



October 31, 2018

Mr. Christopher 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-2018-026

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 extend the time frame for the correction of Block Trade and Exchange of Contract for Related Position (“ECRP”) transaction reporting errors. The Amendment will become effective on November 15, 2018.

Policy and Procedure III (Resolution of Error Trades) of the Policies and Procedures section of the CFE Rulebook includes a section which allows for the busting or adjusting of a Block Trade or the CFE contract leg of an ECRP transaction that is reported to CFE with a mistake, inaccuracy, or error. Specifically, Section G of Policy and Procedure III provides that CFE’s Trade Desk is authorized to bust or adjust a Block Trade or the CFE contract leg of an ECRP transaction if both (i) there was a mistake, inaccuracy, or error in the information that was inputted into CFE’s system for the Block Trade or the contract leg of the ECRP transaction and (ii) an Authorized Reporter for or party to the transaction notifies the Trade Desk of the mistake, inaccuracy, or error in a form and manner prescribed by the Exchange within thirty minutes from the time the transaction is reported in CFE market data. The Amendment extends the time period for the notification to the Trade Desk of such an error to 4:00 p.m. Chicago time of the business day of the transaction. The Amendment also makes clear that in order for the Trade Desk to bust or adjust a Block Trade or the CFE contract leg of an ECRP transaction under this provision, an Authorized Reporter or party on each side of the transaction must agree upon the mistake, inaccuracy or error that occurred.

CFE believes that the Amendment is consistent with Designated Contract Market Core Principles 4 (Prevention of Market Disruption), 7 (Availability of General Information), 9 (Execution of Transactions), and 10 (Trade Information) under Section 5 the Act. When a Block Trade or ECRP transaction is reported in error and cannot be busted or adjusted, the parties to the transaction can incur risk by becoming party to a transaction that is different than what the parties intended and because they then need to determine how to remediate the issue. CFE believes that the Amendment reduces this risk by extending the time period during which these errors may be identified and corrected while also balancing the need for CFE to timely receive information required to report transactions for clearing. CFE believes that the Amendment provides guidance

to market participants regarding the parameters under which CFE's Trade Desk is able to address reporting errors involving Block Trade and ECRP transactions and improves the functioning and efficiency of CFE's reporting mechanism for these transactions by broadening the ability of the Trade Desk to address these types of reporting errors. The Amendment also makes clear to market participants that an Authorized Reporter or party on each side of a Block Trade or ECRP transaction must agree upon the mistake, inaccuracy or error that occurred in order for the Trade Desk to bust or adjust the transaction under Section G of Policy and Procedure III. Additionally, the Amendment will not interfere with CFE's ability to capture and retain required audit trail information relating to these 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.

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

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**Cboe Futures Exchange, LLC
Policies and Procedures Section of Rulebook**

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III. Resolution of Error Trades (Rule 416)

A. – F. No change.

G. Busting or Adjusting Block Trades and the Contract Leg of Exchange of Contract for Related Position Transactions Inputted with Mistake, Inaccuracy or Error

The Trade Desk is authorized to bust or adjust a Block Trade or the Contract leg of an Exchange of Contract for Related Position transaction if both (i) there was a mistake, inaccuracy or error in the information that was inputted into the CFE System for the Block Trade or the Contract leg of the Exchange of Contract for Related Position transaction and (ii) an Authorized Reporter [for] or party [to] on each side of the transaction [notifies] agree upon the mistake, inaccuracy or error that occurred and notify the Trade Desk of the mistake, inaccuracy or error in a form and manner prescribed by the Exchange [within thirty minutes from the time the transaction is reported in Exchange Market Data] by no later than 4:00 p.m. Chicago time on the Business Day of the transaction.

H. – M. No change.

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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-2018-026 in any related correspondence.

Cboe Futures Exchange, LLC

[/s/ Matthew McFarland](#)

By: Matthew McFarland
Managing Director