



February 1, 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-2012-01

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 adopt new CFE Rule 303A (Order Entry Operator IDs) in place of current CFE Rule 303A (Login Assignment Requirements). The Amendment will become effective on February 16, 2012.

CFE adopted current CFE Rule 303A in July 2011 in order to codify existing best practices in relation to satisfying CFE audit trail recordkeeping requirements. Prior to and since that time, the Commission and the Joint Compliance Committee have discussed best practices for the issuance, usage, and verification of Order Entry Operator IDs by designated contract markets. In light of these discussions, CFE is amending CFE Rule 303A to conform to the industry standard of requiring the use of Order Entry Operator IDs instead of utilizing the current structure provided for under existing Rule 303A which focused on log-in assignments instead of Order Entry Operator IDs. Specifically, new CFE Rule 303A requires the inclusion of an Order Entry Operator ID with every order, quote, or other message submitted to CFE's trading system; sets forth requirements relating to the issuance of Order Entry Operator IDs for natural persons and Automated Trading Systems; and addresses the issuance, recordkeeping, and reporting obligations of Trading Privilege Holders in relation to Order Entry Operator IDs. CFE intends to phase-in these requirements by issuing compliance dates via regulatory circular.

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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**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, 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, quote, or other message into the CBOE System (if a natural person entered the order, quote, or other message into the CBOE System); or

(B) the natural person physically responsible for entering the order, 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, quote, or other message into the CBOE System and instead a natural person entered the order, 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, quotes, and/or other messages.

(ii) Each order, 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, 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, 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, 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.

**[Rule 303A. Login Assignment Requirements**

(a) Each Trading Privilege Holder must obtain from the Exchange and utilize a separate login for each Authorized Trader who will access the CBOE System on behalf of the Trading Privilege Holder. A Trading Privilege Holder must obtain from the Exchange and utilize a separate login for an Authorized Trader even if the Authorized Trader will only access the CBOE System on an occasional or temporary basis. The login assigned to an Authorized Trader may only be used by that Authorized Trader and may not be used by any other Person, including any other Authorized Trader. More than one login may be assigned to the same Authorized Trader as long as those logins are only used by that Authorized Trader.

(b) Each Trading Privilege Holder must obtain from the Exchange and utilize a separate login for any automated trading system that the Trading Privilege Holder will utilize to automatically transmit orders, quotes or other messages to the CBOE System. More than one

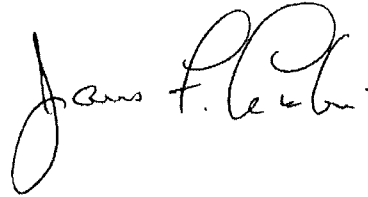
login may be assigned to the same automated trading system as long as those logins are only used for that automated trading system.

(c) For each login provided by the Exchange to a Trading Privilege Holder, the Trading Privilege Holder must identify to the Exchange in a form and manner prescribed by the Exchange and must keep current and accurate at all times the following information: the name, business address, business telephone, business e-mail and title of the Authorized Trader assigned to that login or, if the login is assigned to an automated trading system, of the personnel who exercise control over the automated trading system, as well as any other related information as may be prescribed by the Exchange.]

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Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 or Jennifer Klebes at (312) 786-7466. Please reference our submission number CFE-2012-01 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, flowing style with a large initial "J".

By: James F. Lubin  
Managing Director

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