



May 31, 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-2012-13

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 an amendment (“Amendment”) to CFE Policy and Procedure X, which sets forth CFE's DPM Market Performance Benchmarks Program (“Program”). The Amendment extends the Program for an additional eighteen months so that general and product specific market performance benchmarks will now expire on December 31, 2013. As was the case previously, CFE may subsequently determine to further extend the Program, allow the Program to expire, terminate the Program at any time, or replace the Program with a different program at any time. The Amendment will become effective on June 15, 2012.

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 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 double underlined text and deletions in ~~stricken~~ text, consists of the following:

* * * * *

Policy and Procedure X. DPM Market Performance Benchmarks Program

Each DPM that is allocated a Contract as a DPM shall comply with the following general and product specific market performance benchmarks.

The Exchange may terminate, place conditions upon or otherwise limit a Trading Privilege Holder's approval to act as a DPM or a DPM's allocation of Contracts in accordance with Rule 515 if the DPM fails to satisfy the market performance benchmarks under this Policy

and Procedure. However, failure by a DPM to satisfy the market performance benchmarks under this Policy and Procedure shall not be deemed a violation of Exchange rules.

The DPM Market Performance Benchmarks Program under this Policy and Procedure will expire on ~~June 30, 2012~~ December 31, 2013. The Exchange may determine to extend the term of the Program, allow the Program to expire, terminate the Program at any time, or replace the Program with a different program at any time.

General Market Performance Benchmarks

- On each trading day between 8:30 a.m. and 3:15 p.m. (“Regular Trading Hours”), each DPM shall hold itself out as being willing to buy and sell each allocated Contract for the DPM’s own account on a regular basis.
- Subject to regulatory obligations and requirements and best execution obligations to customers, the firm will work with the Exchange to develop a significant amount of order flow in its allocated Contracts.
- Each DPM shall maintain records sufficient to demonstrate compliance with the Market Performance Benchmarks set forth in this Policy and Procedure that are applicable to that DPM.

Product Specific Market Performance Benchmarks

Mini CBOE Volatility Index (“Mini VIX”) Futures

- Throughout the trading day during Regular Trading Hours, the DPM shall provide at the VIX levels below (i) a continuous two-way quote with a minimum quote size and maximum quote width as set forth in the first table below and (ii) a second continuous two-way quote with a minimum quote size and maximum quote width as set forth in the second table below.

First Continuous Two-Way Quote		
VIX Level	Minimum Quote Size	Maximum Quote Width
Under 20	20 x 20	4 ticks
20 - 40	5 x 5	6 ticks
Above 40	2 x 2	8 ticks

Second Continuous Two-Way Quote		
VIX Level	Minimum Quote Size	Maximum Quote Width
Under 20	100 x 100	6 ticks
20 - 40	75 x 75	10 ticks
Above 40	50 x 50	16 ticks

- The DPM shall respond within 5 seconds to each Request for Quote (RFQ) during Regular Trading Hours.
- The above market performance benchmarks shall be subject to relief in the event of a fast market in the Mini VIX Future, VIX Future, Weekly Options on Mini VIX Futures, VIX option, or SPX option or other extenuating circumstances or unusual market conditions to be determined solely by the Exchange. Under conditions as specified in the foregoing sentence, the DPM shall use commercially reasonable efforts during Regular Trading

Hours to provide a continuous quote and to respond to requests for a quote from the Exchange.

Weekly Options on Mini VIX Futures

- On each trading day during Regular Trading Hours, the DPM shall provide at least 80% of the time a 2-sided quote for a minimum of 100 contracts across all series of Weekly Options on VIX Futures within a maximum width of \$0.50 in the at-the-money series.
- The DPM shall respond within 5 seconds to each RFQ during Regular Trading Hours.
- The above market performance benchmarks shall be subject to relief in the event of a fast market in the Weekly Options on Mini VIX Futures, VIX Future, Mini VIX Future, VIX option, or SPX option or other extenuating circumstances or unusual market conditions to be determined solely by the Exchange. Under conditions as specified in the foregoing sentence, the DPM shall use commercially reasonable efforts during Regular Trading Hours to provide a continuous quote and to respond to requests for a quote from the Exchange.

CBOE S&P 500 Three-Month Variance Futures

- Throughout the trading day during Regular Trading Hours, the DPM shall provide continuous two-way quotes.
- The DPM shall strive to maintain a competitive, liquid market at all times during Regular Trading Hours. Due to the unique, squared nature of the CBOE S&P 500 Three-month Variance Futures contract, market variables (volatility, underlying value, etc.) may significantly impact the actual bid/ask differentials and their corresponding size, thereby making a standard convention difficult.
- The DPM shall respond within 5 seconds to each RFQ during Regular Trading Hours.
- The above market performance benchmarks shall be subject to relief in the event of a fast market in the CBOE S&P 500 Three-month Variance Future or SPX option or other extenuating circumstances or unusual market conditions to be determined solely by the Exchange. Under conditions as specified in the foregoing sentence, the DPM shall use commercially reasonable efforts during Regular Trading Hours to provide a continuous quote and to respond to requests for a quote from the Exchange.

CBOE S&P 500 Variance Futures

- Throughout the trading day during Regular Trading Hours, the DPM shall provide continuous two-way quotes.
- The DPM shall strive to maintain a competitive, liquid market at all times during Regular Trading Hours. Due to the unique, squared nature of the CBOE S&P 500 Variance Future, market variables (volatility, underlying value, etc.) may significantly impact the actual bid/ask differentials and their corresponding size, thereby making a standard convention difficult.

- The DPM shall respond within 5 seconds to each RFQ during Regular Trading Hours.
- The above market performance benchmarks shall be subject to relief in the event of a fast market in the CBOE S&P 500 Twelve-month Variance Future or SPX option or other extenuating circumstances or unusual market conditions to be determined solely by the Exchange. Under conditions as specified in the foregoing sentence, the DPM shall use commercially reasonable efforts during Regular Trading Hours to provide a continuous quote and to respond to requests for a quote from the Exchange.

Radar Logic 28-Day Real Estate Index (“RPX”) Futures

- Throughout the trading day during Regular Trading Hours, the DPM shall provide continuous two-way quotes.
- The DPM shall strive to maintain a competitive, liquid market at all times during Regular Trading Hours. Due to the uniqueness of RPX where there is not a listed underlying contract from which to derive pricing, market quality may be impacted, adversely affecting the actual bid/ask differentials and their corresponding size, thereby making a standard convention difficult.
- The DPM shall respond within a reasonable period of time to each RFQ during Regular Trading Hours.
- The above market performance benchmarks shall be subject to relief in the event of a fast market in RPX Futures which may be caused by other related futures or securities contracts, or other extenuating circumstances or unusual market conditions to be determined solely by the Exchange. Under conditions as specified in the foregoing sentence, the DPM shall use commercially reasonable efforts during Regular Trading Hours to provide a continuous quote and to respond to requests for a quote from the Exchange.

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-2012-13 in any related correspondence.

CBOE Futures Exchange, LLC



By: James F. Lubin
Managing Director

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