



December 15, 2022

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-2022-013

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Regulation 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 remove from CFE’s rules the descriptions of three lead market maker programs that either have previously expired or that are expiring on December 31, 2022. Exhibit 1 to this submission sets forth the rule changes included in the Amendment. The Amendment will become effective on January 1, 2023.

CFE includes in the Policies and Procedures Section of the CFE Rulebook non-confidential descriptions of each of CFE’s market maker programs. The Amendment amends the Policies and Procedures Section of the CFE Rulebook to:

- remove from Policy and Procedure XVI the non-confidential provisions of the AMERIBOR Futures Lead Market Maker Program (“AMERIBOR Futures LMM Program”), which expired by its terms on October 31, 2022;
- remove from Policy and Procedure IX the non-confidential provisions of the Lead Market Maker Program for Weekly (Non-Standard) Cboe Volatility Index Futures Expirations (“Weekly VX Futures LMM Program”), which is scheduled to expire by its terms on December 31, 2022; and
- remove from Policy and Procedure XI the non-confidential provisions of the Mini Cboe Volatility Index Futures Lead Market Maker Program (“VXM Futures LMM Program”), which is scheduled to expire by its terms on December 31, 2022.

The Amendment provides that each of these Policies and Procedures will be reserved, such as for potential future use by CFE for other rule provisions or future market maker programs. CFE may determine to implement market maker programs in one or more of the above CFE products in the future through a subsequent rule amendment submission to the Commission.

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 DCM Core Principle 7 (Availability of General Information) because the Amendment updates the Policies and Procedures Section of the CFE Rulebook to reflect the expiration of the AMERIBOR Futures LMM Program, the Weekly VX Futures LMM Program, and the VXM Futures LMM Program by removing reference to these lead market maker programs from CFE’s rules.

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 it has posted a notice of pending certification with the Commission and a copy of this submission on CFE’s website (http://www.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 Shane Wilkerson at (484) 798-9350. Please reference our submission number CFE-2022-013 in any related correspondence.

Cboe Futures Exchange, LLC

[/s/ Arianne Adams](#)

By: Arianne Adams
Senior Managing Director

EXHIBIT 1

(Additions are shown in underlined text and
deletions are shown in ~~stricken~~ text)

Cboe Futures Exchange, LLC Policies and Procedures Section of Rulebook

* * * * *

~~IX. Lead Market Maker Program for Weekly (Non-Standard) Cboe Volatility Index Futures Expirations~~ RESERVED

~~The Lead Market Maker Program for Weekly (Non-Standard) Cboe Volatility Index Futures Expirations (“Program”) is applicable with respect to Cboe Volatility Index (“VX”) futures that have a “VX” ticker symbol followed by a number denoting the specific week of a calendar year (“Weekly VX Futures”). 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 of a Weekly VX Future is calculated using P.M. settled S&P 500 Index (“SPX”) options traded on Cboe Options, 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.~~

~~Trading Privilege Holder (“TPH”) organizations may apply to the Exchange for appointment as a lead market maker (“LMM”) under the Program. Each LMM application, LMM appointment, and LMM under the Program is specific to a TPH and to one of that TPH’s Executing Firm IDs (“EFIDs”) referred to as an “LMM Program EFID”.~~

~~Accordingly, a TPH may apply for and receive more than one LMM appointment under the Program, each of which is applicable to that TPH and to a different LMM Program EFID of that TPH. In that case, each of those LMMs is separately subject to the provisions of the Program, including the market performance benchmark and benefit provisions of the Program, as a single LMM.~~

~~The Exchange may appoint up to three LMMs under the Program. Any TPH that desires to apply for LMM status under the Program should submit an application in a form and manner prescribed by the Exchange.~~

~~LMMs 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, requirements, market performance benchmarks, benefits, and appointment term under the Program unless otherwise specified.~~

Qualifications

- ~~• Experience in trading futures and/or options on volatility indexes.~~

- ~~Ability to automatically and systematically provide two-sided markets during regular and extended trading hours for Weekly VX Futures.~~

Requirements

- ~~Each LMM shall designate in advance to the Exchange an LMM Program EFID. An LMM Program EFID is a single EFID through which the LMM will provide Orders to satisfy the market performance benchmarks under the Program. The LMM Program EFID designated by an LMM must be an EFID assigned to that TPH and may not be an EFID of another TPH. An LMM shall inform the Exchange in advance if the LMM determines to change its LMM Program EFID.~~
- ~~Each LMM is required to utilize Exchange match trade prevention functionality under Rule 406B with respect to trading in Weekly VX Futures through its LMM Program EFID.~~

Market Performance Benchmarks

- ~~Each LMM shall provide Orders in Weekly VX Futures in conformity with specified criteria relating to minimum two-sided quote size and maximum quote width. These criteria apply during regular and extended trading hours for Weekly VX Futures.~~
- ~~The Exchange may terminate, place conditions upon or otherwise limit a TPH's appointment as an LMM 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.~~

Benefits

- ~~An LMM is eligible to receive specified benefits in connection with acting as an LMM under the Program.~~

Term

- ~~The Program and each LMM appointment under the Program will expire on December 31, 2022. 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 amend or replace the Program with a different market maker program at any time.~~

* * * * *

XI. ~~Mini Cboe Volatility Index Futures Lead Market Maker Program~~ RESERVED

~~The Mini Cboe Volatility Index (“VXM”) Futures Lead Market Maker Program (“Program”) is applicable with respect to VXM futures.~~

~~Trading Privilege Holder (“TPH”) organizations may apply to the Exchange for~~

appointment as a lead market maker (“LMM”) under the Program. Each LMM application, LMM appointment, and LMM under the Program is specific to a TPH and to one of that TPH’s Executing Firm IDs (“EFIDs”) referred to as an “LMM Program EFID”.

Accordingly, a TPH may apply for and receive more than one LMM appointment under the Program, each of which is applicable to that TPH and to a different LMM Program EFID of that TPH. In that case, each of those LMMs is separately subject to the provisions of the Program, including the market performance benchmark and benefit provisions of the Program, as a single LMM.

There is no limit on the number of LMMs that the Exchange may appoint under the Program. Any TPH that desires to apply for LMM status in the Program should submit an application in a form and manner prescribed by the Exchange.

LMMs 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, requirements, market performance benchmarks, benefits, and appointment term under the Program unless otherwise specified.

Qualifications

- Experience in trading futures and/or options on volatility indexes.
- Ability to automatically and systematically provide two-sided markets during regular and extended trading hours for VXM futures.

Requirements

- Each LMM shall designate in advance to the Exchange an LMM Program EFID. An LMM Program EFID is a single EFID through which the LMM will provide Orders to satisfy the market performance benchmarks under the Program. The LMM Program EFID designated by an LMM must be an EFID assigned to that TPH and may not be an EFID of another TPH. An LMM shall inform the Exchange in advance if the LMM determines to change its LMM Program EFID.
- Each LMM is required to utilize Exchange match trade prevention functionality under Rule 406B with respect to trading in VXM futures through its LMM Program EFID.

Market Performance Benchmarks

- Each LMM shall provide Orders in VXM futures in conformity with specified criteria relating to minimum two-sided quote size and maximum quote width. These criteria apply during regular and extended trading hours for VXM Futures.
- The Exchange may terminate, place conditions upon or otherwise limit a TPH’s appointment as an LMM under the Program if the TPH fails to satisfy specified market

~~performance benchmarks under the Program. However, failure of a TPH to satisfy these market performance benchmarks under the Program shall not be deemed a violation of Exchange rules.~~

Benefits

- ~~• An LMM is eligible to receive specified benefits in connection with acting as an LMM under the Program.~~

Term

- ~~• The Program and each LMM appointment under the Program will expire on December 31, 2022. 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 amend or replace the Program with a different market maker program at any time.~~

* * * * *

XVI. ~~AMERIBOR Futures Lead Market Maker Program~~ RESERVED

~~The AMERIBOR Futures Lead Market Maker Program (“Program”) is applicable with respect to AMERIBOR Futures. For purposes of the Program, the term “AMERIBOR Futures” means collectively Cboe AMERIBOR Term 30 (“AMT1”) futures and Cboe One Month AMERIBOR (“AMB1”) futures, unless otherwise specified in the provisions of the Program. AMT1 futures and AMB1 futures are two separate AMERIBOR Futures products and may each be individually referenced generically under the Program as an AMERIBOR Futures product.~~

~~Trading Privilege Holder (“TPH”) organizations and prospective TPH organizations may apply to the Exchange for appointment as a lead market maker (“LMM”) under the Program. Each LMM application, LMM appointment, and LMM under the Program is specific to a TPH and to one of that TPH’s Executing Firm IDs (“EFIDs”) referred to as an “LMM Program EFID”. A prospective TPH organization that receives an LMM appointment under the Program may not assume the status of an LMM under the Program unless and until that organization is an effective TPH.~~

~~The Exchange may appoint one LMM under the Program. Any organization that desires to apply for LMM status under the Program should submit an application in a form and manner prescribed by the Exchange.~~

~~An LMM shall be selected by the Exchange based on the Exchange’s judgment as to which applicant is 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 and 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, requirements, market performance benchmarks, benefits, and appointment term under the Program unless otherwise specified.~~

Qualifications

- ~~Ability to automatically and systematically provide two-sided markets during regular trading hours for AMERIBOR Futures.~~
- ~~Experience in trading short-dated interest rate derivative products.~~

Requirements

- ~~An LMM shall execute a standard form LMM Agreement with specified terms.~~
- ~~An LMM shall designate in advance to the Exchange an LMM Program EFID. An LMM Program EFID is a single EFID through which the LMM will provide Orders to satisfy the market performance benchmarks under the Program. The LMM Program EFID designated by an LMM must be an EFID assigned to that TPH and may not be an EFID of another TPH. An LMM shall inform the Exchange in advance if the LMM determines to change its LMM Program EFID.~~
- ~~An LMM is required to utilize Exchange match trade prevention functionality under Rule 406B with respect to trading in AMERIBOR Futures through its LMM Program EFID.~~

Market Performance Benchmarks

- ~~An LMM shall provide Orders in AMERIBOR Futures in conformity with specified criteria relating to minimum two-sided quote size and maximum quote width. These criteria apply during regular trading hours for AMERIBOR Futures.~~
- ~~The Exchange may terminate, place conditions upon or otherwise limit a TPH's appointment as an LMM 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.~~

Benefits

- ~~An LMM is eligible to receive specified benefits in connection with acting as an LMM under the Program.~~

Term

- ~~The Program and each LMM appointment under the Program will expire on October 31, 2022. The Exchange may determine to extend the term of the Program and an LMM appointment under the Program, allow the Program and an LMM appointment under the Program to expire, terminate the Program and an LMM appointment under the Program at any time or amend or replace the Program with a different market maker program at any time.~~

* * * * *