



September 25, 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-2015-026

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 change the trading hours for the expiring CBOE Volatility Index (“VX”) futures contract on its final settlement date. To implement this change, the Exchange is amending CFE Rule 1202 (Contract Specifications) which sets forth the contract specifications for VX futures. The changes provided for in this Amendment will apply to all VX futures contracts currently listed for trading on CFE as well as to all VX futures contracts first listed for trading on or after the effective date of this Amendment.<sup>1</sup> The Amendment will become effective on or after October 9, 2015, on a date to be announced by the Exchange through the issuance of a circular.

Currently, expiring VX futures stop trading at 7:00 a.m.<sup>2</sup> on their final settlement date.<sup>3</sup> The Amendment permits trading in an expiring VX futures contract during extended trading hours until 8:00 a.m. on its final settlement date.<sup>4</sup> Additionally, in connection with this change, the cut-off time for the acceptance by CFE's trading system of orders, quotes, cancellations, and order modifications in the expiring VX futures contract will be 7:59:59 a.m.

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<sup>1</sup> The Amendment will apply to both VX futures with standard expirations (which have a “VX” ticker symbol) and to weekly VX futures (which have a “VX” ticker symbol followed by a number denoting the specific week of the calendar year that includes the final settlement date for the contract).

<sup>2</sup> All times referenced are Chicago time.

<sup>3</sup> The final settlement date for a VX futures 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 VX 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.

<sup>4</sup> The extended and regular trading hours for VX futures are set forth in charts contained in Rule 1202(b) and are set forth in this rule certification for reference. Trading in a non-expiring VX futures contract would continue to be permitted during the entire trading session on the business day of the final settlement date for the expiring VX futures contract.

Due to the continued growth in VX futures trading, the Exchange believes that there is demand to trade in expiring VX futures contracts during a greater portion of extended trading hours on the final settlement date prior to the final settlement. There will be a half-hour time period (from 8:00 a.m. to 8:30 a.m.) between the end of trading hours in an expiring VX futures contract and the approximate opening of trading in the constituent S&P 500 Composite Stock Price Index (“S&P 500 Index”) options after which the final settlement value of an expiring VX futures contract is determined.<sup>5</sup> There can be market movement in relation to the S&P 500 Index between 7:00 a.m. to 8:00 a.m. As a result, the Exchange believes that allowing trading during a greater portion of extended trading hours on the final settlement date will provide an opportunity for market participants to trade out of their positions that may have been impacted by moves between 7:00 a.m. and 8:00 a.m.

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 particular, CFE’s Rules will describe to market participants when an expiring VX futures contract may be traded on its final settlement date. Also, permitting trading in an expiring VX futures contract during a greater portion of extended trading hours on its final settlement date benefits the marketplace by providing market participants more opportunity to trade out of positions prior to the final settlement.

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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## **Chapter 12**

### **CBOE Volatility Index Futures Contract Specifications**

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#### **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

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<sup>5</sup> S&P 500 Index options trade on CBOE. On the final settlement date for VX futures, CBOE typically disseminates the final settlement value for expiring VX futures between 8:45 a.m. and 9:15 a.m.

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. 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 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]8:00 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.

**Trading Week with No Exchange Holiday.** Unless otherwise specified below in relation to Exchange holidays, the following schedule applies.

<b>Type of Trading Hours</b>	<b>Monday</b>	<b>Tuesday – Friday</b>
Extended	5:00 p.m. (Sunday) to 8:30 a.m.	3:30 p.m. (previous day) to 8:30 a.m.
Regular	8:30 a.m. to 3:15 p.m.	8:30 a.m. to 3:15 p.m.

**Domestic Holidays Always Observed on Mondays.** The below schedule applies when the following domestic holidays are observed: Martin Luther King, Jr. Day, Presidents’ Day, Memorial Day and Labor Day.

<b>Type of Trading Hours</b>	<b>Monday</b>	<b>Tuesday</b>
Extended	5:00 p.m. (Sunday) to 10:30 a.m.*	5:00 p.m. (Monday) to 8:30 a.m.
Regular	None	8:30 a.m. to 3:15 p.m.

**Thanksgiving.** The below schedule applies when the Thanksgiving Day holiday is observed.

<b>Type of Trading Hours</b>	<b>Thanksgiving</b>	<b>Friday</b>
Extended	3:30 p.m. (Wednesday) to 10:30 a.m.*	5:00 p.m. (Thursday) to 8:30 a.m.
Regular	None	8:30 a.m. to 12:15 p.m.

**Floating Holidays and Good Friday:** The below schedules apply when the following holidays are observed: New Year’s Day, Good Friday, Independence Day (July 4) and Christmas Day. If the holiday falls on a Saturday, the holiday will be observed on the previous day (Friday), except

for New Year’s Day. If the holiday falls on a Sunday, the holiday will be observed on the next day (Monday). The holidays specified in the below charts refer to the day on which the Exchange observes the applicable holiday. The Exchange will typically close at 12:15 p.m. on July 3 (the day before Independence Day) and December 24 (Christmas Eve). Holiday closures and shortened holiday trading hours will be announced by circular.

**If New Year’s Day or Christmas is on a Monday – Thursday:**

<b>Holiday</b>	<b>Type of Trading Hours</b>	<b>Holiday Observed (Monday - Thursday)</b>
New Year’s Day and Christmas	Extended	5:00 p.m. (on holiday) to 8:30 a.m. (day after holiday)
New Year’s Day and Christmas	Regular	8:30 a.m. to 3:15 p.m. (day after holiday)

**If Independence Day is on a Monday – Thursday:**

<b>Type of Trading Hours</b>	<b>July 4</b>	<b>July 5</b>
Extended	5:00 p.m. (July 3) to 10:30 a.m.*	5:00 p.m. (July 4) to 8:30 a.m.
Regular	None	8:30 a.m. to 3:15 p.m.

**If the holiday is on a Friday:**

<b>Holiday</b>	<b>Type of Trading Hours</b>	<b>Holiday Observed (Friday)</b>
New Year’s Day, Good Friday, Independence Day and Christmas	Extended	None
New Year’s Day, Good Friday, Independence Day, Christmas	Regular	None

\*A holiday trading session includes extended trading hours on the calendar day of the holiday and any extended trading hours for the holiday on the previous calendar day. Holiday trading sessions are not separate Business Days and are part of the next Business Day. Trading in VX futures is halted between sessions of extended trading hours on the calendar day of a holiday. The CBOE System will complete the processing of trades that are in the course of being processed by the CBOE System prior to the start of such a halt period. Since these halt periods are a regular feature for certain holiday trading sessions in VX futures, they shall not be

considered the declaration of a trading halt by the Exchange. Trades in VX futures made during a holiday trading session will be submitted for clearing for the next Business Day.

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 VIX futures contracts will be accepted by the Exchange during regular trading hours for the VIX futures contract, including during the first thirty seconds of regular trading hours for the VIX futures contract. 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.

(c) – (d) No change.

(e) *Termination of Trading.* Trading hours for expiring VX futures contracts end at [7]8:00 a.m. Chicago time on the final settlement date.

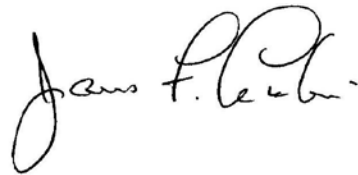
The expiring VX future will be put in a closed state at [6]7:59:59 a.m. Chicago time on its final settlement date. As a result, no Orders, quotes, or Order modifications in the expiring VX future will be accepted by the CBOE System at or after [6]7:59:59 a.m. Chicago time on its final settlement date. 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]7:59:59 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]7:59:59 a.m. Chicago time.

(f) – (s) 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-2015-026 in any related correspondence.

CBOE Futures Exchange, LLC



By: James F. Lubin  
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