



August 25, 2023

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
Weekly Notification of Rule Amendments
Submission Number CFE-2023-015

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Regulation 40.6(d)(2)(i) of the regulations promulgated by the Commodity Futures Trading Commission (“CFTC” or “Commission”) under the Act, Cboe Futures Exchange, LLC (“CFE” or “Exchange”) hereby provides a summary notice of a CFE rule amendment made during the week of August 21, 2023 (“Amendment”). Exhibit 1 to this submission sets forth the rule changes included in the Amendment. The Amendment became effective on August 21, 2023.

The Amendment made the following two non-substantive revisions to CFE rules:

- The Amendment corrected a cross-reference within CFE Rule 1202(p) (Daily Settlement Price) to another subparagraph of Rule 1202(p). Specifically, the Amendment updated a cross-reference within Rule 1202(p)(iv)(F)(3)(cc) to correctly reference subparagraph (p)(viii) rather than subparagraph (p)(vii).
- The Amendment corrected the numbering of the Policy and Procedure in the Policies and Procedure Section of the CFE Rulebook which sets forth the Options on Cboe[®] iBoxx[®] iShares[®] \$ High Yield Corporate Bond Index Futures Lead Market Maker Program.¹ The numbering of this Policy and Procedure was corrected to be XI instead of I.

CFE believes that the Amendment is consistent with the Designated Contract Market (“DCM”) Core Principles under Section 5 of the Act. In particular, CFE believes that the Amendment is consistent with DCM Core Principle 7 (Availability of General Information) in that the Amendment further clarified CFE’s rules by correcting the numbering of a rule provision and a cross-reference within CFE’s rules.

¹ See Exhibit 2 for disclaimers and trademarks with respect to this product and related products relating to and of S&P Dow Jones Indices LLC and BlackRock Fund Advisors.

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 this submission on CFE's website (http://www.cboe.com/us/futures/regulation/rule_filings/cfe/) concurrent with the filing of this submission with the Commission.

Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 or Shane Wilkerson at (484) 798-9350. Please reference our submission number CFE-2023-015 in any related correspondence.

Cboe Futures Exchange, LLC

/s/ [Laura Fuson](#)

By: Laura Fuson
Managing Director

EXHIBIT 1

The Amendment, marked to show additions in underlined text and deletions in ~~stricken~~ text, consists of the following:

Cboe Futures Exchange, LLC Rulebook

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1202. Contract Specifications

(a) - (o) No changes.

(p) *Daily Settlement Price.* The daily settlement price for a VX futures Contract is calculated in the following manner for each Business Day:

(i) - (iii) No changes.

(iv) For purposes of determining a VWAP for a VX futures Contract:

(A) - (E) No changes.

(F) The following describes the types of transactions that constitute Qualifying Transactions:

(1) Only transactions resulting from the execution of simple Orders, including simple Order transactions that occur when simple Orders execute against a Spread Order, are included in the VWAP calculation and are counted for purposes of determining whether the VWAP Contract Minimum has been satisfied.

(2) Transactions involving the execution of a Spread Order against another Spread Order, Trade at Settlement transactions, Exchange of Contract for Related Position transactions and Block Trades are not included in the VWAP calculation and are not counted for purposes of determining whether the VWAP Contract Minimum has been satisfied.

(3) Trade busts and adjustments pursuant to Policy and Procedure III are addressed in the following manner:

(aa) If a Qualifying Transaction occurs during the VWAP Interval and is busted or adjusted during the VWAP Interval, the bust or adjustment is accounted for in the VWAP calculation and for purposes of determining whether the VWAP Contract Minimum has been satisfied.

(bb) If a Qualifying Transaction occurs outside of the VWAP Interval and is busted or adjusted during the VWAP Interval, the bust or adjustment is not taken into consideration for purposes of the VWAP calculation or determining whether the VWAP Contract Minimum has been satisfied.

(cc) If a Qualifying Transaction occurs during the VWAP Interval and is busted or adjusted after the VWAP Interval, the original transaction is included the VWAP calculation and for purposes of determining whether the VWAP Transaction Minimum has been satisfied. In this event, the Exchange may, in its sole discretion, take the bust or adjustment into consideration in determining whether to exercise its authority under paragraph ~~(p)(vii)~~ (p)(viii) below and in connection with making any determination under that paragraph.

(v) - (viii) No changes.

(q) - (r) No changes.

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**Cboe Futures Exchange, LLC
Policies and Procedures Section of Rulebook**

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¶ XI. Options on Cboe® iBoxx® iShares® \$ High Yield Corporate Bond Index Futures Lead Market Maker Program

The Options on Cboe® iBoxx® iShares® \$ High Yield Corporate Bond Index Futures Lead Market Maker Program (“Program”) is applicable with respect to IBYO options on futures (“IBYO options”).

Trading Privilege Holder (“TPH”) organizations may apply to the Exchange for appointment as a lead market maker (“LMM”) under the Program. Each LMM application, LMM appointment, and LMM under the Program is specific to a TPH and to one of that TPH’s Executing Firm IDs (“EFIDs”) referred to as an “LMM Program EFID”.

Accordingly, a TPH may apply for and receive more than one LMM appointment under the Program, each of which is applicable to that TPH and to a different LMM Program EFID of that TPH. In that case, each of those LMMs is separately subject to the provisions of the Program, including the market performance benchmark and benefit provisions of the Program, as a single LMM.

The Exchange may appoint up to two LMMs under the Program. Any TPH that desires to apply for LMM status under the Program should submit an application in a form and manner prescribed by the Exchange.

LMMs shall be selected by the Exchange based on the Exchange’s judgment as to which applicants are most qualified to perform the functions of an LMM under the Program. Factors to be considered in making this selection may include, but are not limited to, satisfaction of the qualifications listed below as well as any one or more of the factors listed in Rule 515(b), as applied to LMM applicants instead of with respect to DPM applicants.

The following describes the qualifications, requirements, market performance benchmarks, benefits, and appointment term under the Program unless otherwise specified.

Qualifications

- Ability to automatically and systematically provide two-sided markets for IBYO options.

Requirements

- Each LMM shall designate in advance to the Exchange an LMM Program EFID. An LMM Program EFID is a single EFID through which the LMM will provide Orders to satisfy the market performance benchmarks under the Program. The LMM Program EFID designated by an LMM must be an EFID assigned to that TPH and may not be an EFID of another TPH. An LMM shall inform the Exchange in advance if the LMM determines to change its LMM Program EFID.
- Each LMM is required to utilize Exchange match trade prevention functionality under Rule 406B with respect to trading in IBYO options through its LMM Program EFID.

Market Performance Benchmarks

- Each LMM shall provide Orders in IBYO options in conformity with specified criteria relating to minimum two-sided quote size and maximum quote width in order to receive specified benefits. These criteria apply during IBYO options trading hours.
- The Exchange may terminate, place conditions upon or otherwise limit a TPH's appointment as an LMM under the Program if the TPH fails to satisfy the market performance benchmarks under the Program. However, failure of a TPH to satisfy the market performance benchmarks under the Program shall not be deemed a violation of Exchange rules.

Benefits

- An LMM is eligible to receive specified benefits in connection with acting as an LMM under the Program.

Term

- The Program and each LMM appointment under the Program will expire on December 31, 2023. The Exchange may determine to extend the term of the Program and LMM appointments under the Program, allow the Program and LMM appointments under the Program to expire, terminate the Program and all LMM appointments under the Program at any time or amend or replace the Program with a different market maker program at any time.

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EXHIBIT 2

The iBoxx iShares \$ High Yield Corporate Bond Index and the iBoxx iShares \$ Investment Grade Corporate Bond Index (“iBoxx iShares \$ Corporate Bond Indices”) are products of S&P Dow Jones Indices LLC or its affiliates or licensors (“S&P DJI”) and have been licensed for use by Cboe Exchange, Inc. iBoxx[®], S&P[®], “S&P 500[®]” and “Dividend Aristocrats[®]” are registered trademarks of Standard & Poor’s Financial Services LLC (“S&P”); Dow Jones[®] is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”) and has been licensed for use by S&P Dow Jones Indices; and these trademarks have been licensed for use by S&P DJI and sublicensed for certain purposes by Cboe Exchange, Inc. Cboe[®] iBoxx[®] iShares[®] \$ High Yield Corporate Bond Index futures and options on futures and Cboe[®] iBoxx[®] iShares[®] \$ Investment Grade Corporate Bond Index futures and options on futures are not sponsored, endorsed, sold or promoted by S&P DJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the iBoxx iShares \$ Corporate Bond Indices.

The iBoxx[®] iShares[®] \$ High Yield Corporate Bond Index and the iBoxx[®] iShares[®] \$ Investment Grade Corporate Bond Index (the “Indexes”), futures contracts on the Indexes and options on futures contracts on the Indexes (“Contracts”) are not sponsored by, or sold by BlackRock, Inc. or any of its affiliates (collectively, “BlackRock”). BlackRock makes no representation or warranty, express or implied to any person regarding the advisability of investing in securities, generally, or in the Contracts in particular. Nor does BlackRock make any representation or warranty as to the ability of the Index to track the performance of the fixed income securities market, generally, or the performance of HYG, LQD or any subset of fixed income securities.

BlackRock has not calculated, composed or determined the constituents or weightings of the fixed income securities that comprise the Indexes (“Underlying Data”). BlackRock is not responsible for and has not participated in the determination of the prices and amounts of the Contracts, or the timing of the issuance or sale of such Contracts or in the determination or calculation of the equation by which the Contracts are to be converted into cash (if applicable). BlackRock has no obligation or liability in connection with the administration or trading of the Contracts. BlackRock does not guarantee the accuracy or the completeness of the Underlying Data and any data included therein and BlackRock shall have no liability for any errors, omissions or interruptions related thereto.

BlackRock makes no warranty, express or implied, as to results to be obtained by S&P DJI, the parties to the Contracts or any other person with respect to the use of the Underlying Data or any data included therein. BlackRock makes no express or implied warranties and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Underlying Data or any data included therein. Without limiting any of the foregoing, in no event shall BlackRock have any liability for any special, punitive, direct, indirect or consequential damages (including lost profits) resulting from the use of the Underlying Data or any data included therein, even if notified of the possibility of such damages.

iShares[®] is a registered trademark of BlackRock Fund Advisors and its affiliates.