



August 8, 2012

Via Electronic Mail

Mr. David Stawick
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-2012-17

Dear Mr. Stawick:

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”) to amend CFE Rule 303A (Order Entry Operator IDs). The Amendment will become effective on August 23, 2012.

CFE adopted current CFE Rule 303A in February 2012 in order to conform to the industry standard of requiring the use of Order Entry Operator IDs to satisfy CFE audit trail record keeping requirements.¹ In this Amendment, CFE is clarifying CFE Rule 303A to provide that the inclusion of an Order Entry Operator ID is required with every order and quote from a Trading Privilege Holder (“TPH”) that is submitted to CFE’s trading system, but is not required for other messages from a TPH that are submitted to CFE’s trading system. The Exchange understands that this practice is consistent with industry standard.

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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¹ See CFE Rule Certification Submission Number CFE-2012-01.

Rule 303A. Order Entry Operator IDs

(a) Each Trading Privilege Holder, in a form and manner prescribed by the Exchange, shall include an Order Entry Operator ID with every order[, and quote[, or other message] from that Trading Privilege Holder that is submitted to the CBOE System.

(b) Order Entry Operator IDs are subject to the following requirements (except in relation to Automated Trading Systems, with respect to which paragraph (c) below is applicable):

(i) Each Order Entry Operator ID shall represent:

(A) the natural person physically responsible for entering the order[, or quote[, or other message] into the CBOE System (if a natural person entered the order[, or quote[, or other message] into the CBOE System); or

(B) the natural person physically responsible for entering the order[, or quote[, or other message] directly or indirectly into a system of or used by a Trading Privilege Holder that interfaces with the CBOE System (if no natural person entered the order[, or quote[, or other message] into the CBOE System and instead a natural person entered the order[, or quote[, or other message] directly or indirectly into a system of or used by a Trading Privilege Holder that interfaces with the CBOE System).

(ii) An Order Entry Operator ID issued for a natural person may only be used by that natural person. An Order Entry Operator ID issued for a natural person may not be used by any other natural person or entity and may not be used as the Order Entry Operator ID for an Automated Trading System.

(c) Order Entry Operator IDs are subject to the following requirements in relation to Automated Trading Systems:

(i) For purposes of this Rule 303A, an Automated Trading System is a system that automates the generation and routing of orders[, or quotes[, and/or other messages].

(ii) Each order[, or quote[, or other message] originating from an Automated Trading System that is submitted to the CBOE System shall include an Order Entry Operator ID for that Automated Trading System.

(iii) An Order Entry Operator ID issued for an Automated Trading System may only be used for that Automated Trading System. An Order Entry Operator ID issued for an Automated Trading System may not be used for any other Automated Trading System and may not be used as the Order Entry Operator ID for any natural person or entity.

(d) Each Trading Privilege Holder shall comply with the following issuance, recordkeeping, and reporting requirements related to Order Entry Operator IDs:

(i) Each Order Entry Operator ID issued for a natural person or Automated Trading System for inclusion with any order[, or quote[, or other message] from the Trading Privilege Holder that is submitted to the CBOE System shall be unique, and shall not be associated with more than one natural person or Automated Trading System, at the Clearing Member level. Each Trading Privilege Holder and any Clearing Member utilized by the Trading Privilege Holder shall coordinate as necessary in order to ensure that this requirement is satisfied.

(ii) Each Trading Privilege Holder shall collect and maintain accurate, complete, and up-to-date records with the following information for each Order Entry Operator ID issued for a natural person or Automated Trading System for inclusion with any order[, or quote[, or other message] from the Trading Privilege Holder that is submitted to the CBOE System:

(A) a clear identification of whether the Order Entry Operator ID is issued for a natural person or Automated Trading System;

(B) if the Order Entry Operator ID is issued for a natural person, the name, address, telephone and e-mail contact information, and position or relationship to the Trading Privilege Holder of the natural person;

(C) if the Order Entry Operator ID is issued for an Automated Trading System, the name, address, telephone and e-mail contact information, and position or relationship to the Trading Privilege Holder of the head operator of the Automated Trading System;

(D) and any other related information as may be prescribed by the Exchange.

(iii) Each Trading Privilege Holder shall provide to the Exchange in a form and manner prescribed by the Exchange information requested by the Exchange regarding any Order Entry Operator IDs and the natural persons and Automated Trading Systems for which they have been issued for inclusion with any order[, or quote[, or other message] from the Trading Privilege Holder that is submitted to the CBOE System. The information requested relating to an Automated Trading System may include, among other things, information regarding the head operator and other individuals that operate the Automated Trading System and the type of models, algorithms, programs, and systems utilized by the Automated Trading System.

(iv) Each Trading Privilege Holder shall promptly report to the Exchange in a form and manner prescribed by the Exchange any new or changed information regarding Order Entry Operator IDs that are identified to the Trading Privilege Holder by the Exchange as being subject to this reporting requirement.

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Mr. David Stawick

Page 4 of 4

Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 or Jenny Klebes-Golding at (312) 786-7466. Please reference our submission number CFE-2012-17 in any related correspondence.

CBOE Futures Exchange, LLC

A handwritten signature in black ink, appearing to read "James F. Lubin". The signature is fluid and cursive, with a large initial "J" and "L".

By: James F. Lubin
Managing Director

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