



July 31, 2006

Via Electronic Mail

Ms. Eileen A. Donovan
Acting 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-2006-12

Dear Ms. Donovan:

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 a new rule that sets forth CFE's Independent Software Vendor Incentive Program ("ISV Program").

The ISV Program will commence on August 1, 2006.

CFE is not aware of any substantive opposing views to the ISV Program.

CFE hereby certifies that the ISV Program complies with the Act and the regulations thereunder.

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The ISV Program, to be added as Policy and Procedure V to CFE's Policies and Procedures, is as follows:

CFE Policy and Procedure V. Independent Software Vendor Incentive Program

Any Independent Software Vendor (ISV) is eligible to request to participate in the Program. The Exchange may approve up to five ISVs to participate in the Program. The Exchange shall select ISVs to participate in the Program based upon the Exchange's judgment as to which ISVs would provide the greatest amount of access to the Exchange.

For purposes of the Program, an ISV is an organization that desires to provide or provides connectivity to the CBOE System on behalf of one or more Trading Privilege Holders (TPHs) and is not itself a TPH. Each TPH that accesses the CBOE System through the services of an ISV is subject to all of the Rules of the Exchange that apply to TPHs, including the requirement that any such TPH that is not a Clearing Member be guaranteed by a Clearing Member.

An ISV participant in the Program shall receive a designated one-time payment amount from the Exchange if the ISV completes the necessary interface work and first establishes

connectivity to the CBOE System during the time period from August 1, 2006 through April 30, 2007 ("ISV Connection Payment").

An ISV participant in the Program shall also receive a designated monthly payment amount for each TPH organization for which the ISV provides connectivity to the CBOE System during any month within the time period from August 1, 2006 through August 31, 2007 ("TPH Connection Payment"), except that an ISV participant shall not receive TPH Connection Payments for more than four TPH organizations for a particular month.

The Program shall commence on August 1, 2006 and terminate on August 31, 2007. The Exchange may determine to extend the term of the Program, allow the Program to expire, or replace or modify the Program at any time.

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The designated amount of the one-time ISV Connection Payment under the ISV Program and the designated amount of the monthly TPH Connection Payment under the ISV Program were separately submitted to Commission staff on July 31, 2006 pursuant to a Freedom of Information Act ("FOIA") confidential treatment request.

CFE believes that all material terms of an incentive program to be implemented by a designated contract market ("DCM"), including the payment terms under the program, should be disclosed in the publicly submitted rule certification filing for that program. Accordingly, CFE has previously included all of the material terms of CFE's incentive programs, including the payment terms, in the publicly submitted CFE rule certification filings for those programs. However, other DCMs have not done so. Therefore, CFE feels compelled going forward to request confidential treatment for certain aspects of its incentive programs so as to maintain a level playing field with other DCMs until such time that all DCMs are required to make full disclosure regarding the material terms of their incentive payment programs in their publicly submitted rule certification filings.

Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570. Please reference our submission number CFE-2006-12 in any related correspondence.

CBOE Futures Exchange, LLC

By: 
Patrick J. Fay
Managing Director

cc: Nancy Markowitz (CFTC)
David Steinberg (CFTC)
Mark Baumgardner (OCC)
Edward Dasso (NFA)