

May 12, 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-2016-007

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 change the reporting time provisions for Exchange of Contract for Related Position (“ECRP”) transactions and Block Trades that involve Trade at Settlement (“TAS”) transactions. The Amendment will become effective on or after May 26, 2016, on a date to be announced by the Exchange through the issuance of a circular.

Paragraph (i) of CFE Rule 414 (Exchange of Contract for Related Position) and paragraph (g) of CFE Rule 415 (Block Trades) include reporting provisions relating to ECRP transactions and Block Trades, including those that involve TAS transactions. These provisions set forth in relation to TAS transactions (i) that the CFE legs of TAS ECRP transactions and TAS Block Trades which are reported to CFE after 3:12 p.m.¹ Monday through Thursday will be submitted for clearing for the next business day and (ii) that TAS ECRP transactions and TAS Block Trades may not be reported after 3:12 p.m. on Friday. CFE currently permits TAS transactions only in CBOE Volatility Index (“VX”) futures. The time designations in Rule 414(i) and Rule 415(g) relating to TAS transactions are 3:12 p.m. because that is the time that the trading hours for TAS transactions in VX futures currently end.

CFE is submitting the Amendment in conjunction with CFE’s submission of a separate rule certification to change the end of TAS trading hours in VX futures from three minutes prior to the close of regular trading hours at the end of a business day to two minutes prior to the close of regular trading hours at the end of a business day.² This change to TAS trading hours in VX futures means that the trading hours for TAS transactions in VX futures will end at 3:13 p.m. instead of 3:12 p.m. Accordingly, the Amendment changes the references in Rule 414(i) and Rule 415(g) from 3:12 p.m. to 3:13 p.m. to be consistent with the change in TAS trading hours.

CFE believes that the Amendment is consistent with Designated Contract Market Core Principles 7 (Availability of General Information) and 9 (Execution of Transactions) under Section 5 of the Act in that (i) the Amendment sets forth in CFE’s rules updated reporting

¹ All times referenced are Chicago time.

² See CFE Rule Certification Submission Number [CFE-2016-006](#) submitted to the Commission on May 12, 2016.

provisions relating to TAS ECRP transactions and TAS Block Trades and (ii) the Amendment aligns those provisions with the revised trading hours for VX TAS transactions.

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.

CFE intends to file the Amendment as it may relate to security futures with the Securities and Exchange Commission pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934.

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

* * * * *

**CBOE Futures Exchange, LLC
Rules**

* * * * *

414. Exchange of Contract for Related Position

(a) – (h) No change.

(i) Each party to an Exchange of Contract for Related Position transaction is obligated to have an Authorized Reporter notify the Help Desk of the terms of the transaction after the transaction is agreed upon. This notification must be made by e-mail. For this purpose, agreement to the transaction includes, without limitation, agreement to the quantity and actual price or premium of the Contract leg of the transaction (except in the case of a TAS Exchange of Contract for Related Position transaction that is permitted by the rules governing the relevant Contract, in which case agreement to the transaction includes, without limitation, agreement upon the quantity of the Contract leg of the transaction and whether the price or premium of the Contract leg of the transaction will be the daily settlement price or an agreed upon differential above or below the daily settlement price). Unless otherwise specified in the rules governing the relevant Contract, this notification to the Help Desk shall be made without delay and by no later than thirty minutes after the transaction is agreed upon (“Reporting Deadline”). The chart below sets forth the permissible time periods during which an Exchange of Contract for Related Position transaction may be reported to the Exchange. Based upon the time of notification to the Exchange of the transaction, the chart below also sets forth the Business Day for which the Contract leg of the transaction will be submitted for clearing and when the Help Desk will report the Contract leg of the transaction and provide a written transaction summary pursuant to paragraph (k) below. All times included in the chart below are Chicago time.

Time of Notification to the Exchange	Business Day for Which Contract Leg Submitted for Clearing	When Help Desk Reports Contract Leg
	Business Day of	

Time of Notification to the Exchange	Business Day for Which Contract Leg Submitted for Clearing	When Help Desk Reports Contract Leg
5:00 p.m. Sunday to 3:15 p.m. Monday	transaction. Next Business Day for Trade at Settlement (TAS) transactions reported after [3:12] <u>3:13</u> p.m.	As soon as practicable following notification to Help Desk.
3:15 p.m. to 3:30 p.m. Monday – Thursday	Calendar day of the transaction or next Business Day, as designated by Authorized Reporters. Next Business Day for TAS transactions.	As soon as practicable after trading next commences following notification to Help Desk.
3:15 p.m. to 3:30 p.m. Friday	Calendar day of the transaction. TAS transactions may not be reported after [3:12] <u>3:13</u> p.m.	As soon as practicable following notification to Help Desk.
3:30 p.m. to 4:00 p.m. Monday - Thursday	Calendar day of the transaction or next Business Day, as designated by Authorized Reporters. Business Day of the transactions for TAS transactions.	As soon as practicable following notification to Help Desk.
4:00 p.m. previous day to 3:15 p.m. Tuesday – Friday	Business Day of transaction. Next Business Day for TAS transactions reported after [3:12] <u>3:13</u> p.m. Tuesday – Thursday. TAS transactions may not be reported after [3:12] <u>3:13</u> p.m. on Friday.	As soon as practicable following notification to Help Desk.
3:30 p.m. Friday to 5:00 p.m. Sunday	No transactions may be reported to the Exchange during this time period when the Exchange is closed.	

Pursuant to paragraph (k) below, the Help Desk will provide a written transaction summary to each Authorized Reporter on the Business Day for which the Contract leg of the transaction is submitted for clearing or on the Calendar Day of the transaction.

The Exchange may modify the days and times during which the foregoing notification, reporting, and clearance submission provisions will be applicable in the event that the Exchange will not be open for business or will have shortened Trading Hours in connection with a holiday or a period of mourning.

(j) – (o) No change.

415. Block Trading

(a) – (f) No change.

(g) Each party to a Block Trade is obligated to have an Authorized Reporter notify the Help of the terms of the transaction after the transaction is agreed upon. This notification must be made by e-mail. For this purpose, agreement to the transaction includes, without limitation, agreement to the quantity and actual price or premium of the Block Trade (except in the case of a TAS Block Trade that is permitted by the rules governing the relevant Contract, in which case agreement to the transaction includes, without limitation, agreement upon the quantity of the Block Trade and whether the price or premium of the Block Trade will be the daily settlement price or an agreed upon differential above or below the daily settlement price). Unless otherwise specified in the rules governing the relevant Contract, this notification to the Help Desk shall be made without delay and by no later than ten minutes after the transaction is agreed upon (“Reporting Deadline”). The chart below sets forth the permissible time periods during which a Block Trade may be reported to the Exchange. Based upon the time of notification to the Exchange of the transaction, the chart below also sets forth when the Help Desk will report the Block Trade and provide a written transaction summary pursuant to paragraph (i) below and the Business Day for which the Block Trade will be submitted for clearing. All times included in the chart below are Chicago time.

Time of Notification to the Exchange	Business Day for Which Block Trade Submitted for Clearing	When Help Desk Reports Block Trade
5:00 p.m. Sunday to 3:15 p.m. Monday	Business Day of transaction. Next Business Day for Trade at Settlement (TAS) transactions reported after [3:12] 3:13 p.m.	As soon as practicable following notification to Help Desk.
3:15 p.m. to 3:30 p.m. Monday – Thursday	Calendar day of the transaction or next Business Day, as designated by Authorized Reporters. Next Business Day for	As soon as practicable after trading next commences following notification to Help Desk.

Time of Notification to the Exchange	Business Day for Which Block Trade Submitted for Clearing	When Help Desk Reports Block Trade
	TAS transactions.	
3:15 p.m. to 3:30 p.m. Friday	Calendar day of the transaction. TAS transactions may not be reported after [3:12] <u>3:13</u> p.m.	As soon as practicable following notification to Help Desk.
3:30 p.m. to 4:00 p.m. Monday - Thursday	Calendar day of the transaction or next Business Day, as designated by Authorized Reporters. Business Day of the transactions for TAS transactions.	As soon as practicable following notification to Help Desk.
4:00 p.m. previous day to 3:15 p.m. Tuesday – Friday	Business Day of transaction. Next Business Day for TAS transactions reported after [3:12] <u>3:13</u> p.m. Tuesday – Thursday. TAS transactions may not be reported after [3:12] <u>3:13</u> p.m. on Friday.	As soon as practicable following notification to Help Desk.
3:30 p.m. Friday to 5:00 p.m. Sunday	No Block Trades may be reported to the Exchange during this time period when the Exchange is closed.	

Pursuant to paragraph (i) below, the Help Desk will provide a written transaction summary to each Authorized Reporter on the Business Day for which the Block Trade is submitted for clearing or on the Calendar Day of the transaction.

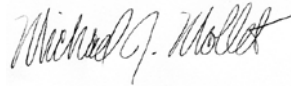
The Exchange may modify the days and times during which the foregoing notification, reporting, and clearance submission provisions will be applicable in the event that the Exchange will not be open for business or will have shortened Trading Hours in connection with a holiday or a period of mourning.

(h) – (n) No change.

* * * * *

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-2016-007 in any related correspondence.

CBOE Futures Exchange, LLC

A handwritten signature in black ink, reading "Michael J. Mollet". The signature is written in a cursive style with a prominent initial "M".

By: Michael J. Mollet
Managing Director