



May 21, 2014

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-2014-010

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 an amendment (“Amendment”) to amend CFE Rules to further expand extended trading hours for CBOE Volatility Index (“VIX”) futures. The Amendment will become effective on or after June 6, 2014, on a date to be announced by the Exchange through the issuance of a circular.

CFE is expanding trading hours in VIX futures to be nearly 24 hours a day, five days a week. Specifically, the trading week for VIX futures will now begin on Sunday at 5:00 p.m. and end on Friday at 3:15 p.m.¹ CFE will be closed for trading on Monday through Thursday for 15 minutes between 3:15 p.m. and 3:30 p.m. and trading for the new business day will begin at 3:30 p.m. on Monday through Thursday. CFE will close at 3:15 p.m. on Friday and will remain closed until 5:00 p.m. on Sunday, when the new trading week will begin. Regular trading hours in VIX futures will continue to be from 8:30 a.m. to 3:15 p.m. Monday through Friday and trading in VIX futures during all other times will be extended trading hours.

Previously, trading in VIX futures was halted at 4:15 p.m. on Monday through Thursday until trading re-commenced at 2:00 a.m. the next day. CFE will now only have a regularly occurring halt period from 10:30 a.m. until trading re-commences at 5:00 p.m. on certain holidays.

To effectuate these changes, the Exchange is updating the regular trading hours chart, the holiday schedule trading hours charts, and the related description set forth in CFE Rule 1202(b).

¹ All times referenced in this rule certification are Chicago time.

CFE is also amending CFE Rule 1202(i)(iii) to update CFE's current trading halt provisions for VIX futures during extended trading hours to conform to the new extended trading hours schedule.

CFE believes that the Amendment is consistent with Designated Contract Market Core Principles 4 (Prevention of Market Disruption), 7 (Availability of General Information) and 9 (Execution of Transactions) under Section 5 of the Act because: (i) expanding the application of the trading halt provision due to VIX futures price movements during the new time periods of extended trading hours reflected in Rule 1202(i)(iii) will contribute toward reducing the potential risk of price distortions and market disruptions; (ii) the revised VIX futures trading hours provisions will describe to market participants and the public how the expanded VIX futures trading hours will function; and (iii) the extension of VIX futures trading hours benefits the marketplace by making VIX futures more available for trading by market participants.

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:

CBOE Futures Exchange, LLC Rules

* * * * *

CFE Rule 1202. CBOE Volatility Index Futures Contract Specifications

- (a) No changes.
- (b) *Schedule and Prohibited Order Types.* The Exchange may list for trading up to nine near-term serial months and five months on the February quarterly cycle for the VIX futures contract. The final settlement date for the 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 VIX futures contract expires. If the third Friday of the month subsequent to expiration of the applicable 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 VIX futures are any Business Days the Exchange is open for trading.

The trading hours for VIX futures contracts are set forth in the charts below and are in Chicago time. The trading hours for VIX futures contracts during extended trading hours and regular trading hours shall constitute a single trading session for a Business Day.

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

Type of Trading Hours	Monday	Tuesday – Friday
Extended [Trading Hours]	[2:00 a.m.] <u>5:00 p.m. (Sunday)</u> to 8:30 a.m.	3:30 p.m. [to 4:15 p.m.] (previous day)[*] [- and - 2:00 a.m.] to 8:30 a.m.
Regular [Trading Hours]	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.

Type of Trading Hours	Monday	Tuesday
Extended	[2:00 a.m.] <u>5:00 p.m. (Sunday)</u> to 10:30 a.m.*	[2:00 a.m.] <u>5:00 p.m. (Monday)</u> to 8:30 a.m.
Regular	None	8:30 a.m. to 3:15 p.m.

[International Holidays. The below schedule applies when the following international holidays are observed: New Year’s Day, Good Friday and Christmas Day.

Type of Trading Hours	Prior Business Day that Week (If Monday)	Prior Business Day that Week (If Tuesday – Thursday)	Holiday	Next Business Day that Week (If Tuesday - Friday)
Extended	2:00 a.m. to 8:30 a.m.	3:30 p.m. to 4:15 p.m. (previous day)* - and - 2:00 a.m. to 8:30 a.m.	None	2:00 a.m. to 8:30 a.m.
Regular	8:30 a.m. to 12:15 p.m. - or - 8:30 a.m. to 3:15 p.m. The Exchange closes at 12:15 p.m. on Christmas Eve and at 3:15 p.m. on New Year’s Eve and Holy Thursday.	8:30 a.m. to 12:15 p.m. - or - 8:30 a.m. to 3:15 p.m. The Exchange closes at 12:15 p.m. on Christmas Eve and at 3:15 p.m. on New Year’s Eve and Holy Thursday.	None	8:30 a.m. to 3:15 p.m.]

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

Type of Trading Hours	[Wednesday	Thanksgiving	Friday
Extended	3:30 p.m. to 4:15 p.m. (Tuesday)* - and - 2:00 a.m. to 8:30 a.m.	3:30 p.m. [to 4:15 p.m.] (Wednesday)* - and - 2:00 a.m.] to 10:30 a.m.*	[2:00 a.m.] <u>5:00 p.m.</u> (Thursday) to 8:30 a.m.
Regular	8:30 a.m. to 3:15 p.m.]	None	8:30 a.m. to 12:15 p.m.

[Independence Day The below schedule applies when the Independence Day holiday is observed.

Type of Trading Hours	Prior Business Day that Week (If Monday)	Prior Business Day that Week (If Tuesday – Thursday)	July 4	Next Business Day that Week (If Tuesday - Friday)
Extended	2:00 a.m. to 8:30 a.m.	3:30 p.m. to 4:15 p.m. (previous day)* - and - 2:00 a.m. to 8:30 a.m.	2:00 a.m. to 10:30 a.m. if July 4 on a Monday - Thursday* None if July 4 on a Friday	2:00 a.m. to 8:30 a.m.
Regular	8:30 a.m. to 12:15 p.m.	8:30 a.m. to 12:15 p.m.	None	8:30 a.m. to 3:15 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:

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

If Independence Day is on a Monday – Thursday:

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

If the holiday is on a Friday:

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

[*Trading in VIX futures is halted after the conclusion of extended trading hours on the calendar day of a holiday and prior to the start of the next extended trading hours period on the next calendar day, which is the same Business Day. 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 of VIX futures trading hours, they shall not be considered the declaration of a trading halt by the Exchange.]

*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 VIX 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 VIX futures, they shall not be considered the declaration of a trading halt by the Exchange. Trades in VIX futures made during a holiday trading session will be submitted for clearing for the next Business Day.

All Orders, quotes, cancellations and Order modifications for VIX futures during trading hours must be received by the Exchange by no later than one second prior to the close of trading hours

at the end of a Business Day and will be automatically rejected if received by the Exchange during trading hours after this cutoff time.

Market Orders for VIX futures contracts will not be accepted by the Exchange during extended trading hours for the VIX futures contract or during any other time period outside of regular trading hours for the VIX futures contract. Any Market Orders for VIX futures contracts received by the Exchange outside of regular trading hours for the VIX futures contract will be automatically rejected.

(c) – (h) No changes.

(i) *Price Limits and Halts.*

(i) *No Price Limits.* Pursuant to Rule 413, VIX futures contracts are not subject to price limits.

(ii) *Circuit Breaker Halts.* Trading in VIX futures contracts shall be halted pursuant to Rule 417A if there is a Level 1, 2 or 3 Market Decline.

(iii) *Halts Due to VIX Futures Price Movements During Extended Trading Hours.*

Trading in VIX futures will be halted for 15 minutes if during VIX futures extended trading hours, except from 7:00 a.m. to 8:30 a.m. Chicago time on a regular trading day: [from, 3:30 p.m. Chicago time to 4:15 p.m. Chicago time, from 2:00 a.m. Chicago time to 7:00 a.m. Chicago time or on the calendar day of a holiday]

(A) the best bid in the VIX futures front contract month is 5 or more index points above the daily settlement price of that contract month on the prior Business Day;
or

(B) the best offer in the VIX futures front contact month is 5 or more index points below the daily settlement price of that contact month on the prior Business Day.

After trading commences following such a halt, trading in VIX futures will be halted for 15 minutes, except from 7:00 a.m. to 8:30 a.m. Chicago time on a regular trading day, if: [if during VIX futures extended trading hours for that Business Day from 3:30 p.m. Chicago time to 4:15 p.m. Chicago time, from 2:00 a.m. Chicago time to 7:00 a.m. Chicago time or on the calendar day of a holiday]

(A) the best bid in the VIX futures front contract month is 8 or more index points above the daily settlement price of that contract month on the prior Business Day;
or

(B) the best offer in the VIX futures front contact month is 8 or more index points below the daily settlement price of that contact month on the prior Business Day.

The Exchange shall commence a trading halt in VIX futures pursuant to the provisions of this Rule 1202(i)(iii) as soon as practicable following the occurrence of one of the triggering events set forth above and there may be time between the occurrence of a triggering event and the commencement of the trading halt.

Nothing in this Rule 1202(i)(iii) shall be construed to limit the ability of the Exchange to extend the time period of a halt pursuant to this Rule 1202(i)(iii) or to halt trading in VIX futures during the foregoing time period pursuant to any other Exchange rule or policy.

This Rule 1202(i)(iii) shall not apply from 7:00 a.m. Chicago time to 8:30 a.m. Chicago time during VIX futures extended trading hours (other than on the calendar day of a holiday) or during VIX futures regular trading hours.

If the provisions of Rule 1202(i)(iv) become applicable on a Business Day due to the triggering of a price limit in the E-mini S&P 500 Index (“E-mini”) futures contract traded on Chicago Mercantile Exchange (“CME”), this Rule 1202(i)(iii) shall no longer be applicable on that Business Day following the time at which Rule 1202(i)(iv) first becomes applicable on that Business Day.

(iv) *Halts Due to E-mini®* Price Limits During Extended Trading Hours.*

Trading in VIX futures will be halted if a price limit is triggered in the E-mini futures contract traded on CME during VIX futures extended trading hours. Following the initiation of such a VIX futures trading halt, the Exchange may resume trading in VIX futures during VIX futures extended trading hours if the E-mini futures contract is no longer limit offered, limit bid or halted as a result of triggering a price limit or the Exchange determines that trading in VIX futures may resume consistent with the maintenance of a fair and orderly market.

If trading in VIX futures resumes and the E-mini futures contract moves from and then back to a limit or halt state as a result of triggering a price limit during VIX futures extended trading hours, the process set forth in the preceding paragraph shall be repeated.

The Exchange shall commence a trading halt in VIX futures pursuant to the provisions of this Rule 1202(i)(iv) as soon as practicable following the triggering of a price limit in the E-mini futures contract, and there may be time between the triggering of the E-mini price limit and the commencement of the VIX futures trading halt.

If the E-mini futures contract is limit offered, limit bid or halted as a result of triggering a price limit at the time that the Exchange is scheduled to commence [the first or second period of] extended trading hours in VIX futures, the Exchange may commence trading in VIX futures during that session if the Exchange determines that trading in VIX futures may commence consistent with the maintenance of a fair and orderly market.

Nothing in this Rule 1202(i)(iv) shall be construed to limit the ability of the Exchange to halt trading in VIX futures during VIX futures extended trading hours pursuant to any other Exchange rule or policy.

This Rule 1202(i)(iv) shall not apply during VIX futures regular trading hours.

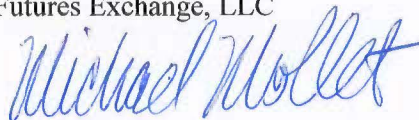
*E-Mini® is a registered trademark of Chicago Mercantile Exchange, Inc. The Exchange and VIX futures are not affiliated with, and have not been authorized, sponsored, or otherwise approved by, Chicago Mercantile Exchange, Inc.

(j) – (s) 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-2014-010 in any related correspondence.

CBOE Futures Exchange, LLC



By: Michael Mollet
Managing Director

cc: Nancy Markowitz (CFTC)