



EXECUTE SUCCESS™

December 23, 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-2013-44

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 the Mini CBOE Volatility Index ("Mini VIX") futures contract. The Amendment will become effective on January 23, 2014.

CFE currently lists a single expiration (January 2014) in the Mini VIX futures contract, which has open interest. The final settlement date for that contract is January 22, 2014. After January expiration, there will be no outstanding Mini VIX futures listed for trading and CFE will no longer offer Mini VIX futures for trading. Accordingly, effective on January 23, 2014, CFE will delete CFE Rule Chapter 14, which sets forth the contract specifications for Mini VIX futures.

Mini VIX futures are currently aggregated with CBOE Volatility Index ("VIX") futures for purposes of calculating consolidated position accountability levels for these products. Since CFE is delisting Mini VIX futures, CFE is deleting the references to Mini VIX futures from CFE Rule 1202(d), which governs position accountability levels for VIX futures. Additionally, CFE is deleting the provisions pertaining to the Mini VIX futures contract from CFE Policy and Procedure X (DPM Market Performance Benchmarks Program) since CFE will not have a Designated Primary Market Maker ("DPM") for that contract because it is being delisted.

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: (i) CFE Rule Chapter 14, (ii) references to Mini VIX futures from CFE Rule 1202(d), and (iii) the Mini VIX futures provisions from CFE Policy and Procedure X will make clear that Mini VIX 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

1202. Contract Specifications for CBOE Volatility Index Futures

(a) – (c) No changes.

(d) *Position Accountability.* VIX futures are subject to position accountability under Rule 412A.

A person is subject to the position accountability requirements set forth in Rule 412A if the person (i) owns or controls at any time more than 50,000 [the number of] contracts net long or net short in all VIX futures [and Mini VIX futures] contract months combined [that in the aggregate would exceed the equivalent of 50,000 VIX futures contracts], (ii) owns or controls more than 30,000 [the number of] contracts net long or net short in the expiring VIX futures [and Mini VIX futures] contract month[s] combined that in the aggregate would exceed the equivalent of 30,000 VIX futures contracts], commencing at the start of trading hours for the Friday prior to the final settlement date of the expiring VIX futures or (iii) owns or controls more than 10,000 [the number of] contracts net long or net short in the expiring VIX futures [and Mini VIX futures] contract month[s] combined that in the aggregate would exceed the equivalent of 10,000 VIX futures contracts], commencing at the start of trading hours for the Business Day immediately preceding the final settlement date of the expiring VIX futures. [Under this Rule, one Mini VIX futures contract shall be deemed to be equivalent to one-tenth (0.10) of one VIX futures contract.]

For purposes of this Rule, the start of trading hours for the Friday prior to the final settlement date of expiring VIX futures and the start of trading hours for the Business Day immediately preceding the final settlement date of expiring VIX futures shall occur upon commencement of the first period of extended trading hours for the trading session for that Business Day.

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.

(e) – (s) No changes.

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CHAPTER 14
RESERVED
[MINI CBOE VOLATILITY INDEX FUTURES
CONTRACT SPECIFICATIONS

1401. Scope of Chapter

This chapter applies to trading in Mini CBOE Volatility Index ("Mini VIX") futures. 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 Mini VIX futures contract was first listed for trading on the Exchange on March 2, 2009.

2002. Contract Specifications

(a) *Multiplier.* The contract multiplier for each Mini VIX futures contract is \$100.00. For example, a contract size of one Mini VIX futures contract would be \$1,650 if the VIX index level were 16.5 (16.5 x \$100.00).

(b) *Schedule.* The Exchange may list for trading up to three near-term serial months for the Mini VIX futures contract. The final settlement date for the Mini VIX futures contract shall be on the Wednesday that is thirty days prior to the third Friday of the calendar month immediately following the month in which the applicable Mini VIX futures contract expires. If the third Friday of the month subsequent to expiration of the applicable Mini VIX futures contract is a CBOE holiday, the final settlement date for the contract shall be thirty days prior to the CBOE business day immediately preceding that Friday.

The trading days for Mini VIX futures contracts shall be the same trading days of options on the S&P 500 Composite Stock Price Index, as those days are determined by CBOE.

The trading hours for Mini VIX futures contracts are from 8:30 a.m. Chicago time to 3:15 p.m. Chicago time.

All Orders, quotes, cancellations and Order modifications for Mini VIX futures during trading hours must be received by the Exchange by no later than 3:14:59 p.m. Chicago time and will be automatically rejected if received by the Exchange during trading hours after 3:14:59 p.m. Chicago time.

(c) *Minimum Increments.* Except as provided in the following sentence, the minimum fluctuation of the Mini VIX futures contract is 0.05 index points, which has a value of \$5.00.

The individual legs and net prices of spread trades in the Mini VIX futures contract may be in increments of 0.01 index points, which has a value of \$1.00.

(d) *Position Accountability.* Mini VIX futures are subject to position accountability under Rule 412A.

A person is subject to the position accountability requirements set forth in Rule 412A if the person (i) owns or controls at any time more than the number of contracts net long or net short in all VIX futures and Mini VIX futures contract months combined that in the

aggregate would exceed the equivalent of 50,000 VIX futures contracts, (ii) owns or controls more than the number of contracts net long or net short in the expiring VIX futures and Mini VIX futures contract months combined that in the aggregate would exceed the equivalent of 30,000 VIX futures contracts, commencing at the start of trading hours for the Friday prior to the final settlement date of the expiring VIX futures or (iii) owns or controls more than the number of contracts net long or net short in the expiring VIX futures and Mini VIX futures contract months combined that in the aggregate would exceed the equivalent of 10,000 VIX futures contracts, commencing at the start of trading hours for the Business Day immediately preceding the final settlement date of the expiring VIX futures. Under this Rule, one Mini VIX futures contract shall be deemed to be equivalent to one-tenth (0.10) of one VIX futures contract.

For purposes of this Rule, the start of trading hours for the Friday prior to the final settlement date of expiring VIX futures and the start of trading hours for the Business Day immediately preceding the final settlement date of expiring VIX futures shall occur upon commencement of the first period of extended trading hours for the trading session for that Business Day.

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.

(e) *Termination of Trading.* Trading on the Mini VIX futures contract terminates on the business day immediately preceding the final settlement date of the Mini VIX futures contract for the relevant spot month. When the last trading day is moved because of a CFE holiday, the last trading day for an expiring Mini VIX futures contract will be the day immediately preceding the last regularly-scheduled trading day.

(f) *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.

(g) *Execution Priorities.* Pursuant to Rule 406(a)(ii), the base allocation method of pro rata priority shall apply to trading in Mini VIX futures contracts. The following priorities shall overlay the pro rata priority base allocation method and shall be applied in the sequence below.

1. A Market Turner priority shall be applied pursuant to Rule 406(b)(ii) with a Market Turner priority participation percentage of 30%.
2. A DPM participation right priority shall then be applied pursuant to Rule 406(b)(iii) with a DPM participation right percentage of 30%, and the DPM shall receive any further allocation resulting from the subsequent application of the pro rata priority below to the DPM's remaining quote/Order size at the best price pursuant to Rule 406(b)(iii)(C)(2).
3. The pro rata priority base allocation method shall then be applied.

(h) *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.

(i) *Price Limits and Circuit Breaker Halts.* Pursuant to Rule 413, Mini VIX futures contracts 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 Mini VIX futures contracts 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 Mini VIX futures contracts shall be halted pursuant to Rule 417A if there is a Level 1, 2 or 3 Market Decline.

(j) *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 Mini VIX futures contracts. Any Exchange of Contract for Related Position transaction must satisfy the requirements of Rule 414.

The minimum price increment for an Exchange of Future for Related Position transaction involving the Mini VIX futures contract is 0.01 index points.

(k) *Block Trades.* Block Trade transactions, as set forth in Rule 415, are not permitted in Mini VIX futures contracts.

(l) *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 Mini VIX futures contract. 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.

(m) *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.

(n) *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 Mini VIX futures contracts at the close of trading on any trading day equal to or in excess of 200 contracts on either side of the market.

(o) *Threshold Widths.* For purposes of Policy and Procedure I and Policy and Procedure II, the Threshold Widths for the Mini VIX futures contract are as follows:

VIX Index Level	Threshold Width
0 - 15.00	1.50
15.01 - 25.00	2.50
25.01 - 35.00	3.50
35.01 - 50.00	5.00
50.01+	7.50

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

(p) *Daily Settlement Price.* The daily settlement price for each Mini VIX futures contract will be the average of the final bid and final offer for the Mini VIX 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 Mini VIX 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.

(q) *Trade at Settlement Transactions.* Trade at Settlement ("TAS") transactions are not permitted in Mini VIX futures.

(r) *Default Pre-Trade Order Size Limit.* The default maximum pre-trade order size limit for Mini VIX futures that will apply if a Clearing Member does not set a different limit in accordance with Rule 513A(a) is 1,000 contracts.

(s) *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 a Mini VIX 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 a Mini VIX 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 - 15.00	1.00
15.01 - 25.00	2.00
25.01 - 35.00	3.00
35.01 - 50.00	5.00
50.01+	7.00

1403. DPM Provisions

(a) *DPM Appointment.* A Trading Privilege Holder will be appointed to act as a DPM for the Mini VIX futures contract pursuant to Rule 515.

(b) *DPM Participation Right.* The DPM participation rights for the Mini VIX futures contract are set forth in Rule 1402(g).

1404. Settlement

Settlement of Mini VIX futures contracts 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 Mini VIX futures contract multiplied by \$100.00. The final settlement price of the Mini VIX futures contract will be rounded to the nearest \$0.01.

Clearing Members holding open positions in Mini VIX futures contracts 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.]

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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

[Mini CBOE Volatility Index ("Mini VIX") Futures

- Throughout the trading day during Regular Trading Hours, the DPM shall provide at the VIX levels below (i) a continuous two-way quote with a minimum quote size and maximum quote width as set forth in the first table below and (ii) a second continuous two-way quote with a minimum quote size and maximum quote width as set forth in the second table below.

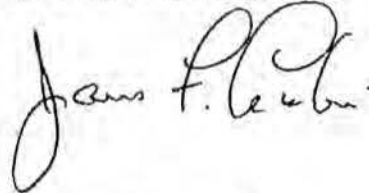
First Continuous Two-Way Quote		
VIX Level	Minimum Quote Size	Maximum Quote Width
Under 20	20 x 20	4 ticks
20 - 40	5 x 5	6 ticks
Above 40	2 x 2	8 ticks

Second Continuous Two-Way Quote		
VIX Level	Minimum Quote Size	Maximum Quote Width
Under 20	100 x 100	6 ticks
20 - 40	75 x 75	10 ticks
Above 40	50 x 50	16 ticks

- The DPM shall respond within 5 seconds to each Request for Quote (RFQ) during Regular Trading Hours.
- The above market performance benchmarks shall be subject to relief in the event of a fast market in the Mini VIX Future, VIX Future, VIX option, or SPX option 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.]

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-2013-44 in any related correspondence.

CBOE Futures Exchange, LLC



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National Futures Association
The Options Clearing Corporation