



September 20, 2013

Via Electronic Mail

Ms. Melissa Jurgens
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-2013-32

Dear Ms. Jurgens:

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 an amendment (“Amendment”) to amend CFE Rules to change the extended trading hours for CBOE Volatility Index (“VIX”) futures. The Amendment will become effective on or after October 7, 2013, on a date to be announced by the Exchange through the issuance of a circular.

CFE has offered extended trading hours in VIX futures since the end of 2010. The current trading hours for VIX futures are from 7:00 a.m. to 3:15 p.m.,¹ Monday through Friday. The time period from 8:30 a.m. until 3:15 p.m.² is considered regular trading hours for VIX futures, and the time period from 7:00 a.m. until 8:30 a.m. is considered extended trading hours for VIX futures. The Exchange is now changing the extended trading hours for VIX futures by introducing an additional extended trading hours period on Monday through Thursday from 3:30 p.m. to 4:15 p.m. which will be the first trading hours period on Business Days Tuesday through Friday. Trading will be halted until trading commences again on the next business day at 7:00 a.m.

Beginning on or after the week of October 7, 2013 and going forward, trading in VIX futures will open on Monday at 7:00 a.m. There will be no extended trading hours period for Monday on Sunday from 3:30 p.m. to 4:15 p.m. The trading session for Monday will have one period of extended trading hours from 7:00 a.m. to 8:30 a.m. and will have one regular trading hours period from 8:30 a.m. to 3:15 p.m. These two trading hours periods will comprise a single

¹ All times referenced are to Chicago time.

² All orders, quotes, cancellations and order modifications for VIX futures during trading hours must be received by CFE by no later than 3:14:59 p.m. and will be automatically rejected if received by CFE during trading hours after 3:14:59 p.m. See CFE Rule 1202(b).

trading session and be considered part of the same business day. The trading sessions for Tuesday, Wednesday, Thursday and Friday will each have two extended trading hours periods (from 3:30 p.m. to 4:15 p.m. on the prior day and from 7:00 a.m. to 8:30 a.m. on that calendar day) and one regular trading hours period (from 8:30 a.m. to 3:15 p.m. on that calendar day). These three trading hours periods will comprise a single trading session and be considered part of the same business day. There will no extended trading hours period on Friday from 3:30 p.m. to 4:15 p.m. and no trading periods on Saturday or Sunday.

Between the time period when the first period of extended trading hours ends at 4:15 p.m. on the prior day for the Tuesday, Wednesday, Thursday and Friday trading sessions and the start of the second period of extended trading hours at 7:00 a.m. on that calendar day, trading in VIX futures will be halted and no transactions will be permitted in VIX futures during that halt period (except for Exchange of Contract for Related Positions (“ECRP”) transactions and Block Trades which are off-exchange trades permitted pursuant to CFE Rules 1202(j) and (k)).

CFE will be closed between 3:15 and 3:30 pm on Mondays through Thursdays and on Fridays CFE will close at 3:15 p.m. and remain closed until the Exchange reopens again on Mondays at 7:00 a.m. CFE notes that the submission cut-off time for acceptance by CFE's trading system of orders, quotes, cancellations and order modifications in VIX futures will continue to occur one second prior to the close of trading hours for a trading session, *i.e.*, at 3:14:59 p.m. for regular transactions in VIX futures and at 3:11:59 p.m. for Trade-at-Settlement (“TAS”) transactions in VIX futures. The submission cut-off time will only apply at the close of trading hours for a trading session and will not apply when a trading period within a single trading session concludes.

CFE is amending CFE Rule 1202(b) to set forth the foregoing revised trading hours for VIX futures. Rule 1202(b) is also being amended to address how trading hours in VIX futures will be modified in the event of holidays or shortened trading hours and to note that trades in VIX futures made during a holiday trading session will be submitted for clearing for the next business day.

TAS transactions are permitted in VIX futures, and CFE Rule 1202(q) provides that the trading hours for all types of TAS transaction may occur between 7:00 a.m. and 3:12 p.m. CFE is amending Rule 1202(q) to provide that all types of TAS transactions in VIX futures may be entered into during extended trading hours and during regular trading hours until 3:12 p.m.

CFE Rule 1202(d) sets forth position accountability levels for VIX futures (which are aggregated with Mini VIX futures for purposes of calculating accountability levels). CFE Rule 1202(d) sets forth a three-tiered position accountability regime for VIX futures, which reduces the aggregate levels of VIX futures and Mini VIX futures that subject a person to position accountability requirements as VIX futures expiration nears. CFE is amending Rule 1202(d) (and the parallel position accountability provision for Mini VIX futures in CFE Rule 1402(d)) to clarify that for purposes of these Rules, the time at which the second and third position accountability tiers come into effect on the Friday prior to expiration and the business day prior to expiration is when the first extended trading hours period commences for the trading session for that business day.

As to the termination of trading in expiring VIX futures, CFE Rule 1202(e) currently provides that trading terminates on the business day immediately preceding the final settlement date of the VIX futures contract for the relevant spot month. CFE is amending this rule to make clear that trading in an expiring VIX futures contract is not permitted during extended trading

hours for an expiration day trading session (which includes the 3:30 p.m. to 4:15 p.m. extended trading hours period on the calendar day prior to expiration).

CFE is amending CFE Rule 1202(i) to provide for the initiation of trading halts in all VIX futures (i) during the time period from 3:30 p.m. to 4:15 p.m. if there is a 5 or 8 index point movement in the VIX futures front contract month as measured by the best bid on the upside and the best offer on the downside in that contract month in relation to the daily settlement price for that contract month from the prior business day and (ii) during extended trading hours if a price limit is triggered in the E-mini S&P 500 Index futures contract traded on Chicago Mercantile Exchange. CFE has added subparagraphs (iii) and (iv) to Rule 1202(i) and amended CFE Policies and Procedures III and V to set forth these trading halt provisions and to describe how these trading halts will be implemented.

CFE is narrowing the no-bust range applicable to VIX futures during extended trading hours under CFE Rule 1202(l). Currently, Rule 1202(l) provides that CFE's error trade policy may be invoked for trade prices that are greater than 20% on either side of the market price of the applicable VIX futures contract during extended trading hours. For VIX futures trades executed during normal trading hours, the percentage is 10%. The Exchange is amending Rule 1202(l) to provide that, at all times during which VIX futures are traded, the error trade policy may be invoked for trade prices that are greater than 10% on either side of the market price of the applicable VIX futures contract.

CFE is also narrowing the price reasonability widths that are applicable to VIX futures under CFE Rule 1202(s). These new widths will be applicable during both regular and extended trading hours for VIX futures. Additionally, CFE is amending CFE Rule 513A(b) to clarify that price reasonability checks, which currently do not apply prior to the opening of trading in a contract, will similarly not apply prior to the restart of trading in a contract during a business day.

CFE believes that the Amendment is consistent with Designated Contract Market Core Principles 4 (Prevention of Market Disruption), 5 (Position Limitations and or Accountability), 7 (Availability of General Information) and 9 (Execution of Transactions) under Section 5 of the Act because: (i) the additional trading halt provisions and the narrowed price reasonability widths applicable to VIX futures will contribute toward reducing the potential risk of price distortions and market disruptions; (ii) the position accountability rule changes will clarify when the applicable position accountability levels will apply to VIX and Mini VIX futures; (iii) the revised VIX futures trading hours provisions will describe to market participants and the public how the expanded VIX futures trading hours will function; and (iv) the extension of VIX futures trading hours benefits the marketplace by making VIX futures more available for trading by market participants.

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 underlined text and deletions in

[bracketed] text, consists of the following:

CBOE Futures Exchange, LLC Rules

* * * * *

CFE Rule 513A. Risk Controls

(a) No changes.

(b) *Price Reasonability Checks.* The CBOE System shall in a manner determined by the Exchange reject (i) any buy order with a limit price if the limit price upon receipt of the order by the CBOE System is more than a designated amount above the prevailing best offer in the applicable Contract and (ii) any sell order with a limit price if the limit price upon receipt of the order by the CBOE System is more than a designated amount below the prevailing best bid in the applicable Contract. The designated amounts for the price reasonability checks referenced in the preceding sentence shall be set forth in the rules governing the applicable Contract. The price reasonability checks will apply during Trading Hours and will not apply prior to the opening of trading or prior to the restart of trading in a Contract. Except as provided in the following sentence, the price reasonability checks will apply to simple orders and will also apply to spread orders utilizing a derived spread market that is calculated from the disseminated market of each leg of the spread. No price reasonability checks will apply to (i) stop limit orders, (ii) Trade at Settlement orders and (iii) simple buy orders when the prevailing offer is zero.

(c) – (g) No changes.

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CFE Rule 1202. CBOE Volatility Index Futures Contract Specifications

(a) No changes.

(b) *Schedule and Prohibited Order Types.* The Exchange may list for trading up to nine near-term serial months and five months on the February quarterly cycle for the VIX futures contract. The final settlement date for the VIX futures contract shall be on the Wednesday that is thirty days prior to the third Friday of the calendar month immediately following the month in which the applicable VIX futures contract expires. If the third Friday of the month subsequent to expiration of the applicable VIX futures contract is a CBOE holiday, the final settlement date for the contract shall be thirty days prior to the CBOE business day immediately preceding that Friday.

The trading days for VIX futures [contracts shall be the same trading days of options on the S&P 500 Composite Stock Price Index, as those days are determined by CBOE] are any Business Days the Exchange is open for trading.

The trading hours for VIX futures contracts are [from 7:00 a.m. Chicago time to 3:15 p.m. Chicago time. The time period from 8:30 a.m. Chicago time until 3:15 p.m. Chicago time shall be considered regular trading hours for the VIX futures contract, and the time period from 7:00 a.m. Chicago time until the commencement of regular trading hours for the VIX futures contract shall be considered extended trading hours for the VIX futures contract] set forth in the charts below and are in Chicago time. The trading hours for VIX futures contracts [from 7:00 a.m.

Chicago time to 3:15 p.m. Chicago time] during extended trading hours and regular trading hours shall constitute a single trading session for a Business Day.

Trading Week with No Exchange Holiday. Unless otherwise specified below in relation to Exchange holidays, this schedule applies.

<u>Type of Trading Hours</u>	<u>Monday</u>	<u>Tuesday – Friday</u>
<u>Extended Trading Hours</u>	<u>7:00 a.m. to 8:30 a.m.</u>	<u>3:30 p.m. to 4:15 p.m. (previous day)*</u> <u>- and -</u> <u>7:00 a.m. to 8:30 a.m.</u>
<u>Regular Trading Hours</u>	<u>8:30 a.m. to 3:15 p.m.</u>	<u>8:30 a.m. to 3:15 p.m.</u>

Domestic Holidays Always Observed on Mondays. The below schedule applies when the following domestic holidays are observed: Martin Luther King, Jr. Day, Presidents’ Day, Memorial Day and Labor Day.

<u>Type of Trading Hours</u>	<u>Monday</u>	<u>Tuesday</u>
<u>Extended</u>	<u>None</u>	<u>7:00 a.m. to 8:30 a.m.</u>
<u>Regular</u>	<u>None</u>	<u>8:30 a.m. to 3:15 p.m.</u>

International Holidays. The below schedule applies when the following international holidays are observed: New Year’s Day, Good Friday and Christmas Day.

<u>Type of Trading Hours</u>	<u>Prior Business Day that Week (If Monday)</u>	<u>Prior Business Day that Week (If Tuesday – Thursday)</u>	<u>Holiday</u>	<u>Next Business Day that Week (If Tuesday - Friday)</u>
<u>Extended</u>	<u>7:00 a.m. to 8:30 a.m.</u>	<u>3:30 p.m. to 4:15 p.m. (previous day)*</u> <u>- and -</u> <u>7:00 a.m. to 8:30 a.m.</u>	<u>None</u>	<u>7:00 a.m. to 8:30 a.m.</u>

<u>Type of Trading Hours</u>	<u>Prior Business Day that Week (If Monday)</u>	<u>Prior Business Day that Week (If Tuesday – Thursday)</u>	<u>Holiday</u>	<u>Next Business Day that Week (If Tuesday - Friday)</u>
<u>Regular</u>	8:30 a.m. to 12:15 p.m. - or - 8:30 a.m. to 3:15 p.m. The Exchange closes at 12:15 p.m. on Christmas Eve and at 3:15 p.m. on New Year's Eve and Holy Thursday.	8:30 a.m. to 12:15 p.m. - or - 8:30 a.m. to 3:15 p.m. The Exchange closes at 12:15 p.m. on Christmas Eve and at 3:15 p.m. on New Year's Eve and Holy Thursday.	None	8:30 a.m. to 3:15 p.m.

Thanksgiving. The below schedule applies when the Thanksgiving Day holiday is observed.

<u>Type of Trading Hours</u>	<u>Wednesday</u>	<u>Thanksgiving</u>	<u>Friday</u>
<u>Extended</u>	3:30 p.m. to 4:15 p.m. (previous day)* - and - 7:00 a.m. to 8:30 a.m.	3:30 p.m. to 4:15 p.m. (previous day)	7:00 a.m. to 8:30 a.m.
<u>Regular</u>	8:30 a.m. to 3:15 p.m.	None	8:30 a.m. to 12:15 p.m.

Independence Day The below schedule applies when the Independence Day holiday is observed.

<u>Type of Trading Hours</u>	<u>Prior Business Day that Week (If Monday)</u>	<u>Prior Business Day that Week (If Tuesday – Thursday)</u>	<u>July 4</u>	<u>Next Business Day that Week (If Tuesday - Friday)</u>
<u>Extended</u>	7:00 a.m. to 8:30 a.m.	3:30 p.m. to 4:15 p.m. (previous day)* - and - 7:00 a.m. to 8:30 a.m.	None	7:00 a.m. to 8:30 a.m.
<u>Regular</u>	8:30 a.m. to 12:15 p.m.	8:30 a.m. to 12:15 p.m.	None	8:30 a.m. to 3:15 p.m.

*Trading in VIX futures is halted after the close of the first period of extended trading hours and prior to the start of the second period of extended trading hours.

Trades in VIX futures made during a holiday trading session will be submitted for clearing for the next Business Day.

Market Orders for VIX futures contracts will not be accepted by the Exchange during extended trading hours for the VIX futures contract or during any other time period outside of regular trading hours for the VIX futures contract. Any Market Orders for VIX futures contracts received by the Exchange outside of regular trading hours for the VIX futures contract will be automatically rejected.

(c) No changes.

(d) *Position Accountability.* VIX futures are subject to position accountability under Rule 412A.

A person is subject to the position accountability requirements set forth in Rule 412A if the person (i) owns or controls at any time more than the number of contracts net long or net short in all VIX futures and Mini VIX futures contract months combined that in the aggregate would exceed the equivalent of 50,000 VIX futures contracts, (ii) owns or controls more than the number of contracts net long or net short in the expiring VIX futures and Mini VIX futures contract months combined that in the aggregate would exceed the equivalent of 30,000 VIX futures contracts, commencing at the start of trading hours for [on] the Friday prior to the final settlement date of the expiring VIX futures or (iii) owns or controls more than the number of contracts net long or net short in the expiring VIX futures and Mini VIX futures contract months combined that in the aggregate would exceed the equivalent of 10,000 VIX futures contracts, commencing at the start of trading hours for [on] the [b]Business [d]Day immediately preceding the final settlement date of the expiring VIX futures. Under this Rule, one Mini VIX futures contract shall be deemed to be equivalent to one-tenth (0.10) of one VIX futures contract.

For purposes of this Rule, the start of trading hours for the Friday prior to the final settlement date of expiring VIX futures and the start of trading hours for the Business Day immediately preceding the final settlement date of expiring VIX futures shall occur upon commencement of the first period of extended trading hours for the trading session for that Business Day.

For the purposes of this [r]Rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding shall be cumulated.

(e) *Termination of Trading.* Trading on the VIX futures contract terminates on the [b]Business [d]Day immediately preceding the final settlement date of the VIX futures contract for the relevant spot month and trading in an expiring VIX futures contract is not permitted during extended trading hours for an expiration day trading session. When the last trading day is moved because of an Exchange holiday, the last trading day for an expiring VIX futures contract will be the day immediately preceding the last regularly-scheduled trading day.

(f) – (h) No changes.

(i) *Price Limits and [Circuit Breaker] Halts.*

(i) No Price Limits. Pursuant to Rule 413, VIX futures contracts are not subject to price limits.

(ii) Circuit Breaker Halts. [Prior to the date on which market-wide trading halt provisions corresponding to the provisions of Rule 417A become effective on national securities exchanges, trading in VIX futures contracts shall be halted whenever a market-wide trading halt commonly known as a circuit breaker is in effect on the New York Stock Exchange in response to extraordinary market conditions. On and after that date, trading] Trading in VIX futures contracts shall be halted pursuant to Rule 417A if there is a Level 1, 2 or 3 Market Decline.

(iii) Halts Due to VIX Futures Price Movements During Extended Trading Hours.

Trading in VIX futures will be halted for 15 minutes if during the time period from 3:30 p.m. Chicago time to 4:15 p.m. Chicago time of VIX futures extended trading hours

(A) the best bid in the VIX futures front contract month is 5 or more index points above the daily settlement price of that contract month on the prior Business Day;
or

(B) the best offer in the VIX futures front contract month is 5 or more index points below the daily settlement price of that contract month on the prior Business Day.

After trading commences following such a halt, trading in VIX futures will be halted for 15 minutes if during the time period from 3:30 p.m. Chicago time to 4:15 p.m. Chicago time of VIX futures extended trading hours

(A) the best bid in the VIX futures front contract month is 8 or more index points above the daily settlement price of that contract month on the prior Business Day;
or

(B) the best offer in the VIX futures front contract month is 8 or more index points below the daily settlement price of that contract month on the prior Business Day.

The Exchange shall commence a trading halt in VIX futures pursuant to the provisions of this Rule 1202(i)(iii) as soon as practicable following the occurrence of one of the triggering events set forth above and there may be time between the occurrence of a triggering event and the commencement of the trading halt.

Nothing in this Rule 1202(i)(iii) shall be construed to limit the ability of the Exchange to extend the time period of a halt pursuant to this Rule 1202(i)(iii) or to halt trading in VIX futures during the foregoing time period pursuant to any other Exchange rule or policy.

This Rule 1202(i)(iii) shall not apply from 7:00 a.m. Chicago time to 8:30 a.m. Chicago time during VIX futures extended trading hours or during VIX futures regular trading hours.

If the provisions of Rule 1202(i)(iv) become applicable on a Business Day due to the triggering of a price limit in the E-mini S&P 500 Index ("E-mini") futures contract traded on Chicago Mercantile Exchange ("CME"), this Rule 1202(i)(iii) shall no longer be applicable on that Business Day following the time at which Rule 1202(i)(iv) first becomes applicable on that Business Day.

(iv) Halts Due to E-mini®* Price Limits During Extended Trading Hours.

Trading in VIX futures will be halted if a price limit is triggered in the E-mini futures contract traded on CME during VIX futures extended trading hours. Following the initiation of such a VIX futures trading halt, the Exchange may resume trading in VIX futures during VIX futures extended trading hours if the E-mini futures contract is no longer limit offered, limit bid or halted as a result of triggering a price limit or the Exchange determines that trading in VIX futures may resume consistent with the maintenance of a fair and orderly market.

If trading in VIX futures resumes and the E-mini futures contract moves from and then back to a limit or halt state as a result of triggering a price limit during VIX futures extended trading hours, the process set forth in the preceding paragraph shall be repeated.

The Exchange shall commence a trading halt in VIX futures pursuant to the provisions of this Rule 1202(i)(iv) as soon as practicable following the triggering of a price limit in the E-mini futures contract, and there may be time between the triggering of the E-mini price limit and the commencement of the VIX futures trading halt.

If the E-mini futures contract is limit offered, limit bid or halted as a result of triggering a price limit at the time that the Exchange is scheduled to commence the first or second period of extended trading hours in VIX futures, the Exchange may commence trading in VIX futures during that session if the Exchange determines that trading in VIX futures may commence consistent with the maintenance of a fair and orderly market.

Nothing in this Rule 1202(i)(iv) shall be construed to limit the ability of the Exchange to halt trading in VIX futures during VIX futures extended trading hours pursuant to any other Exchange rule or policy.

This Rule 1202(i)(iv) shall not apply during VIX futures regular trading hours.

*E-Mini® is a registered trademark of Chicago Mercantile Exchange, Inc. The Exchange and VIX futures are not affiliated with, and have not been authorized, sponsored, or otherwise approved by, Chicago Mercantile Exchange, Inc.

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

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

(k) *Block Trades.* Pursuant to Rule 415(a)(i), the minimum Block Trade quantity for the VIX futures contract is 200 contracts if there is only one leg involved in the trade. If the Block Trade is executed as a spread order, one leg must meet the minimum Block Trade quantity for the VIX futures contract and the other leg(s) must have a contract size that is reasonably related to the leg meeting the minimum Block Trade quantity. If the Block Trade is executed as a transaction with legs in multiple contract months and all legs of the Block Trade are exclusively for the purchase or exclusively for the sale of VIX futures contracts (a “strip”), the minimum Block Trade quantity for the strip is 300 contracts and each leg of the strip is required to have a minimum size of 100 contracts.

The minimum price increment for a Block Trade in the VIX futures contract is 0.01 index points.

(l) *No-Bust Range.* Pursuant to Rule 416, [(i) for trades executed during extended trading hours for the VIX futures contract, the Exchange error trade policy may only be invoked for a trade price that is greater than 20% on either side of the market price of the applicable VIX futures contract, and (ii) for trades executed during regular trading hours for the VIX futures contract,] the Exchange error trade policy may only be invoked for a trade price that is greater than 10% on either side of the market price of the applicable VIX futures contract. In accordance with Policy and Procedure III, the Help Desk will determine what the true market price for the relevant Contract was immediately before the potential error trade occurred. In making that 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 and the prices of related contracts trading on the Exchange or other markets.

(m) – (p) No changes.

(q) *Trade at Settlement Transactions.* Trade at Settlement ("TAS") transactions pursuant to Rule 404A are permitted in VIX futures and may be transacted on the CBOE System, as spread transactions, as Block Trades (including as spread transactions but not as a strip) and as Exchange of Contract for Related Position transactions. [The trading hours for all types of TAS transactions in VIX futures are from 7:00 a.m. Chicago time to 3:12 p.m. Chicago time.] All types of TAS transactions in VIX futures may be entered into during extended trading hours and during regular trading hours until 3:12 p.m. Chicago time.

The permissible price range for all types of TAS transactions in VIX futures is from \$100 (0.10 index points x \$1,000) below the daily settlement price to \$100 above the daily settlement price. The permissible minimum increment for TAS non-spread transactions in VIX futures that are transacted on the CBOE System is 0.01 index points, and the permissible minimum increment for TAS spread transactions, Block Trades and Exchange of Contract for Related Position transactions in VIX futures is 0.01 index points.

(r) No changes.

(s) *Price Reasonability Checks.* Pursuant to and as further described in Rule 513A(b), the CBOE System shall in a manner determined by the Exchange reject (i) any buy order with a limit price in a VIX futures contract if the limit price upon receipt of the order by the CBOE System is more than a designated amount above the prevailing best offer in that contract and (ii) any sell order with a limit price in a VIX futures contract if the limit price upon receipt of the order by the CBOE System is more than a designated amount below the prevailing best bid in that contract. The designated amounts for the price reasonability checks referenced in the preceding sentence are as follows:

Price Range	Designated Amount
0 – 15.00	[1.50] <u>1.00</u>
15.01 – 25.00	[2.50] <u>2.00</u>
25.01 – 35.00	[3.50] <u>3.00</u>
35.01 – 50.00	[5.00] <u>5.00</u>
50.01+	[7.50] <u>7.00</u>

This Rule 1202(s) is not applicable to TAS orders in VIX futures. The permissible parameters for TAS orders in VIX futures are set forth in Rule 1202(q).

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CFE Rule 1402. Mini CBOE Volatility Index Futures Contract Specifications

(a) – (c) No changes.

(d) *Position Accountability.* Mini VIX futures are subject to position accountability under Rule 412A.

A person is subject to the position accountability requirements set forth in Rule 412A if the person (i) owns or controls at any time more than the number of contracts net long or net short in all VIX futures and Mini VIX futures contract months combined that in the aggregate would exceed the equivalent of 50,000 VIX futures contracts, (ii) owns or controls more than the number of contracts net long or net short in the expiring VIX futures and Mini VIX futures contract months combined that in the aggregate would exceed the equivalent of 30,000 VIX futures contracts, commencing at the start of trading hours for [on] the Friday prior to the final settlement date of the expiring VIX futures or (iii) owns or controls more than the number of contracts net long or net short in the expiring VIX futures and Mini VIX futures contract months combined that in the aggregate would exceed the equivalent of 10,000 VIX futures contracts, commencing at the start of trading hours for [on] the [b]Business [d]Day immediately preceding the final settlement date of the expiring VIX futures. Under this Rule, one Mini VIX futures contract shall be deemed to be equivalent to one-tenth (0.10) of one VIX futures contract.

For purposes of this Rule, the start of trading hours for the Friday prior to the final settlement date of expiring VIX futures and the start of trading hours for the Business Day immediately preceding the final settlement date of expiring VIX futures shall occur upon commencement of the first period of extended trading hours for the trading session for that Business Day.

For the purposes of this [r]Rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding shall be cumulated.

(e) – (s) No changes.

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**CBOE Futures Exchange, LLC
Policies and Procedures**

(additions are underlined; deletions are [bracketed])

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III. Resolution of Error Trade Policies (Rule 416)

A. – J. No change.

K. VIX Futures Trades During Extended Trading Hours that Occur After Triggering Event and Before Resulting Trading Halt

Any trades in VIX futures during VIX futures extended trading hours that occur after the triggering event for the initiation of a trading halt under Rule 1202(i)(iii) or Rule 1202(i)(iv) (as a result of a 5 or 8 index point movement in the VIX futures front contract month or a price limit in the E-mini S&P 500 future traded on the Chicago Mercantile Exchange) and before a trading halt in VIX futures can be initiated on the Exchange pursuant to Rule 1202(i)(iii) or Rule 1202(i)(iv) as a result of the triggering event will not be busted by the Help Desk by reason of the fact that they occurred during that time frame. The other provisions of this policy shall continue to be applicable with respect to those trades.

[K.] L. *Busting or Adjusting Trades to Mitigate Market Disrupting Events*

The help desk, in consultation with the President or a Managing Director, is authorized to bust or adjust any trade when necessary to mitigate market disrupting events caused by malfunctions in the CBOE System or errors in orders or quotes submitted by Trading Privilege Holders and market participants.

[L.] M. *Notice of Trade Busts and Adjustments*

The help desk shall disseminate notice of any bust or adjustment of a trade pursuant to this Policy and Procedure III.

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V. *Emergency and Physical Emergency Delegations and Procedures (Rules 132 and 418)*

A. *Specific Emergency and Physical Emergency Delegations*

1. *Emergency Delegations*

Rule 132 defines the term “Emergency” and provides a non-exclusive list of circumstances that may constitute an Emergency.

Rule 418(a) grants the President or any individual designated by the President the authority to determine on behalf of the Board the existence of an Emergency and the authority to take actions in response to an Emergency, including all of the actions listed below. The President or the President’s designee may also order the removal of any restriction previously imposed based upon a determination that the Emergency no longer exists or has sufficiently abated to permit the function of the Exchange to continue in an orderly manner.

Pursuant to Rule 418(a), the following individuals in addition to the President are authorized as designees of the President to determine the existence of an Emergency and to take the actions specified in the delegations below in response to an Emergency. These additional individuals may also order the removal of any restriction that the applicable individual has been delegated the authority to impose based upon a determination by the applicable individual that the Emergency no longer exists or has sufficiently abated to permit the function of the Exchange to continue in an orderly manner.

Rule	Emergency Actions	Emergency Delegations
417A(a)	<u>Halting trading if there is a Level 1, 2 or 3 Market Decline</u>	<ul style="list-style-type: none"> • <u>Senior Person in Charge of Help Desk</u>
417A(d)	<u>Resuming trading after the 15-minute halt period following a Level 1 or Level 2 Market Decline</u>	<ul style="list-style-type: none"> • <u>Senior Person in Charge of Help Desk</u>
418(a)(i)	Limiting trading to liquidation only, in whole or in part	<ul style="list-style-type: none"> • Managing Director
418(a)(ii)	Extending or shortening, as applicable, the Expiration Date or Expiration Month of any Contract	<ul style="list-style-type: none"> • Managing Director
418(a)(iii)	Extending the time of delivery, changing delivery points or the means of delivery provided in the rules governing any Contract	<ul style="list-style-type: none"> • Managing Director
418(a)(iv)	Imposing or modifying position or price limits or intraday market restrictions with respect to any Contract	<ul style="list-style-type: none"> • Managing Director
418(a)(v)	Ordering the liquidation of Contracts, the fixing of a settlement price or any reduction in positions	<ul style="list-style-type: none"> • Managing Director
418(a)(vi)	Ordering the transfer of Contracts, and the money, securities, and property securing such Contracts, held on behalf of Customers by any Trading Privilege Holder to one or more other Trading Privilege Holders willing to assume such Contracts or obligated to do so	<ul style="list-style-type: none"> • Managing Director
418(a)(vii)	Extending, limiting or changing hours of trading	<ul style="list-style-type: none"> • Managing Director or • Senior Person in Charge of Help Desk
418(a)(viii)	Declaring a fast market in a Contract	<ul style="list-style-type: none"> • Managing Director or • Senior Person in Charge of Help Desk
418(a)(ix)	Temporarily Changing the Threshold Width, Pre-Trade Order Size Limit or Price Reasonability Ranges for a Contract	<ul style="list-style-type: none"> • Managing Director or • Senior Person in Charge of Help Desk

Rule	Emergency Actions	Emergency Delegations
418(a)(x)	Suspending, curtailing, halting or delaying the opening of trading in any or all Contracts	<ul style="list-style-type: none"> • Managing Director or • Senior Person in Charge of Help Desk
418(a)(x)	Modifying circuit breakers	<ul style="list-style-type: none"> • Managing Director
418(a)(xi)	Requiring Clearing Members, Trading Privilege Holders or Customers to meet special margin requirements	<ul style="list-style-type: none"> • Managing Director or • Chief Regulatory Officer
418(a)(xii)	Altering any settlement terms or conditions of a Contract	<ul style="list-style-type: none"> • Managing Director
418(a)(xiii)	Suspending any provision of the Rules of the Exchange or the Rules of the Clearing Corporation	<ul style="list-style-type: none"> • Managing Director or • Chief Regulatory Officer
418(a)(xiv)	Modifying any provisions of the Rules of the Exchange or the Rules of the Clearing Corporation	<ul style="list-style-type: none"> • Managing Director
418(a)(xv)	Providing for the carrying out of such actions through the Exchange's agreements with a third-party provider of clearing or regulatory services	<ul style="list-style-type: none"> • Managing Director or • Chief Regulatory Officer
<u>1202(i)(iii)</u>	<u>Halting trading in VIX futures during extended trading hours if there is a 5 or 8 index point movement in the VIX futures front contract month</u>	<ul style="list-style-type: none"> • <u>Senior Person in Charge of Help Desk</u>
<u>1202(i)(iii)</u>	<u>Resuming trading during VIX futures extended trading hours following a trading halt due to a 5 or 8 index point movement in the VIX futures front contract month</u>	<ul style="list-style-type: none"> • <u>Senior Person in Charge of Help Desk</u>
<u>1202(i)(iv)</u>	<u>Halting trading in VIX futures during extended trading hours if a price limit is triggered in the E-mini S&P 500 Index futures contract traded on Chicago Mercantile Exchange</u>	<ul style="list-style-type: none"> • <u>Senior Person in Charge of Help Desk</u>

Rule	Emergency Actions	Emergency Delegations
1202(i)(iv)	<u>Resuming or commencing trading in VIX futures during VIX futures extended trading hours following the triggering of a price limit in the E-mini S&P 500 Index futures contract traded on Chicago Mercantile Exchange</u>	<ul style="list-style-type: none"> <li data-bbox="938 268 1438 298">• <u>Senior Person in Charge of Help Desk</u>

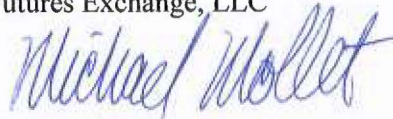
2. No changes.

B. No changes.

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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-2013-32 in any related correspondence.

CBOE Futures Exchange, LLC



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National Futures Association
The Options Clearing Corporation