



March 30, 2016

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-2016-003

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 amend CFE Rule 714 (Imposition of Fines for Minor Rule Violations) to delete one of the current summary fine schedules under Rule 714. The Amendment will become effective on April 13, 2016.

CFE Rule 714(f)(v) sets forth a summary fine schedule for the failure to comply with the exposure requirements under CFE Rule 407(a) when crossing two or more original orders. The summary fine schedule provides for increasing monetary fines for the first, second, and third violations and for referral to CFE’s Business Conduct Committee for subsequent violations during a twelve month rolling period. The Amendment deletes this summary fine schedule from Rule 714. Going forward, CFE will process any violations of the exposure requirements under Rule 407(a) through its formal disciplinary process and rules.

CFE believes that the Amendment is consistent with Designated Contract Market Core Principle 2 (Compliance with Rules) and 13 (Disciplinary Procedures) under Section 5 of the Act in that crossing violations will be addressed through CFE’s formal disciplinary process and rules.

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 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:

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CBOE Futures Exchange, LLC
Rules

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Rule 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, this Rule 714:

(i) - (iv) No change.

(v) **[Failure to Comply with Exposure Requirements When Crossing Two or More Original Orders. (Rule 407(a))**

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	\$5,000
Second Offense.....	\$10,000
Third Offense.....	\$15,000
Subsequent Offenses.....	Referral to Business Conduct Committee]

[(vi)] **Failure to Comply with Notice Provisions for Position Accountability.
(Rules 412A(c) and 412A(d))**

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Letter of Caution
Second Offense.....	\$7,500
Third Offense.....	\$15,000
Subsequent Offenses.....	Referral to Business Conduct Committee

(vi[i]) **Failure to Comply with Reporting Requirements for Reportable Positions.
(Rules 412B(a) and 412B(b))**

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Letter of Caution
Second Offense.....	\$7,500
Third Offense.....	\$15,000
Subsequent Offenses.....	Referral to Business Conduct Committee

(vii[i]) **Failure to Comply with Order Marking Requirement for Exchange of
Contract for Related Position Transactions. (Rule 414(f))**

Failure to Comply with Recordkeeping Requirement for Exchange of

Contract for Related Position Transactions. (Rule 414(g))

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Letter of Caution
Second Offense.....	\$2,500
Third Offense.....	\$10,000
Subsequent Offenses.....	Referral to Business Conduct Committee

**(ix)viii) Failure to Comply with Exchange of Contract for Related Position
Transaction Rule Provisions Relating to Authorized Reporter.
(Rule 414(h))**

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Letter of Caution
Second Offense.....	\$10,000
Subsequent Offenses.....	Referral to Business Conduct Committee

**(ix) Failure to Comply with Exchange of Contract for Related Position
Transaction Reporting Requirements.
(Rules 414(i) and 414(j))**

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Letter of Caution
Second Offense.....	\$7,500
Third Offense.....	\$15,000
Subsequent Offenses.....	Referral to Business Conduct Committee

**(x[i]) Failure to Comply with Order Marking Requirement for Block Trades.
(Rule 415(a)(i)(A))**

**Failure to Comply with Recordkeeping Requirements for Block Trades.
(Rule 415(e))**

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Letter of Caution
Second Offense.....	\$2,500
Third Offense.....	\$10,000
Subsequent Offenses.....	Referral to Business Conduct Committee

**(xi[i]) Failure to Comply with Minimum Size Requirement for Block Trades.
(Rule 415(a)(i)(B))**

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	\$5,000
Second Offense.....	\$10,000
Third Offense.....	\$15,000
Subsequent Offenses.....	Referral to Business Conduct Committee

(xii[i]) Failure to Comply with Block Trade Rule Provisions Relating to Authorized Reporter. (Rule 415(f))

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Letter of Caution
Second Offense.....	\$10,000
Subsequent Offenses.....	Referral to Business Conduct Committee

(xiii[v]) Failure to Comply with Block Trade Reporting Requirements. (Rules 415(g) and 415(h))

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Letter of Caution
Second Offense.....	\$7,500
Third Offense.....	\$15,000
Subsequent Offenses.....	Referral to Business Conduct Committee

(xiv) Failure to Provide Books and Records Within Designated Time Frame. (Rule 502 and Other CFE Rules Allowing CFE to Request Books and Records)

<i>Number of Business Days Beyond Due Date of Request</i>	<i>Fine Amount</i>
Each Business Day Late Up Until 15 Business Days	\$1,000 Each Business Day
After 15 Business Days Late.....	Referral to Business Conduct Committee

(xv[i]) Failure to Comply with Rule Provisions Relating to Responsible Trader. (Rule 513(a))

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Letter of Caution
Second Offense.....	\$10,000
Subsequent Offenses.....	Referral to Business Conduct Committee

(xvi[i]) Failure to Obtain Access to or Utilize Risk Control Mechanisms Made

Available by the Exchange. (Rule 513A(h))

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Letter of Caution
Second Offense.....	\$7,500
Third Offense.....	\$15,000
Subsequent Offenses.....	Referral to Business Conduct Committee

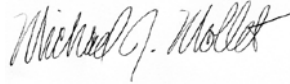
**(xvii[i]) Failure to Comply with Technical and Systems Specifications or Testing
Requirements. (Rule 513C)**

<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
Fourth Offense	\$2,000
Subsequent Offenses	Referral to Business Conduct Committee

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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-2016-003 in any related correspondence.

CBOE Futures Exchange, LLC



By: Michael J. Mollet
Managing Director