

Required fields are shown with yellow backgrounds and asterisks.

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-7

File No.* SR - 2020 - * 002

Amendment No. (req. for Amendments *)

Proposed Rule Change by * CBOE Futures Exchange

Pursuant to Rule 19b-7 under the Securities Exchange Act of 1934

Initial *



Amendment *



Withdrawal



Exhibit 2 Sent As Paper Document



Exhibit 3 Sent As Paper Document

**Description**

Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *).

The Exchange proposes to clarify and amend CFE's rule provision relating to Exchange Jurisdiction.

Contact Information

Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name * Michael

Last Name * Margolis

Title * Assistant Corporate Secretary

E-mail * mmargolis@cboe.com

Telephone * (312) 786-7153

Fax

SRO Governing Body Action

Describe action on the proposed rule change taken by the members or board of directors or other governing body of the SRO (limit 250 characters, required *).

A CFE Managing Director approved the proposed rule change on February 13, 2020 pursuant to delegated authority.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date 02/14/2020

Assistant Corporate Secretary

By Michael Margolis

(Name *)

(Title *)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

mmargolis@cboe.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-7 instructions please refer to the EDFS website.

Exhibit 1- Notice of Proposed Rule Change (required when Initial)

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal.

The Notice section of this Form 19b-7 must comply with the guidelines for publication in the Federal Register, as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC and CFTC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases and Commodities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction E, they shall be filed in accordance with Instruction F.

Exhibit Sent As Paper Document

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Exhibit 3 - Form, Report, or Questionnaire

Add Remove View

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change. If such documents cannot be filed electronically in accordance with Instruction E, they shall be filed in accordance with Instruction F.

Exhibit Sent As Paper Document

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Exhibit 4 - Proposed Rule Text

Add Remove View

The self-regulatory organization must attach as Exhibit 4 proposed changes to rule text. Exhibit 4 shall be considered part of the proposed rule change.

Exhibit 5 - Date of Effectiveness of Proposed Rule Change (required when Initial)

The self-regulatory organization must attach one of the following:

- ☒ CFTC Certification
☐ CFTC Request that Review of Proposed Rule Change is not Necessary
☐ Request for CFTC Approval of Proposed Rule Change
☐ CFTC Determination that Review of Proposed Rule Change is not Necessary
☐ Indication of CFTC Approval of Proposed Rule Change

CFTC Certification: Attach a copy of the certification submitted to the CFTC pursuant to section 5c(c) of the Commodity Exchange Act.

Add Remove View

Exhibit Sent As Paper Document

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Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission staff's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Exhibit 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-CFE-2020-002)

Self-Regulatory Organizations; Cboe Futures Exchange, LLC; Notice of a Filing of a Proposed Rule Change Regarding Exchange Jurisdiction.

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934 (“Act”),¹ notice is hereby given that on February 14, 2020 Cboe Futures Exchange, LLC (“CFE” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change described in Items I, II, and III below, which Items have been prepared by CFE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. CFE also has filed this proposed rule change with the Commodity Futures Trading Commission (“CFTC”). CFE filed a written certification with the CFTC under Section 5c(c) of the Commodity Exchange Act (“CEA”)² on February 14, 2020.

I. Self-Regulatory Organization’s Description of the Proposed Rule Change

The Exchange proposes to clarify and amend CFE’s rule provisions relating to Exchange jurisdiction. The scope of this filing is limited solely to the application of the proposed rule change to security futures that may be traded on CFE. Although no security futures are currently listed for trading on CFE, CFE may list security futures for trading in the future. The text of the proposed rule change is attached as Exhibit 4 to the filing but is not attached to the publication of this notice.

¹ 15 U.S.C. § 78s(b)(7).

² 7 U.S.C. § 7a-2(c).

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, CFE included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. CFE has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, Proposed Rule Change

1. Purpose

CFE Rule 308 (Consent to Exchange Jurisdiction) governs the Exchange's jurisdiction. Rule 308(c) currently provides that any Person initiating or executing a transaction on or subject to the rules of the Exchange directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated or executed, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with the rules of the Exchange in relation to such transactions, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes. The cover page to the CFE Rulebook repeats this language from Rule 308(c). CFE's rules refer to any Person subject to Rule 308(c) as a Market Participant.

CFTC Regulation 38.151(a)³ provides that prior to granting any member or market participant access to its markets, a designated contract market ("DCM") must require that the member or market participant consent to its jurisdiction. CFE originally

³ 17 C.F.R. § 38.151(a).

adopted Rule 308(c) to comply with CFTC Regulation 38.151(a).⁴

The proposed rule change clarifies and amends CFE's rule provisions relating to Exchange jurisdiction.

First, CFE proposes to revise CFE Rule 308(c) and amend the cover page of the CFE Rulebook to clarify that any futures commission merchant, broker-dealer, introducing broker, associated person, or foreign Person performing a similar role, that charges a commission or fee in connection with a transaction on or subject to the rules of the Exchange also expressly consents to the Exchange's jurisdiction (and thus is a Market Participant under CFE rules).

The proposed rule change furthers the Exchange's compliance with CFTC Regulation § 38.151(a)⁵ by clarifying the scope of the Exchange's jurisdiction in relation to intermediaries. Between when a customer enters an order and its actual execution, the order may be routed through multiple different broker-dealers, futures commission merchants, or introducing brokers before execution. The language of the proposed rule change clarifies that if there is a third party involved in the order routing process that receives a commission, it is still subject to the Exchange's jurisdiction even if that party is not a customer of the ultimate execution firm. The proposed rule change was developed by the Joint Compliance Committee, and the Exchange understands that other DCMs also are adopting proposed rule changes that contain the same or similar language.⁶

⁴ *Id.*

⁵ *Id.*

⁶ The Joint Compliance Committee ("JCC") is a voluntary, cooperative organization comprised of members who are self-regulatory organizations registered under the CEA. The JCC operates through its members to protect market integrity within and across the members' markets. It provides a forum to share information and ideas on regulatory topics of interest, as well as identify issues within the industry or elsewhere that may impact their markets, members, or self-regulatory responsibilities. CFTC staff

Second, CFE is proposing to amend the definition of the term “Person” included in Chapter 1 of the CFE Rulebook. CFE’s rules currently define “Person” to mean “any natural person, association, partnership, limited liability company, joint venture, trust or corporation.” CFE proposes to amend this definition to add “sole proprietorship” to the list included in the definition and to add “any other type of entity or organization” to the end of this list to make clear that the definition of “Person” encompasses other potential types of entities or organizations that may not be specifically enumerated in the current list under the definition. These proposed changes serve to clarify the meaning and scope of the term “Person” as used throughout CFE’s rules, including in particular within CFE’s rule provisions relating to Exchange jurisdiction.

Third, CFE is proposing to revise Rule 308 to delete current Rule 308(e)(i). Rule 308(e)(i) provides that every Person in the chain of custody of an order submitted to CFE that is not a CFE Trading Privilege Holder (“TPH”) or Authorized Trader of a TPH, commencing with the original initiation of the order until its receipt by CFE, shall be deemed to be a Market Participant. This provision was recently added to CFE’s rules and was intended to provide the same type of clarification as is intended by the provision that CFE is now adding to Rule 308(c) in conjunction with the same or similar proposed rule changes being made by other DCMs. To further consistency with the jurisdictional rules of other DCMs and to avoid any potential ambiguity that may be created by having two differently worded provisions intended to accomplish the same result, CFE is deleting Rule 308(e)(i). Because CFE is deleting Rule 308(e)(i), CFE is changing the rule number for current Rule 308(e)(ii) to Rule 308(e)(i) and is changing the rule number for current

representing the CFTC Division of Market Oversight Market Compliance Section also participate in JCC meetings.

Rule 308(e)(iii) to Rule 308(e)(ii) without changing the text of either rule provision.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁷ in general, and furthers the objectives of Sections 6(b)(1)⁸ and 6(b)(5)⁹ in particular, in that it is designed:

- to enable the Exchange to enforce compliance by its Market Participants with the provisions of the rules of the Exchange,
- to prevent fraudulent and manipulative acts and practices,
- to promote just and equitable principles of trade,
- to remove impediments to and perfect the mechanism of a free and open market and a national market system,
- and in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change would strengthen CFE's ability to carry out its responsibilities as a self-regulatory organization by providing further clarity and guidance with regard to provisions of the Exchange's rules that relate to trading conduct by Market Participants. In particular, the proposed rule change would clarify the definition of Person for purposes of, among other things, applying CFE's rule provisions relating to Exchange jurisdiction and would further clarify when intermediaries become subject to the Exchange's jurisdiction. Accordingly, the proposed rule change enhances the Exchange's ability to enforce compliance with its rules and to protect the market and participants in the market from abusive practices. In addition, the Exchange believes that the proposed rule change will promote just and equitable

⁷ 15 U.S.C. § 78f(b).

⁸ 15 U.S.C. § 78f(b)(1).

⁹ 15 U.S.C. § 78f(b)(5).

principles of trade because it would apply equally to all Market Participants.

B. Self-Regulatory Organization's Statement on Burden on Competition

CFE does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act, in that the proposed rule change will enhance CFE's ability to carry out its responsibilities as a self-regulatory organization. The Exchange believes that the proposed rule change is equitable and not unfairly discriminatory in that it would apply equally to all Market Participants.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The proposed rule change will become operative on March 2, 2020. At any time within 60 days of the date of effectiveness of the proposed rule change, the Commission, after consultation with the CFTC, may summarily abrogate the proposed rule change and require that the proposed rule change be refiled in accordance with the provisions of Section 19(b)(1) of the Act.¹⁰

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

¹⁰ 15 U.S.C. § 78s(b)(1).

Electronic comments:

- Use the Commission's Internet comment form <http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CFE-2020-002 on the subject line.

Paper comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-CFE-2020-002. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filing also will be available for inspection and copying at the principal office of Cboe Futures Exchange, LLC. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available

publicly. All submissions should refer to File Number SR-CFE-2020-002 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Secretary

¹¹ 17 CFR § 200.30-3(a)(73).

Exhibit 4

Set forth below are proposed changes to the rule text, with additions represented by underscoring and deletions represented by [bracketing].

* * * * *

**Cboe Futures Exchange, LLC
Rulebook**

* * * * *

Cover Page

**Cboe Futures Exchange, LLC
Rulebook**

BY ACCESSING, OR ENTERING ANY ORDER INTO, THE CFE SYSTEM, AND WITHOUT ANY NEED FOR ANY FURTHER ACTION, UNDERTAKING OR AGREEMENT, A TRADING PRIVILEGE HOLDER OR AUTHORIZED TRADER AGREES (I) TO BE BOUND BY, AND COMPLY WITH, THE RULES OF THE EXCHANGE, THE RULES OF THE CLEARING CORPORATION AND APPLICABLE LAW, IN EACH CASE TO THE EXTENT APPLICABLE TO IT, AND (II) TO BECOME SUBJECT TO THE JURISDICTION OF THE EXCHANGE WITH RESPECT TO ANY AND ALL MATTERS ARISING FROM, RELATED TO, OR IN CONNECTION WITH, THE STATUS, ACTIONS OR OMISSIONS OF SUCH TRADING PRIVILEGE HOLDER OR AUTHORIZED TRADER. SEE RULE 308(A) AND THE RELATED DEFINITIONS IN THIS RULEBOOK.

ANY PERSON INITIATING OR EXECUTING A TRANSACTION ON OR SUBJECT TO THE RULES OF THE EXCHANGE DIRECTLY OR THROUGH AN INTERMEDIARY, AND ANY PERSON FOR WHOSE BENEFIT SUCH A TRANSACTION HAS BEEN INITIATED OR EXECUTED, EXPRESSLY CONSENTS TO THE JURISDICTION OF THE EXCHANGE AND AGREES TO BE BOUND BY AND COMPLY WITH THE RULES OF THE EXCHANGE IN RELATION TO SUCH TRANSACTIONS, INCLUDING, BUT NOT LIMITED TO, RULES REQUIRING COOPERATION AND PARTICIPATION IN INVESTIGATORY AND DISCIPLINARY PROCESSES. ANY FUTURES COMMISSION MERCHANT, BROKER-DEALER, INTRODUCING BROKER, ASSOCIATED PERSON, OR FOREIGN PERSON PERFORMING A SIMILAR ROLE, THAT CHARGES A COMMISSION OR FEE IN CONNECTION WITH A TRANSACTION ON OR SUBJECT TO THE RULES OF THE EXCHANGE ALSO EXPRESSLY CONSENTS TO THE EXCHANGE'S JURISDICTION. ANY PERSON SUBJECT TO THIS PARAGRAPH IS REFERRED TO AS A MARKET PARTICIPANT UNDER THE RULES OF THE EXCHANGE. SEE RULE 308(D) FOR THE RULES OF THE EXCHANGE TO WHICH ANY [PERSON SUBJECT TO THE FOREGOING SENTENCE] MARKET PARTICIPANT THAT IS NOT A TRADING PRIVILEGE HOLDER OR RELATED PARTY IS BOUND AND REQUIRED TO COMPLY.

Revised as of March 2, 2020

* * * * *

Chapter 1 Definitions

* * * * *

Person

The term “Person” means any natural person, sole proprietorship, association, partnership, limited liability company, joint venture, trust, [or] corporation or other type of entity or organization.

* * * * *

308. Consent to Exchange Jurisdiction

(a) By accessing, or entering any Order into, the CFE System, and without any need for any further action, undertaking or agreement, a Trading Privilege Holder or Authorized Trader agrees (i) to be bound by, and comply with, the Rules of the Exchange, the Rules of the Clearing Corporation and Applicable Law, in each case to the extent applicable to it, and (ii) to become subject to the jurisdiction of the Exchange with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Trading Privilege Holder or Authorized Trader.

(b) Any Trading Privilege Holder or Authorized Trader whose Trading Privileges are revoked or terminated, whether pursuant to Rule 307 or Chapter 7, shall remain bound by the Rules of the Exchange, the Rules of the Clearing Corporation and Applicable Law, in each case to the extent applicable to it, and subject to the jurisdiction of the Exchange with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Trading Privilege Holder or Authorized Trader prior to such revocation or termination.

(c) Any Person initiating or executing a transaction on or subject to the Rules of the Exchange directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated or executed, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with the Rules of the Exchange in relation to such transactions, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes. Any futures commission merchant, broker-dealer, introducing broker, associated person, or foreign Person performing a similar role, that charges a commission or fee in connection with a transaction on or subject to the rules of the Exchange also expressly consents to the Exchange’s jurisdiction. Any Person subject to this Rule 308(c) shall be referred to as a “Market Participant.”

(d) Any Market Participant that is not a Trading Privilege Holder or Related Party is bound by and required to comply with the following Rules of the Exchange for purposes of Rule 308(c) to the same extent that a Trading Privilege Holder or Related Party is bound by and required to comply with those Rules of the Exchange: Rules 219, 303A(d)(iii), 303A(d)(iv), 306, 307, 308, 309, 310(a), 401, 402, 404, 404A, 405, 405A, 406, 406A, 407, 408, 409, 410, 411, 412, 412A, 412B(b), 413, 414, 415, 416, 417, 418, 419, 420, 501(c), 511, 512A, 516, 517, 601, 602, 603, 604, 606, 608, 609(b), 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, and 620, Chapter 7, Chapter 8, Chapter 9, Chapter 10, Rule 1104, every Exchange Contract Specification Chapter, Exchange Policy and Procedures III, IV, XII, XIX, XX and XVIII and the Exchange Fee Schedule.

(e) For the avoidance of doubt:

[(i) Every Person in the chain of custody of an Order submitted to the Exchange that is not a Trading Privilege Holder or Authorized Trader,

commencing with the original initiation of the Order until its receipt by the Exchange, shall be deemed to be a Market Participant.]

(i[i]) Every Authorized Reporter for Exchange of Contract for Related Position transactions and Block Trades shall be deemed a Market Participant.

(ii[i]) A Market Participant is bound by and required to comply with the Rules of the Exchange set forth in Rule 308(d) to the same extent that a Trading Privilege Holder or Related Party is bound by and required to comply with those provisions regardless of whether or not those provisions reference Market Participants.

(f) A Trading Privilege Holder or Market Participant remains obligated to comply with the Rules of the Exchange, the Rules of the Clearing Corporation and Applicable Law, in each case to the extent applicable to that party, regardless of any use of a third party to assist the Trading Privilege Holder or Market Participant with that compliance and regardless of any non-performance by the third party in providing that assistance.

* * * * *



February 14, 2020

Christopher J. Kirkpatrick
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-2020-005

Dear Mr. Kirkpatrick:

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 a CFE rule amendment (“Amendment”) to clarify and amend CFE’s rule provisions relating to Exchange jurisdiction. The effective date of the Amendment will be on March 2, 2020.

CFE Rule 308 (Consent to Exchange Jurisdiction) governs the Exchange’s jurisdiction. Rule 308(c) currently provides that any Person initiating or executing a transaction on or subject to the rules of the Exchange directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated or executed, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with the rules of the Exchange in relation to such transactions, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes. The cover page to the CFE Rulebook repeats this language from Rule 308(c). CFE’s rules refer to any Person subject to Rule 308(c) as a Market Participant.

The Amendment revises Rule 308(c) and amends the cover page of the CFE Rulebook to clarify that any futures commission merchant, broker dealer, introducing broker, associated person, or foreign Person performing a similar role, that charges a commission or fee in connection with a transaction on or subject to the rules of the Exchange also expressly consents to the Exchange’s jurisdiction (and thus is a Market Participant under CFE rules).

Commission Regulation § 38.151(a) provides that prior to granting any member or market participant access to its markets, a designated contract market (“DCM”) must require that the member or market participant consent to its jurisdiction. The Amendment furthers the Exchange’s compliance with Commission Regulation § 38.151(a) by clarifying the scope of the Exchange’s jurisdiction in relation to intermediaries. The Amendment was developed by the Joint Compliance Committee, and the Exchange understands that other DCMs also are adopting rule amendments that contain the same or similar language.

CFE also is making two other rule revisions in connection with its revision to Rule 308(c).

First, CFE is amending the definition of the term “Person” included in Chapter 1 of the CFE Rulebook. CFE’s rules currently define “Person” to mean “any natural person, association, partnership, limited liability company, joint venture, trust or corporation.” CFE is amending this definition to add “sole proprietorship” to the list included in the definition and to add “any other type of entity or organization” to the end of this list to make clear that the definition of “Person” encompasses other potential types of entities or organizations that may not be specifically enumerated in the current list under the definition. These amendments serve to clarify the meaning and scope of the term “Person” as used throughout CFE’s rules, including in particular within CFE’s rule provisions relating to Exchange jurisdiction.

Second, CFE is revising Rule 308 to delete current Rule 308(e)(i). Rule 308(e)(i) provides that every Person in the chain of custody of an order submitted to CFE that is not a CFE Trading Privilege Holder (“TPH”) or Authorized Trader of a TPH, commencing with the original initiation of the order until its receipt by CFE, shall be deemed to be a Market Participant. This provision was recently added to CFE’s rules and was intended to provide the same type of clarification as is intended by the provision that CFE is now adding to Rule 308(c) in conjunction with the same or similar amendments being made by other DCMs. To further consistency with the jurisdictional rules of other DCMs and to avoid any potential ambiguity that may be created by having two differently worded provisions intended to accomplish the same result, CFE is deleting CFE Rule 308(e)(i).

CFE believes that the Amendment is consistent with the DCM Core Principles under Section 5 of the Act. In particular, CFE believes that the Amendment is consistent with DCM Core Principles 2 (Compliance with Rules), 7 (Availability of General Information), and 12 (Protection of Markets and Market Participants) in that the Amendment clarifies the definition of Person for purposes of, among other things, applying CFE’s rule provisions relating to Exchange jurisdiction and clarifies when intermediaries become subject to the Exchange’s jurisdiction. Accordingly, the Amendment enhances the Exchange’s ability to enforce compliance with its rules and to protect the market and participants in the market from abusive practices.

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 CFE 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 ~~striketrough~~ text, consists of the following:

* * * * *

**Cboe Futures Exchange, LLC
Rulebook**

* * * * *

Cover Page

**Cboe Futures Exchange, LLC
Rulebook**

BY ACCESSING, OR ENTERING ANY ORDER INTO, THE CFE SYSTEM, AND WITHOUT ANY NEED FOR ANY FURTHER ACTION, UNDERTAKING OR AGREEMENT, A TRADING PRIVILEGE HOLDER OR AUTHORIZED TRADER AGREES (I) TO BE BOUND BY, AND COMPLY WITH, THE RULES OF THE EXCHANGE, THE RULES OF THE CLEARING CORPORATION AND APPLICABLE LAW, IN EACH CASE TO THE EXTENT APPLICABLE TO IT, AND (II) TO BECOME SUBJECT TO THE JURISDICTION OF THE EXCHANGE WITH RESPECT TO ANY AND ALL MATTERS ARISING FROM, RELATED TO, OR IN CONNECTION WITH, THE STATUS, ACTIONS OR OMISSIONS OF SUCH TRADING PRIVILEGE HOLDER OR AUTHORIZED TRADER. SEE RULE 308(A) AND THE RELATED DEFINITIONS IN THIS RULEBOOK.

ANY PERSON INITIATING OR EXECUTING A TRANSACTION ON OR SUBJECT TO THE RULES OF THE EXCHANGE DIRECTLY OR THROUGH AN INTERMEDIARY, AND ANY PERSON FOR WHOSE BENEFIT SUCH A TRANSACTION HAS BEEN INITIATED OR EXECUTED, EXPRESSLY CONSENTS TO THE JURISDICTION OF THE EXCHANGE AND AGREES TO BE BOUND BY AND COMPLY WITH THE RULES OF THE EXCHANGE IN RELATION TO SUCH TRANSACTIONS, INCLUDING, BUT NOT LIMITED TO, RULES REQUIRING COOPERATION AND PARTICIPATION IN INVESTIGATORY AND DISCIPLINARY PROCESSES. ANY FUTURES COMMISSION MERCHANT, BROKER-DEALER, INTRODUCING BROKER, ASSOCIATED PERSON, OR FOREIGN PERSON PERFORMING A SIMILAR ROLE, THAT CHARGES A COMMISSION OR FEE IN CONNECTION WITH A TRANSACTION ON OR SUBJECT TO THE RULES OF THE EXCHANGE ALSO EXPRESSLY CONSENTS TO THE EXCHANGE'S JURISDICTION. ANY PERSON SUBJECT TO THIS PARAGRAPH IS REFERRED TO AS A MARKET PARTICIPANT UNDER THE RULES OF THE EXCHANGE. SEE RULE 308(D) FOR THE RULES OF THE EXCHANGE TO WHICH ANY PERSON SUBJECT TO THE FOREGOING SENTENCE MARKET PARTICIPANT THAT IS NOT A TRADING PRIVILEGE HOLDER OR RELATED PARTY IS BOUND AND REQUIRED TO COMPLY.

Revised as of March 2, 2020

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Chapter 1 Definitions

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Person

The term "Person" means any natural person, sole proprietorship, association, partnership, limited liability company, joint venture, trust, ~~or~~ corporation or other type of entity or organization.

* * * * *

308. Consent to Exchange Jurisdiction

(a) By accessing, or entering any Order into, the CFE System, and without any need for any further action, undertaking or agreement, a Trading Privilege Holder or Authorized Trader agrees (i) to be bound by, and comply with, the Rules of the Exchange, the Rules of the Clearing Corporation and Applicable Law, in each case to the extent applicable to it, and (ii) to become subject to the jurisdiction of the Exchange with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Trading Privilege Holder or Authorized Trader.

(b) Any Trading Privilege Holder or Authorized Trader whose Trading Privileges are revoked or terminated, whether pursuant to Rule 307 or Chapter 7, shall remain bound by the Rules of the Exchange, the Rules of the Clearing Corporation and Applicable Law, in each case to the extent applicable to it, and subject to the jurisdiction of the Exchange with respect to any and all matters arising from, related to, or in connection with, the status, actions or omissions of such Trading Privilege Holder or Authorized Trader prior to such revocation or termination.

(c) Any Person initiating or executing a transaction on or subject to the Rules of the Exchange directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated or executed, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with the Rules of the Exchange in relation to such transactions, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes. Any futures commission merchant, broker-dealer, introducing broker, associated person, or foreign Person performing a similar role, that charges a commission or fee in connection with a transaction on or subject to the rules of the Exchange also expressly consents to the Exchange's jurisdiction. Any Person subject to this Rule 308(c) shall be referred to as a "Market Participant."

(d) Any Market Participant that is not a Trading Privilege Holder or Related Party is bound by and required to comply with the following Rules of the Exchange for purposes of Rule 308(c) to the same extent that a Trading Privilege Holder or Related Party is bound by and required to comply with those Rules of the Exchange: Rules 219, 303A(d)(iii), 303A(d)(iv), 306, 307, 308, 309, 310(a), 401, 402, 404, 404A, 405, 405A, 406, 406A, 407, 408, 409, 410, 411, 412, 412A, 412B(b), 413, 414, 415, 416, 417, 418, 419, 420, 501(c), 511, 512A, 516, 517, 601, 602, 603, 604, 606, 608, 609(b), 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, and 620, Chapter 7, Chapter 8, Chapter 9, Chapter 10, Rule 1104, every Exchange Contract Specification Chapter, Exchange Policy and Procedures III, IV, XII, XIX, XX and XVIII and the Exchange Fee Schedule.

(e) For the avoidance of doubt:

~~(i) Every Person in the chain of custody of an Order submitted to the Exchange that is not a Trading Privilege Holder or Authorized Trader, commencing with the original initiation of the Order until its receipt by the Exchange, shall be deemed to be a Market Participant.~~

(ii) Every Authorized Reporter for Exchange of Contract for Related Position transactions and Block Trades shall be deemed a Market Participant.

(iii) A Market Participant is bound by and required to comply with the Rules of the Exchange set forth in Rule 308(d) to the same extent that a Trading Privilege Holder or Related Party is bound by and required to comply with those provisions regardless of whether or not those provisions reference Market Participants.

(f) A Trading Privilege Holder or Market Participant remains obligated to comply with the Rules of the Exchange, the Rules of the Clearing Corporation and Applicable Law, in each case to the extent applicable to that party, regardless of any use of a third party to assist the Trading Privilege Holder or Market Participant with that compliance and regardless of any non-performance by the third party in providing that assistance.

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Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 or Michael Margolis at (312) 786-7153. Please reference our submission number CFE-2020-005 in any related correspondence.

Cboe Futures Exchange, LLC

/s/ [Matthew McFarland](#)

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