



February 21, 2006

Via Electronic Mail

Ms. Jean A. Webb
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

RECEIVED
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C.F.O. OF THE SEC. (AMM)

Re: CBOE Futures Exchange, LLC Rule Certification
Submission Number CFE-2006-04

Dear Ms. Webb:

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 ("Commission") under the Act, CBOE Futures Exchange, LLC ("CFE" or "Exchange") hereby submits a rule change to make certain housekeeping rule changes to the CFE Rulebook ("Amendment").

First, CFE is revising the definition of "Option" in CFE Rule 147 to make clear that the definition includes all commodity options. Second, CFE is revising CFE Rule 212 to further clarify that CFE's Board of Directors has the authority to review the decisions and actions of CFE committees, officers, and any other employee, representative, or agent of CFE. Third, CFE is revising the paragraphs in certain futures contract specification rules that establish the position limits for the applicable futures contract to make clear that the applicable position limits are on an all-months combined basis. Fourth, CFE is making clear that the position limits applicable to each futures contract shall not apply to positions that are subject to a position limit exemption meeting the requirements of Commission regulations and CFE rules. Finally, CFE is revising the contract specification rules for all of its futures contracts to provide that when the last trading day of the applicable futures contract is moved because of a CFE holiday, the last trading day will instead be the day immediately preceding the last regularly-scheduled trading day. CFE notes that this concept is set forth in all of the product specification charts that have been submitted to the Commission as part of the product submission filings for all of CFE's futures contracts.

The Amendment will become effective on February 23, 2006.

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.

The Amendment, marked to show additions in underlined text and deletions in [bracketed] text, consists of the following:

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CFE Rule 147 Option

The term "Option" means any commodity option, as that term is defined in Commission Regulation § 1.3(hh), from time to time traded subject to the Rules of the Exchange and issued or subject to issuance by the Clearing Corporation pursuant to the Rules of the Clearing Corporation[, to buy or sell any Future].

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CFE Rule 212 Power of the Board to Review [Committee] Exchange Decisions

The Board shall have the power and authority to call for review, and to affirm, modify, suspend or overrule, any and all decisions and actions of Standing Committees, Exchange committees and special committees of the Board formed pursuant to Rules 206 through 211; [and] all officers of the Exchange appointed pursuant to Rule 205; and all other employees, representatives, or agents of the Exchange. Where applicable, this Board power and authority shall be subject to specific procedures set forth in the Rules of the Exchange.

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CFE Rule 1202 CBOE Volatility Index Futures Contract Specifications

CFE Rule 1202(d) *Position Limits.* A person may not own or control more than 5,000 contracts net long or net short in all VIX futures contract months combined.

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 limit shall not apply to bona fide hedge positions meeting the requirements of Commission Regulation §1.3(z)(1) and the rules of the Exchange.]

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

CFE Rule 1202(e) *Termination of Trading.* Trading on the VIX futures contract terminates on the business day immediately preceding the final settlement date of the 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 VIX futures contract will be the day immediately preceding the last regularly-scheduled trading day.

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CFE Rule 1302 CBOE S&P 500 Three-Month Variance Futures Contract Specifications

CFE Rule 1302(d) *Position Limits.* A person may not own or control more than 5,000 contracts net long or net short in all CBOE S&P 500 Three-Month Variance futures contract months combined.

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 limit shall not apply to bona fide hedge positions meeting the requirements of Commission Regulation §1.3(z)(1) and the rules of the Exchange.]

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

CFE Rule 1302(e) *Termination of Trading.* Trading on the CBOE S&P 500 Three-Month Variance futures contract terminates on the third Friday of the expiring futures contract month. When the last trading day is moved because of a CFE holiday, the last trading day for an expiring CBOE S&P 500 Three-Month Variance futures contract will be the day immediately preceding the last regularly-scheduled trading day.

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CFE Rule 1402 CBOE China Index Futures Contract Specifications

CFE Rule 1402(d) *Position Limits.* A person may not own or control more than 5,000 contracts net long or net short in all CBOE China Index futures contract months combined.

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 limit shall not apply to bona fide hedge positions meeting the requirements of Commission Regulation §1.3(z)(1) and the rules of the Exchange.]

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

CFE Rule 1402(e) *Termination of Trading.* Trading on the CBOE China Index futures contract terminates at the close of trading on the day before the third Friday of the expiring futures contract month. When the last trading day is moved because of a CFE holiday, the last trading day for an expiring CBOE China Index futures contract will be the day immediately preceding the last regularly-scheduled trading day.

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CFE Rule 1502 Mini-Russell 2000 Index Futures Contract Specifications

CFE Rule 1502(d) *Position Limits.* A person may not own or control more than 25,000 contracts net long or net short in all Mini-Russell 2000 Index futures contract months combined.

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 limit shall not apply to bona fide hedge positions meeting the requirements of Commission Regulation §1.3(z)(1) and the rules of the Exchange.]

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

CFE Rule 1502(e) *Termination of Trading.* Trading on the Mini-Russell 2000 Index futures contract terminates at the close of trading on the day before the third Friday of the expiring futures contract month. When the last trading day is moved because of a CFE holiday, the last trading day for an expiring Mini-Russell 2000 Index futures contract will be the day immediately preceding the last regularly-scheduled trading day.

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CFE Rule 1602 Russell 1000 Index Futures Contract Specifications

CFE Rule 1602(d) *Position Limits.* A person may not own or control more than the number of contracts net long or net short in all contract months of Russell 1000 Index futures contracts and Mini-Russell 1000 Index futures contracts combined that in the aggregate would exceed the equivalent of 5,000 Russell 1000 Index futures contracts. Under this rule, one Mini-Russell 1000 Index futures contract shall be deemed to be equivalent to one-fifth (0.20) of one Russell 1000 Index futures contract.

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 limit shall not apply to bona fide hedge positions meeting the requirements of Commission Regulation §1.3(z)(1) and the rules of the Exchange.]

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

CFE Rule 1602(e) *Termination of Trading.* Trading on the Russell 1000 Index futures contract terminates at the close of trading on the day before the third Friday of the expiring futures contract month. When the last trading day is moved because of a CFE holiday, the last trading day for an expiring Russell 1000 Index futures contract will be the day immediately preceding the last regularly-scheduled trading day.

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CFE Rule 1702 CBOE DJIA Volatility Index Futures Contract Specifications

CFE Rule 1702(d) *Position Limits.* A person may not own or control more than 5,000 contracts net long or net short in all contract months of a VXD futures contract combined.

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 limit shall not apply to bona fide hedge positions meeting the requirements of Commission Regulation §1.3(z)(1) and the rules of the Exchange.]

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

CFE Rule 1702(e) *Termination of Trading.* Trading in VXD futures contracts terminates on the business day immediately preceding the final settlement date of the VXD 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 VXD futures contract will be the day immediately preceding the last regularly-scheduled trading day.

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CFE Rule 2002 Mini-Russell 1000 Index Futures Contract Specifications

CFE Rule 2002(d) *Position Limits.* A person may not own or control more than the number of contracts net long or net short in all contract months of Russell 1000 Index futures contracts and Mini-Russell 1000 Index futures contracts combined that in the aggregate would exceed the equivalent of 5,000 Russell 1000 Index futures contracts. Under this rule,

one Mini-Russell 1000 Index futures contract shall be deemed to be equivalent to one-fifth (0.20) of one Russell 1000 Index futures contract.

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 limit shall not apply to bona fide hedge positions meeting the requirements of Commission Regulation §1.3(z)(1) and the rules of the Exchange.]

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

CFE Rule 2002(e) *Termination of Trading.* Trading on the Mini-Russell 1000 Index futures contract terminates at the close of trading on the day before the third Friday of the expiring futures contract month. When the last trading day is moved because of a CFE holiday, the last trading day for an expiring Mini-Russell 1000 Index futures contract will be the day immediately preceding the last regularly-scheduled trading day.

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CFE Rule 2102 CBOE PowerPacks Index Futures Contract Specifications

CFE Rule 2102(d) *Position Limits.* A person may not own or control more than 5,000 contracts net long or net short in all contract months of a PowerPacks Index Future combined.

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 limit shall not apply to bona fide hedge positions meeting the requirements of Commission Regulation §1.3(z)(1) and the rules of the Exchange.]

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

CFE Rule 2102(e) *Termination of Trading.* Trading on PowerPacks Index Futures terminates at the close of trading on the day before the third Friday of the expiring futures contract month. When the last trading day is moved because of a CFE holiday, the last trading day for an expiring PowerPacks Index Future will be the day immediately preceding the last regularly-scheduled trading day.

CFE Rule 2202 CFE Gas At The Pump Futures Contract Specifications

CFE Rule 2202(e) *Termination of Trading.* Trading of GAPP Futures terminates at the close of trading on the third Friday of the expiring futures contract month. When the last trading day is moved because of a CFE holiday, the last trading day for an expiring GAPP Future will be the day immediately preceding the last regularly-scheduled trading day. The Exchange may alter the last trading day for a GAPP Future if the EIA release the weighted average price estimate for the applicable contract month on a date other than the Monday following the third Friday of the applicable contract month.

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Questions regarding this submission may be directed to David Doherty at (312) 786-7466. Please reference our submission number CFE-2006-04 in any related correspondence.

CBOE Futures Exchange, LLC

By: Edward J. Joyce
Edward J. Joyce
President

cc: Thomas Leahy
Mark Baumgardner (OCC)