



March 23, 2005

Via Electronic Mail

Ms. Jean A. Webb
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-2005-11

Dear Ms. Webb:

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 to CFE rules to permit Block Trade and Exchange of Future for Related Position transactions to occur other than during normal trading hours ("Amendment"). The Amendment also sets forth reporting requirements for such off-hours transactions. Lastly, the Amendment removes references in the contract specification chapters to the block trade reporting times because the Amendment revises the Exchange's general block trade rule (CFE Rule 415) to implement a universal reporting time for block trade transactions. The Amendment will become effective on March 28, 2005.

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, consists of the following:

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Rule 414. Exchange of Future for Related Position

(a) – (b) No change.

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

(d) – (f) No change.

(g) The seller of the Futures 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 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 for Related Position transaction and report the Futures leg to the CBOE System. After reporting the Exchange of Future for Related Position transaction to the Help Desk, the buyer and seller of the Futures leg must each complete and transmit the prescribed Exchange of Future 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 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.

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Rule 415. Block Trading

(a) No change.

(b) Block Trade 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. Each party to a Block Trade shall comply with all applicable Rules of the Exchange other than those which by their terms only apply to trading through the CBOE System.

(c) – (d) No change.

(f) The seller is obligated to call the Help Desk without delay, and in no event later than ten minutes [the time period set forth in the rules governing the relevant Contract,] after a Block Trade is negotiated to notify the Exchange of the terms of the trade if the transaction occurs during the Trading Hours for the relevant Contract, unless otherwise specified in the rules governing the relevant Contract. If the transaction occurs outside of the Trading Hours for the relevant Contract, 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 with respect to a Block Trade shall include the relevant Contract, contract month, price or premium, quantity, time of execution, counterparty Clearing Member and, if applicable, the underlying commodity, whether the transaction involved a put or a call and the strike price, as well as any other information that is required to be set forth in the prescribed Block Trade Reporting Form. If the transaction is a spread or combination, such as when one party is rolling a position into the next contract month, the seller of the month closest to expiration is responsible for reporting the entire transaction to

the Help Desk. The Help Desk will provide the caller a Trade Identification ("Trade ID") for the Block Trade and report both sides of the trade to the CBOE System. After reporting the Block Trade to the Help Desk, the buyer and seller must each complete and transmit the prescribed Block Trade 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 for the Block Trade. It is the responsibility of the buying and selling Trading Privilege Holders to effect any subsequent allocations or necessary updates to non-critical matching fields utilizing a post-trade processing system designated by the Exchange.

(g) No change.

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CBOE Volatility Index Futures Contract Specifications

Rule 1202. Contract Specifications

(a) – (j) No change.

(k) *Block Trades.* Pursuant to Rule 415(a)(i), the minimum Block Trade quantity for the VIX futures contract is 100 contracts. If the Block Trade is executed as a spread or a combination, 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. [Pursuant to Rule 415(f), the seller is obligated to call the Help Desk without delay, but no later than ten minutes after a Block Trade is negotiated, to notify the Exchange of the terms of the trade, including information identifying the relevant Contract, contract month, price or premium, quantity, time of execution, counterparty Clearing Member for each Block Trade and, if applicable, the underlying commodity, whether the transaction involved a put or a call and the strike price and any other information that is required to be set forth in the prescribed Block Trade Reporting Form.]

(l) – (n) No change.

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CBOE S&P 500 Three-Month Variance Futures Contract Specifications

Rule 1302. Contract Specifications

(a) – (j) No change.

(k) *Block Trades.* Pursuant to Rule 415(a)(i), the minimum Block Trade quantity for the CBOE S&P 500 Three-Month Variance futures contract is 100 contracts if there is only one leg involved in the trade. If the Block Trade is executed as a spread or a combination, one leg must meet the minimum Block Trade quantity for the CBOE S&P 500 Three-Month Variance 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

CBOE S&P 500 Three-Month Variance futures contracts (a "strip"), the minimum Block Trade quantity for the strip is 150 contracts and each leg of the strip is required to have a minimum size of 25 contracts.

[Pursuant to Rule 415(f), the seller is obligated to call the Help Desk without delay, but no later than ten minutes after a Block Trade is negotiated, to notify the Exchange of the terms of the trade, including information identifying the relevant Contract, contract month, price or premium, quantity, time of execution, counterparty Clearing Member for each Block Trade and, if applicable, the underlying commodity, whether the transaction involved a put or a call and the strike price and any other information that is required to be set forth in the prescribed Block Trade Reporting Form.]

(l) – (n) No change.

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CBOE China Index Futures Contract Specifications

Rule 1402. Contract Specifications

(a) – (j) No change.

(k) *Block Trades.* Pursuant to Rule 415(a)(i), the minimum Block Trade quantity for the CBOE China Index futures contract is 100 contracts. If the Block Trade is executed as a spread or a combination, one leg must meet the minimum Block Trade quantity for the CBOE China Index 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. [Pursuant to Rule 415(f), the seller is obligated to call the Help Desk without delay, but no later than ten minutes after a Block Trade is negotiated, to notify the Exchange of the terms of the trade, including information identifying the relevant Contract, contract month, price or premium, quantity, time of execution, counterparty Clearing Member for each Block Trade and, if applicable, the underlying commodity, whether the transaction involved a put or a call and the strike price and any other information that is required to be set forth in the prescribed Block Trade Reporting Form.]

(l) – (n) No change.

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Mini-Russell 2000 Index Futures Contract Specifications

Rule 1502. Contract Specifications

(a) – (i) No change.

(j) *Block Trades.* Pursuant to Rule 415(a)(i), the minimum Block Trade quantity for the Mini-Russell 2000 Index futures contract is 100 contracts. If the Block Trade is executed as a spread or a combination, one leg must meet the minimum Block Trade quantity for the Mini-Russell 2000 Index 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. [Pursuant to Rule 415(f), the seller is obligated to call the Help Desk without

delay, but no later than ten minutes after a Block Trade is negotiated, to notify the Exchange of the terms of the trade, including information identifying the relevant Contract, contract month, price or premium, quantity, time of execution, counterparty Clearing Member for each Block Trade and, if applicable, the underlying commodity, whether the transaction involved a put or a call and the strike price and any other information that is required to be set forth in the prescribed Block Trade Reporting Form.]

(k) – (m) No change.

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Russell 1000 Index Futures Contract Specifications

Rule 1602. Contract Specifications

(a) – (i) No change.

(j) *Block Trades.* Pursuant to Rule 415(a)(i), the minimum Block Trade quantity for the Russell 1000 Index futures contract is 50 contracts. If the Block Trade is executed as a spread or a combination, one leg must meet the minimum Block Trade quantity for the Russell 1000 Index 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. [Pursuant to Rule 415(f), the seller is obligated to call the Help Desk without delay, but no later than ten minutes after a Block Trade is negotiated, to notify the Exchange of the terms of the trade, including information identifying the relevant Contract, contract month, price or premium, quantity, time of execution, counterparty Clearing Member for each Block Trade and, if applicable, the underlying commodity, whether the transaction involved a put or a call and the strike price and any other information that is required to be set forth in the prescribed Block Trade Reporting Form.]

(k) – (m) No change.

Questions regarding this submission may be directed to David Doherty at (312) 786-7466. Please reference our submission number CFE-2005-11 in any related correspondence.

CBOE Futures Exchange, LLC

By: _____
Edward J. Joyce
President

cc: Mark Baumgardner (OCC)