



May 1, 2012

Via Electronic Mail

Mr. David Stawick
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-2012-09

Dear Mr. Stawick:

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”) hereby submits an updated CFE Fee Schedule. The updated CFE Fee includes the changes described below. The effective date of the updated CFE Fee Schedule is May 16, 2012.

First, the updated Fee Schedule is being amended to clarify that CFE assesses transaction fees to the Clearing Member for the execution identified on the trade record for the applicable transaction, even if this entity is different than the Clearing Member identified for purposes of CFE’s integrated billing system by the Trading Privilege Holder (“TPH”) that executed the trade and even if the trade is given up to another Clearing Member. For example, if Clearing Member A is identified by a CFE TPH as the Clearing Member for the execution on the trade record for a particular transaction and Clearing Member A gives up the trade to Clearing Member B, CFE assesses Clearing Member A for the transaction fees related to that transaction and not the TPH or Clearing Member B.

Second, the updated Fee Schedule is being amended to revise the Day Trade Fee Program by: (1) specifying that the Day Trade fee is applicable with respect to transactions by or on behalf of the account of an ultimate account holder; and (2) requiring identification to the Exchange of each product prior to the end of the month in which Day Trades are executed in that product for which Day Trade rebates will be sought. The first change is being made to clarify that transactions by or on behalf of different accounts of the same ultimate account holder may not be aggregated for purposes of meeting the monthly volume trading thresholds under the Day Trade Fee Program or for purposes of receiving Day Trade fee rebates. Also, the Exchange recently increased the number of products eligible to participate in the Day Trade Fee Program. As a result, the Exchange needs to know the specific products in which an ultimate account holder plans to execute Day Trades so that the Exchange can accurately administer rebates for trades in those specific contracts at the end of the relevant trading month.

Third, the updated Fee Schedule is being amended to set forth CFE connectivity fees to access CFE's trading system, including a Network Access Port fee (1 gigabit per second) and CMI Login and FIX Login fees. As to the Network Access Port fee, this fee is assessed regardless of how many exchanges (including CFE and its affiliates) are accessed through an established port. For example, if a CFE TPH accesses CFE and Chicago Board Options Exchange, Incorporated ("CBOE") through one port, the Network Access Port fee is the same as if the CFE TPH used the port solely to access CFE. If a CFE TPH uses more than one port to access CFE (and/or its affiliated exchanges), this fee is assessed for each port used to access CFE. As to the CMI Login and FIX Login fees, these fees are assessed per CFE login. Each type of CFE Trading permit provides up to three logins to access CFE's trading system. The CMI Login and FIX Login fees are assessed for each login that is activated and used at least once to access CFE's trading system (whether or not any trades are effectuated through that login) during a monthly billing cycle.

Fourth, the updated Fee Schedule is being amended to set forth a Co-Location fee. CFE permits TPHs to co-locate their trading systems, network equipment, and trading servers in CBOE's building where CFE's electronic trading system host is currently located. The Co-Location fee is assessed per unit ("U"), which is 1.75 inches, and is assessed in 4U increments.

Network Access Port fees, CMI and FIX Login fees and Co-Location fees have previously been assessed by CBOE through its fee schedule since CFE's trading system is part of the CBOE*direct* infrastructure. CFE is now moving these Network Access Port fees, CMI and FIX Login fees and Co-Location fees to its own Fee Schedule.

Fifth, the updated Fee Schedule is being amended to modify the existing Asia-Pacific Fee Waiver. The Asia-Pacific Fee Waiver currently applies to certain CFE Market Data fees and is applicable to any party (including a Vendor) that has its principal place of business in the Asia-Pacific Region (as defined in the updated Fee Schedule) and that satisfy certain other conditions. The Asia-Pacific Fee Waiver is being amended to no longer require direct receipt from CFE of CFE Enhanced Market Data in order to qualify for the waiver and to specify reporting requirements in order to be eligible to receive the waiver for CFE Enhanced Market Data Fees.

Finally, the updated Fee schedule is being amended to the change frequency of when the Direct Data Feed Connectivity fee will be billed from quarterly to monthly. The amount of the fee will remain the same and is not being changed. A non-substantive clarifying change is also being made to footnote 8 to this section of the Fee Schedule.

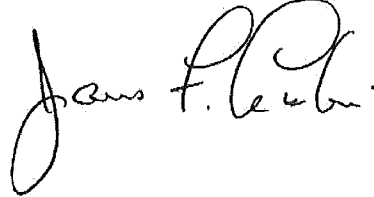
The Amendment is attached and is marked to show additions in double underlined text and deletions in ~~stricken~~ text.

CFE believes that the impact of the Amendment will be beneficial to the public and market participants. Some TPHs have expressed concerns about the levels of the Network Access Port fee and CMI and FIX Login fees. However, CFE believes that these fees are comparable with similar fees charged by other exchanges, and CFE notes that these fees are equal to the fee amounts already charged by CBOE. In fact, CFE understands that the level of the Net Access Port fee is actually less than similar fees in the industry. 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 Web site (<http://cfe.cboe.com/aboutcfe/rules.aspx>) concurrent with the filing of this submission with the Commission.

Mr. David Stawick
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Questions regarding Amendment may be directed to Arthur Reinstein at (312) 786-7570 or Jennifer Klebes at (312) 786-7466. Please reference our submission number CFE-2012-09 in any related correspondence.

CBOE Futures Exchange, LLC

A handwritten signature in black ink, appearing to read "James F. Lubin". The signature is written in a cursive style with a large initial "J" and "L".

By: James F. Lubin
Managing Director

cc: Nancy Markowitz (CFTC)
National Futures Association
The Options Clearing Corporation

CFE Fee Schedule
Effective ~~March 1~~ May 16, 2012

1.a.	<u>Transaction Fees¹ in CBOE Volatility Index (VIX) Futures, CBOE S&P 500 3-Month Variance Futures, CBOE S&P 500 Variance Futures and Radar Logic 28-Day Real Estate Index (RPX) Futures:</u>	<u>Per Contract Side</u>
	A. CFE TPH Permit Holder	
	1. CBOE trading permit holder ²	\$0.60
	2. Non-CBOE trading permit holder	\$1.00
	B. Customer	\$1.10
	C. Day Trade ³	50% of generally applicable transaction fee
	D. Block Trade/Exchange of Contract for Related Position Transaction (ECRP) (Fee is in addition to other applicable transaction fees)	\$1.00
	E. Position Transfers ⁴	\$1.25
	F. Regulatory Fee	\$0.02
1.b.	<u>Transaction Fees¹ in Mini CBOE Volatility Index (Mini VIX) Futures, Weekly Options on Mini VIX Futures and Individual Stock Based and Exchange-Traded Fund Based Volatility Index Security Futures:</u>	<u>Per Contract Side</u>
	A. CFE TPH Permit Holder	
	1. CBOE trading permit holder ²	\$0.10
	2. Non-CBOE trading permit holder	\$0.15
	B. Customer	\$0.20
	C. Day Trade Fee ³	50% of generally applicable transaction fee
	D. Block Trade/ECRP Transaction (Fee is in addition to other applicable transaction fees and Block Trades are not permitted in Mini VIX Futures or in Weekly Options on Mini VIX Futures)	\$0.25
	E. Position Transfers ⁴	\$0.30
	F. Regulatory Fee	\$0.02

CFE assesses the Transaction Fees set forth above to the Clearing Member for the execution that is identified on the trade record for the applicable transaction, regardless of whether the trade is given up to another Clearing Member for clearing and regardless of whether a different Clearing Member has been identified as the designated Clearing Member under the Integrated Billing System by the CFE TPH that executed the trade.

Transaction Fee questions may be directed to Don Patton at 312-786-7026 or patton@cboe.com or John Mavindidze at 312-786-7689 or mavindidze@cboe.com.

2.	<u>Annual Trading Permit Fees:⁵</u>	<u>Amount</u>
	A. Order Entry Trading Permit	\$1,200/year
	B. Quoting and Order Entry Trading Permit	\$1,200/year
3.	<u>Applications Fees:</u>	<u>Amount</u>
	A. CBOE trading permit holder	Waived

B. Non-CBOE trading permit holder \$500

Annual Trading Permit Fee and Application Fee questions may be directed to the Stan Leimer at 312-786-7299 or leimer@cboe.com.

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|----|---|--------------------------------------|
| 4. | <u>Direct Data Feed Connectivity Fee:</u> ^{6,7}
CFE data ⁸ | <u>Amount</u>
\$1,000/Line/month |
| 5. | <u>Market Data Fees:</u> | |
| | A. Redistribution Fees
All Vendors ⁹ | <u>Amount</u>
\$1,200/year |
| | B. Device/Authorized User Fees ^{10,11} | <u>Amount</u> |
| | 1. CFE Basic Market Data Fees: ¹² | |
| | • Professional Subscriber (surface quote) | \$ 5/Device/Authorized User/month |
| | • Book Depth ¹³ (including surface quote) | \$ 10/Device/Authorized User/month |
| | • Non-professional Subscriber ¹⁴ (surface quote) | \$ 1/Device/Authorized User/month |
| | 2. CFE Enhanced Market Data Fees: ^{15,16} | |
| | • Any Subscriber (surface quote) | \$ 7.50/Device/Authorized User/month |
| | • Book Depth ¹³ (including surface quote) | \$12.50/Device/Authorized User/month |

Data Feed Connectivity Fee and Market Data Fee questions may be directed to John Tornatore at 312-786-7715 or tornatore@cboe.com

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|----|---|---------------------------|
| 6. | <u>CFE CBOEdirect Connectivity Fees:</u> | <u>Amount</u> |
| | <u>A. Network Access Port (1 gigabit per second)</u> ¹⁷ | <u>\$500/month</u> |
| | <u>B. CMI Login</u> ¹⁸ | <u>\$500/Login/month</u> |
| | <u>C. FIX Login</u> ¹⁸ | <u>\$500/Login/month</u> |
| 7. | <u>Co-Location Fee:</u> | <u>Amount</u> |
| | <u>Co-location of Equipment Fee (per "U" – 1.75 inches)</u> ¹⁹ | <u>\$50/per "U"/month</u> |

CFE CBOEdirect Connectivity Fee and Co-Location Fee questions may be directed to Pete Smith at 312-786-7681 or colobilling@cboe.com

6: 8. Integrated Billing System:

Every Trading Privilege Holder must designate a Clearing Member for the payment by means of the integrated billing system ("IBS") of the Trading Privilege Holder's Exchange invoices (other than for Transaction Fees) and vendor invoices for Exchange-related services designated by the Exchange by means of the integrated billing system ("IBS"). The designated Clearing Member shall pay to the Exchange on a timely basis any amount that is not disputed pursuant to IBS procedures by the Trading Privilege Holder that is directly involved. Such payments shall be collected by the Exchange against the designated Clearing Member's account at the Clearing Corporation. Exchange Transaction Fees are also assessed pursuant to the IBS to the Clearing Member for the execution that is identified on the trade record for the applicable transaction. The Clearing Corporation shall have no liability in connection with forwarding to the Exchange payments drafted pursuant to the IBS.

¹ The Transaction Fees listed in Section 1 of this Fee Schedule apply to all CFE products unless different Transaction Fees are specified for a particular product.

² This rate is also assessed to any CFE TPH Permit holder that is not a CBOE trading permit holder but is majority owned by a CBOE trading permit holder.

³ The Day Trade fee is in effect on a pilot basis through December 31, 2012. In order for the Day Trade fee to be applicable with respect to transactions by or on behalf of an account of an ultimate account holder for a particular trading month in a CFE product eligible for the Day Trade fee, the ultimate account holder's account must meet the applicable monthly trading volume threshold below in that trading month:

<u>Contract</u>	<u>Monthly Trading Volume Threshold</u>
VIX Futures	10,000 contracts in VIX Futures
Individual Stock Based and Exchange-Traded Fund Based Volatility Index Security Futures	20,000 contracts aggregated across all Individual Stock Based and Exchange-Traded Fund Based Volatility Index Security Futures

For those transactions in a product or product group above in excess of the monthly trading volume threshold, CFE will rebate 50% of the generally applicable transaction fees that are assessed for those contract purchases and sales by or on behalf of the ultimate account holder's account that qualify as Day Trades. Transactions in CBOE S&P 500 Variance Futures, CBOE S&P 500 Three-Month Variance Futures, Mini CBOE Volatility Index Futures, Weekly Options on Mini VIX Index Futures and RPX Futures do not qualify as Day Trades. The rebate shall occur at the end of the applicable trading month for those Day Trades that qualify for the rebate during the applicable trading month.

A Day Trade consists of two or more transactions on CFE on the same trading day in which a market participant buys and sells, or sells and buys, a particular number of contracts in a particular CFE product for a particular contract month. For example, if a market participant bought 10 December VIX futures contracts and sold 10 December VIX futures contracts on the same trading day, those transactions would constitute a Day Trade and would result in a rebate equal to 50% of the generally applicable transaction fee for all 20 contracts. Similarly, if a market participant sold 10 March VIX futures contracts and bought 15 March VIX futures contracts on the same trading day, those transactions would constitute a Day Trade with respect to the 10 contracts sold and with respect to 10 of the 15 contracts bought. In this example, the rebate would be equal to 50% of the generally applicable transaction fee for 20 of the 25 contracts.

Determination of monthly trading volume and Day Trade fee rebates are made with respect to transactions by or on behalf of the account of an ultimate account holder and transactions by or on behalf of different ultimate account holders or different accounts of the same ultimate account holder may not be aggregated for purposes of meeting the monthly trading volume threshold or receiving Day Trade fee rebates. Day Trade fee rebates are made to the ~~Trading Privilege Holder~~ Clearing Member that is originally assessed the generally applicable transaction fees for the Day Trade transactions at the time they occur through the payment of the rebates to that ~~Trading Privilege Holder's designated IBS~~ Clearing Member. In order to be eligible for the Day Trade fee, market participants are required to provide a written notification to CFE in a form and manner prescribed by CFE that they intend to have the Day Trade fee apply to transactions by or on their behalf and of the account(s) in which those transactions will occur. This notification must be provided for each product prior to the end of the month in which Day Trades are executed in that product ~~execution of Day Trades~~ for which rebates are will be sought. Market participants shall also provide any supplemental documentation requested by CFE to substantiate that contract purchases and sales qualify as Day Trades in order for Day Trade fee rebates to apply to those transactions. Failure to provide prompt notice of information requested by CFE in order for Day Trade fee rebates to be made, including account number changes, may result in ineligibility for the applicable rebates.

⁴ This fee is assessed to the transferor and to the transferee with respect to any transfer of positions pursuant to CFE Rule 420. CFE will rebate the transferor and the transferee the assessed fee if the transfer of

positions occurred pursuant to CFE Rule 420(a)(i) and CFE Rule 420(a)(ii) and the applicable party submits documentation to CFE requesting the rebate in a form and manner prescribed by the Exchange within 30 days of the date that the transfer of position occurred. This fee will not be rebated for any transfer of positions that occurred pursuant to CFE Rule 420(a)(iii) or Rule 420(b)(i) or (ii).

⁵ The annual Trading Permit fees are assessed at the beginning of each calendar year. If a Trading Permit is obtained during a calendar year, the annual Trading Permit fee will be assessed at the prorated amount of \$100 per month for all months remaining in the calendar year and will be assessed beginning with the month in which the Trading Permit is obtained. The annual Trading Permit fees are nonrefundable, including in the event that a Trading Privilege Holder relinquishes a Trading Permit during a calendar year.

⁶ Billed ~~quarterly~~ monthly. This fee is payable by all Trading Privilege Holders, Authorized Traders and Vendors (including Vendors that distribute only historical data) and other parties that receive CFE data through a direct connection to CFE or through a connection to CFE provided by an approved extranet service provider. If this connectivity service is received during any portion of a month, the fee for the entire month will be billed.

⁷ If a connection is through an approved extranet service provider, the provider assesses a per MB charge that is billed directly by the provider and therefore is not reflected in this Fee Schedule.

⁸ If a Trading Privilege Holder, Authorized Trader, Vendor or other party (a) receives CFE data as well as index data (MDI) from CFE affiliate Market Data Express, the fee to receive that data is \$2,000 per line per month, or (b) receives CFE data as well as OneChicago data, (~~regardless of whether~~ but does not receive MDI data ~~is also received~~), the fee to receive that data is \$1,000 per line per month.

⁹ Billed annually. This fee is payable by all Vendors whether they receive a CFE market data feed directly from CFE or from another CFE Vendor. (A "Vendor" is a Person that retransmits CFE market data externally (i.e., other than for its own internal use and the internal use of its Affiliates);² However, this fee is waived for any Trading Privilege Holder or Authorized Trader that is a Vendor solely by reason of distributing Basic Market Data to its Customers if it receives the market data directly from CFE and distributes the market data directly (i.e., not through another Vendor) to its Customers. This fee ~~waiver~~ is also waived during calendar year 2012 for any Person (~~including any~~ Vendor) that has its principal place of business in the "Asia-Pacific Region," ~~receives~~ begins to receive CFE Enhanced Market Data ~~directly from CFE during 2012~~, and has not previously had a ~~direct connection to~~ received CFE for market data. (A "Person" is a firm, corporation, limited liability company, partnership, trust or other form of entity or association, as well as an individual natural person. The term "Asia-Pacific Region" means the following countries: Australia, People's Republic of China (including Hong Kong), Republic of China, India, Indonesia, Japan, Republic of Korea, Malaysia, New Zealand, Pakistan, Philippines, Russia, Singapore, Thailand and Vietnam.)

¹⁰ Billed monthly. These fees are payable by each Vendor (whether receiving CFE Market Data directly from CFE or from another CFE Vendor) and each other Person receiving CFE Market Data directly from CFE. These fees are based either on the number of Devices or the number of Authorized Users to which the recipient externally and/or internally distributes CFE Basic Market Data. Vendors that externally or internally distribute only delayed data are not obligated to pay these fees, and other Persons that internally distribute only delayed data are also not obligated to pay these fees.

¹¹ On a one-time basis for each of its Subscribers, a Vendor may make available real-time CFE market data to each such Subscriber for a trial period of 30 days without incurring any Device/Authorized User Fees, and without being subject to any reporting requirements, in connection with doing so. A Vendor is not required to have a Subscriber Agreement in place with a Subscriber for CFE market data in order to provide the Subscriber with real-time CFE market data during the 30 day trial period referenced above.

¹² CFE Basic Market Data is a market data service that includes index values underlying products traded on CFE (e.g., CBOE Volatility Index (VIX) values) but does not include contingency quantity for surface quotes or information on spreads. Device/Authorized User Fees for CFE Basic Market Data are waived with respect to the Devices/Authorized Users of any Trading Privilege Holder or Authorized Trader receiving CFE Basic Market Data directly from CFE (*i.e.*, not through a Vendor) and with respect to the Devices/Authorized Users of any Customer of such a Trading Privilege Holder or Authorized Trader if the Trading Privilege Holder or Authorized Trader is a Vendor and the Customer receives the CFE Basic Market Data directly (*i.e.*, not through another Vendor) from the Trading Privilege Holder or Authorized Trader, provided that the Trading Privilege Holder or Authorized Trader complies with the reporting requirements of CFE Rule 408 or (if the Trading Privilege Holder or Authorized Trader is a Vendor) the CFE Market Data Agreement. See Chapter 1 of the CFE Rules for the definition of the term "Customer" and CFE Rule 408 for the definitions of the terms "Device" and "Authorized User".

¹³ Book Depth provides the five price increments closest to the surface quote on each side of the market.

¹⁴ CFE defines a Non-professional Subscriber as any Subscriber that: (1) is contracting to receive CFE Information in his or her individual capacity and not on behalf of any other person or any entity, (2) will use the Information solely in connection with his or her individual personal investment activities and not in connection with any trade or business activities, (3) is not a futures commission merchant, commodities introducing broker or commodity trading advisor, securities broker-dealer, investment advisor, member or trading privilege holder of a futures contract market or securities exchange or association, or an owner, partner, or associated person of any of the foregoing and (4) is not employed by a bank or an insurance company or an affiliate of either to perform functions related to commodity futures or securities investment or trading activity.

¹⁵ CFE Enhanced Market Data is a market data service that includes contingency quantity for surface quotes and surface spread information. CFE Enhanced Market Data does not include index values underlying products traded on CFE. The CFE Enhanced Market Data book depth service is the same as is provided in CFE Basic Market Data. The fee waivers that are applicable to CFE Basic Market Data (described in note 12) are not applicable with respect to CFE Enhanced Market Data.

¹⁶ During calendar year 2012 these fees are waived for CFE Enhanced Market Data that is distributed to any Person (including any Vendor) that has its principal place of business in the "Asia-Pacific Region" (as defined in note 9), receives begins to receive CFE Enhanced Market Data directly from CFE during 2012, and has not previously had a direct connection to CFE for market data received CFE market data. For Devices/Authorized Users to be eligible for this fee waiver, the Vendor or other Person that would otherwise be required to pay fees with respect to the Devices/Authorized Users must include them in its regular reporting to CFE, identify them as eligible for the waiver, and provide other information sufficient to enable CFE to verify that they are eligible for the waiver.

¹⁷ The Network Access Port Fee (up to 1 gigabit per second) is assessed for each port that provides direct access to CFE's trading system and/or CFE's market data network. A single Network Access Port Fee is assessed if one or more other exchanges affiliated with CFE are accessed through the same port that provides access to CFE and no additional Network Access Port fee is assessed for that port.

¹⁸ CMI Login and FIX Login Fees are assessed for each login that is activated and used at least once to access CFE's trading system (whether or not any trades are effectuated through that login) during a monthly billing cycle.

¹⁹ The Co-Location Fee is applicable to co-location in CBOE's building and is charged in increments of 4 "U" (7 inches), which means that the minimum monthly Co-Location Fee is \$200.