privilege Holders (“TPHs”) that are subject to those Regulations comply with those Regulations. On February 23, 2018, the CFTC published an Interim Final Rule under the caption *Definitions*.<sup>1</sup> The Interim Final Rule amended Commission Regulation 1.3 to remove the specific lettering structure for the definitions contained in the Regulation and to make corresponding changes to the cross-references to Regulation 1.3 that are contained in other Commission regulations like Regulations 1.10 and 1.17. CFE is amending Rules 519 and 522 to reflect the replacement of cross references to specific lettered paragraphs of Regulation 1.3 with general references to Regulation 1.3. These changes mirror the amendments to the Regulations 1.10 and 1.17 made by the Commission in the Interim Final Rule. CFE is not making any substantive changes to Rules 519 or 522.

CFE believes that the Amendment is consistent with Designated Contract Market Core Principle 7 (Availability of General Information) under Section 5 of the Act in that the Amendment updates Rules 519 and 522 to be consistent with the new text of Commission Regulations 1.10 and 1.17.

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

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<sup>1</sup> 83 FR 7979 (February 23, 2018).

and a copy of this submission on CFE's Web site (<http://cfe.cboe.com/aboutcfe/rules.aspx>) concurrent with the filing of this submission with the Commission.

The Amendment, marked to show additions in underlined text and deletions in [bracketed] text, consists of the following:

\* \* \* \* \*

**Cboe Futures Exchange, LLC  
Rules**

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**519. Compliance with Commission Regulation 1.10 - Financial Reports of Futures Commission Merchants and Introducing Brokers**

Any Trading Privilege Holder subject to Commission Regulation 1.10 that violates Commission Regulation 1.10 shall be deemed to have violated this Rule 519. Commission Regulation 1.10 is set forth below and incorporated into this Rule 519.

Commission Regulation 1.10 - Financial reports of futures commission merchants and introducing brokers.

(a) - (i) No change.

(j) *Requirements for guarantee agreement.*

(1) - (2) No change.

(3) A retail foreign exchange dealer may enter into a guarantee agreement only with an introducing broker as defined in §5.1(f)(1) of this chapter. A retail foreign exchange dealer may not enter into a guarantee agreement with an introducing broker as defined in §1.3[(mm)] of this part.

(4) - (9) No change.

(k) No change.

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**522. Compliance with Commission Regulation 1.17 - Minimum Financial Requirements for Futures Commission Merchants and Introducing Brokers**

Any Trading Privilege Holder subject to Commission Regulation 1.17 that violates Commission Regulation 1.17 shall be deemed to have violated this Rule 522. Commission Regulation 1.17 is set forth below and incorporated into this Rule 522.

Commission Regulation 1.17 - Minimum financial requirements for futures commission merchants and introducing brokers.

(a) No change.

(b) For the purposes of this section:

(1) - (3) No change.

(4) *Noncustomer account* means an account in which commodity futures, options or cleared over the counter derivative positions are carried on the books of the applicant or registrant which is either:

(i) An account that is not included in the definition of customer (as defined in §1.17(b)(2)) or proprietary account (as defined in §1.17(b)(3)), or

(ii) An account for a foreign-domiciled person trading futures or options on a foreign board of trade, and such account is a proprietary account as defined in §1.3[(y) of this title], but is not a proprietary account as defined in §1.17(b)(3).

(5) - (9) No change.

(10) *Cleared over the counter customer* means any person that is not a proprietary person as defined in §1.3[(y)] and for whom the futures commission merchant carries on its books one or more accounts for the over the counter-cleared derivative positions of such person.

(c) - (j) No change.

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Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 or Nicole Gordon at (312) 786-8109. Please reference our submission number CFE-2018-004 in any related correspondence.

Cboe Futures Exchange, LLC

/s/ Matthew McFarland

By: Matthew McFarland  
Managing Director