May 10, 2021

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-2021-013

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 update and clarify the CFE rule provisions that describe CFE's kill switch functionality. Exhibit 1 to this submission sets forth the rule changes included in the Amendment. The Amendment will become effective on May 24, 2021.

CFE Rule 513A (Risk Controls) describes various CFE risk controls. One of these risk controls, which is described in Rule 513A(j) (Kill Switch), is CFE's kill switch functionality. As is further described in Rule 513A(j), this kill switch functionality allows for the cancellation of existing orders and the ability to cause CFE's trading system to reject or cancel back to the sender new orders. CFE's kill switch functionality may be used by the Exchange, CFE Clearing Members, and CFE Trading Privilege Holders ("TPHs").

CFE makes available to Clearing Members and TPHs a Portal through which they are able to, among other things, access various CFE risk controls. The Portal is an internet-based interface component of the CFE System made available to Clearing Members and TPHs for use in managing orders. In order to utilize the Portal in relation to a risk control, a Clearing Member or TPH must enter information related to the use of that risk control through a graphical user interface ("GUI") within the Portal.

In addition to permitting Clearing Members and TPHs to utilize the Portal GUI to activate a kill switch, CFE plans to allow Clearing Members and TPHs to also utilize an internet-based application programming interface to the Portal, referred to as the Secure Web API, to activate a kill switch without the need to utilize the Portal GUI. In connection with the implementation of this change, CFE is making the following clarifying updates to Rule 513A.

- CFE is clarifying in Rule 513A(h)(v) that kill switch activations may be subject to rate limits which limit the number of times a kill switch may be activated over a particular time interval. Rate limits of this type protect the integrity of the CFE System by, for example, preventing the inadvertent submission of an inordinate number of kill switch requests over a short time interval.

- CFE is clarifying in Rule 513(j)(i) that the Exchange, Clearing Members, and TPHs shall have the ability to activate a kill switch by Executing Firm ID ("EFID"). In particular:

  o The Exchange may utilize the kill switch function for any EFID pursuant to its authority under CFE Rule 513(c) to impose restrictions on the use of any individual access to the CFE System if it believes that activation of the kill switch is necessary to ensure the proper performance of the CFE System or to protect the integrity of the market.

  o Pursuant to Rule 513A(a)(iii), a Clearing Member has the ability to activate a kill switch in relation to orders submitted to the CFE System with an EFID that is linked to a clearing number for that Clearing Member. The EFID may be an EFID of a TPH which clears its transactions through that Clearing Member or an EFID of the Clearing Member itself.

  o Finally, a TPH may activate a kill switch in relation to orders submitted to the CFE System with one of the TPH's own EFIDs.

- CFE is deleting references in Rule 513A(j) to TPHs having the ability to activate a kill switch by match capacity allocation. These references are to cancel on match capacity allocation disconnect functionality. In particular, a TPH could enable this functionality, disconnect a match capacity allocation from the CFE System such as through a logout message, and cause this functionality to cancel orders that were previously submitted through that match capacity allocation. CFE is deleting these references from Rule 513A(j) because they are redundant to the provisions of Rule 513A(k)(ii) which describe CFE's cancel on match capacity disconnect functionality.

- CFE is clarifying in Rule 513A(j)(iii) that a Clearing Member may choose to have the activation of a kill switch for an EFID also cause the CFE System to reject or cancel back to the sender any new orders for that EFID (instead of providing that a Clearing Member's activation of a kill switch will always cause the CFE System to reject or cancel back to the sender any new orders for the applicable EFID).

- CFE is also clarifying in Rule 513A(j)(iii) that a block on the submission of new orders from the activation of a kill switch shall remain in place until the party that activated the kill switch resets the kill switch in a form and manner prescribed by the Exchange. For example, the Exchange may prescribe that a kill switch be reset by calling the CFE Trade Desk.

- CFE is deleting a reference in Rule 513A(j)(v)(C) to TPHs also having the ability to utilize the Portal to cancel all pending orders. CFE is removing this reference because it is referencing the kill switch functionality described earlier in Rule 513A(j) and thus is duplicative.

CFE believes that the Amendment is consistent with the Designated Contract Market ("DCM") Core Principles under Section 5 of the Act. In particular, CFE believes that the Amendment is consistent with: (i) DCM Core Principle 4 (Prevention of Market Disruption) in that making kill switch functionality available for use by the Exchange, Clearing Members, and TPHs reduces the potential risk of price distortions and market disruptions; (ii) DCM Core Principle 7 (Availability of General Information) because the Amendment further clarifies CFE's rule provisions relating to CFE's kill switch functionality; and (iii) DCM Core Principle 11 (Financial Integrity of Transactions) because

CFE's kill switch functionality furthers the ability of Clearing Members to facilitate the management of their financial risk in relation to the trading activity of the TPHs for which they act as a Clearing Member.

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://markets.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 or Michael Margolis at (312) 786-7153. Please reference our submission number CFE-2021-013 in any related correspondence.

<div align="center">Cboe Futures Exchange, LLC</div>

<div align="center">/s/ Michael Mollet</div>

By: Michael Mollet
        Managing Director

EXHIBIT 1

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

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Cboe Futures Exchange, LLC
Rulebook

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513A. Risk Controls

(a) - (g)   No changes.

(h)   *Order Rate Limits*.

(i)   The Exchange may designate Order rate limits for order match capacity allocations and/or quoting match capacity allocations. The Exchange shall disseminate to Trading Privilege Holders in a form and manner determined by the Exchange any Order rate limits designated by the Exchange. The Exchange may permit Trading Privilege Holders to designate Order rate limits for order match capacity allocations and/or quoting match capacity allocations that are lower than any Order rate limit designated by the Exchange for that type of match capacity allocation.

(ii)   An Order rate limit is a maximum number of Orders that may be received by the CFE System per time interval.

(iii)   If the applicable Order rate limit is exceeded, the CFE System will reject or cancel back to the sender those Orders received by the CFE System during the applicable time interval after the Order rate limit is reached during that time interval.

(iv)   A Spread Order will be counted as one Order for purposes of computing the number of Orders received during an Order rate limit time interval.

(v)   A Cancel Order is counted for purposes of computing the number of Orders received during an Order rate limit time interval, except that a mass cancel<u>,</u> ~~or~~ purge <u>or kill switch</u> request is not counted for these purposes. If a Cancel Order (including a mass cancel<u>,</u> ~~or~~ purge <u>or kill switch</u> request) is received by the CFE System during an Order rate limit time interval after the applicable limit is reached, the CFE System will process (and not reject or cancel back) the Cancel Order (subject to the following sentence and to Rule 513A(h)(vii)(B) below). Mass cancel<u>,</u> ~~and~~ purge <u>and kill switch</u> requests may be subject to separate Order rate limits pursuant to which the CFE System will reject or cancel back to the sender mass cancel<u>,</u> ~~and~~ purge <u>or kill switch</u> requests in excess of the applicable limit that are received by the CFE System during the applicable time interval for that limit.

(vi)   A Cancel Replace/Modify Order is counted for purposes of counting the number of Orders received during an Order rate limit time interval. If a Cancel Replace/Modify Order is received by the CFE System during an Order rate limit time

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interval after the applicable limit is reached, the CFE System will:

(A)   reject or cancel back to the sender the replacement Order portion of the Cancel Replace/Modify Order; and

(B)   process (and not reject or cancel back) the Cancel Order portion of the Cancel Replace/Modify Order.

(vii)   For purposes of Order rate limits as they relate to Quotes:

(A)   Each Quote is counted as an Order for purposes of counting the number of Orders received during an Order rate limit time interval.

(B)   Except as provided in Rule 513A(h)(vii)(C) below, the CFE System will reject or cancel back to the sender any Bulk Message (including all Quotes contained in the Bulk Message) that is received by the CFE System during an Order rate limit time interval after the applicable limit is reached.

(C)   The CFE System will process (and not reject or cancel back) any Bulk Message (including all Quotes contained in the Bulk Message) that is received during an Order rate limit time interval after the applicable limit is reached if the Bulk Message satisfies the following condition. All of the Quotes contained in the Bulk Message must be Quote submissions to cancel an existing bid or offer established by a previous Quote as described in Rule 404(b)(ii)(H)(1)(aa), Rule 404(b)(ii)(H)(1)(bb) or Rule 404(b)(ii)(H)(2)(aa).

(viii)   Block Trades and Exchange of Contract for Related Position transactions shall not be subject to ~~order~~ Order rate limits.

(i)   No changes.

(j)   *Kill Switch.*

(i)   The Exchange, ~~and~~ Clearing Members and Trading Privilege Holders shall have the ability to activate a kill switch by EFID. ~~Trading Privilege Holders shall have the ability to activate a kill switch by match capacity allocation.~~

(ii)   If a kill switch is activated, the CFE System will cancel all Orders residing in the CFE System for the applicable EFID ~~or submitted through the applicable match capacity allocation~~.

(iii)   At the option of the ~~Exchange or a Trading Privilege Holder~~ party activating a kill switch, that party may choose to have the activation of the kill switch also cause the CFE System to reject or cancel back to the sender any new Orders for the applicable EFID ~~or from the applicable match capacity allocation. If a Clearing Member activates a kill switch for an EFID, the kill switch will always cause the CFE System to reject or cancel back to the sender any new Orders for the applicable EFID.~~ These blocks on the submission of Orders shall remain in place until the party that activated the kill switch resets the kill switch ~~within the CFE System~~ in a form and manner prescribed by the Exchange.

(iv)   Block Trades and Exchange of Contract for Related Position

transactions for an EFID will not be accepted by the CFE System if a kill switch has been activated and remains in effect for that EFID which blocks the submission of Orders for that EFID.

(v)   A Trading Privilege Holder shall also have the ability to utilize:

(A)   a mass cancel request to cancel all or a subset of pending Orders submitted through a match capacity allocation, and at the option of the Trading Privilege Holder submitting the mass cancel request, to cause the CFE System to reject or cancel back to the sender all or a subset of new Orders submitted through that match capacity allocation until a reset request is received by the CFE System;

(B)   a purge request to cancel all or a subset of pending Orders submitted through multiple match capacity allocations, and at the option of the Trading Privilege Holder submitting the purge request, to cause the CFE System to reject or cancel back to the sender all or a subset of new Orders until a reset request is received by the CFE System; and

(C)   the Portal to cancel ~~all or~~ a subset of pending Orders.

(k) - (m)   No changes.