



RECEIVED  
C.F.T.C.

2009 FEB 19 PM 1:45

OFF. OF THE SECRETARIAT

February 19, 2009

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-2009-03

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 new rules and amendments to existing rules and policies and procedures to accommodate the trading of commodity options on CFE ("Amendment"). The Amendment also makes technical changes to certain CFE Rules.

The Amendment will become effective on February 23, 2009.

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, is attached as Appendix A.

Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 or Jennifer Yeadon at (312) 786-7466. Please reference our submission number CFE-2009-03 in any related correspondence.

CBOE Futures Exchange, LLC

By: 

Andrew Lowenthal  
Managing Director

cc: Riva Adriance (CFTC)  
Edward Dasso (NFA)  
The Options Clearing Corporation

**Appendix A**

**CFE RULEBOOK**

**CHAPTER 1  
DEFINITIONS**

**Scope of Definitions**

Unless otherwise specifically provided in the Rules of the Exchange or the context otherwise requires, the terms defined in this Chapter shall for all purposes of the Rules of the Exchange have the meanings specified herein.

**Rules 101. to 117.** No change.

**118. Class of Options**

The term "Class of Options" means Options of the same category (e.g., traditional or binary) covering the same underlying Future of commodity.

**[118.] 119. Clearing Corporation**

The term "Clearing Corporation" means The Options Clearing Corporation, a Delaware corporation (including its successors), or such other clearing organization as the Exchange may designate in the future to provide clearing services with respect to any or all of its Contracts.

**[119.] 120. Clearing Member**

The term "Clearing Member" means a member of the Clearing Corporation that is a Trading Privilege Holder and that is authorized under the Rules of the Clearing Corporation to clear trades in any or all Contracts.

**[120.] 121. Commission**

The term "Commission" means the Commodity Futures Trading Commission, and includes any successor agency or authority.

**122. Commodity**

The term "Commodity" has the same meaning as that term is defined under the CEA.

**[122.] 123. Complainant**

The term "Complainant" has the meaning set forth in Rule 702(a).

**[123.] 124. Constitutive Documents**

The term "Constitutive Documents" means the certificate of formation and the operating agreement of the Exchange, each as amended or otherwise modified from time to time.

**[124.] 125. Contract**

The term "Contract" means any Future, Option or Security Future.

**[125.] 126. Control**

The term "Control" means the power to exercise a controlling influence over the management or policies of a Person, unless such power is solely the result of an official position with such Person. Any Person who owns beneficially, directly or indirectly, more than 20% of the voting power in the election of directors of a corporation, or more than 25% of the voting power in the election of directors of any other corporation which directly or through one or more Affiliates owns beneficially more than 25% of the voting power in the election of directors of such corporation, shall be presumed to control such corporation. The terms "controlling" or "controlled" shall have meanings correlative to the foregoing.

**[126.] 127. Customer**

The term "Customer" means any Person for whom a Trading Privilege Holder carries an account (other than such Trading Privilege Holder or any of its Affiliates) or from whom a Trading Privilege Holder solicits or accepts an Order.

**[127.] 128. Delaware LLC Act**

The term "Delaware LLC Act" means the Delaware Limited Liability Company Act, as amended from time to time.

**[128.] 129. Director of Arbitration**

The term "Director of Arbitration" means the individual appointed by the Exchange from time to time to serve as its director of arbitration.

**[129.] 130. Director of Enforcement**

The term "Director of Enforcement" means the individual appointed by the Exchange from time to time to serve as its director of enforcement.

**[130.] 131. DPM**

The term "DPM" means any designated primary market maker approved by the Exchange from time to time in accordance with, and with the duties and responsibilities set forth in, Rule 515.

**[131.] 132. DPM Designee**

The term "DPM Designee" has the meaning set forth in Rule 515(b)(iii).

**[132.] 133. Emergency**

The term "Emergency" means any occurrence or circumstance which requires immediate action and threatens or may threaten the fair and orderly trading in, or the

liquidation of or delivery pursuant to, any Contract. An Emergency may include, without limitation, any of the following:

(a) – (h) No change.

**[133.] 134. Exchange**

The term “Exchange” means CBOE Futures Exchange, LLC, a Delaware limited liability company (including its successors), and when used with reference to the administration of any Rule of the Exchange means either the Board or the officer, employee, agent, committee or delegee to whom appropriate authority to administer such provision has been delegated.

**[134.] 135. Exchange Act**

The term “Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time.

**[135.] 136. Exchange Act Regulation**

The term “Exchange Act Regulation” means any rule, regulation, order, directive and any interpretation thereof adopted or amended from time to time by the Securities and Exchange Commission, including any successor agency or authority.

**[136.] 137. Exchange of [Future] Contract for Related Position**

The term “Exchange of [Future] Contract for Related Position” means an exchange of a Contract listed on the Exchange for a Related Position, as that term is defined in Rule 414(f), [any transaction] that is entered into in accordance with the Rules of the Exchange [, a component of which is not executed on the Exchange and a component or all of which involves a Contract].

**[137.] 138. Executive Committee**

The term “Executive Committee” means the executive committee of the Board, as constituted in accordance with, and with the authority and rights set forth in, Rule 207.

**139. Exercise Price or Strike Price**

The terms “Exercise Price” and “Strike Price” shall be synonymous and mean the price at which a person may purchase or sell the underlying Future or commodity upon exercise of the Option.

**[138.] 140. Ex Parte Communication**

The term “Ex Parte Communication” means any oral or written communication made without notice to all parties. A written communication is an Ex Parte Communication unless a copy thereof has been delivered to all interested parties. An oral communication is an Ex Parte Communication unless it is made in the presence of all interested parties other than those who, after receiving adequate prior notice, declined to be present.

**[139.] 141. Expiration Date**

The term "Expiration Date" means, with respect to any Contract, the day and time set forth in the Rules of the Exchange governing such Contract for the termination or expiration of such Contract.

**[140.] 142. Expiration Month**

The term "Expiration Month" means, with respect to any Contract, the month and year set forth in the Rules of the Exchange governing such Contract for the termination or expiration of such Contract..

**143. FINRA**

The term "FINRA" means the Financial Industry Regulatory Authority, and includes any successor organization.

**[141.] 144. Future**

The term "Future" means any contract for the purchase or sale of any commodity for future delivery from time to time traded on or subject to the Rules of the Exchange.

**[142.] 145. Help Desk**

The term "Help Desk" means the office established by the Exchange to assist Trading Privilege Holders and Authorized Traders in connection with their trading subject to the Rules of the Exchange.

**[143.] 146. Market Turner**

The term "Market Turner" means any Trading Privilege Holder or Authorized Trader that first enters an Order or quote at a price that is better than the best price previously available, provided such Order or quote is continuously exposed to the market until it is executed. There may be a Market Turner for each price at which a particular Contract trades on any trading day.

**[144. NASD**

The term "NASD" means the National Association of Securities Dealers, and includes any successor organization.]

**[145.] 147. Narrow-Based Stock Index Future**

The term "Narrow-Based Stock Index Future" has the meaning set forth in Rule 1901.

**[146.] 148. NFA**

The term "NFA" means the National Futures Association, and includes any successor organization fulfilling similar functions under the CEA.

**[147.] 149. 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.

**[148.] 150. Order**

The term "Order" means any Market Order, Limit Order, Cancel Order, Cancel Replace Order, Day Order, Good 'til Canceled Order, Spread Order or Contingency Order (including any All or None Order, Fill or Kill Order, Immediate or Cancel Order, Stop Order or Stop Limit Order), all having the respective meanings set forth in Rule 404, as well as any other types of Orders that may be approved by the Exchange from time to time.

**[149.] 151. Passwords**

The term "Passwords" has the meaning set forth in Rule 513(b).

**[150.] 152. Person**

The term "Person" means any natural person, association, partnership, limited liability company, joint venture, trust or corporation.

**153. Premium**

The term "Premium" means the amount agreed upon between the purchaser and seller for the purchase of sale of an Option.

**[151.] 154. President**

The term "President" means the individual serving as president of CBOE from time to time.

**[152.] 155. Related Party**

The term "Related Party" means, with respect to any Trading Privilege Holder: any partner, director, officer, branch manager, employee or agent of such Trading Privilege Holder (or any Person occupying a similar status or performing similar functions); any Person directly or indirectly Controlling, Controlled by, or under common Control with, such Trading Privilege Holder; or any Authorized Trader of such Trading Privilege Holder.

**[153] 156. Respondent**

The term "Respondent" has the meaning set forth in Rule 704(b).

**[154.] 157. Responsible Trader**

The term "Responsible Trader" has the meaning set forth in Rule 513(a).

**[155.] 158. Rule of the Clearing Corporation**

The term "Rule of the Clearing Corporation" means the Certificate of Incorporation, the By-laws and any rule, interpretation, stated policy, or instrument corresponding to any of the foregoing, in each case as adopted or amended from time to time by the Clearing Corporation relating to the Exchange or any or all of the Contracts.

**[156.] 159. Rule of the Exchange**

The term "Rule of the Exchange" means any rule, interpretation, stated policy, or instrument corresponding to any of the foregoing, in each case as adopted or amended from time to time by the Exchange.

**[157.] 160. Secretary**

The term "Secretary" means the individual appointed by the Board from time to time to serve as secretary of the Exchange.

**[158.] 161. Security Future**

The term "Security Future" has the meaning set forth in Section 1a(31) of the CEA.

**162. Series of Options**

The term "Series of Options" means options of the same class and the same type (e.g., put or call) with the same strike price and the same Expiration Date.

**[159.] 163. Single Stock Future**

The term "Single Stock Future" has the meaning set forth in Rule 1801.

**[160.] 164. Specifications Supplement**

The term "Specification Supplement" has the meaning set forth in Rule 1802.

**[161.] 165. Standing Committees**

The term "Standing Committees" has the meaning set forth in Rule 206(a).

**[162.] 166. Subject**

The term "Subject" has the meaning set forth in Rule 702(d).

**[163.] 167. Trading Hours**

The term "Trading Hours" has the meaning set forth in Rule 402(a).

**[164.] 168. Trading Privilege Holder**

The term "Trading Privilege Holder" means any Person holding Trading Privileges. Trading Privilege Holder shall be deemed to be members of the Exchange for purposes of the CEA and Commission Regulations thereunder.

**[165.] 169. Trading Privileges**

The term "Trading Privileges" means a permit conferred by the Exchange on any Person in accordance with Rule 305 to access the CBOE System.

**[166.] 170. Treasurer**

The term "Treasurer" means the individual appointed by the Board from time to time to serve as treasurer of the Exchange.

**[167.] 171. Vice Chairman**

The term "Vice Chairman" means the individual serving as vice chairman of the board of CBOE from time to time.

**[168.] 172. Vice President**

The term "Vice President" means any individual appointed by the Board from time to time to serve as a vice president of the Exchange.

\* \* \* \* \*

**Off-Exchange Transactions**

**Rule 414. Exchange of [Future] Contract for Related Position**

(a) A *bona fide* Exchange of [Future] Contract for Related Position may be entered into with respect to any Contract designated by the Exchange and in accordance with the applicable trading increments set forth in the rules governing such Contract, at a price mutually agreed upon by the parties to such transaction. Each Exchange of [Future] Contract for Related Position must contain the following three essential elements:

(i) A [Futures] transaction in a Contract that is listed on the Exchange and a transaction in a related position or an option on the related position (known as the "Related Position");

(ii) An exchange of [Futures] Contract for the Related Position that involves an actual transfer of ownership, which must include (x) possession, right of possession, or right to future possession of each leg prior to the exchange, (y) an ability to perform the Exchange of [Future] Contract for Related Position, and (z) a transfer of title of the [Future] Contract and Related Position upon consummation of the exchange; and

(iii) Separate parties, such that the accounts involved on each side of the Exchange of [Future] Contract for Related Position have



different beneficial ownership or are under separate control, provided that separate profit centers of a futures commission merchant operating under separate control are deemed to be separate parties for purposes of this Rule 414.

(b) In every Exchange of [Future] Contract for Related Position, one party must be the buyer of the Related Position and the seller of the corresponding [Futures] Contract and the other party must be the seller of the Related Position and the buyer of the corresponding [Futures] Contract. Further, the quantity of the Related Position traded in an Exchange of [Future] Contract for Related Position must correlate to the quantity represented by the [Futures] Contract portion of the transaction.

(c) Exchange of [Future] Contract for Related Position transactions with respect to any Contract may occur during and outside of the Trading Hours set forth in the rules governing such Contract, unless otherwise specified in those rules.

(d) Each Exchange of [Future] Contract for Related Position shall be designated as such, and cleared through the Clearing Corporation as if it were a transaction executed through the CBOE System.

(e) Each Clearing Member involved in any Exchange of [Future] Contract for Related Position shall either maintain records evidencing compliance with the criteria set forth in this Rule 414 or be able to obtain such records from its Customer involved in the Exchange of [Future] Contract for Related Position. Upon request, each such Clearing Member shall provide to the Exchange documentation related to Exchange of [Future] Contract for Related Position transactions.

(f) For purposes of this Rule 414, the term "Related Position" shall include, but not be limited to, a security, an option, a Contract, any commodity as that term is defined by the CEA, or a group or basket of any of the foregoing. The Related Position being exchanged need not be the same as the underlying of the [Futures] Contract transaction being exchanged, but the Related Position must have a high degree of price correlation to the underlying of the [Futures] Contract transaction so that the [Futures] Contract transaction would serve as an appropriate hedge for the Related Position.

(g) The seller of the [Futures] Contract leg of an Exchange of [Future] for Related Position transaction is obligated to call the Help Desk after the transaction is negotiated to notify the Exchange of the terms of the transaction. This notification to the Help Desk shall occur without delay and in no event later than ten minutes after the transaction is negotiated if the transaction occurs during the Trading Hours for the Contract [that comprises the Futures] leg of the transaction, unless otherwise specified in the rules governing the relevant Contract. If the transaction occurs outside of the Trading Hours for the Contract [that comprises the Futures] leg of the transaction, this notification to the Help Desk must occur no later than ten minutes from the time that regular trading next commences on the Exchange. The notification to the Help Desk shall include (i) the identity, contract month, price or premium, quantity, and time of execution of the relevant [Futures] Contract leg, (ii) the counterparty Clearing Member, and (iii) the identity, quantity

and price of the Related Position. The Help Desk will provide the caller a Trade Identification ("Trade ID") for the Exchange of [Future] Contract for Related Position transaction and report the Futures leg to the CBOE System. After reporting the Exchange of [Future] Contract for Related Position transaction to the Help Desk, the buyer and seller of the [Futures] Contract leg must each complete and transmit the prescribed Exchange of [Future] Contract for Related Position Reporting Form via facsimile or e-mail to the Help Desk. Both sides must include the Trade ID given by the Help Desk to the seller of the [Futures] Contract leg. It is the responsibility of the buying and selling parties to effect any subsequent allocations or necessary updates to non-critical matching fields utilizing a post-trade processing system designated by the Exchange.

\*\*\*\*\*

**Rule 510. Risk Disclosure Statement**

In accordance with applicable requirements of the NFA (in the case of any Trading Privilege Holder or Clearing Member that is registered with the NFA) or the [NASD] FINRA (in the case of any Trading Privilege Holder or Clearing Member that is registered with the [NASD] FINRA), each Trading Privilege Holder or Clearing Member, as the case may be, shall provide its Customers with a written disclosure statement in the form approved by the Exchange for purposes of Commission Regulation § 1.55, § 33.7 or § 41.41(b), as applicable, and any other disclosure statement from time to time required by the Exchange.

\*\*\*\*\*

**Schedule A to Chapter 5**

**Margin Levels for Offsetting Positions**

	DESCRIPTION OF OFFSET	SECURITY UNDERLYING THE SECURITY FUTURE	INITIAL MARGIN REQUIREMENT	MAINTENANCE MARGIN REQUIREMENT
1	Long security future (or basket of security futures representing each component of a narrow-based securities index <sup>1</sup> ) and long put	Individual stock or narrow-based security index	20% of the current market value of the long security future, plus pay for the long put in full.	The lower of: (1) 10% of the aggregate exercise price <sup>3</sup> of the put plus the aggregate put out-of-the-money <sup>4</sup> amount, if any; or (2) 20% of the current market value

<sup>1</sup> No change.

<sup>2</sup> No change.

<sup>3</sup> "Aggregate exercise price," with respect to an option or warrant based on an underlying security, means the exercise price of an option or warrant contract multiplied by the numbers of units of the underlying security covered by the option contract or warrant. "Aggregate exercise price" with respect to an index option, means the exercise price multiplied by the index multiplier. See, e.g., Amex Rules 900 and 900C; CBOE Rule 12.3; and [NASD] FINRA Rule 2522.

<sup>4</sup> "Out-of-the-money" amounts shall be determined as follows:

option <sup>2</sup> on the same underlying security (or index)			of the long security future.
--	--	--	------------------------------

Remainder of chart 2 – 18      No change.

\* \* \* \* \*

**Rule 605.      Sales Practice Rules**

Without limiting the generality of Rule 604, each Trading Privilege Holder (including its Related Parties) shall comply with any and all sales practice rules (including those relating to bunched orders, opening and approval of accounts, suitability, use of discretion, supervision of accounts, risk disclosure document delivery, communications, monthly statements and confirmations, registration, qualification and continuing education, customer complaints, prohibition against guarantees and profit sharing and money laundering) from time to time promulgated by the NFA or, in the case of Security Futures, from time to time promulgated by the NFA or [the NASD]FINRA which rules are hereby incorporated by reference into this Rule 605.

\* \* \* \* \*

**Rule 611.      Trading Against Customers' Orders**

No Trading Privilege Holder (including its Related Parties) shall enter into a transaction on behalf of a Customer in which such Trading Privilege Holder or Related Party or any Person trading for an account in which such Trading Privilege Holder or Related Party has a financial interest, intentionally assumes the opposite side of the transaction. The foregoing restriction shall not prohibit pre-execution discussions conducted in accordance with procedures established by the Exchange from time to time, and shall not apply to any Exchange of [Future] Contract for Related Position, any Block Trade or any facilitation crossing transaction meeting all of the following criteria (or such other criteria as may be established by the Exchange from time to time):

(a) – (e)      No change.

---

(1) – (3) No change.

(4) for stock index put options and warrants, any excess of the product of the current index value and the applicable index multiplier over the aggregate exercise price of the option or warrant. See, e.g., NYSE Rule 431 (Exchange Act Release No. 42011 (October 14, 1999), 64 FR 57172 (October 22, 1999) (order approving SR-NYSE-99-03)); Amex Rule 462 (Exchange Act Release No. 43582 (November 17, 2000), 65 FR 71151 (November 29, 2000) (order approving SR-Amex-99-27)); CBOE Rule 12.3 (Exchange Act Release No. 41658 (July 27, 1999), 64 FR 42736 (August 5, 1999) (order approving SR-CBOE-97-67)); or [NASD] FINRA Rule 2520 (Exchange Act Release No. 43581 (November 17, 2000), 65 FR 70854 (November 28, 2000) (order approving SR-NASD-00-15)).

Because the Orders entered into the CBOE System pursuant to this Rule 611 are exposed to the market, there is no assurance that the Orders of the Trading Privilege Holder will be matched against the Customer Order.

**Rule 615. Simultaneous Buying and Selling Orders**

(a) No Trading Privilege Holder (including its Related Parties) shall accept simultaneous buy and sell Orders from the same Customer for the same [delivery] month of a particular [Future] Contract.

(b) A Trading Privilege Holder (including its Related Parties) holding Orders to buy and sell at the same time from different Customers for the same month of a particular [Future] Contract may enter both Orders into the CBOE System.

\* \* \* \* \*

**Rule 701. Disciplinary Jurisdiction**

(a) A Trading Privilege Holder and any Related Party who is alleged to have violated, or aided and abetted a violation of, any provision of the CEA, Commission Regulations thereunder, the Exchange Act, Exchange Act Regulations thereunder, or any Rule of the Exchange regulating the conduct of business on the Exchange shall be subject to the disciplinary jurisdiction of the Exchange under this Chapter 7, and after notice and opportunity for a hearing may be appropriately disciplined by expulsion, suspension, limitation of activities, functions and operations, fine, censure, being suspended or barred from using Trading Privileges or any other fitting sanction, in accordance with the provisions of this Chapter 7.

(b) – (c) No change.

\* \* \* \* \*

**Rule 702. Complaint and Investigation**

(a) – (c) No change.

(d) Notice, Statement and Access. Prior to submitting its report, the Exchange shall notify each Person who is the subject of the report (the “Subject”) of the general nature of the allegations and of the specific provisions of the CEA, Commission Regulations thereunder, the Exchange Act, Exchange Act Regulations thereunder, or Rules of the Exchange regulating the conduct of business on the Exchange that appear to have been violated. Except when the Business Conduct Committee determines that expeditious action is required, a Subject shall have the right, within 15 days from the date of the notification referred to in the preceding sentence, to submit a written statement to the Business Conduct Committee concerning why no disciplinary action should be taken. To assist a Subject in preparing such a written statement, such Subject shall have access to any documents and other materials in the investigative file of the Exchange that were furnished by such Subject or its agents.

(e) No change.

\* \* \* \* \*

**Rule 704. Charges**

(a) No change.

(b) **Initiation of Charges.** Whenever it appears to the Business Conduct Committee from a report submitted to it pursuant to Rule 702(c) that there is probable cause for finding a violation within the disciplinary jurisdiction of the Exchange and that further proceedings are warranted, the Business Conduct Committee shall direct the staff of the Exchange to prepare a statement of charges against each Person alleged to have committed a violation (the "Respondent"), specifying the acts in which the Respondent is charged to have engaged and setting forth the specific provisions of the CEA, Commission Regulations thereunder, the Exchange Act, Exchange Act Regulations thereunder, or Rules of the Exchange of which such acts are in violation. A copy of such statement shall be served upon the Respondent in accordance with Rule 712. The Complainant, if any, shall be notified if further proceedings are warranted.

\* \* \* \* \*

**Rule 709. Decision**

Following any hearing conducted pursuant to Rule 706, the BCC Panel conducting such hearing shall issue a decision in writing, based solely on the record, determining whether the Respondent has committed a violation and imposing the sanction, if any, therefor. If such BCC Panel is not composed of at least a majority of the members of the Business Conduct Committee, its determination shall be automatically reviewed by a majority of the members of the Business Conduct Committee, which may affirm, reverse or modify in whole or in part or may remand the matter for additional findings or supplemental proceedings. Any such modification may include additional, lesser or different sanctions. Each decision made pursuant to this Rule 709 shall include a statement of findings and conclusions, with the reasons therefor, upon all material issues presented on the record for the matter in question. Where a sanction is imposed, the decision shall include a statement specifying the acts or practices in which the Respondent has been found to have engaged and setting forth the specific provisions of the [Act] CEA, Commission Regulations thereunder, the Exchange Act, Exchange Act Regulations thereunder, or Rules of the Exchange Act of which the acts are deemed to be in violation. The Respondent shall be promptly sent a copy of any decision made pursuant to this Rule 709. After Board review pursuant to Rule 710, or upon expiration of the time for such review in accordance with Rule 710, whichever occurs first, a decision will be considered final, and the Exchange shall publish a summary thereof.

\* \* \* \* \*

**CFE Rule 1202. CBOE Volatility Index Futures Contract Specifications**

(a) – (i) No change.

(j) *Exchange of [Future] Contract for Related Position.* Exchange of [Future] Contract for Related Position transactions, as set forth in Rule 414, may be entered into with respect to VIX futures contracts. Any Exchange of [Future] Contract for Related Position transaction must satisfy the requirements of Rule 414.

The minimum price increment for an Exchange of [Future] Contract for Related Position involving the VIX futures contract is 0.01 index points.

(k) – (o) No change.

\* \* \* \* \*

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

(a) – (i) No change.

(j) *Exchange of [Future] Contract for Related Position.* Exchange of [Future] Contract for Related Position transactions, as set forth in Rule 414, may not be entered into with respect to CBOE S&P 500 Three-Month Variance futures contracts.

(k) – (o) No change.

\* \* \* \* \*

**CFE Rule 1602. CBOE Russell 2000 Volatility Index Futures Contract Specifications**

(a) – (i) No change.

(j) *Exchange of [Future] Contract for Related Position.* Exchange of [Future] Contract for Related Position transactions, as set forth in Rule 414, may be entered into with respect to RVX futures contracts. Any Exchange of [Future] Contract for Related Position transaction must satisfy the requirements of Rule 414.

The minimum price increment for an Exchange of [Future] Contract for Related Position transaction involving the RVX futures contract is 0.01 index points.

(k) – (o) No change.

\* \* \* \* \*

**CFE Rule 1702. CBOE DJIA Volatility Index Futures Contract Specifications**

(a) – (i) No change.

(j) *Exchange of [Future] Contract for Related Position.* Exchange of [Future] Contract for Related Position transactions, as set forth in Rule 414, may be entered into with respect to VXD futures contracts. Any Exchange of [Future] Contract for Related Position transaction must satisfy the requirements of Rule 414.

The minimum price increment for an Exchange of [Future] Contract for Related Position transaction involving the VXD futures contract is 0.01 index points.

(k) – (o) No change.

\* \* \* \* \*

**CFE Rule 2302. CBOE S&P 500 Twelve-Month Variance Futures Contract Specifications**

(a) – (i) No change.

(j) *Exchange of [Future] Contract for Related Position.* Exchange of [Future] Contract for Related Position transactions, as set forth in Rule 414, may not be entered into with respect to CBOE S&P 500 Twelve-Month Variance futures contracts.

(k) – (o) No change.

\* \* \* \* \*

**CFE Policies and Procedures I – II** No change.

**CFE Policy and Procedure III. Resolution of Error Trades (Rule 416)**

A. General Policy

1. *Invoking Error Trade Policy*

Any request by a Trading Privilege Holder to invoke the error trade policy with respect to any trade must be made to the help desk as soon as possible. Additionally, an employee of the Exchange can bring a potential error trade to the help desk's attention. The help desk may provide assistance only to Trading Privilege Holders. In all cases, if a potential error trade is not brought to the help desk's attention within eight minutes after the relevant trade occurred, such trade will stand, except as provided in Part B below.

2. *Procedure Followed by Help Desk*

When a potential error trade is brought to the help desk's attention, the help desk will determine whether the trade price is in the "no bust range" for the relevant Contract, as set forth in the Rules governing such Contract. With respect to trades involving a Spread Order (e.g., a combination order and not independent, separate legs), the help desk may also consider the theoretical net price of the Spread Order and apply the "no bust range" in relation to that theoretical net price (such that if the net trade price of the Spread Order was inside (outside) that "no bust range", all of the trades involving the Spread Order would be treated as inside (outside) the "no bust range"). In making a determination regarding the theoretical net price of a Spread Order, the help desk may consider all relevant factors, including the net of the true market prices of the Contracts that comprise the individual legs of the Spread Order (each determined in the manner described above) and the net price of other Spread Orders of the same type.

In determining whether the trade price is within the "no bust range," the help desk will determine what the true market price for the relevant Contract was immediately before the potential error trade occurred. In making such determination, the help desk may consider all relevant factors, including the last trade price for such Contract, a better bid or offer price, a more recent price in a different contract month or series and the prices of related contracts trading in other markets.

3. – 6. No change.

B. – F. No change.

**CFE Policies and Procedures IV – IX.** No change.