Required fields are shown with yellow backgrounds and asterisks.

OMB APPROVAL	
OMB Number:	3235-0553
Expires:	June 30, 2010
Estimated average burden hours per response............17.7	

Page 1 of * 29

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

File No.* SR - 2011 - * 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 *).

Proposal to list and trade the CBOE Gold ETF Volatility Index security futures contract.

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 * Jenny Last Name * Klebes
Title * Senior Attorney
E-mail * klebes@cboe.com
Telephone * (312) 786-7466 Fax (312) 786-7919

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 *).

CFE's Managing Director pursuant to delegated authority approved the proposed rule change on March 18, 2011.

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 03/18/2011
By Jenny L. Klebes
(Name *)

Senior Attorney / Assistant Secretary
(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.

Jenny Klebes, klebes@cboe.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

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

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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

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Exhibit Sent As Paper Document
☐

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 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document
☐

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 4 - Proposed Rule Text

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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 ogranization 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.

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Exhibit Sent As Paper Document
☐

Partial Amendment

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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-2011-002)

Self-Regulatory Organizations; CBOE Futures Exchange, LLC; Proposed Rule Change Relating to Listing and Trading CBOE Gold ETF Volatility Index Security Futures

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934 ("Act"),[1] notice is hereby given that on _____________, 2011 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 II 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 filed this proposed rule change concurrently 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 March 18, 2011.

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

The Exchange proposes to amend its rules to permit the Exchange to list and trade the Gold ETF Volatility Index ("GVZ") security futures contract. The text of the proposed rule change is attached as Exhibit 4.

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

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1 15 U.S.C. 78s(b)(7).
2 7 U.S.C. 7a-2(c).

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

The purpose of this proposed rule change is to permit the Exchange to list and trade security futures on the CBOE Gold ETF Volatility Index ("GVZ" or "GVZ Index"). Chicago Board Options Exchange, Incorporated ("CBOE") received approval from the SEC to list and trade GVZ options.[3] Consistent with the Joint Order issued by the SEC and the CFTC dated November 19, 2009 (Securities Exchange Act Release No. 61027) ("Joint Order"),[4] the GVZ Index may underlie a security futures contract since the GVZ Index is eligible to underlie options traded on a national securities exchange.

Index Design and Calculation

The calculation of GVZ is based on the VIX methodology applied to options on the SPDR Gold Trust ("GLD"). The index was introduced by CBOE on August 1, 2008 and has been disseminated in real-time on every trading day since that time.[5] GVZ is an up-to-the-minute market estimate of the expected volatility of GLD calculated by using real-time bid/ask quotes of GLD options listed on Chicago Board Options Exchange, Incorporated. GVZ uses nearby and second nearby options with at least 8 days left to expiration and then weights them to yield a constant, 30-day measure of the expected (implied) volatility.

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3 See Securities Exchange Act Release No. 62139 (May 19, 2010) 75 FR 29597 (May 26, 2010) (order approving proposal to list and trade GVZ options on CBOE).

4 74 FR 61380 (November 24, 2009). See also CFE Policy and Procedure VIII E. (Eligibility for Listing Security Futures on Securities Approved for Options Trading)

5 CBOE maintains a micro-site for GVZ options at: http://www.cboe.com/gvz.

For each contract month, CBOE will determine the at-the-money strike price. The Exchange will then select the at-the-money and out-of-the money series with non-zero bid prices and determine the midpoint of the bid-ask quote for each of these series. The midpoint quote of each series is then weighted so that the further away that series is from the at-the-money strike, the less weight that is accorded to the quote. Then, to compute the index level, CBOE will calculate a volatility measure for the nearby options and then for the second nearby options. This is done using the weighted mid-point of the prevailing bid-ask quotes for all included option series with the same expiration date. These volatility measures are then interpolated to arrive at a single, constant 30-day measure of volatility.

CBOE will compute values for the GVZ Index underlying security futures on a real-time basis throughout each trading day, from 8:30 a.m. until 3:00 p.m. (CT). GVZ Index levels will be calculated by CBOE and disseminated at 15-second intervals to major market data vendors.

Security Futures Trading

The contract multiplier for each GVZ futures contract will be $1,000.00. For example, a contract size of one GVZ futures contract would be $18,950 if the GVZ Index level were 18.95 (18.95 x $1,000.00). The Exchange may list for trading up to nine near-term serial months and up to five additional months on the February quarterly cycle for the GVZ futures contract. The minimum fluctuation of the GVZ futures contract will be 0.05 index points, which has a value of $50.00, except that the individual legs and net prices of spread trades in the GVZ futures contract may be in increments of 0.01 index points, which has a value of $10.00. The trading days for GVZ futures contracts shall be the same trading days of GLD options, as those days are determined by CBOE. The trading hours for GVZ contracts will be from 8:30 a.m. Chicago time to 3:00 p.m.

Exhibit 3 presents contract specifications for GVZ futures.

Position Limits

The generic formula that is used to calculate position limit levels for cash settled Narrow-Based Stock Index Futures set forth in CFE Rule 1901(e) shall not apply to GVZ futures because that formula is premised upon an index that is comprised of stocks. As discussed above, the index components of GVZ are GLD options listed on CBOE. Accordingly, the Exchange is proposing to establish position limit levels for GVZ security futures at levels comparable to those previously established and approved for GVZ options trading by the SEC. Because GVZ futures will have different position limits than under the generic formula for cash settled Narrow-Based Stock Index Futures and for ease of reference of the provisions applicable to GVZ futures by CFE market participants, CFE proposes to have a separate contract specification rule chapter for GVZ futures in CFE Rule Chapter 16.

Specifically, GVZ futures will be subject to position limits under CFE Rule 412 (Position Limits). A person may not own or control: (1) more than 5,000 contracts net long or net short in all GVZ futures contracts combined; (2) more than 3,000 contracts net long or net short in the expiring GVZ futures contract month; and (3) more than 1,350 contracts net long or net short in the expiring GVZ futures contract held during the last five (5) trading days for the expiring GVZ futures contract month.[6] For the purposes of

[6] CFE notes that the proposed 5,000/3,000 position limit levels are equivalent to those established for security options trading on the GVZ Index (50,000/30,000) when scaled to reflect the larger size of the futures contract in relation to the options contract. See Securities Exchange Release No. 62139 (May 19, 2010), 75 FR 29597 (May 26, 2010) (SEC order approving listing and trading

this 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. The proposed GVZ position limits shall not apply to positions that are subject to a position limit exemption meeting the requirements of CFTC Regulations and CFE Rules. The minimum reportable level for GVZ futures will be 200 contracts.

Exercise and Settlement

The final settlement date for a GVZ futures contract shall be on the third Friday of the expiring futures contract month. If the third Friday of the expiring month is a CBOE holiday, the final settlement date for the expiring contract shall be the CBOE business day immediately preceding the third Friday. Trading on the GVZ futures contract will terminate on the business day immediately preceding the final settlement date of the GVZ futures contract for the relevant spot month. When the last trading day is moved because of a CFE holiday, the last trading day for an expiring GVZ futures contract will be the day immediately preceding the last regularly-scheduled trading day.

The final-settlement value for GVZ futures shall be a Special Opening Quotation ("SOQ") of the GVZ Index calculated from the sequence of opening prices of a single strip of GLD options expiring 30 days after the settlement date. The opening price for any series in which there is no trade shall be the average of that option's bid price and ask price as determined at the opening of trading. Exercise will result in delivery of cash on

of GVZ options, including GVZ option position limits). See also chart to CBOE Rule 24.4(a). Similarly, the proposed 1,350 position limit level, complies with the provisions of §41.25(a)(i) of the regulations promulgated by the CFTC under the CEA. This provision requires the Exchange to adopt a net position limit of no greater than 13,500 (100-share) contracts applicable to positions held during the last five days of trading of an expiring contract month, and the proposed 1,350 position limit is equivalent to this level when scaled to reflect the $1,000 contract multiplier for GVZ futures.

the business day following expiration. The final settlement value will be rounded to the nearest $0.01.

Settlement of GVZ futures contracts will result in the delivery of a cash settlement amount on the business day immediately following the final settlement date. The cash settlement amount on the final settlement date shall be the final mark to market amount against the final settlement price of the GVZ futures contract multiplied by $1,000.00.

If the final settlement value is not available or the normal settlement procedure cannot be utilized due to a trading disruption or other unusual circumstance, the final settlement value will be determined in accordance with the rules and bylaws of The Options Clearing Corporation ("OCC'").

Eligibility and Maintenance Criteria for GVZ Futures

Pursuant to Exchange Policy and Procedure VIII E. (Eligibility for Listing Security Futures on Securities Approved for Options Trading), the Exchange may list securities futures on GVZ because GVZ is eligible to underlie options traded on a national securities exchange. GVZ security futures shall remain eligible for listing and trading on the Exchange so long as GVZ remains eligible to underlie options traded on a national securities exchange. If at any time GVZ no longer remains eligible to underlie options traded on a national securities exchange, GVZ shall be ineligible to underlie security futures and the Exchange will not open any additional GVZ futures contracts for trading until GVZ becomes eligible again to underlie options traded on a national securities exchange.

Block Trades

Block trades in the GVZ futures contract will be permitted. Pursuant to CFE Rule 415(a)(i), the minimum Block Trade quantity for the GVZ futures contract will be 200 contracts if there is only one leg involved in the trade.[7] If the Block Trade is executed as a spread order, one leg must meet the minimum Block Trade quantity for the GVZ 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 GVZ futures contracts (a "strip"), the minimum Block Trade quantity for the strip will be 300 contracts and each leg of the strip will be required to have a minimum size of 100 contracts. The minimum price increment for a Block Trade in the GVZ futures contract will be 0.01 index points.

No natural person associated with a Trading Privilege Holder or Authorized Trader that has knowledge of a pending Block Trade of such Trading Privilege Holder or Authorized Trader, or a Customer thereof in the GVZ future on the Exchange, may enter an Order or execute a transaction, whether for his or her own account or, if applicable, for the account of a Customer over which he or she has control, for or in the GVZ Future to which such Block Trade relates until after (i) such Block Trade has been reported to and published by the Exchange and (ii) any additional time period from time to time prescribed by the Exchange in its block trading procedures or contract specifications has expired.

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[7] CFE Rule 415 sets forth the conditions that must be met if Block Trades are permitted by the rules governing a contract.

Exchange of Contract for Related Position Transactions

Exchange of Contract for Related Position ("ECRP") transactions, as set forth in CFE Rule 414, in the GVZ futures contract will be permitted. Any Exchange of Contract for Related Position transaction must satisfy the requirements of Rule 414.[8] The minimum price increment for an ECRP involving the GVZ futures contract will be 0.01 index points.

Margin

The customer margin requirements for GVZ futures will be governed by CFE Rule 517 (Customer Margin Requirements for Contracts that are Security Futures).

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b)[9] of the Securities Exchange Act (the "Act"), in general, and furthers the objectives of Section 6(b)(5)[10] in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system, and thereby will provide investors with the ability to use security futures to gain exposure to or hedge risk associated with GLD volatility.

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.

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8 CFE Rule 414 sets forth the conditions that must be met if ECRP transactions are permitted by the rules governing a contract.

9 15 U.S.C. 78f(b).

10 15 U.S.C. 78f(b)(5).

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 has become effective on March 25, 2011.

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.

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:

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-2011-002 on the subject line.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549.

All submissions should refer to File Number SR-CFE-2011-002. 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-2011-002 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

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[11] 17 CFR 200.30-3(a)(73).

EXHIBIT 3

Contract Specifications for CBOE Gold ETF Volatility Index ("GVZ") Security Futures

CONTRACT NAME:	CBOE Gold ETF Volatility Index ("GVZ") Security Futures
LISTING DATE:	March 25, 2011.
DESCRIPTION:	The CBOE Gold ETF Volatility Index ("GVZ Index") is an up-to-the-minute market estimate of the expected volatility of SPDR Gold Shares ("GLD") calculated by using real-time bid/ask quotes of GLD options listed on Chicago Board Options Exchange, Incorporated ("CBOE"). GVZ uses nearby and second nearby options with at least 8 days left to expiration and then weights them to yield a constant, 30-day measure of the expected (implied) volatility.
CONTRACT SIZE:	The contract multiplier for the GVZ futures contract is $1,000.
TRADING HOURS:	8:30 a.m. - 3:00 p.m. Chicago time.
CONTRACT MONTHS:	Up to nine near-term months plus up to five additional months on the February quarterly cycle may be listed for the GVZ futures contract.
TICKER SYMBOL:	Futures – TBD Cash Index – GVZ
PRICING CONVENTIONS:	Both futures prices and cash index levels are stated in decimal format.
MINIMUM PRICE INTERVALS:	0.05 of one GVZ Index point (equal to $50.00 per contract). 0.01 of one GVZ Index point (equal to $10.00 per contract) for spreads.
DOLLAR VALUE PER TICK:	$50.00 per contract.
TERMINATION OF TRADING:	The close of trading on the day before the Final Settlement Date. When the last trading day is moved because of a CFE holiday, the last trading day for expiring GVZ futures contracts will be the day immediately preceding the last regularly scheduled trading day.
FINAL SETTLEMENT DATE:	The Wednesday that is thirty days prior to the third Friday of the calendar month immediately following the month in which the contract expires ("Final Settlement Date"). If the third Friday of the month subsequent to expiration of the applicable GVZ 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.
FINAL SETTLEMENT VALUE:	The final-settlement value for GVZ futures shall be a

	Special Opening Quotation ("SOQ") of the GVZ Index calculated from the sequence of opening prices of a single strip of GLD options expiring 30 days after the settlement date. The opening price for any series in which there is no trade shall be the average of that option's bid price and ask price as determined at the opening of trading. Exercise will result in delivery of cash on the business day following expiration. The final settlement value will be rounded to the nearest $0.01. If the final settlement value is not available or the normal settlement procedure cannot be utilized due to a trading disruption or other unusual circumstance, the final settlement value will be determined in accordance with the rules and bylaws of The Options Clearing Corporation.
DELIVERY:	Settlement of GVZ futures contracts will result in the delivery of a cash settlement amount on the business day immediately following the Final Settlement Date. The cash settlement amount on the Final Settlement Date shall be the final mark to market amount against the final settlement price of the GVZ futures contract multiplied by $1,000.00.
POSITION LIMITS:	GVZ futures contracts are subject to position limits under Rule 412. A person may not own or control: (1) more than 5,000 contracts net long or net short in all GVZ futures contracts combined; (2) more than 3,000 contracts net long or net short in the expiring GVZ futures contract month; and (3) more than 1,350 contracts net long or net short in the expiring GVZ futures contract held during the last five (5) trading days for the expiring GVZ futures contract month. For the purposes of this 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. The foregoing position limits shall not apply to positions that are subject to a position limit exemption meeting the requirements of Commission Regulations and CFE Rules.
MINIMUM REPORTABLE LEVEL:	200 or more contracts.

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
Rules

*   *   *   *   *

CHAPTER 16
CBOE GOLD ETF VOLATILITY INDEX SECURITY FUTURES CONTRACT SPECIFICATIONS

1601. Scope of Chapter

This chapter applies to trading in CBOE Gold ETF Volatility Index ("GVZ") security futures contracts. The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the generally applicable rules of the Exchange. The GVZ security futures contract was first listed for trading on the Exchange on March 25, 2011.

1602. Contract Specifications

(a) *Multiplier*. The contract multiplier for each GVZ futures contract is $1,000.00. For example, a contract size of one GVZ futures contract would be $18,950 if the GVZ (the "Index") level were 18.95 (18.95 x $1,000.00).

(b) *Schedule*. The Exchange may list for trading up to nine near-term serial months and up to five additional months on the February quarterly cycle for the GVZ futures contract.

The final settlement date for a GVZ futures contract shall be on the third Friday of the expiring futures contract month. If the third Friday of the expiring month is a CFE holiday, the Final Settlement Date for the expiring contract shall be the CFE business day immediately preceding the third Friday.

The trading days for GVZ futures contracts shall be the same trading days of options on SPDR Gold Shares ("GLD"), as those days are determined by CBOE.

The trading hours for GVZ contracts are from 8:30 a.m. Chicago time to 3:00 p.m. Chicago time.

(c) *Minimum Increments*. Except as provided in the following sentence, the minimum fluctuation of the GVZ futures contract is 0.05 index points, which has a value of $50.00.

The individual legs and net prices of spread trades in the GVZ futures contract may be in increments of 0.01 index points, which has a value of $10.00.

(d) *Position Limits*. GVZ futures are subject to position limits under Rule 412.

A person may not own or control: (1) more than 5,000 contracts net long or net short in all GVZ futures contracts combined; (2) more than 3,000 contracts net long or net short in the expiring GVZ futures contract month; and (3) more than 1,350 contracts net long or net short in the expiring GVZ futures contract held during the last five (5) trading days for the expiring GVZ futures contract month. For the purposes of this 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.

The foregoing position limits shall not apply to positions that are subject to a position limit exemption meeting the requirements of Commission Regulations and CFE Rules.

(e) *Termination of Trading*. Trading on the GVZ futures contract terminates on the business day immediately preceding the final settlement date of the GVZ futures contract for the relevant spot month. When the last trading day is moved because of a CFE holiday, the last trading day for an expiring GVZ futures contract will be the day immediately preceding the last regularly-scheduled trading day.

(f) *Contract Modifications*. Specifications are fixed as of the first day of trading of a contract. If any U.S. government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

(g) *Execution Priorities*. Pursuant to Rule 406(a)(ii), the base allocation method of price-time priority shall apply to trading in GVZ futures contracts.

(h) *Crossing Two or More Original Orders*. The eligible size for an original Order that may be entered for a cross trade with one or more other original Orders pursuant to Rule 407 is one Contract. The request for quote response period under Rule 407(a) for the request for quote required to be sent before the initiation of a cross trade under Rule 407 is five seconds. Following the request for quote response period, the Trading Privilege Holder or Authorized Trader, as applicable, must expose to the market for at least three seconds under Rule 407(b) at least one of the original Orders that it intends to cross.

(i) *Price Limits and Halts*. Pursuant to Rule 413, GVZ futures contracts are not subject to price limits.

Trading in GVZ futures contracts shall be halted to the extent required by Rule 417 relating to "regulatory halts" and 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.

(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 GVZ 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 GVZ futures contract is 0.01 index points.

(k) *Block Trades*. Pursuant to Rule 415(a)(i), the minimum Block Trade quantity for the GVZ 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 GVZ 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 GVZ 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 GVZ futures contract is 0.01 index points.

No natural person associated with a Trading Privilege Holder or Authorized Trader that has knowledge of a pending Block Trade of such Trading Privilege Holder or Authorized Trader, or a Customer thereof in the GVZ future on the Exchange, may enter an Order or execute a transaction, whether for his or her own account or, if applicable, for the account of a Customer over which he or she has control, for or in the GVZ Future to which such Block Trade relates until after (i) such Block Trade has been reported to and published by the Exchange and (ii) any additional time period from time to time prescribed by the Exchange in its block trading procedures or contract specifications has expired.

(l) *No Bust Range.* Pursuant to Rule 416, 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 GVZ 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) *Pre-execution Discussions*. The Order Exposure Period under Policy and Procedure IV before an Order may be entered to take the other side of another Order with respect to which there has been pre-execution discussions is three seconds after the first Order was entered into the CBOE System. If no bid or offer price exist in the relevant GVZ futures contract, the RFQ Response Period under Policy and Procedure IV that must elapse following the request for quote that is required to be sent prior to the entry of the first Order is five seconds.

(n) *Reportable Position.* Pursuant to Commission Regulation §15.03 and Commission Regulation Part 17, the position level that is required to be reported to the Commission is any open position in GVZ futures contracts at the close of trading on any trading day equal to or in excess of 200 contracts on either side of the market.

(o) *Threshold Widths*. For purposes of Policy and Procedure I and Policy and Procedure II, the Threshold Widths for the GVZ futures contract are as follows:

GVZ Index Level	**Threshold Width**
1 – 100	20
100 – 200	50
200 – 10000	100

The minimum size of bids and offers that establish a Threshold Width is one contract.

1603. Settlement

Settlement of GVZ futures contracts will result in the delivery of a cash settlement amount on the business day immediately following the settlement date. The cash settlement amount on the final settlement date shall be the final mark to market amount against the final settlement price of the GVZ futures contract multiplied by $1,000.00. The final settlement price of the GVZ futures contract will be rounded to the nearest $0.01.

Clearing Members holding open positions in GVZ futures contracts at the termination of trading in that Contract shall make payment to or receive payment from the Clearing Corporation in accordance with normal variation and performance bond procedures based on the final settlement amount.

If the settlement value is not available or the normal settlement procedure cannot be utilized due to a trading disruption or other unusual circumstance, the settlement value will be determined in accordance with the Rules and By-Laws of The Options Clearing Corporation.

1604. Eligibility and Maintenance Criteria for GVZ Futures

Pursuant to Exchange Policy and Procedure VIII E. (Eligibility for Listing Security Futures on Securities Approved for Options Trading), the Exchange may list securities futures on GVZ because GVZ is eligible to underlie options traded on a national securities exchange. GVZ security futures shall remain eligible for listing and trading on the Exchange so long as GVZ remains eligible to underlie options traded on a national securities exchange. If at any time GVZ no longer remains eligible to underlie options traded on a national securities exchange, GVZ shall be ineligible to underlie security futures and the Exchange will not open any additional GVZ futures contracts for trading until GVZ becomes eligible again to underlie options traded on a national securities exchange.

Exhibit 5

A copy of the certification submitted to the CFTC pursuant to Section 5c(c) of the Commodity Exchange Act with respect to the proposed rule change.

CFE
CBOE FUTURES EXCHANGE

March 18, 2011

Via Electronic Mail

Mr. David Stawick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Listing of Security Futures Product
Submission Number CFE-2011-06

Dear Mr. Stawick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended ("Act"), and §41.23 of the regulations promulgated by the Commodity Futures Trading Commission ("CFTC") under the Act, CBOE Futures Exchange, LLC ("CFE" or "Exchange") hereby submits rules and terms and conditions for a new product to be traded on CFE, which are attached hereto along with a chart that summarizes the product specifications. The new product is the CBOE Gold ETF Volatility Index ("GVZ") Security Futures contract ("Product") which will be listed for trading on CFE commencing on March 25, 2011.

The underlying for the Product is the CBOE Gold ETF Volatility Index ("GVZ Index"). The GVZ Index is an up-to-the-minute market estimate of the expected volatility of SPDR Gold Shares ("GLD") calculated by using real-time bid/ask quotes of CBOE listed GLD options. GVZ uses nearby and second nearby options with at least 8 days left to expiration and then weights them to yield a constant, 30-day measure of the expected (implied) volatility. The GVZ Index is eligible to underlie options traded on Chicago Board Options Exchange, Incorporated ("CBOE"). Specifically, on May 19, 2010, the Securities and Exchange Commission ("SEC") issued an approval providing that, "GVZ Options will trade as options under the rules of the CBOE."[1] Consistent with the Joint Order issued by the SEC and the CFTC dated November 19, 2009 (Securities Exchange Act Release No. 61027) ("Joint Order"),[2] the GVZ Index may underlie a security futures contract since the GVZ Index is eligible to underlie options traded on a national securities exchange.[3]

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1 See Securities Exchange Act Release No. 62139 (May 19, 2010) 75 FR 29597 (May 26, 2010) (order approving proposal to list and trade GVZ options on CBOE).

2 74 FR 61380 (November 24, 2009).

3 See CFE Policy and Procedure VIII.E (*Eligibility for Listing Security Futures on Securities Approved for Options Trading*).

CFE certifies that:

(a) the securities underlying the Product satisfy the requirements of §41.21 of the regulations promulgated by the CFTC under the Act;

(b) only futures commission merchants, introducing brokers, commodity trading advisors, commodity pool operators or associated persons subject to suitability rules comparable to those of a national securities association registered pursuant to Section 15A(a) of the Securities Exchange Act of 1934 ("Exchange Act") and the rules and regulations thereunder, except to the extent otherwise permitted under the Exchange Act and the rules and regulations thereunder, may solicit, accept any order for, or otherwise deal in any transaction in or in connection with the Product;

(c) dual trading in the Product is restricted in accordance with §41.27 of the regulations promulgated by the CFTC under the Act;

(d) trading in the Product is not readily susceptible to manipulation of the price of the Product, nor to causing or being used in the manipulation of the price of any underlying security, option on such security, or option on a group or index including such securities, consistent with the conditions for trading of §41.25 of the regulations promulgated by the CFTC under the Act;

(e) procedures are in place for coordinated surveillance among CFE, any market on which any security underlying the Product is traded and other markets on which any related security is traded to detect manipulation and insider trading;

(f) an audit trail is in place to facilitate coordinated surveillance among CFE, any market on which any security underlying the Product is traded, and any market on which any related security is traded;

(g) procedures are in place to coordinate regulatory trading halts between CFE and markets on which any security underlying the Product is traded and any market on which any related security is traded; and

(h) the margin requirements for the Product will comply with the provisions specified in §§41.43 through 41.48 of the regulations promulgated by the CFTC under the Act.

CFE further certifies that the Product complies with additional conditions for trading set forth in §41.25 of the regulations promulgated by the CFTC under the Act and complies with the Act and regulations thereunder. This rule change has also been filed with the Securities and Exchange Commission.

Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 or Jennifer Klebes at (312) 786-7466. Please reference our submission number CFE-2011-06 in any related correspondence.

CBOE Futures Exchange, LLC

By: ______________________

Andrew Lowenthal
Managing Director

cc: Riva Adriance (CFTC)
Philip Colling (CFTC)
Thomas Leahy (CFTC)
National Futures Association
The Options Clearing Corporation

Summary Product Specifications Chart for CBOE Gold ETF Volatility Index ("GVZ") Security Futures

CONTRACT NAME:	CBOE Gold ETF Volatility Index ("GVZ") Security Futures
LISTING DATE:	March 25, 2011.
DESCRIPTION:	The CBOE Gold ETF Volatility Index ("GVZ Index") is an up-to-the-minute market estimate of the expected volatility of SPDR Gold Shares ("GLD") calculated by using real-time bid/ask quotes of GLD options listed on Chicago Board Options Exchange, Incorporated ("CBOE"). GVZ uses nearby and second nearby options with at least 8 days left to expiration and then weights them to yield a constant, 30-day measure of the expected (implied) volatility.
CONTRACT SIZE:	The contract multiplier for the GVZ futures contract is $1,000.
TRADING HOURS:	8:30 a.m. - 3:00 p.m. Chicago time.
CONTRACT MONTHS:	Up to nine near-term months plus up to five additional months on the February quarterly cycle may be listed for the GVZ futures contract.
TICKER SYMBOL:	Futures – TBD Cash Index – GVZ
PRICING CONVENTIONS:	Both futures prices and cash index levels are stated in decimal format.
MINIMUM PRICE INTERVALS:	0.05 of one GVZ Index point (equal to $50.00 per contract). 0.01 of one GVZ Index point (equal to $10.00 per contract) for spreads.
DOLLAR VALUE PER TICK:	$50.00 per contract.
TERMINATION OF TRADING:	The close of trading on the day before the Final Settlement Date. When the last trading day is moved because of a CFE holiday, the last trading day for expiring GVZ futures contracts will be the day immediately preceding the last regularly scheduled trading day.
FINAL SETTLEMENT DATE:	The Wednesday that is thirty days prior to the third Friday of the calendar month immediately following the month in which the contract expires ("Final Settlement Date"). If the third Friday of the month subsequent to expiration of the applicable GVZ 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.
FINAL SETTLEMENT VALUE:	The final-settlement value for GVZ futures shall be a Special Opening Quotation ("SOQ") of the GVZ Index calculated from the sequence of opening prices of a single strip of GLD options expiring 30 days after the settlement date. The opening price for any series in which there is no trade shall be the average of that option's bid price and ask price as determined at the opening of trading. Exercise will result in delivery of cash on the business day following expiration. The final settlement value will be rounded to the nearest $0.01. If the final settlement value is not available or the normal settlement procedure cannot be utilized due to a trading disruption or other unusual circumstance, the final settlement

	value will be determined in accordance with the rules and bylaws of The Options Clearing Corporation.
DELIVERY:	Settlement of GVZ futures contracts will result in the delivery of a cash settlement amount on the business day immediately following the Final Settlement Date. The cash settlement amount on the Final Settlement Date shall be the final mark to market amount against the final settlement price of the GVZ futures contract multiplied by $1,000.00.
POSITION LIMITS:	GVZ futures contracts are subject to position limits under Rule 412. A person may not own or control: (1) more than 5,000 contracts net long or net short in all GVZ futures contracts combined; (2) more than 3,000 contracts net long or net short in the expiring GVZ futures contract month; and (3) more than 1,350 contracts net long or net short in the expiring GVZ futures contract held during the last five (5) trading days for the expiring GVZ futures contract month. For the purposes of this 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. The foregoing position limits shall not apply to positions that are subject to a position limit exemption meeting the requirements of Commission Regulations and CFE Rules.
MINIMUM REPORTABLE LEVEL:	200 or more contracts.

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Rule Chapter Setting Forth Contract Specifications for CBOE Gold ETF Volatility Index ("GVZ") Security Futures

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CHAPTER 16
CBOE GOLD ETF VOLATILITY INDEX SECURITY FUTURES CONTRACT SPECIFICATIONS

1601. Scope of Chapter

This chapter applies to trading in CBOE Gold ETF Volatility Index ("GVZ") security futures contracts. The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the generally applicable rules of the Exchange. The GVZ security futures contract was first listed for trading on the Exchange on March 25, 2011.

1602. Contract Specifications

(a) *Multiplier*. The contract multiplier for each GVZ futures contract is $1,000.00. For example, a contract size of one GVZ futures contract would be $18,950 if the GVZ (the "Index") level were 18.95 (18.95 x $1,000.00).

(b) *Schedule*. The Exchange may list for trading up to nine near-term serial months and up to five additional months on the February quarterly cycle for the GVZ futures contract.

The final settlement date for a GVZ futures contract shall be on the third Friday of the expiring futures contract month. If the third Friday of the expiring month is a CFE holiday, the Final Settlement Date for the expiring contract shall be the CFE business day immediately preceding the third Friday.

The trading days for GVZ futures contracts shall be the same trading days of options on SPDR Gold Shares ("GLD"), as those days are determined by CBOE.

The trading hours for GVZ contracts are from 8:30 a.m. Chicago time to 3:00 p.m. Chicago time.

(c) *Minimum Increments*. Except as provided in the following sentence, the minimum fluctuation of the GVZ futures contract is 0.05 index points, which has a value of $50.00.

The individual legs and net prices of spread trades in the GVZ futures contract may be in increments of 0.01 index points, which has a value of $10.00.

(d) *Position Limits*. GVZ futures are subject to position limits under Rule 412.

A person may not own or control: (1) more than 5,000 contracts net long or net short in all GVZ futures contracts combined; (2) more than 3,000 contracts net long or net short in the expiring GVZ futures contract month; and (3) more than 1,350 contracts net long or net short in the expiring GVZ futures contract held during the last five (5) trading days for the expiring GVZ futures contract month. For the purposes of this 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.

For the purposes of this 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.

The foregoing position limits shall not apply to positions that are subject to a position limit exemption meeting the requirements of Commission Regulations and CFE Rules.

(e) *Termination of Trading.* Trading on the GVZ futures contract terminates on the business day immediately preceding the final settlement date of the GVZ futures contract for the relevant spot month. When the last trading day is moved because of a CFE holiday, the last trading day for an expiring GVZ futures contract will be the day immediately preceding the last regularly-scheduled trading day.

(f) *Contract Modifications.* Specifications are fixed as of the first day of trading of a contract. If any U.S. government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

(g) *Execution Priorities.* Pursuant to Rule 406(a)(ii), the base allocation method of price-time priority shall apply to trading in GVZ futures contracts.

(h) *Crossing Two or More Original Orders.* The eligible size for an original Order that may be entered for a cross trade with one or more other original Orders pursuant to Rule 407 is one Contract. The request for quote response period under Rule 407(a) for the request for quote required to be sent before the initiation of a cross trade under Rule 407 is five seconds. Following the request for quote response period, the Trading Privilege Holder or Authorized Trader, as applicable, must expose to the market for at least three seconds under Rule 407(b) at least one of the original Orders that it intends to cross.

(i) *Price Limits and Halts.* Pursuant to Rule 413, GVZ futures contracts are not subject to price limits.

Trading in GVZ futures contracts shall be halted to the extent required by Rule 417 relating to "regulatory halts" and 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.

(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 GVZ 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 GVZ futures contract is 0.01 index points.

(k) *Block Trades*. Pursuant to Rule 415(a)(i), the minimum Block Trade quantity for the GVZ 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 GVZ 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 GVZ 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 GVZ futures contract is 0.01 index points.

No natural person associated with a Trading Privilege Holder or Authorized Trader that has knowledge of a pending Block Trade of such Trading Privilege Holder or Authorized Trader, or a Customer thereof in the GVZ future on the Exchange, may enter an Order or execute a transaction, whether for his or her own account or, if applicable, for the account of a Customer over which he or she has control, for or in the GVZ Future to which such Block Trade relates until after (i) such Block Trade has been reported to and published by the Exchange and (ii) any additional time period from time to time prescribed by the Exchange in its block trading procedures or contract specifications has expired.

(l) *No Bust Range*. Pursuant to Rule 416, 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 GVZ 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) *Pre-execution Discussions*. The Order Exposure Period under Policy and Procedure IV before an Order may be entered to take the other side of another Order with respect to which there has been pre-execution discussions is three seconds after the first Order was entered into the CBOE System. If no bid or offer price exist in the relevant GVZ futures contract, the RFQ Response Period under Policy and Procedure IV that must elapse following the request for quote that is required to be sent prior to the entry of the first Order is five seconds.

(n) *Reportable Position*. Pursuant to Commission Regulation §15.03 and Commission Regulation Part 17, the position level that is required to be reported to the Commission is any open position in GVZ futures contracts at the close of trading on any trading day equal to or in excess of 200 contracts on either side of the market.

(o) *Threshold Widths*. For purposes of Policy and Procedure I and Policy and Procedure II, the Threshold Widths for the GVZ futures contract are as follows:

GVZ Index Level	**Threshold Width**
1 – 100	20
100 – 200	50
200 – 10000	100

The minimum size of bids and offers that establish a Threshold Width is one contract.

1603. Settlement

Settlement of GVZ futures contracts will result in the delivery of a cash settlement amount on the business day immediately following the settlement date. The cash settlement amount on the final settlement date shall be the final mark to market amount against the final settlement price of the GVZ futures contract multiplied by $1,000.00. The final settlement price of the GVZ futures contract will be rounded to the nearest $0.01.

Clearing Members holding open positions in GVZ futures contracts at the termination of trading in that Contract shall make payment to or receive payment from the Clearing Corporation in accordance with normal variation and performance bond procedures based on the final settlement amount.

If the settlement value is not available or the normal settlement procedure cannot be utilized due to a trading disruption or other unusual circumstance, the settlement value will be determined in accordance with the Rules and By-Laws of The Options Clearing Corporation.

1604. Eligibility and Maintenance Criteria for GVZ Futures

Pursuant to Exchange Policy and Procedure VIII E. (Eligibility for Listing Security Futures on Securities Approved for Options Trading), the Exchange may list securities futures on GVZ because GVZ is eligible to underlie options traded on a national securities exchange. GVZ security futures shall remain eligible for listing and trading on the Exchange so long as GVZ remains eligible to underlie options traded on a national securities exchange. If at any time GVZ no longer remains eligible to underlie options traded on a national securities exchange, GVZ shall be ineligible to underlie security futures and the Exchange will not open any additional GVZ futures contracts for trading until GVZ becomes eligible again to underlie options traded on a national securities exchange.