



October 31, 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-2018-025

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 provide for CFE’s Chief Regulatory Officer (“CRO”) to authorize statements of charges in CFE disciplinary proceedings and to make related updates to CFE’s disciplinary rules. The Amendment will become effective on November 15, 2018.

CFE Rule 704 (Charges) currently provides that the determination regarding whether to issue a statement of charges in a CFE disciplinary proceeding is made by a CFE Business Conduct Committee (“BCC”) panel (“BCC Panel”). CFTC regulations permit a designated contract market (“DCM”) to rely on its CRO, rather than on a disciplinary panel, to issue disciplinary charges.¹ The Amendment revises Rule 704 to vest in the CRO instead of in a BCC Panel the authority to determine whether to issue a statement charges in a CFE disciplinary matter. CFE is not altering the authority of BCC Panels with respect to the adjudication of CFE disciplinary matters. BCC Panels would retain the authority to adjudicate disciplinary matters, including the authority to determine whether to accept a letter of consent or offer of settlement in a disciplinary matter as well as the authority to conduct a disciplinary hearing and issue a decision in a contested disciplinary proceeding. CFE is also not altering the applicable standard under Rule 704 as to whether a statement of charges should be issued. The standard that must be satisfied in order to issue a statement of charges will continue to be that there is probable cause for finding a violation within the disciplinary jurisdiction of CFE and that further proceedings are warranted.

CFE believes that providing for the CRO to initiate charges (or to elect not to initiate charges) will expedite the disciplinary process. In particular, regulatory staff and subjects of CFE disciplinary matters will not have to wait until a BCC Panel meets to learn whether a regulatory matter will result in charges and the matter can move on more quickly to an answer, settlement,

¹ See CFTC Regulation 38.703 and CFTC Final Rulemaking Relating to Core Principles and Other Requirements for Designated Contract Markets, RIN 3038-AD09, 77 FR 36612, 36651 (June 19, 2012).

and/or hearing. CFE also believes that the CRO is well suited to determine whether or not to initiate charges. The CRO has general supervisory authority over CFE's regulatory operations, including the responsibility for overseeing CFE's surveillance, examination, and enforcement functions and for administering any regulatory services agreement with another self-regulatory organization to which CFE is a party. In the CRO's capacity as supervisor of CFE's regulatory operations, the CRO possesses the subject matter and procedural expertise to review and consider regulatory issues as well as the accompanying facts and circumstances in considering whether or not to issue a statement of charges.

In connection with the change to Rule 704 to provide for the CRO to authorize statements of charges, CFE is making the following related updates to CFE's rules:

- CFE is adding the defined term "Chief Regulatory Officer" or "CRO" to Chapter 1 (Definitions) of the CFE Rulebook. CFE Rule 205 (Officers) already provides for the appointment of a CFE Chief Regulatory Officer and other CFE rules already reference the Chief Regulatory Officer. The new definition enables CFE to also refer to the Chief Regulatory Officer as the CRO throughout CFE's rules.
- CFE Rule 702 (Complaint and Investigation) provides for regulatory staff to submit to a BCC Panel a written report of its investigation in every instance in which regulatory staff determines from surveillance or from an investigation that a reasonable basis exists for finding a CFE rule violation. There are certain exceptions to this provision, such as in the case of the issuance of a warning letter or in the case of a minor rule violation processed under CFE Rule 714 (Imposition of Fines for Minor Rule Violations). Rule 702 states that, prior to the submission of an investigative report to a BCC Panel, regulatory staff shall notify each subject of the report of the general nature of the allegations and the specific rule provisions that appear to have been violated. Except when a BCC Panel determines that expeditious action is required, Rule 702 provides that a subject shall have the right within fifteen days from the date of this notification to submit a written statement or videotaped response to the BCC Panel concerning why no disciplinary action should be taken. Because the CRO will now be vested with the authority to determine whether or not to issue a statement of charges, the functions of a BCC Panel under these provisions will now be performed by the CRO. Specifically, the CRO will receive the investigative report from regulatory staff, determine whether expeditious action is required in relation to the time frame for the submission by a subject of a written statement or videotaped response, and receive the written statement or videotaped response from the subject.
- CFE Rule 703 (Expedited Proceeding) permits a subject to seek to dispose of a disciplinary matter through a letter of consent after receiving the notification from regulatory staff of the general nature of the allegations and the specific rule provisions that appear to have been violated and before the submission of a written statement or videotaped response concerning why no disciplinary action should be taken. Rule 703 provides that if the parties are not able to agree upon a letter of consent, the subject may within fifteen days from the end of the negotiations submit a written statement or videotaped response concerning why no disciplinary action should be taken. Rule 703 states that thereafter the matter may be brought to a BCC Panel for appropriate action (i.e., a determination of whether or not to issue a statement of charges to the subject). Because the CRO will now be vested with the authority to determine whether or not to issue a statement of charges, CFE is amending Rule 703 to provide that thereafter the matter may be brought to the CRO instead of to a BCC Panel.

- CFE Rule 704 (Charges) provides that whenever a BCC Panel determines from an investigative report that no probable cause exists for finding a rule violation or otherwise determines that no further action is warranted, a written statement is issued to that effect which is sent to the subject and complainant, if any. CFE is amending Rule 704 to provide for the CRO to make this determination instead of a BCC Panel since this determination constitutes a decision not to initiate a statement of charges. CFE is also revising Rule 704 to make clear that a determination not to initiate charges under Rule 704 only occurs in those cases where a subject has previously been provided with a notification from regulatory staff of the general allegations against the subject and the specific rule provisions that the subject appeared to have violated. Additionally, CFE is revising Rule 704 to make clear that regulatory staff prepares and issues to the subject and any complainant at the direction of the CRO a written statement that no probable cause exists or that no further action is warranted. Similarly, CFE is amending Rule 704 to provide that the CRO (instead of a BCC Panel) will direct regulatory staff to prepare and issue a statement of charges if the CRO (instead of a BCC Panel) determines from an investigative report that there is probable cause for finding a rule violation and that further proceedings are warranted.
- Paragraph (d) of CFE Rule 710 (Review) allows for the CFE Regulatory Oversight Committee to request that the CFE Board of Directors order the review of a decision by a BCC Panel not to initiate charges recommended by regulatory staff. CFE is deleting Rule 710(d) since there will no longer be the possibility of a BCC Panel not acting on a recommendation by regulatory staff to initiate charges since the CRO will now be making the determination of whether or not to initiate charges.
- CFE Rule 714 provides for the issuance of letters of caution or summary fines for specified types of minor rule violations instead of addressing these violations through formal disciplinary proceedings. Each violation type under Rule 714 has a summary fine schedule that includes increasing monetary fines for subsequent violations by a party during a specified rolling time period and a referral of that party to the BCC once that party has committed a certain number of violations within that rolling time period. The referral to the BCC is so that a BCC Panel may determine whether or not to authorize the issuance of a statement of charges against the party and proceed with a formal disciplinary proceeding with regard to the matter. Since BCC Panels will no longer be determining whether to issue statements of charges, CFE is deleting referral to the BCC from each of the summary fine schedules under Rule 714. Regulatory staff already has the ability to proceed with a formal disciplinary proceeding whenever regulatory staff determines that any violation covered by Rule 714 is intentional, egregious, or otherwise not minor in nature. CFE is amending Rule 714 to clarify that regulatory staff may also proceed with a formal disciplinary proceeding if the number of recurring violations of a particular type covered by Rule 714 within the rolling time period for that type of violation warrants a formal disciplinary proceeding. Accordingly, there will not be a need for a referral after a certain number of violations within the applicable rolling time period since regulatory staff may initiate a formal disciplinary proceeding for any violation covered by Rule 714 when circumstances warrant no matter the number of previous violations of that type.

CFE believes that the Amendment is consistent with Designated Contract Market Core Principles 2 (Compliance with Rules), 7 (Availability of General Information), and 13 (Disciplinary Procedures) under Section 5 the Act. CFE believes that vesting in the CRO the authority to determine

whether or not to issue statements of charges will facilitate prompt, appropriate, and effective discipline of those that violate CFE rules and serve to improve the efficiency and functioning of CFE's disciplinary processes. CFE also believes the Amendment provides an effective and efficient means of disciplining parties for certain types of minor rule violations that do not warrant formal disciplinary proceedings while also permitting regulatory staff to initiate formal disciplinary proceedings for these types violations when circumstances warrant. Additionally, the Amendment clearly sets forth in CFE's rules to CFE Trading Privilege Holders and others subject to CFE disciplinary jurisdiction who determines whether or not a statement of charges is to be issued in a CFE regulatory matter and what the standard is for making that determination.

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:

* * * * *

**Cboe Futures Exchange, LLC
Rulebook**

* * * * *

Chapter 1 Definitions

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Chief Regulatory Officer or CRO

The term "Chief Regulatory Officer" or "CRO" means the individual appointed by the Board from time to time to serve as Chief Regulatory Officer of the Exchange.

* * * * *

702. Complaint and Investigation

(a) – (c) No change.

(d) Report. In every instance where Exchange staff determines from surveillance or from an investigation a reasonable basis exists for finding a violation has been committed of a Rule of the Exchange (except in the case of the issuance of a warning letter under Rule 715), the Exchange staff shall submit a written report of its investigation to [a BCC Panel] the CRO.

(e) Notice, Statement and Access. Prior to submitting a report pursuant to paragraph (d) of this Rule 702, the Exchange shall notify each Person who is the subject of the report (the "Subject") of the general nature of the allegations and of the specific provisions of the CEA,

Commission Regulations thereunder, the Exchange Act, Exchange Act Regulations thereunder, or Rules of the Exchange regulating the conduct of business on the Exchange that appear to have been violated. Except when [a BCC Panel] the CRO determines that expeditious action is required, a Subject shall have the right, within 15 days from the date of the notification referred to in the preceding sentence, to submit a written statement to the [Business Conduct Committee] the CRO concerning why no disciplinary action should be taken. To assist a Subject in preparing such a written statement, such Subject shall have access to any documents and other materials in the investigative file of the Exchange that were furnished by such Subject or its agents.

(f) Videotaped Response. In lieu of, or in addition to, submitting a written statement concerning why no disciplinary action should be taken as permitted by paragraph (e) of this Rule 702, the Subject may submit a statement in the form of a videotaped response. Except when [a BCC Panel] the CRO determines that expeditious action is required, the Subject shall have 15 days from the date of service of the notification referred to in such paragraph (e) to submit such videotaped response. The Exchange may from time to time establish standards concerning the length and format of such videotaped responses.

703. Expedited Proceeding

Upon receipt of the notification referred to in the first sentence of Rule 702(e), a Subject may seek to dispose of the matter to which such notification relates through a letter of consent signed by it. If a Subject desires to attempt to so dispose of such matter, it must submit to the Exchange, within 15 days from the date of service of such notification, a written notice electing to proceed in an expedited manner pursuant to this Rule 703. Such Subject must then endeavor to reach agreement with the Exchange upon a letter of consent which is acceptable to the Exchange and which sets forth a stipulation of facts and findings concerning the Subject's conduct, each violation committed by the Subject and the sanction or sanctions therefor. A matter can only be disposed of through a letter of consent if the Exchange and the Subject are able to agree upon terms of a letter of consent which are acceptable to the Exchange, and such agreed letter is signed by the Subject.

At any point in the negotiations regarding a letter of consent, the Exchange may deliver to the Subject, or the Subject may deliver to the Exchange, a written declaration of an end to the negotiations. Upon delivery of any such declaration, the Subject will have the right, within 15 days from such delivery, to submit a written statement pursuant to Rule 702(e) and thereafter the matter may be brought to [a BCC Panel] the CRO for appropriate action. In lieu of, or in addition to, submitting a written statement pursuant to Rule 702(e), the Subject may submit a statement in the form of a videotaped response pursuant to Rule 702(f). In the event that the Subject and the Exchange are able to agree upon a letter of consent which is acceptable to the Exchange, such letter shall be submitted to a BCC Panel.

A BCC Panel may accept a letter of consent which provides that the Subject accepts a sanction without either admitting or denying the violations upon which the sanction is based. A BCC Panel may not alter the terms of a letter of consent unless the Subject agrees. A Subject may withdraw a letter of consent at any time before final acceptance of the letter of consent by a BCC Panel. If a letter of consent is withdrawn after submission, or is rejected by a BCC Panel, the Subject shall not be deemed to have made any admissions by reason of the letter of consent and shall not otherwise be prejudiced by having submitted the letter of consent. If such letter is accepted by the BCC Panel, it may adopt such letter as its decision and shall take no further action against the Subject respecting the matters to which the letter relates. If such letter is rejected by the BCC Panel, the matter shall proceed as though such letter had not been submitted. A BCC Panel's decision to accept

or reject a letter of consent shall be final, and a Subject may not seek review thereof.

704. Charges

(a) Determination Not to Initiate Charges. [Whenever] In those cases where notice has been provided pursuant to Rule 702(e) and whenever it appears to [a BCC Panel] the CRO from a report submitted [to it] pursuant to Rule 702(d) that no probable cause exists for finding a violation within the disciplinary jurisdiction of the Exchange, or whenever [a BCC Panel] the CRO otherwise determines that no further action is warranted with respect to the matter to which such report relates, [it] the CRO shall direct Exchange staff to prepare and issue a written statement to that effect setting forth [its] the CRO's reasons for such finding, which statement shall be sent to the relevant Subject and the Complainant, if any.

(b) Initiation of Charges. Whenever it appears to [a BCC Panel] the CRO from a report submitted to it pursuant to Rule 702(d) that there is probable cause for finding a violation within the disciplinary jurisdiction of the Exchange and that further proceedings are warranted, the [BCC Panel] the CRO shall direct the staff of the Exchange to prepare and issue a statement of charges against each Person alleged to have committed a violation (the "Respondent"), specifying (i) the acts, conduct or practices in which the Respondent is alleged to have engaged; (ii) the specific provisions of the CEA, Commission Regulations thereunder, the Exchange Act, Exchange Act Regulations thereunder, or Rules of the Exchange alleged to have been violated (or about to be violated) by the Respondent; (iii) that the Respondent is entitled, upon request, to a hearing on the charges; and (iv) the period within which a hearing on the charges may be requested. A copy of such statement shall be served upon the Respondent in accordance with Rule 712. The Complainant, if any, shall be notified if further proceedings are warranted.

(c) – (d) No change.

710. Review

(a) – (c) No change.

[(d) Review of Decision Not to Initiate Charges. Upon application by the Regulatory Oversight Committee within 45 days from the date the Exchange serves the Subject with notice of a decision by a BCC Panel pursuant to Rule 704(a) not to initiate charges that have been recommended by Exchange staff, the Board may order review of such decision. Such review shall be conducted in accordance with the procedures set forth in paragraph (b) above, as applicable.]

714. Imposition of Fines for Minor Rule Violations

(a) – (c) No change.

(d) The Exchange shall specify in clause (e) of this Rule 714 the types of violations of Rules of the Exchange that will be considered minor rule violations for purposes of this Rule 714 and a fine schedule for such violations. Any fine schedule may allow for warning letters to be issued for first-time violations or violators and shall provide for progressively larger fines for recurring violations. Nothing in this Rule 714 shall require the Exchange to impose a fine pursuant to this Rule 714 with respect to the violation of any provision of the Rules of the Exchange included in any listing of minor rule violations. In addition, the Exchange

may[,] proceed under the Exchange’s formal disciplinary rules as set forth in Rules 702 through 713, rather than under this Rule 714, whenever it determines that any violation is intentional, egregious or otherwise not minor in nature[,] or that the number of recurring violations of a particular type within the rolling time period under the fine schedule for that type of violation warrants a formal disciplinary proceeding [proceed under the Exchange’s formal disciplinary rules as set forth in Rules 702 through 713, rather than under this Rule 714].

(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) **Failure to Include an Order Entry Operator ID with Order that is Submitted to the CFE System. (Rule 303A(a))**

**Improper Use of Order Entry Operator IDs.
(Rules 303A(b) and 303A(c))**

Failure to Comply with Issuance, Recordkeeping and Reporting Requirements Related to Order Entry Operator IDs. (Rule 303A(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.....	\$2,500
[Third Offense] <u>Subsequent Offenses</u>	\$10,000
[Subsequent Offenses.....]	[Referral to Business Conduct Committee]

(ii) **Failure to Identify Correct Customer Type Indicator Code in Order. (Rule 403(a)(x))**

<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.....	\$5,000
Fourth Offense.....	\$7,500
[Fifth Offense] <u>Subsequent Offenses</u>	\$10,000
[Subsequent Offenses.....]	[Referral to Business Conduct Committee]

(iii) **Failure to Provide Correct Account Designation in Order. (Rule 403(a)(xii))**

<i>Number of Cumulative Violations in Any Twenty-Four (24) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Letter of Caution
Second Offense.....	\$2,500

[Third Offense] <u>Subsequent Offenses</u>	\$10,000
.....	
[Subsequent Offenses	[Referral to Business Conduct Committee]
.....]	

- (iv) **Failure to Comply with Order Form Preparation and Recordkeeping Requirements Relating to Orders Which Cannot Be Immediately Entered into the CFE System. (Rule 403(b))**

Failure to Maintain Front-End Audit Trail Information for All Electronic Orders Entered into the CFE System, Including Order Modifications and Cancellations. (Rule 403(c))

<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] <u>Subsequent Offenses</u>	\$10,000
.....	
[Subsequent Offenses	[Referral to Business Conduct Committee]

- (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] <u>Subsequent Offenses</u>	\$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] <u>Subsequent Offenses</u>	\$15,000
.....	
[Subsequent Offenses	[Referral to Business Conduct Committee]

- (vii) **Failure to Comply with Reporting Requirements for Ownership and Control Reports and Reportable Positions. (Rules 412B(a), 412B(b) and 412B(c))**

<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] <u>Subsequent Offenses</u>	\$15,000
.....	
[Subsequent Offenses]	[Referral to Business Conduct Committee]

(viii) **Failure to Comply with Order Marking Requirement for Exchange of Contract for Related Position Transactions. (Rule 414(g))**

Failure to Comply with Recordkeeping Requirement for Exchange of Contract for Related Position Transactions. (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.....	\$2,500
[Third Offense] <u>Subsequent Offenses</u>	\$10,000
.....	
[Subsequent Offenses]	[Referral to Business Conduct Committee]

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

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

(x) **Failure to Comply with Exchange of Contract for Related Position Transaction Reporting Requirements. (Rules 414(k) and 414(l))**

<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] <u>Subsequent Offenses</u>	\$15,000
.....	
[Subsequent Offenses]	[Referral to Business Conduct Committee]

(xi) **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] <u>Subsequent Offenses</u>	\$10,000
[Subsequent Offenses]	[Referral to Business Conduct Committee]

(xii) **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] <u>Subsequent Offenses</u>	\$15,000
[Subsequent Offenses]	[Referral to Business Conduct Committee]

(xiii) **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] <u>Subsequent Offenses</u>	\$10,000
[Subsequent Offenses]	[Referral to Business Conduct Committee]

(xiv) **Failure to Comply with Block Trade Reporting Requirements.
(Rules 415(h) and 415(i))**

<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] <u>Subsequent Offenses</u>	\$15,000
[Subsequent Offenses]	[Referral to Business Conduct Committee]

(xv) **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>
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Each Business Day Late Up Until	
15 Business Days	\$1,000 Each Business Day
After 15 Business Days Late.....	[Referral to Business Conduct Committee] <u>Formal Disciplinary Proceeding</u>

(xvi) **Failure to Obtain Access to or Utilize Risk Control Mechanisms Made Available by the Exchange. (Rule 513A(m))**

<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] <u>Subsequent Offenses</u>	\$15,000
[Subsequent Offenses]	[Referral to Business Conduct Committee]

(xvii) **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] <u>Subsequent Offenses</u> [Subsequent Offenses]	\$2,000 [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-2018-025 in any related correspondence.

Cboe Futures Exchange, LLC

[/s/ Matthew McFarland](#)

By: Matthew McFarland
Managing Director