



September 25, 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-2012-24

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 (“CFTC”) under the Act, CBOE Futures Exchange, LLC (“CFE” or “Exchange”) hereby submits an amendment (“Amendment”) to revise CFE Rule 1202(q) to allow for Trade at Settlement (“TAS”)¹ spread transactions in CBOE Volatility Index (“VIX”) futures to be executed on CFE's trading system (referred to in CFE's rules as the CBOE System). The Amendment will become effective on October 22, 2012.

In March 2012, CFE submitted a rule certification to disallow TAS spread transactions in VIX futures so that CFE could make a systems update to the functionality that processes these transactions.² The systems update has been made and CFE proposes to make TAS spread transactions in VIX futures available again to market participants. To effectuate this change, CFE proposes to amend CFE Rule 1202(q), which governs TAS transactions in VIX futures.

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.

¹ A TAS transaction is a transaction in a contract at a price or premium equal to the daily settlement price, or a specified differential above or below the daily settlement price, for the contract on a trading day. The actual amount of a TAS transaction price or premium is determined subsequent to the transaction based upon the daily settlement price of the contract. CFE currently only permits TAS transactions in VIX futures.

² See CFE Rule Certification Submission Number CFE-2012-07.

The Amendment, marked to show additions in underlined text and deletions in [bracketed] text, consists of the following:

CBOE Futures Exchange, LLC Rules

* * * * *

1202. Contract Specifications for CBOE Volatility Index Futures

(a) – (p) No change.

(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, [(other than] 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. 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.

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Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 or Jenny Klebes-Golding at (312) 786-7466. Please reference our submission number CFE-2012-24 in any related correspondence.

CBOE Futures Exchange, LLC



By: James F. Lubin
Managing Director

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