



August 14, 2015

Christopher J. Kirkpatrick
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-2015-022

Dear Mr. Kirkpatrick:

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 amend CFE rules to clarify the application of CFE requirements relating to reportable positions and ownership and control reports. The Amendment will become effective on or after September 30, 2015, on a date to be announced by the Exchange through the issuance of a circular.

CFE submitted CFE Rule Certification Submission Number CFE-2015-003 (“CFE-2015-003”) to the Commission on January 28, 2015 to amend Rule 412B (Ownership and Control Reports) to require CFE Trading Privilege Holders (“TPHs”) and non-TPHs to concurrently file with the Exchange submissions relating to CFE contracts that are required to be filed with the Commission pursuant to the Final Rule adopted by the Commission under the caption Ownership and Control Reports (“OCR Rule”).¹ In particular, CFE-2015-003 amended Rule 412B to require each TPH and non-TPH to file concurrently with the Exchange the new CFTC Forms 102A, 102B, and 71 (including any attachments, related submissions, or related information) relating to CFE contracts that each TPH or non-TPH is required to report to the Commission under the OCR Rule. In addition, CFE-2015-003 amended Rule 412B to require each TPH that is not a Clearing Member to report to the Exchange the same information regarding the identification and reporting of special accounts relating to CFE contracts that the OCR Rule requires each TPH that is a Clearing Member to report to the Commission. CFE-2015-003 provided that these changes would become effective on or after February 11, 2015, on a date to be announced by the Exchange through the issuance of a circular. The Exchange has not yet made these changes effective and intends to do so consistent with the compliance dates under the OCR Rule as provided for by the Commission.²

¹ 78 FR 69178 (November 18, 2013).

² See CFTC No-Action Letter No. 15-03 (February 10, 2015) (which provided conditional time-limited no-action relief to extend certain compliance dates under the OCR Rule).

The purpose of the Amendment is to make some clarifying changes with respect to the rule amendments included in CFE-2015-003. First, the Amendment further amends Rule 412B to make clear that TPHs and non-TPHs will continue to be required to concurrently report to the Exchange reportable positions relating to Exchange contracts that they are required to report to the Commission pursuant to Commission regulations. This is required under current Rule 412B, and the Exchange believes that it continues to be required by Rule 412B as amended by CFE-2015-003. However, in order to eliminate any potential ambiguity in this regard, CFE is further amending Rule 412B as amended by CFE-2015-003 to make this explicit and is changing the title of Rule 412B to specifically reference reportable positions. Second, CFE is amending CFE Rule 714 (Imposition of Fines for Minor Rule Violations) to make new paragraph (c) of Rule 412B subject to the same summary fine schedule under Rule 714(f)(vii) that already applies with respect to violations of paragraphs (a) and (b) of Rule 412B. Third, CFE is further revising the reportable volume provisions that are included in various contract specification rule chapters for its products to make clear that those provisions are referencing the reportable trading volume that triggers the requirement to report a volume threshold account to the Commission. The Amendment also includes some minor, non-substantive wording changes.

CFE believes that the Amendment is consistent with Designated Contract Market Core Principles 4 (Prevention of Market Disruption), 5 (Position Limitations or Accountability), and 7 (Availability of General Information) under Section 5 of the Act in that, in order for CFE to meet its self-regulatory obligations, CFE needs to receive the same information relating to reportable positions in CFE contracts from TPHs and non-TPHs that is required to be reported to the Commission. In addition, the Amendment will facilitate CFE's ability to receive this information in a form and manner that will allow its seamless integration into the market surveillance program and systems utilized by CFE and its regulatory services provider by making explicit that TPHs and non-TPHs are required to provide this information to CFE in a form and manner prescribed by the Exchange.

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.

CFE intends to file portions of the Amendment as they may relate to security futures with the Securities and Exchange Commission pursuant to Section 19b-7 of the Securities Exchange Act of 1934.

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

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CFE Rule 412B. Ownership and Control Reports and Reportable Positions³

(a) Each Trading Privilege Holder shall, in a form and manner prescribed by the Exchange[,];

(i) concurrently file with the Exchange a copy of all CFTC Form 102 (including CFTC Form 102A and CFTC Form 102B) and CFTC Form 71 submissions (including any attachments, related submissions, or related information) relating to Exchange Contracts that each Trading Privilege Holder is required to report to the Commission pursuant to Commission regulations; and

(ii) concurrently report to the Exchange reportable positions in Exchange Contracts that each Trading Privilege Holder is required to report to the Commission pursuant to Commission regulations.

(b) Any Person that is not a Trading Privilege Holder and that is required to make to the Commission pursuant to Commission regulations CFTC Form 102 (including CFTC Form 102A and CFTC Form 102B) or CFTC Form 71 submissions (including any attachments, related submissions, or related information) relating to Exchange Contracts shall, in a form and manner prescribed by the Exchange:

(i) concurrently file with the Exchange copies of all [of the foregoing] CFTC Form 102 (including CFTC Form 102A[,], and CFTC Form 102B[,], and CFTC Form 102S]) or CFTC Form 71 submissions (including any attachments, related submissions, or related information) [in a form and manner prescribed by the Exchange] relating to Exchange Contracts that the Person is required to report to the Commission pursuant to Commission regulations; and

(ii) concurrently report to the Exchange reportable positions in Exchange Contracts that the Person is required to report to the Commission pursuant to Commission regulations.

(c) Each Trading Privilege Holder that is a not a Clearing Member shall, in a form and manner prescribed by the Exchange[,];

(i) report to the Exchange the same information regarding the identification and reporting of special accounts relating to Exchange Contracts that each Trading Privilege Holder that is a Clearing Member is required to report to the Commission pursuant to Commission regulations;

(ii) report to the Exchange reportable positions in Exchange Contracts in special accounts that each Trading Privilege Holder that is a Clearing Member is required to report to the Commission pursuant to Commission regulations.

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³ The additions and deletions shown are to CFE Rules as amended by CFE-2015-003.

CFE Rule 714. Imposition of Fines for Minor Rule Violations

(a) - (e) No changes.

(f)(i) - (f)(vi) No changes.

(f)(vii) **Failure to Comply with Reporting Requirements for Ownership and Control Reports and Reportable Positions. (Rules 412B(a), [and] 412B(b) and 412B(c))**

<i>Number of Cumulative Violations in Any Twelve (12) Month Rolling Period</i>	<i>Fine Amount</i>
First Offense.....	Letter of Caution
Second Offense.....	\$7,500
Third Offense.....	\$15,000
Subsequent Offenses.....	Referral to Business Conduct Committee

(f)(viii) - (f)(xviii) No changes.

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CFE Rule 1202. Contract Specifications

(a) – (m) No changes.

(n) *Reportable Position and Trading Volume.*

(i) *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 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.

(ii) *Reportable Trading Volume.* Pursuant to Commission Regulation §15.04 and Commission Regulation Part 17, the reportable trading volume that triggers the requirement to report a volume threshold account [is required to be reported] to the Commission is 50 or more VIX futures contracts during a single trading day.

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CFE Rule 1302. Contract Specifications

(a) – (m) No changes.

(n) *Reportable Position and Trading Volume.*

(i) *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 VXST 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.

(ii) *Reportable Trading Volume.* Pursuant to Commission Regulation §15.04 and Commission Regulation Part 17, the reportable trading volume that triggers the requirement to

report a volume threshold account [is required to be reported] to the Commission is 50 or more VXST futures contracts during a single trading day.

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CFE Rule 1402. Contract Specifications

(a) – (m) No changes.

(n) *Reportable Position and Trading Volume.*

(i) *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 VXTY 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.

(ii) *Reportable Trading Volume.* Pursuant to Commission Regulation §15.04 and Commission Regulation Part 17, the reportable trading volume that triggers the requirement to report a volume threshold account [is required to be reported] to the Commission is 50 or more [VXTYN] VXTY futures contracts during a single trading day.

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CFE Rule 1602. Contract Specifications

(a) – (m) No changes.

(n) *Reportable Position and Trading Volume.*

(i) *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 a Volatility Index 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.

(ii) *Reportable Trading Volume.* Pursuant to Commission Regulation §15.04 and Commission Regulation Part 17, the reportable trading volume that triggers the requirement to report a volume threshold account [is required to be reported] to the Commission is 50 or more futures contracts in a Volatility Index futures contract during a single trading day.

CFE Rule 1702. Contract Specifications

(a) – (m) No changes.

(n) *Reportable Position and Trading Volume.*

(i) *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 VXN 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.

(ii) *Reportable Trading Volume.* Pursuant to Commission Regulation §15.04 and Commission Regulation Part 17, the reportable trading volume that triggers the requirement to report a volume threshold account [is required to be reported] to the Commission is 50 or more VXX futures contracts during a single trading day.

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CFE Rule 2102. Contract Specifications

(a) – (m) No changes.

(n) *Reportable Position and Trading Volume.*

(i) *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 RVX 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.

(ii) *Reportable Trading Volume.* Pursuant to Commission Regulation §15.04 and Commission Regulation Part 17, the reportable trading volume that triggers the requirement to report a volume threshold account [is required to be reported] to the Commission is 50 or more RVX futures contracts during a single trading day.

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CFE Rule 2302. Contract Specifications

(a) – (m) No changes.

(n) *Reportable Position and Trading Volume.*

(i) *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 S&P 500 Variance futures contracts at the close of trading on any trading day equal to or in excess of 25 variance units on either side of the market.

(ii) *Reportable Trading Volume.* Pursuant to Commission Regulation §15.04 and Commission Regulation Part 17, the reportable trading volume that triggers the requirement to report a volume threshold account [is required to be reported] to the Commission is 50 or more S&P 500 Variance futures contracts during a single trading day.

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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-2015-022 in any related correspondence.

CBOE Futures Exchange, LLC

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

By: James F. Lubin
Senior Managing Director