



May 24, 2013

Via Electronic Mail

Ms. Melissa Jurgens
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-2013-24

Dear Ms. Jurgens:

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” or “Exchange”) hereby submits a CFE rule amendment (“Amendment”) relating to Radar Logic 28-Day Real Estate Index (“RPX”) futures. The Amendment will become effective on June 11, 2013.

CFE has no currently outstanding RPX futures and will no longer offer RPX futures for trading. CFE is deleting CFE Rule Chapter 20, which sets forth the contract specifications for RPX futures. In addition, CFE is deleting the RPX futures Designated Primary Market Maker (“DPM”) market performance benchmarks from CFE Policy and Procedure X (DPM Market Performance Benchmarks Program).

CFE believes that the Amendment is consistent with Designated Contract Market Core Principle 7 (Availability of General Information) under Section 5 the Act because deleting CFE Rule Chapter 20 and the RPX futures provisions from CFE Policy and Procedure X will make clear that RPX futures are no longer available for trading on CFE.

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 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.

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 Rules

CHAPTER 20

RESERVED

**[RADAR LOGIC 28-DAY REAL ESTATE INDEX FUTURES
CONTRACT SPECIFICATIONS**

2001. Scope of Chapter

This chapter applies to trading in Radar Logic 28-Day Real Estate Index (“RPX”) Futures contracts. The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the generally applicable rules of the Exchange. The Exchange may list the following RPX Futures contracts for trading on the Exchange:

- Chicago RPX Futures
- New York RPX Futures
- Los Angeles RPX Futures
- Las Vegas RPX Futures
- Miami RPX Futures
- San Diego RPX Futures
- San Francisco RPX Futures
- Seattle RPX Futures
- Phoenix RPX Futures
- Washington DC RPX Futures
- Midwest Region RPX Futures
- Northeast Region RPX Futures
- West Region RPX Futures
- South Region RPX Futures
- 25-Metropolitan Statistical Area RPX Composite Futures

The Exchange first listed RPX Futures contracts for trading on the Exchange on October 27, 2011.

2002. Contract Specifications

(a) *Multiplier.* The contract multiplier for each RPX Future is \$10.00. For example, a contract size of one RPX Future would be \$2047.60 if the RPX index level were 204.76 (204.76 x \$10.00).

(b) *Schedule.* The Exchange may list for trading up to twenty quarterly expirations for each RPX Future. The final settlement date of RPX Futures shall be on the last business day of the contract expiration month. This business day is 63 days following the end of the 28-day calculation period for the expiring contract. For example, a June 2012 RPX Futures settling on June 29, 2012 would be based on the 28 day-calendar period ending April 27, 2012. The following expiration listing convention for RPX Futures will be used:

Contract Expiration Month	28-Day Calendar Period Ending
March	January
June	April
September	July

Contract Expiration Month
December

28-Day Calendar Period Ending
October

If the Exchange is closed on the final settlement date because of an Exchange holiday, the

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding shall be cumulated.

The foregoing position limits shall not apply to positions that are subject to a position limit exemption meeting the requirements of Commission Regulations and Exchange Rules.

(c) *Termination of Trading.* Trading of RPX Futures terminates on the business day immediately preceding the final settlement date of the expiring RPX Future. When the regularly scheduled last trading day for an expiring RPX Future falls on an Exchange holiday, the last trading day will be the day immediately preceding the last regularly scheduled trading day.

(d) *Contract Modifications.* Specifications are fixed as of the first day of trading of a contract. If any U.S. government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

(e) *Execution Priorities.* Pursuant to Rule 406(a)(i), the base allocation method of price-time priority shall apply to trading in RPX Futures. Pursuant to Rule 406(b)(iii), a DPM trade participation right priority shall overlay the price-time priority base allocation method.

(f) *Crossing Two or More Original Orders.* The eligible size for an original Order that may be entered for a cross trade with one or more other original Orders pursuant to Rule 407 is one Contract. The Trading Privilege Holder or Authorized Trader, as applicable, must expose to the market for at least five seconds under Rule 407(a) at least one of the original Orders that it intends to cross.

(g) *Price Limits and Circuit Breaker Halts.* Pursuant to Rule 413, RPX Futures are not subject to price limits.

Prior to the date on which market-wide trading halt provisions corresponding to the provisions of Rule 417A become effective on national securities exchanges, trading in RPX Futures shall be halted whenever a market-wide trading halt commonly known as a circuit breaker is in effect on the New York Stock Exchange in response to extraordinary market conditions. On and after that date, trading in RPX Futures shall be halted pursuant to Rule 417A if there is a Level 1, 2 or 3 Market Decline.

(h) *Exchange of Contract for Related Position.* Exchange of Contract for Related Position transactions, as set forth in Rule 414, may be entered into with respect to RPX

Futures. Any Exchange of Contract for Related Position transaction must satisfy the requirements of Rule 414.

The minimum price increment for an Exchange of Contract for Related Position involving RPX Futures is 0.01 index points.

(i) *Block Trades.* Pursuant to Rule 415(a)(i), the minimum Block Trade quantity for RPX Futures is 200 contracts if there is only one leg involved in the trade. If the Block Trade is executed as a spread order, one leg must meet the minimum Block Trade quantity for RPX futures and the other leg(s) must have a contract size that is reasonably related to the leg meeting the minimum Block Trade quantity. If the Block Trade is executed as a transaction with legs in multiple contract months and all legs of the Block Trade are exclusively for the purchase or exclusively for the sale of RPX Futures (a "strip"), the minimum Block Trade quantity for the strip is 300 contracts and each leg of the strip is required to have a minimum size of 100 contracts.

The minimum price increment for a Block Trade in RPX Futures contract is 0.01 index points.

(j) *No Bust Range.* Pursuant to Rule 416, the Exchange error trade policy may only be invoked for a trade price that is greater than 10% on either side of the market price of the applicable RPX Futures. In accordance with Policy and Procedure III, the Help Desk will determine what the true market price for the relevant Contract was immediately before the potential error trade occurred. In making that determination, the Help Desk may consider all relevant factors, including the last trade price for such Contract, a better bid or offer price, a more recent price in a different contract month, and the prices of related contracts trading on the Exchange or other markets.

(k) *Pre-execution Discussions.* *Pre-execution Discussions.* The Order Exposure Period under Policy and Procedure IV before an Order may be entered to take the other side of another Order with respect to which there has been pre-execution discussions is five seconds after the first Order was entered into the CBOE System.

(l) *Reportable Position.* Pursuant to Commission Regulation §15.03 and Commission Regulation Part 17, the position level that is required to be reported to the Commission is any open position in RPX Futures at the close of trading on any trading day equal to or in excess of 25 contracts on either side of the market.

(m) *Threshold Widths.* For purposes of Policy and Procedure I and Policy and Procedure II, the Threshold Widths for RPX Futures contract are as follows:

RPX Index Level	Threshold Width
0 - 150.00	15
150.01 - 250.00	25
250.01 - 350.00	35
350.01 - 500.00	50
500.01+	75

The minimum size of bids and offers that establish a Threshold Width is one contract.

(n) *Daily Settlement Price.* The daily settlement price for each RPX Futures contract will be the average of the final bid and final offer for the RPX Futures contract at the close of trading, subject to the following. If the average of the final bid and final offer is not at a minimum increment for the RPX Futures contract, the daily settlement price shall be the average of the final bid and final offer rounded up to the nearest minimum increment. If there is no bid or offer at the close of trading, the Exchange may in its sole discretion establish a daily settlement price that it deems to be a fair and reasonable reflection of the market.

(o) *Trade at Settlement Transactions.* Trade at Settlement ("TAS") transactions are not permitted in RPX Futures.

(p) *Default Pre-Trade Order Size Limit.* The default maximum pre-trade order size limit for RPX Futures that will apply if a Clearing Member does not set a different limit in accordance with Rule 513A(a) is 5,000 contracts.

(q) *Price Reasonability Checks.* Pursuant to and as further described in Rule 513A(b), the CBOE System shall in a manner determined by the Exchange reject (i) any buy order with a limit price in an RPX Futures contract if the limit price upon receipt of the order by the CBOE System is more than a designated amount above the prevailing best offer in that contract and (ii) any sell order with a limit price in an RPX futures contract if the limit price upon receipt of the order by the CBOE System is more than a designated amount below the prevailing best bid in that contract. The designated amounts for the price reasonability checks referenced in the preceding sentence are as follows:

Price Range	Designated Amount
0 - 150.00	15
150.01 - 250.00	25
250.01 - 350.00	35
350.01 - 500.00	50
500.01+	75

2004. Settlement

Settlement of RPX Futures will result in the delivery of a cash settlement amount on the business day immediately following the settlement date. The cash settlement amount on the final settlement date shall be the final mark to market amount against the final settlement price of the RPX Future multiplied by \$10.00. The final settlement price of RPX Futures will be rounded to the nearest \$0.01.

Clearing Members holding open positions in RPX Futures at the termination of trading in that Contract shall make payment to or receive payment from the Clearing Corporation in accordance with normal variation and performance bond procedures based on the final settlement amount.

If the settlement value is not available or the normal settlement procedure cannot be utilized due to a trading disruption or other unusual circumstance, the settlement value will be determined in accordance with the Rules and By-Laws of The Options Clearing Corporation.

2005. DPM Provisions

(a) *DPM Appointment.* A Trading Privilege Holder will be appointed to act as a DPM for RPX futures contracts pursuant to Rule 515.

(b) *DPM Participation Right.* The DPM participation right percentage under Rule 406(b)(iii) for RPX futures contracts is 30%.]

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**CBOE Futures Exchange, LLC
Policies and Procedures**

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X. DPM Market Performance Benchmarks Program

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General DPM Market Performance Benchmarks

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Product Specific DPM Market Performance Benchmarks

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[Radar Logic 28-Day Real Estate Index (“RPX”) Futures

- Throughout the trading day during Regular Trading Hours, the DPM shall provide continuous two-way quotes.
- The DPM shall strive to maintain a competitive, liquid market at all times during Regular Trading Hours. Due to the uniqueness of RPX where there is not a listed underlying contract from which to derive pricing, market quality may be impacted, adversely affecting the actual bid/ask differentials and their corresponding size, thereby making a standard convention difficult.
- The DPM shall respond within a reasonable period of time to each RFQ during Regular Trading Hours.
- The above market performance benchmarks shall be subject to relief in the event of a fast market in RPX Futures which may be caused by other related futures or securities contracts, or other extenuating circumstances or unusual market conditions to be determined solely by the Exchange. Under conditions as specified in the foregoing sentence, the DPM shall use commercially reasonable efforts during Regular Trading Hours to provide a continuous quote and to respond to requests for a quote from the Exchange.]

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Ms. Melissa Jurgens

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Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 or Jenny Golding at (312) 786-7466. Please reference our submission number CFE-2013-24 in any related correspondence.

CBOE Futures Exchange, LLC

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

By: James F. Lubin
Senior Managing Director

cc: Phillip Colling (CFTC)
Thomas Leahy (CFTC)
National Futures Association
The Options Clearing Corporation