



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-2014-011

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 June 6, 2014, on a date to be announced by the Exchange through the issuance of a circular.

CFE is expanding extended trading hours in CBOE Volatility Index (VIX) futures to be nearly 24 hours a day, five days a week. Because the CFE Help Desk will now be staffed for a longer time period to support VIX futures trading, the Exchange is changing the time frames during which ECRP transactions and Block Trades may be reported. Those time frames will be whenever the Exchange is open for trading VIX futures and from 3:15 p.m. to 3:30 p.m. (Chicago time) Monday through Friday. ECRP transactions and Block Trades will not be able to consummated in a CFE contract outside of trading hours for the contract unless the transaction is fully reported to CFE during these time frames and by no later than the reporting deadline for these types of transactions (which is currently no later than ten minutes after the transaction is agreed upon for all CFE contracts).

The Exchange is also limiting the manner in which notification of ECRP transactions and Block Trades may be provided to the CFE Help Desk. Specifically, the manner of notification must be made by e-mail and notification by phone will no longer be permitted.

Finally, the Exchange is clarifying that ECRP transactions and Block Trades in an expiring contract on the last trading day for that contract may not occur after the termination of trading hours in the expiring contract on that trading day.

To effectuate these changes, CFE is amending 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).

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 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) - (c) No changes.

(d) Exchange of Contract for Related Position transactions with respect to any Contract may occur (i) during [and outside of] the Trading Hours [set forth in the rules governing such] for the applicable Contract[, unless otherwise specified in those rules] and (ii) outside of the Trading Hours for the applicable Contract, but only if the transaction is fully reported to the Exchange during a permissible reporting period and by no later than the Reporting Deadline pursuant to paragraph (i) below. Exchange of Contract for Related Position transactions in an expiring Contract on the last trading day for that Contract may not occur after the termination of Trading Hours in the expiring Contract on that trading day. An Exchange of Contract for Related Position transaction in an expiring Contract that occurs during Trading Hours on the last trading day for that Contract may be reported to the Exchange after Trading Hours, but only if the transaction is fully reported to the Exchange by no later than the Reporting Deadline pursuant to paragraph (i) below. Each party to an Exchange of Contract for Related Position shall comply with all applicable Rules of the Exchange other than those which by their terms only apply to trading through the CBOE System.

(e) – (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. This notification must be made by e-mail. 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 (“Reporting Deadline”). The chart below sets forth the permissible time periods during which an Exchange of Contract for Related Position transaction may be reported to the Exchange. Based upon the time of notification to the Exchange of the transaction, the chart below also 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.

<b>[Time of Notification to the Exchange]</b>	<b>Notification Method</b>	<b>Business Day for which Contract Leg Submitted for Clearing</b>	<b>When Help Desk Reports Contract Leg</b>
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 2:00 a.m. Monday	E-Mail	Next Business Day	As soon as practicable after trading next commences following required notifications to Help Desk
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 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]

<u>Time of Notification to the Exchange</u>	<u>Business Day for Which Contract Leg Submitted for Clearing</u>	<u>When Help Desk Reports Contract Leg</u>
<u>5:00 p.m. Sunday to 3:15 p.m. Monday</u>	<u>Business Day of transaction.</u> <u>Next Business Day for Trade at Settlement (TAS) transactions reported after 3:12 p.m.</u>	<u>As soon as practicable following notification to Help Desk.</u>
<u>3:15 p.m. to 3:30 p.m. Monday – Thursday</u>	<u>Calendar day of the transaction or next Business Day, as designated by Authorized Reporters.</u>	<u>As soon as practicable after trading next commences following notification to Help Desk.</u>

<u>Time of Notification to the Exchange</u>	<u>Business Day for Which Contract Leg Submitted for Clearing</u>	<u>When Help Desk Reports Contract Leg</u>
	<u>Next Business Day for TAS transactions.</u>	
<u>3:15 p.m. to 3:30 p.m.</u> <u>Friday</u>	<u>Calendar day of the transaction.</u>  <u>TAS transactions may not be reported after 3:12 p.m.</u>	<u>As soon as practicable following notification to Help Desk.</u>
<u>3:30 p.m. to 4:00 p.m.</u> <u>Monday - Thursday</u>	<u>Calendar day of the transaction or next Business Day, as designated by Authorized Reporters.</u>  <u>Business Day of the transactions for TAS transactions.</u>	<u>As soon as practicable following notification to Help Desk.</u>
<u>4:00 p.m. previous day to 3:15 p.m.</u> <u>Tuesday – Friday</u>	<u>Business Day of transaction.</u>  <u>Next Business Day for TAS transactions reported after 3:12 p.m. Tuesday – Thursday.</u>  <u>TAS transactions may not be reported after 3:12 p.m. on Friday.</u>	<u>As soon as practicable following notification to Help Desk.</u>
<u>3:30 p.m. Friday to 5:00 p.m. Sunday</u>	<u>No transactions may be reported to the Exchange during this time period when the Exchange is closed.</u>	

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.

(o) Authorized Reporters may electronically report Exchange of Contract for Related Position transactions in VIX futures to the CBOE System pursuant to this paragraph (o) in a form and manner prescribed by the Exchange instead of reporting them to the Help Desk.

An Exchange of Contract for Related Position transaction may be electronically reported to the CBOE System only if each Authorized Reporter for the transaction has obtained access to the CBOE System from the Exchange to enable the Authorized Reporter to electronically report Exchange of Contract for Related Position transactions and agrees with the other Authorized Reporter for the Exchange of Contract for Related Position transaction to electronically report the transaction to the CBOE System in lieu of reporting the transaction to the Help Desk. In order to electronically report an Exchange of Contract for Related Position transaction to the CBOE System, each Authorized Reporter for the transaction must complete all of the steps required by the CBOE System and as prescribed by the Exchange in order for an Exchange of Contract for Related Position transaction to be electronically reported to the CBOE System.

The Authorized Reporter that is the initiator of an electronic report of an Exchange of Contract for Related Position transaction to the CBOE System must enter the required information into the CBOE System promptly enough to allow a reasonable amount of time for the other Authorized Reporter to electronically accept that report by no later than ten minutes after the transaction is agreed upon.

Electronic Exchange of Contract for Related Position reports may be submitted during trading hours and outside of trading hours to the extent permitted in paragraph (d) of this Rule. For Exchange of Contract for Related Position transactions that are electronically reported outside of trading hours, the CBOE System will generally disseminate the Contract leg of the transaction and provide a transaction summary to the Authorized Reporters following the next commencement of trading hours.

The Business Day which Authorized Reporters electronically reporting an Exchange of Contract for Related Position transaction designate for the Contract leg of the transaction to be submitted for clearing must conform to the same parameters in this regard that apply to Exchange of Contract for Related Position transactions that are reported to the Help Desk which are set forth in the first and [third] second columns of the chart in paragraph (i) of this Rule.

Except to the extent modified by this paragraph (o), the provisions of the other paragraphs of this Rule shall continue to be applicable in relation to Exchange of Contract for Related Position transactions that are electronically reported to the CBOE System. For the avoidance of doubt:

(i) the e-mail notification requirement and the [second and fourth] third column[s] of the chart in paragraph (i) of this Rule shall not be applicable to electronically submitted Exchange of Contract for Related Position transactions;

(ii) the procedure in paragraph (k) of this Rule for notification to the Help Desk of any inaccuracies in the content of the transaction summary for an Exchange of Contract for Related Position transaction shall be applicable to electronically submitted Exchange of Contract for Related Position transactions and to any mistake or inaccuracy in the electronic submission of an Exchange of Contract for Related Position transaction to the CBOE System; and

(iii) the provisions of paragraph (m) of this Rule shall be applicable to electronically submitted Exchange of Contract for Related Position transactions.

#### **CFE Rule 415. Block Trading**

(a) - (b) No changes.

(c) Block Trades with respect to any Contract may occur (i) during [and outside of] the Trading Hours [set forth in the rules governing such] for the applicable Contract[, unless otherwise specified in those rules] and (ii) outside of the Trading Hours for the applicable Contract, but only if the transaction is fully reported to the Exchange during a permissible reporting period and by no later than the Reporting Deadline pursuant to paragraph (i) below. Block Trades in an expiring Contract on the last trading day for that Contract may not occur after the termination of Trading Hours in the expiring Contract on that trading day. A Block Trade in an expiring Contract that occurs during Trading Hours on the last trading day for that Contract may be reported to the Exchange after Trading Hours, but only if the transaction is fully reported to the Exchange by no later than the Reporting Deadline pursuant to paragraph (i) below. Each party to a Block Trade shall comply with all applicable Rules of the Exchange other than those which by their terms only apply to trading through the CBOE System.

(d) – (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. This notification must be made by e-mail. 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 (“Reporting Deadline”). The chart below sets forth the permissible time periods during which a Block Trade may be reported to the Exchange. Based upon the time of notification to the Exchange [agreement to] of the transaction, the chart below also 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.

<b>[Time of Notification to the Exchange</b>	<b>Notification Method</b>	<b>Business Day for which Block Trade Submitted for Clearing</b>	<b>When Help Desk Reports Block Trade</b>
7:00 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	As soon as practicable after

		designated by Authorized Reporters. Next Business Day for TAS transactions.	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 a.m. Monday	E-Mail	Next Business Day	As soon as practicable after trading next commences following required notifications to Help Desk.
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 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.]



<u>Time of Notification to the Exchange</u>	<u>Business Day for Which Block Trade Submitted for Clearing</u>	<u>When Help Desk Reports Block Trade</u>
<u>5:00 p.m. Sunday to 3:15 p.m. Monday</u>	<u>Business Day of transaction.</u> <u>Next Business Day for Trade at Settlement (TAS) transactions reported after 3:12 p.m.</u>	<u>As soon as practicable following notification to Help Desk.</u>
<u>3:15 p.m. to 3:30 p.m. Monday – Thursday</u>	<u>Calendar day of the transaction or next Business Day, as designated by Authorized Reporters.</u> <u>Next Business Day for TAS transactions.</u>	<u>As soon as practicable after trading next commences following notification to Help Desk.</u>
<u>3:15 p.m. to 3:30 p.m. Friday</u>	<u>Calendar day of the transaction.</u> <u>TAS transactions may not be reported after 3:12 p.m.</u>	<u>As soon as practicable following notification to Help Desk.</u>
<u>3:30 p.m. to 4:00 p.m. Monday - Thursday</u>	<u>Calendar day of the transaction or next Business Day, as designated by Authorized Reporters.</u> <u>Business Day of the transactions for TAS transactions.</u>	<u>As soon as practicable following notification to Help Desk.</u>
<u>4:00 p.m. previous day to 3:15 p.m. Tuesday – Friday</u>	<u>Business Day of transaction.</u> <u>Next Business Day for TAS transactions reported after 3:12 p.m. Tuesday – Thursday.</u> <u>TAS transactions may not be reported after 3:12 p.m. on Friday.</u>	<u>As soon as practicable following notification to Help Desk.</u>
<u>3:30 p.m. Friday to 5:00 p.m. Sunday</u>	<u>No Block Trades may be reported to the Exchange during this time period when the Exchange is closed.</u>	

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.

(n) Authorized Reporters may electronically report Block Trades in VIX futures to the CBOE System pursuant to this paragraph (n) in a form and manner prescribed by the Exchange instead of reporting them to the Help Desk.

A Block Trade may be electronically reported to the CBOE System only if each Authorized Reporter for the transaction has obtained access to the CBOE System from the Exchange to enable the Authorized Reporter to electronically report Block Trades and agrees with the other Authorized Reporter for the Block Trade to electronically report the Block Trade to the CBOE System in lieu of reporting the Block Trade to the Help Desk. In order to electronically report a Block Trade to the CBOE System, each Authorized Reporter for the Block Trade must complete all of the steps required by the CBOE System and as prescribed by the Exchange in order for a Block Trade to be electronically reported to the CBOE System.

The Authorized Reporter that is the initiator of an electronic report of a Block Trade to the CBOE System must enter the required information into the CBOE System promptly enough to allow a reasonable amount of time for the other Authorized Reporter to electronically accept that report by no later than ten minutes after the Block Trade is agreed upon.

Electronic Block Trade reports may be submitted during trading hours and outside of trading hours to the extent permitted in paragraph (c) of this Rule. For Block Trades that are electronically reported outside of trading hours, the CBOE System will generally disseminate the Block Trade and provide a transaction summary to the Authorized Reporters following the next commencement of trading hours.

The Business Day which Authorized Reporters electronically reporting a Block Trade designate for the Block Trade to be submitted for clearing must conform to the same parameters in this regard that apply to Block Trades that are reported to the Help Desk which are set forth in the first and [third] second columns of the chart in paragraph (g) of this Rule.

Except to the extent modified by this paragraph (n), the provisions of the other paragraphs of this Rule shall continue to be applicable in relation to Block Trades that are electronically reported to the CBOE System. For the avoidance of doubt:

(i) the e-mail notification requirement and the [second and fourth] third column[s] of the chart in paragraph (g) of this Rule shall not be applicable to electronically submitted Block Trades;

(ii) the procedure in paragraph (i) of this Rule for notification to the Help Desk of any inaccuracies in the content of the transaction summary for a Block Trade shall be applicable

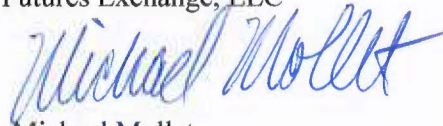
to electronically submitted Block Trades and to any mistake or inaccuracy in the electronic submission of a Block Trade to the CBOE System; and

(iii) the provisions of paragraph (l) of this Rule shall be applicable to electronically submitted Block Trades.

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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-2014-011 in any related correspondence.

CBOE Futures Exchange, LLC

A handwritten signature in blue ink that reads "Michael Mollet". The signature is written in a cursive, flowing style.

By: Michael Mollet  
Managing Director

cc: Nancy Markowitz (CFTC)