CBOE FUTURES EXCHANGE EXECUTE SUCCESS℠

August 21, 2015

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-2015-023

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 under the Act, CBOE Futures Exchange, LLC ("CFE" or "Exchange") hereby submits a CFE rule amendment ("Amendment") to clarify and update a few rules that were recently amended or adopted in connection with listing weekly expirations in the CBOE Volatility Index futures contract ("VX futures")[1] and a similar rule relating to another CFE product. The Amendment will become effective on September 4, 2015.

To accommodate weekly expirations in VX futures, the Exchange adopted a new symbology in order to differentiate between standard expiring VX futures and weekly expiring VX futures. These symbols are: VX (which designates standard VX futures contracts whose final settlement value is calculated using A.M.-settled S&P 500 Index ("SPX") options traded on Chicago Board Options Exchange, Incorporated ("CBOE")) and VX01 through VX53 (which designate non-standard, weekly VX futures expirations whose final settlement value is calculated using P.M.-settled SPX options). The embedded numbers in the weekly VX futures symbology denote the specific week of a calendar year during which a contract is settled.

First, the Exchange is amending the Summary Product Specifications for VX futures, paragraph (b) of CFE Rule 1202 (Contract Specifications), and CFE Policy and Procedure XVII (Lead Market Maker Program for Weekly (Non-Standard) CBOE Volatility Index Futures Expirations) to provide that for symbology purposes, the first week of a calendar year is the first week of that year with a Wednesday on which a weekly VX futures contract could expire.[2] This protocol for determining week numbers was implied in the working example set forth in CFE Rule Certification Submission Number CFE-2015-015; however, the Exchange believes that setting forth the protocol specifically will eliminate any potential ambiguity about how weeks are numbered in a given calendar year.

[1] See CFE Rule Certification Submission Number CFE-2015-015 (relating to weekly expirations in VX futures) and CFE-2015-016 (relating to the Lead Market Maker ("LMM") Program for Weekly VX Futures).

[2] For example, in 2016, the first calendar week of the year begins on Friday, January 1. However, the week beginning on Sunday, January 3, 2016 will be week 01 for symbology purposes.

Second, the Exchange is also taking this opportunity to amend CFE Rule 1201 (which is the preamble to the contract specification rule chapter for VX futures) to identify that the VX futures symbols are VX and VX01 through VX53.

Third, the Exchange is amending the Summary Product Specifications for VX futures and Rule 1202(b) to correct language that describes how the final settlement date will be calculated in the event of a holiday closure on CBOE.

Finally, the Exchange is amending CFE Policy and Procedure XVII to clarify that the revenue pool under the LMM Program for Weekly VX Futures is equal to 20% of the total *net* transaction fees (excluding regulatory fees and Day Trade fee rebates). This is consistent with CFE's Fee Schedule which provides that CFE's Day Trade Fee is 55% of the generally applicable CFE transaction fee. The Exchange is also amending CFE Policy and Procedure X (DPM Market Performance Benchmarks Program) to make the same change to the Designated Primary Market Maker ("DPM") revenue share provision for CBOE Russell 2000 Volatility Index futures ("VU futures").

CFE believes that the Amendment is consistent with Designated Contract Market Core Principle 7 (Availability of General Information) under Section 5 of the Act because the Amendment clarifies: (i) how the VX futures symbology is determined, (ii) how the final settlement date for VX futures is calculated in the event of a holiday closure on CBOE, and (iii) that the LMM revenue pool for weekly VX futures and the DPM revenue pool for VU futures are comprised of a percentage of net transaction fees in the applicable contracts.

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 is marked to show additions in underlined text and deletions in [bracketed] text to the current Summary Product Specifications for VX futures, CFE's Rulebook, and the Policies and Procedures section of CFE's Rulebook. The Amendment consists of the following:

* * * * *

Summary Product Specifications Chart for
CBOE Volatility Index Futures

CONTRACT NAME:	CBOE Volatility Index (VIX) Futures
LISTING DATE:	March 26, 2004
DESCRIPTION:	The CBOE Volatility Index - more commonly referred to as "VIX" - is an up-to-the-minute market estimate of expected volatility that is calculated by using real-time prices of options on the S&P 500® Index listed on the Chicago Board Options Exchange (Symbol: SPX). The VIX Index is calculated using SPX quotes generated during regular trading hours for SPX options. The VIX Index uses SPX options with more than 23 days and less than 37 days to expiration and then weights them to yield a constant, 30-day measure of the expected volatility of the S&P 500 Index.

<table>
<tr><td>CONTRACT MULTIPLIER:</td><td colspan="3">The contract multiplier for each VX futures contract is $1000.</td></tr>
<tr><td>TICKER SYMBOLS:</td><td colspan="3">Cash Index – VIX

VX Futures Symbols – VX* and VX01 through VX53**. Embedded numbers denote the specific week of a calendar year during which a contract is settled. For symbology purposes, the first week of a calendar year is the first week of that year with a Wednesday on which a weekly VX futures contract could expire.

*The final settlement value for a contract with the ticker symbol “VX” is calculated using A.M.-settled SPX options.

**The final settlement value for a contract with the ticker symbol “VX” followed by a number denoting the specific week of a calendar year is calculated using P.M.-settled SPX options.</td></tr>
<tr><td>CONTRACT EXPIRATIONS:</td><td colspan="3">The Exchange may list for trading up to six near-term expiration weeks, nine near-term serial months and five months on the February quarterly cycle for the VX futures contract. VX futures that have a “VX” ticker are not counted as part of the six near-term expiration weeks.

For example, if 4 near-term VX expiration weeks, 3 near-term serial VX months and 1 VX month on the February quarterly cycle were listed as of April 7, 2016, these expirations would have the following ticker symbols:

VX15 (expiring Wednesday, April 13, 2016)
VX (expiring Wednesday, April 20, 2016)
VX17 (expiring Wednesday, April 27, 2016)
VX18 (expiring Wednesday May 4, 2016)
VX19 (expiring Wednesday, May 11, 2016)
VX (expiring Wednesday, May 18, 2016)
VX (expiring Wednesday, June 15, 2016)
VX (expiring Wednesday, July 20, 2016)</td></tr>
<tr><td rowspan="3">TRADING HOURS:</td><td>Type of Trading Hours</td><td>Monday</td><td>Tuesday - Friday</td></tr>
<tr><td>Extended</td><td>5:00 p.m. (Sunday) to 8:30 a.m.</td><td>3:30 p.m. (previous day) to 8:30 a.m.</td></tr>
<tr><td>Regular</td><td>8:30 a.m. to 3:15 p.m.</td><td>8:30 a.m. to 3:15 p.m.</td></tr>
</table>

	The end of day submission cut-off time for all Orders, quotes, cancellations and Order modifications for VX futures (other than for the expiring VX future on its Final Settlement Date) is 3:14:59 p.m. Chicago time. Any Orders, quotes, cancellations or Order modifications submitted after the end of day submission cut-off time will be automatically rejected by the Exchange. Market Orders for VX futures contracts will not be accepted by the Exchange during extended trading hours for the VX futures contract or during any other time period outside of regular trading hours for the VX futures contract. Any Market Orders for VX futures contracts received by the Exchange outside of regular trading hours for the VX futures contract will be automatically rejected. Stop Limit Orders are permitted during regular and extended trading hours for the VX futures contract. Click here for domestic and international holiday session trading hours.
TRADING PLATFORM:	CBOE Command
MINIMUM PRICE INTERVALS/DOLLAR VALUE PER TICK:	0.05 points, equal to $50.00 per contract The individual legs and net prices of spread trades in the VX futures contract may be in increments of 0.01 index points, which has a value of $10.00.
TRADE AT SETTLEMENT TRANSACTIONS:	CFE Rule 1202(g). Trade at Settlement ("TAS") transactions are permitted in VX futures and may be transacted on the CBOE System, as spread transactions, as Block Trades (including as spread transactions but not as a strip) and as Exchange of Contract for Related Position transactions. The trading hours for all types of TAS transactions in VX futures are during extended trading hours and during regular trading hours until three minutes prior to the close of regular trading hours at the end of a Business Day. TAS transactions in an expiring VX futures contract are not permitted during the Business Day of its Final Settlement Date. All Orders, quotes, cancellations and Order modifications for TAS transactions during trading hours must be received by the Exchange by no later than three minutes and one second prior to the close of trading hours at the end of a Business Day and will be automatically rejected if received by the Exchange during trading hours after this cutoff time. Any TAS Block Trade or TAS Exchange of Contract for Related Position transaction reported to the Exchange later than three minutes prior to the close of regular trading hours at the end of a Business Day may only be for the next Business Day. The permissible price range for all types of TAS transactions in VX futures is from $100 (0.10 index points x $1,000) below the daily settlement price to $100 above the daily settlement price. The permissible minimum increment for TAS non-spread transactions in VX futures that are transacted on the CBOE System is 0.01 index points and the permissible minimum increment for TAS spread transactions in VX futures is 0.01 index points. The permissible minimum increment for TAS Block Trades (including as spread transactions but not as a strip) and TAS Exchange of Contract for Related Position transactions in VX futures is 0.005 index points. Any TAS transaction must satisfy the requirements of CFE Rule 404A. All TAS orders are required to be Day Orders. TAS Market Orders are not

<table>
<tr><td></td><td>permitted. TAS Stop Limit Orders are permitted. VXT is the ticker symbol for VX TAS transactions.

The VX TAS ticker symbol will map to the VX futures symbol for that expiration week. For example, if 4 near-term VX expiration weeks, 3 near-term serial VX months and 1 VX month on the February quarterly cycle were listed as of April 7, 2016, the TAS symbols would be the following:
<table>
<tr><th>VX Futures Symbol</th><th>VX TAS Symbol</th><th>Final Settlement Date:</th></tr>
<tr><td>VX15</td><td>VXT15</td><td>April 13, 2016</td></tr>
<tr><td>VX</td><td>VXT</td><td>April 20, 2016</td></tr>
<tr><td>VX17</td><td>VXT17</td><td>April 27, 2016</td></tr>
<tr><td>VX18</td><td>VXT18</td><td>May 4, 2016</td></tr>
<tr><td>VX19</td><td>VXT19</td><td>May 11, 2016</td></tr>
<tr><td>VX</td><td>VXT</td><td>May 18, 2016</td></tr>
<tr><td>VX</td><td>VXT</td><td>June 15, 2016</td></tr>
<tr><td>VX</td><td>VXT</td><td>July 20, 2016</td></tr>
</table></td></tr>
<tr><td>CROSSING:</td><td>CFE Rule 1202(h) - Crossing Two or More Original Orders. The eligible size for an original Order that may be entered for a cross trade with one or more other original Orders pursuant to Rule 407 is one Contract. The Trading Privilege Holder or Authorized Trader, as applicable, must expose to the market for at least five seconds under Rule 407(a) at least one of the original Orders that it intends to cross.</td></tr>
<tr><td>PRE-EXECUTION DISCUSSIONS:</td><td>CFE Rule 1202(m) - Pre-execution Discussions. The Order Exposure Period under Policy and Procedure IV before an Order may be entered to take the other side of another Order with respect to which there has been pre-execution discussions is five seconds after the first Order was entered into the CBOE System.</td></tr>
<tr><td>EXCHANGE OF CONTRACT FOR RELATED POSITION TRANSACTIONS:</td><td>CFE Rule 1202(j). Exchange of Contract for Related Position (ECRP) transactions may be entered into with respect to VX futures contracts. Any ECRP transaction must satisfy the requirements of CFE Rule 414.

The minimum price increment for an ECRP transaction involving the VX futures contract is 0.005 index points.</td></tr>
<tr><td>BLOCK TRADES:</td><td>CFE Rule 1202(k). The minimum Block Trade quantity for the VX futures contract is 200 contracts if there is only one leg involved in the trade. If the Block Trade is executed as a transaction with legs in multiple contract expirations and all legs of the Block Trade are exclusively for the purchase or exclusively for the sale of VX futures contracts (a "strip"), the minimum Block Trade quantity for the strip is 300 contracts and each leg of the strip is required to have a minimum size of 100 contracts. If the Block Trade is executed as a spread order that is not a strip, one leg must meet the minimum Block Trade quantity for the VX futures contract and the other leg(s) must have a contract size that is reasonably related to the leg meeting the minimum Block Trade quantity. Any Block Trade must satisfy the requirements of CFE Rule 415.

The minimum price increment for a Block Trade in the VIX futures contract is 0.005 index points.</td></tr>
<tr><td>NO BUST RANGE:</td><td>CFE Rule 1202(l). The CFE error trade policy may only be invoked for a trade price that is greater than 10% on either side of the market price of the applicable VX futures contract. In accordance with Policy and Procedure III,</td></tr>
</table>

	the Help Desk will determine what the true market price for the relevant Contract was immediately before the potential error trade occurred. In making that determination, the Help Desk may consider all relevant factors, including the last trade price for such Contract, a better bid or offer price, a more recent price in a different contract expiration and the prices of related contracts trading on the Exchange or other markets.
TERMINATION OF TRADING:	Trading hours for expiring VX futures contracts end at 7:00 a.m. Chicago time on the Final Settlement Date. The expiring VX future will be put in a closed state at 6:59:59 a.m. Chicago time on its Final Settlement Date. As a result, no Orders, quotes, or Order modifications in the expiring VX future will be accepted by the CBOE System at or after 6:59:59 a.m. Chicago time on its Final Settlement Date. The CBOE System will complete the processing of any trades in the expiring VX future on its Final Settlement Date that are matched by the CBOE System and that the CBOE System begins to process prior to 6:59:59 a.m. Chicago time. The CBOE System will not process any trades in the expiring VX future on its Final Settlement Date that the CBOE System does not match and begin to process prior to 6:59:59 a.m. Chicago time.
FINAL SETTLEMENT DATE:	The Final Settlement Date for a contract with the "VX" ticker symbol is on the Wednesday that is 30 days prior to the third Friday of the calendar month immediately following the month in which the contract expires. The Final Settlement Date for a futures contract with the "VX" ticker symbol followed by a number denoting the specific week of a calendar year is on the Wednesday of the week specifically denoted in the ticker symbol. If that Wednesday or the Friday that is 30 days following that Wednesday is a CBOE holiday, the Final Settlement Date for the contract shall be on the business day [that is 30 days prior to the CBOE business day] immediately preceding that Wednesday.
FINAL SETTLEMENT VALUE:	The final settlement value for VX futures shall be a Special Opening Quotation (SOQ) of the VIX Index calculated from the sequence of opening prices during regular trading hours for the SPX options used to calculate the index on the Final Settlement Date. The opening price for any series in which there is no trade shall be the average of that option's bid price and ask price as determined at the opening of trading. The "time to expiration" used to calculate the SOQ shall account for the actual number of days and minutes until expiration for the constituent option series. For example, if CBOE announces that the opening of trading in the constituent option series is delayed, the amount of time until expiration for the constituent option series used to calculate the final settlement value would be reduced to reflect the actual opening time of the constituent option series. Another example would be when CBOE is closed on a Wednesday due to an Exchange holiday, in which case the amount of time until expiration used to calculate the final settlement value would be increased to reflect the extra calendar day between the day that the final settlement value is calculated and the day on which the constituent option series expire. The final settlement value will be rounded to the nearest $0.01. If the final settlement value is not available or the normal settlement procedure

	cannot be utilized due to a trading disruption or other unusual circumstance, the final settlement value will be determined in accordance with the rules and bylaws of The Options Clearing Corporation. Click here for more information about VIX futures settlement.
DELIVERY:	Settlement of VX futures contracts will result in the delivery of a cash settlement amount on the business day immediately following the Final Settlement Date. The cash settlement amount on the Final Settlement Date shall be the final mark to market amount against the final settlement value of the VIX futures multiplied by $1000.
POSITION ACCOUNTABILITY:	CFE Rule 1202 (d). VX futures are subject to position accountability under CFE Rule 412A. A person is subject to the position accountability requirements set forth in Rule 412A if the person (i) owns or controls at any time more than 50,000 contracts net long or net short in all VX futures contracts [months] combined, (ii) owns or controls more than 30,000 contracts net long or net short in the expiring VX futures contract, commencing at the start of trading hours for the Friday prior to the Final Settlement Date of the expiring VX futures or (iii) owns or controls more than 10,000 contracts net long or net short in the expiring VX futures contract, commencing at the start of trading hours for the Business Day immediately preceding the Final Settlement Date of the expiring VX futures. For purposes of this Rule, the start of trading hours for the Friday prior to the final settlement date of expiring VX futures and the start of trading hours for the Business Day immediately preceding the Final Settlement Date of expiring VX futures shall occur upon commencement of the first period of extended trading hours for the trading session for that Business Day. For a more comprehensive overview of the requirements applicable to position accountability for VX futures, including notice requirements, see CFE Regulatory Circular RG14-013. For the purposes of this Rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding shall be cumulated.
MARGIN REQUIREMENTS:	The margin requirements for VX futures are available at: http://cfe.cboe.com/margins/CurDoc/Default.aspx.
REPORTABLE POSITION LEVEL:	200 contracts

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CBOE Futures Exchange, LLC Rules

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CHAPTER 12
CBOE VOLATILITY INDEX FUTURES CONTRACT SPECIFICATIONS

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Rule 1201. Scope of Contract

This chapter applies to trading in futures on the CBOE Volatility Index (Futures Symbol: VX and VX01 through VX53 / Cash Index Ticker: VIX). The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the generally applicable rules of the Exchange. The VX futures contract was first listed for trading on the Exchange on March 26, 2004.

Rule 1202. Contract Specifications

(a) No change.

(b) *Schedule and Prohibited Order Types*. The Exchange may list for trading up to six near-term VX futures expiration weeks, nine near-term serial months and five months on the February quarterly cycle for the VX futures contract. VX futures that have a “VX” ticker are not counted as part of the six near-term expiration weeks.

The final settlement date for a contract with the “VX” ticker symbol is on the Wednesday that is thirty days prior to the third Friday of the calendar month immediately following the month in which the contract expires. The final settlement date for a contract with the “VX” ticker symbol followed by a number denoting the specific week of a calendar year is on the Wednesday of the week specifically denoted in the ticker symbol. For symbology purposes, the first week of a calendar year is the first week of that year with a Wednesday on which a weekly VX futures contract could expire. If that Wednesday or the Friday that is thirty days following that Wednesday is a CBOE holiday, the final settlement date for the contract shall be on the business day [that is thirty days prior to the CBOE business day] immediately preceding that Wednesday.

The trading days for VX futures are any Business Days the Exchange is open for trading.

The trading hours for VX futures contracts are set forth in the charts below, except that the trading hours in an expiring VX futures contract end at 7:00 a.m. Chicago time on its final settlement date. The trading hours for VX futures contracts during extended trading hours and regular trading hours shall constitute a single trading session for a Business Day. All times set forth in the charts below are in Chicago time.

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Remainder of Rule 1202 – No change.

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CBOE Futures Exchange, LLC
Policies and Procedures

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X. DPM Market Performance Benchmarks Program

Each DPM that is allocated a Contract as a DPM shall comply with the general and product specific DPM market performance benchmarks set forth below and shall receive the DPM participation right set forth in the rules governing the relevant Contract. In addition, if product specific DPM benefits are set forth below with respect to a particular Contract, the DPM that is allocated that Contract shall receive those benefits.

The Exchange may terminate, place conditions upon or otherwise limit a Trading Privilege Holder's approval to act as a DPM or a DPM's allocation of Contracts in accordance with Rule 515 if the DPM fails to satisfy the market performance benchmarks under this Policy and Procedure. However, failure by a DPM to satisfy the market performance benchmarks under this Policy and Procedure shall not be deemed a violation of Exchange rules.

The DPM Market Performance Benchmarks Program under this Policy and Procedure will expire on December 31, 2015. The Exchange may determine to extend the term of the Program, allow the Program to expire, terminate the Program at any time, or replace the Program with a different program at any time.

<u>General DPM Market Performance Benchmarks</u>

- On each trading day between 8:30 a.m. and 3:15 p.m. ("Regular Trading Hours"), each DPM shall hold itself out as being willing to buy and sell each allocated Contract for the DPM's own account on a regular basis.

- Subject to regulatory obligations and requirements and best execution obligations to customers, the firm will work with the Exchange to develop a significant amount of order flow in its allocated Contracts.

- Each DPM shall maintain records sufficient to demonstrate compliance with the Market Performance Benchmarks set forth in this Policy and Procedure that are applicable to that DPM.

<u>Product Specific DPM Market Performance Benchmarks</u>

<u>S&P 500 Variance Futures</u>

- Throughout the trading day during Regular Trading Hours, the DPM shall use commercially reasonable efforts to provide continuous two-way quotes in S&P 500 Variance futures contract months as set forth in the table below.

Continuous Two-Way Quote	
Months to Maturity	Maximum Quote Width
0 - 1	300 basis points
2-3	150 basis points
4-9	100 basis points

Continuous Two-Way Quote	
Months to Maturity	Maximum Quote Width
10-18	125 basis points
Over 18	150 basis points

- The above maximum quote width market performance benchmarks shall not apply during the expiration week of an S&P 500 Variance futures contract.

- The above market performance benchmarks shall be subject to relief in the event of a fast market in S&P 500 Variance futures or SPX options traded on CBOE or other extenuating circumstances or unusual market conditions to be determined solely by the Exchange. Under conditions as specified in the foregoing sentence, the DPM shall use commercially reasonable efforts to provide a continuous quote and to respond to requests for a quote.

- The above market performance benchmarks do not apply with respect to stub positions in the S&P 500 Variance futures contract, which are positions that when converted from variance units (number of contracts) to vega notional are equal to an amount that is less than 1 notional equivalent of 1,000 vega notional. The DPM shall respond to requests for a quote in S&P 500 Variance stub positions.

CBOE Russell 2000 Volatility Index ("RVX") Futures

- Throughout the trading day during Regular Trading Hours, the DPM shall provide at least 95% of the time in each RVX futures contract with 9 months or less until expiration three two-way minimum quotes with minimum quote sizes and maximum quote widths as set forth in the table below.

First Continuous Two-Way Quote	
Minimum Quote Size	Maximum Quote Width Calculated as a Percentage of Offer Price
5 x 5	2%
Second Continuous Two-Way Quote	
Minimum Quote Size	Maximum Quote Width Calculated as a Percentage of Offer Price
10 x 10	5%
Third Continuous Two-Way Quote	
Minimum Quote Size	Maximum Quote Width Calculated as a Percentage of Offer Price
20 x 20	10%

- The DPM shall provide a two-way quote during Regular Trading Hours in response to a request from the Exchange that the DPM post a market for an RVX future or futures.

- The above market performance benchmarks shall be subject to relief in the event of a fast market in RVX futures or Russell 2000 ("RUT") options traded on CBOE or other extenuating circumstances or unusual market conditions to be determined solely by the Exchange. Under conditions as specified in the foregoing sentence, the DPM shall use commercially reasonably efforts during Regular Trading Hours to provide a continuous quote and to respond to requests for a quote from the Exchange.

- The DPM may satisfy above market performance benchmarks relating to the provision of quotes through the equivalent provision of orders instead of quotes.

Product Specific DPM Benefits

S&P 500 Variance Futures

- For each calendar quarter (including any partial calendar quarter) during which a Trading Privilege Holder acts as the DPM for S&P 500 Variance futures, the Exchange will maintain a DPM Revenue Pool for the DPM for that quarter.

- The percentage of transaction fees (excluding regulatory fees) collected by the Exchange for transactions in S&P 500 Variance futures that will be included in the DPM Revenue Pool for a calendar quarter will be based upon the average daily contract volume in S&P 500 Variance futures, measured in "vega notional" amounts, traded on the Exchange during that quarter, as set forth in the table below. Each percentage in the table shall be applicable with respect to that portion of the average daily contract volume that is within the applicable volume range.

Average Daily "Vega Notional" Contract Volume During Calendar Quarter	Percentage of Transaction Fees Included in DPM Revenue Pool
0 – 5,000,000	30%
5,000,001 – 10,000,000	20%
10,000,001 – 20,000,000	15%
20,000,001 – 50,000,000	11.7%
50,000,001 or greater	8%

- For example, if the average daily contract volume during a calendar quarter is 15,000,000 vega notional, 30% of the transaction fees attributable to the volume between 0 vega notional and 5,000,000 vega notional would be included in the DPM Revenue Pool, 20% of the transaction fees attributable to the volume between 5,000,001 vega notional and 10,000,000 vega notional would be included in the DPM Revenue Pool, and 15% of the transaction fees attributable to the volume between 10,000,001 vega notional and 15,000,000 vega notional would be included in the DPM Revenue Pool.

- Payment to the DPM from the DPM Revenue Pool for a calendar quarter will be made following the end of the calendar quarter.

RVX Futures

- Beginning January 1, 2014, for each calendar quarter (including any partial calendar quarter) during which a Trading Privilege Holder acts as the DPM for RVX futures, the Exchange will maintain a DPM Revenue Pool for the DPM for that quarter equal to 15% of [all] <u>total net</u> transaction fees (excluding regulatory fees <u>and Day Trade fee rebates</u>) collected by the Exchange for transactions in RVX futures.

- Payment to the DPM from the DPM Revenue Pool for a calendar quarter will be made following the end of the calendar quarter.

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XVII. Lead Market Maker Program for Weekly (Non-Standard) CBOE Volatility Index Futures Expirations

Trading Privilege Holder ("TPH") organizations may apply to the Exchange for appointment as a lead market maker ("LMM") in the Lead Market Maker Program for Weekly (Non-Standard) CBOE Volatility Index Futures Expirations ("Program"). The specific CBOE Volatility Index ("VX") futures covered by this Program are those contracts that have a "VX" ticker symbol followed by a number denoting the specific week of a calendar year. <u>For symbology purposes, the first week of a calendar year is the first week of that year with a Wednesday on which a weekly VX futures contract could expire.</u> The final settlement value of these contracts is calculated using P.M.-settled S&P 500 Index ("SPX") options traded on CBOE, and these contracts are referred to as "Weekly (Non-Standard) VX expirations." The Program does not apply to VX futures expirations that have a "VX" ticker symbol, for which the final settlement value is calculated using A.M.-settled SPX options.

The Exchange may approve up to two TPHs as LMMs in the Program. Any TPH that desires to apply for LMM status in the Program should submit an application in the form of a letter outlining the organization's qualifications and commitments. TPHs shall be selected by the Exchange based on the Exchange's judgment as to which applicants are most qualified to perform the functions of an LMM under the Program. Factors to be considered in making this selection may include, but are not limited to, satisfaction of the qualifications listed below as well as any one or more of the factors listed in Rule 515(b), as applied to LMM applicants instead of with respect to DPM applicants.

The following describes the qualifications, market performance benchmarks, benefits, and appointment term under the Program unless otherwise specified.

<u>Qualifications</u>

- Experience in trading futures and/or options on volatility indexes.
- Ability to automatically and systemically provide quotations through the use of quotes or orders.

<u>Market Performance Benchmarks</u>

- Each LMM shall identify in advance to the Exchange the login(s) through which the LMM will provide quotes to satisfy the market performance benchmarks under the Program. Each LMM is required to utilize Exchange self-trade prevention functionality under Rule 406A.
- Throughout each trading day during regular trading hours which are from 8:30 a.m. to 3:15 p.m. (Chicago time) in VX futures, each LMM shall provide at least 85% of the time 2-sided quotes with:
  - a collective minimum size of 100 contracts on each side of the market aggregated across all Weekly (Non-Standard) VX expirations;

  - a minimum size on each side of the market of 25 contracts in the front Weekly (Non-Standard) VX expiration; and

  - a minimum size on each side of the market of 10 contracts in each of the other Weekly (Non-Standard) VX expirations.

  The maximum width of these 2-sided quotes shall be $0.15 in all Weekly (Non-Standard) VX expirations.

- The above market performance benchmarks shall be subject to relief in the event of a fast market in the VX futures or SPX options traded on CBOE or other extenuating circumstances or unusual market conditions to be determined solely by the Exchange. Under conditions as specified in the preceding sentence, each LMM shall use commercially reasonable efforts to provide a continuous quote and to respond to requests for a quote.

- Each LMM may satisfy the above market performance benchmarks relating to the provision of quotes through the equivalent provision of orders instead of quotes.

- The Exchange may terminate, place conditions upon or otherwise limit a TPH's appointment as an LMM under the Program or not make payments to a TPH under the Program if the TPH fails to satisfy the market performance benchmarks under the Program. However, failure of a TPH to satisfy the market performance benchmarks under the Program shall not be deemed a violation of Exchange rules.

<u>Benefits</u>

One-Time Incentive Payment

- Each LMM under the Program at the time that Weekly (Non-Standard) VX expirations are first listed for trading on the Exchange shall receive a one-time payment from the Exchange in the amount of $10,000 ("One-Time Incentive Payment") if the LMM has satisfied the following conditions:

  - Not less than two weeks prior to the date of the initial listing of Weekly (Non-Standard) VX expirations on the Exchange, the LMM shall have successfully completed testing with the Exchange to act as an LMM for Weekly (Non-Standard) VX expirations, including through the successful submission by the LMM of test quotes and/or orders to the Exchange for Weekly (Non-Standard) VX expirations; and

  - the LMM shall have satisfied the above market performance benchmarks during regular trading hours which are from 8:30 a.m. to 3:15 p.m. (Chicago time) on the first 5 trading days for Weekly (Non-Standard) VX expirations on the Exchange.

- The One-Time Incentive Payment shall only be made to LMMs under the Program at the time that Weekly (Non-Standard) VX expirations are first listed for trading on the Exchange and shall not be made to any TPH that is subsequently appointed as an LMM under the Program or with respect to any subsequent listing of Weekly (Non-Standard) VX expirations after the date that the initial Weekly (Non-Standard) VX expirations are first listed for trading on the Exchange.

- The One-Time Incentive Payment to LMMs will be made following the end of the applicable calendar quarter.

Monthly Incentive Payment

- Each TPH appointed as an LMM under the Program shall receive a payment from the Exchange in the amount of $10,000 per calendar month for each calendar month during which the TPH acts as an LMM for Weekly (Non-Standard) VX expirations ("Monthly Incentive Payment"). If a TPH acts as an LMM for Weekly (Non-Standard) VX expirations during a portion of a calendar month, the payment to that TPH for that calendar month will be pro-rated.

- This Monthly Incentive Payment provision of the Program shall terminate if the average daily trading volume ("ADV") in all Weekly (Non-Standard) VX expirations reaches 5,000 contracts during a calendar month. The termination of the Monthly Incentive Payment provision of the Program will occur at the end of the first calendar month in which the 5,000 ADV threshold is reached. Once the Monthly Incentive Payment provision is terminated, the Monthly Incentive Payment provision shall remain terminated, even if ADV in all Weekly (Non-Standard) VX expirations subsequently falls below the 5,000 ADV threshold in a subsequent calendar month.

- Monthly Incentive Payments to LMMs will be made following the end of the applicable calendar quarter. These payments will include any Monthly Incentive Payments accrued prior to the termination of the Monthly Incentive Payment provision of the Program, but not yet paid, if that termination has occurred during the applicable calendar quarter.

Revenue Share

- The Revenue Share provision of the Program shall begin to apply after the calendar month in which the 5,000 ADV threshold is reached and shall not apply before the termination of the Monthly Incentive Payment provision of the Program.

- For each calendar month during which the Revenue Share provision of the Program is applicable, the Exchange will maintain a revenue pool for any TPHs that acted as an LMM for Weekly (Non-Standard) VX expirations under the Program during that month. The revenue pool will be equal to 20% of the total <u>net</u> transaction fees (excluding regulatory fees <u>and Day Trade fee rebates</u>) collected by the Exchange for transactions in Weekly (Non-Standard) VX expirations during that month. The revenue pool will be subject to a cap of $200,000 per month and may not exceed the cap level for a calendar month.

- The revenue pool will be allocated on a pro-rata basis to the TPHs that acted as an LMM for Weekly (Non-Standard) VX expirations during the applicable calendar month based on the contract volume of those TPHs in Weekly (Non-Standard) VX expirations during that month resulting from quotes and proprietary orders provided by those LMMs.

- Payments from the revenue pool for a calendar month will be made to LMMs following the end of the applicable calendar quarter.

- The Revenue Share provision of the Program shall apply for no longer than 18 months.

The Revenue Share provision of the Program will terminate at the end of the 18th calendar month in which that provision of the Program is applicable if that provision of the Program were to be applicable for 18 months during the term of the Program.

Term

The Program and each LMM appointment under the Program will expire on June 30, 2017. The Exchange may determine to extend the term of the Program and LMM appointments under the Program, allow the Program and LMM appointments under the Program to expire, terminate the Program and all LMM appointments under the Program at any time or replace the Program with a different LMM program at any time.

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Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 or Jenny Golding at (312) 786-7466. Please reference our submission number CFE-2015-023 in any related correspondence.

CBOE Futures Exchange, LLC

By: James F. Lubin
Senior Managing Director