



October 17, 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-2013-35

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 (“CFTC” or “Commission”) under the Act, CBOE Futures Exchange, LLC (“CFE” or “Exchange”) hereby submits a CFE rule amendment (“Amendment”) to revise CFE Rules 414 (Exchange of Contract for Related Position) (“ECRP”) and 415 (Block Trading). The Amendment will become effective on or after November 1, 2013, on a date to be announced by the Exchange through the issuance of a circular.

CFE recently amended the notification and reporting provisions of CFE Rule 414 (which sets forth requirements relating to ECRP transactions) and CFE Rule 415 (which sets forth requirements relating to Block Trades).¹ One provision of the recent amendment was to extend the time frames during which ECRP transactions and Block Trades may be reported. The time frames previously established were based on the trading hours for CBOE Volatility Index (VIX) futures when CFE introduces an extended trading hours period from 3:30 p.m. to 4:15 p.m. Because the Exchange is further expanding extended trading hours for VIX futures to have the second extended trading hours period for VIX futures begin at 2:00 a.m. instead of 7:00 a.m., the Exchange is further extending the time frames during which ECRP transactions and Block Trades may be reported. Specifically, the CFE Help Desk will now be staffed to support VIX futures trading that commences at 2:00 a.m. on calendar days Monday through Friday. As a result, the notification provisions for ECRP transactions and Block trades that were previously based on a 7:00 a.m. start to a calendar day are being changed to be based on a 2:00 a.m. start to a calendar day. All times referenced are Chicago time.

CFE believes that the Amendment is consistent with Designated Contract Market Core Principles 2 (Compliance with Rules) and 9 (Execution of Transactions) under Section 5 of the Act because the Amendment enhances CFE’s ECRP transaction and Block Trade reporting

¹ See CFE Rule Certification Submission Number CFE-2013-33.

provisions by extending the time frames during which ECRP transactions and Block Trades may be reported.

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:

* * * * *

CBOE Futures Exchange, LLC Rules

CFE Rule 414. Exchange of Contract for Related Position

(a) - (h) No changes.

(i) Each party to an Exchange of Contract for Related Position transaction is obligated to have an Authorized Reporter notify the Help Desk of the terms of the transaction after the transaction is agreed upon. For this purpose, agreement to the transaction includes, without limitation, agreement to the quantity and actual price or premium of the Contract leg of the transaction (except in the case of a TAS Exchange of Contract for Related Position transaction that is permitted by the rules governing the relevant Contract, in which case agreement to the transaction includes, without limitation, agreement upon the quantity of the Contract leg of the transaction and whether the price or premium of the Contract leg of the transaction will be the daily settlement price or an agreed upon differential above or below the daily settlement price). Unless otherwise specified in the rules governing the relevant Contract, this notification to the Help Desk shall be made without delay and by no later than ten minutes after the transaction is agreed upon. Based upon the time of notification to the Exchange of the transaction, the chart below sets forth the manner in which this notification must be provided to the Help Desk, the Business Day for which the Contract leg of the transaction will be submitted for clearing and when the Help Desk will report the Contract leg of the transaction and provide a written transaction summary pursuant to paragraph (k) below. All times included in the chart below are Chicago time.

Time of Notification to the Exchange	Notification Method	Business Day for which Contract Leg Submitted for Clearing	When Help Desk Reports Contract Leg
[7:00] <u>2:00</u> a.m. - 3:15 p.m. Monday - Friday	Phone or E-Mail	Business Day of transaction. Next Business Day for Trade at Settlement (TAS) transactions reported after 3:12 p.m.	As soon as practicable following required notifications to Help Desk
3:15 p.m. to 3:30 p.m. Monday – Friday	Phone or E-Mail	Calendar day of transaction or next Business Day, as designated by Authorized Reporters. Next Business Day for TAS transactions.	As soon as practicable after trading next commences following required notifications to Help Desk.
3:30 p.m. to 4:00 p.m. Monday – Thursday	Phone or E-Mail	Calendar day of transaction or Business Day of transaction, as designated by Authorized Reporters. Business Day of transaction for TAS transactions.	As soon as practicable following required notifications to Help Desk
3:30 p.m. Friday to [7:00] <u>2:00</u> a.m. Monday	E-Mail	Next Business Day	As soon as practicable after trading next commences following required notifications to Help Desk

Time of Notification to the Exchange	Notification Method	Business Day for which Contract Leg Submitted for Clearing	When Help Desk Reports Contract Leg
4:00 p.m. to 4:15 p.m. Monday - Thursday	Phone or E-Mail	Business Day of transaction	As soon as practicable following required notifications to Help Desk (which may occur either during first period of extended trading hours or after trading next commences).
4:15 p.m. to [7:00] 2:00 am (next calendar day) Monday - Thursday	E-Mail	Business Day of transaction	As soon as practicable after trading next commences following required notifications to Help Desk

Pursuant to paragraph (k) below, the Help Desk will provide a written transaction summary to each Authorized Reporter on the Business Day for which the Contract leg of the transaction is submitted for clearing.

The Exchange may modify the days and times during which the foregoing notification, reporting, and clearance submission provisions will be applicable in the event that the Exchange will not be open for business or will have shortened Trading Hours in connection with a holiday or a period of mourning.

(j) – (n) No changes.

CFE Rule 415. Block Trading

(a) - (f) No changes.

(g) Each party to a Block Trade is obligated to have an Authorized Reporter notify the Help of the terms of the transaction after the transaction is agreed upon. For this purpose, agreement to the transaction includes, without limitation, agreement to the quantity and actual price or premium of the Block Trade (except in the case of a TAS Block Trade that is permitted by the rules governing the relevant Contract, in which case agreement to the transaction includes, without limitation, agreement upon the quantity of the Block Trade and whether the price or premium of the Block Trade will be the daily settlement price or an agreed upon differential above or below the daily settlement price). Unless otherwise specified in the rules governing the relevant Contract, this notification to the Help Desk shall be made without delay and by no later than ten minutes after the transaction is agreed upon. Based upon the time of agreement to the

transaction, the chart below sets forth the manner in which this notification must be provided to the Help Desk, when the Help Desk will report the Block Trade and provide a written transaction summary pursuant to paragraph (i) below and the Business Day for which the Block Trade will be submitted for clearing. All times included in the chart below are Chicago time.

Time of Notification to the Exchange	Notification Method	Business Day for which Block Trade Submitted for Clearing	When Help Desk Reports Block Trade
[7:00] 2:00 a.m. - 3:15 p.m. Monday - Friday	Phone or E-Mail	Business Day of transaction. Next Business Day for Trade at Settlement (TAS) transactions reported after 3:12 p.m.	As soon as practicable following required notifications to Help Desk.
3:15 p.m. to 3:30 p.m. Monday – Friday	Phone or E-Mail	Calendar day of transaction or next Business Day, as designated by Authorized Reporters. Next Business Day for TAS transactions.	As soon as practicable after trading next commences following required notifications to Help Desk.
3:30 p.m. to 4:00 p.m. Monday – Thursday	Phone or E-Mail	Calendar day of transaction or Business Day of transaction, as designated by Authorized Reporters. Business Day of transaction for TAS transactions.	As soon as practicable following required notifications to Help Desk.
3:30 p.m. Friday to [7:00] 2:00 a.m. Monday	E-Mail	Next Business Day	As soon as practicable after trading next commences following required notifications to Help Desk.

Time of Notification to the Exchange	Notification Method	Business Day for which Block Trade Submitted for Clearing	When Help Desk Reports Block Trade
4:00 p.m. to 4:15 p.m. Monday - Thursday	Phone or E-Mail	Business Day of transaction	As soon as practicable following required notifications to Help Desk (which may occur either during first period of extended trading hours or after trading next commences).
4:15 p.m. to [7:00] <u>2:00</u> am (next calendar day) Monday - Thursday	E-Mail	Business Day of transaction	As soon as practicable after trading next commences following required notifications to Help Desk.

Pursuant to paragraph (i) below, the Help Desk will provide a written transaction summary to each Authorized Reporter on the Business Day for which the Block Trade is submitted for clearing.

The Exchange may modify the days and times during which the foregoing notification, reporting, and clearance submission provisions will be applicable in the event that the Exchange will not be open for business or will have shortened Trading Hours in connection with a holiday or a period of mourning.

(h) - (m) No changes.

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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-2013-35 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 initial "J" and a long horizontal stroke.

By: James F. Lubin
Senior Managing Director

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