



January 28, 2015

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-2015-003

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 amend CFE Rule 412B (Reportable Positions): (i) to require that Trading Privilege Holders ("TPHs") and non-TPHs must, in a form and manner prescribed by the Exchange, concurrently file with the Exchange a copy of all submissions required to be filed by the Commission pursuant to the Final Rule adopted by the Commission under the caption Ownership and Control Reports ("new OCR Rule")<sup>1</sup>; and (ii) to require that TPHs that are not clearing members report to the Exchange certain information that the new OCR Rule requires for TPHs that are clearing members. The Amendment will become effective on or after February 11, 2015, on a date to be announced by the Exchange through the issuance of a circular.

CFE Rule 412B (Reportable Positions) currently requires TPHs and non-TPHs that are required to report to the Commission pursuant to Commission regulations reportable positions and related information relating to Exchange contracts to report concurrently the same information to the Exchange in a form and manner provided by the Exchange. Under this Rule, the Exchange has required TPHs and non-TPHs to file concurrently with the Exchange CFTC Forms 102 and 71 that were required to be reported to the Commission under the CFTC's prior reporting rules.

On November 18, 2013, the Commission published the new OCR Rule, which amended the reporting information futures commission merchants, clearing members, or foreign brokers must report to the CFTC. Specifically, the Commission adopted, among other new forms, a new Form 102, including a new Form 102A (Special Accounts) and new Form 102B (Volume Threshold Accounts), and a new Form 71 (Omnibus Accounts and Sub-Accounts). On July 23, 2014, the CFTC issued conditional time-limited no-action relief to extend the compliance dates

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<sup>1</sup> 78 FR 69178 (Nov. 18, 2013).

for reporting to February 11, 2015 for CFTC Form 102A, March 11, 2015 for CFTC Form 102B, and February 11, 2016 for CFTC Form 71.<sup>2</sup>

The Amendment requires each TPH and non-TPH to file concurrently with the Exchange the new CFTC Forms 102 and 71 (including any attachments, related submissions, or related information) relating to Exchange contracts that each TPH or non-TPH is required to report to the Commission under the new OCR Rule. In addition, the Amendment requires each TPH that is not a clearing member to report to the Exchange the same information regarding the identification and reporting of special accounts relating to Exchange contracts that the new OCR Rule requires each TPH that is a clearing member to report to the Commission. The Amendment requires that TPHs and non-TPHs must report this above information to the Exchange in a form and manner prescribed by the Exchange. Lastly, the Amendment amends the contract specifications for each CFE product to provide the reportable trading volume, which the new OCR Rule has defined as 50 or more contracts during a single trading day.

CFE believes that the Amendment is consistent with Designated Contract Market Core Principles 4 (Prevention of Market Disruption) and 5 (Position Limitations or Accountability) under Section 5 of the Act in that, in order for CFE to meet its self-regulatory obligations, CFE needs to receive the same information relating to Exchange contracts from TPHs and non-TPHs that is required to be reported to the Commission under the new OCR Rule as well as certain additional information relating to Exchange contracts from TPHs and non-TPHs that are not clearing members. In addition, the Amendment will facilitate CFE's ability to receive this information in a form and manner that will allow its seamless integration into the market surveillance program and systems utilized by CFE and its regulatory services provider.

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.

CFE intends to file portions of the Amendment as they may relate to security futures with the Securities and Exchange Commission pursuant to Section 19b-7 of the Securities Exchange Act of 1934.

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

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### **CBOE Futures Exchange, LLC Rules**

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#### **CFE Rule 412B. [Reportable Positions] Ownership and Control Reports**

[(a) Trading Privilege Holders shall report to the Exchange in a form and manner prescribed by the Exchange reportable positions and related information relating to Exchange Contracts that

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<sup>2</sup> CFTC No-Action Letter No. 14-95 (July 23, 2014).

Trading Privilege Holders are required to report to the Commission pursuant to Commission regulations

(b) Any Person that is not a Trading Privilege Holder and that is required to report to the Commission pursuant to Commission regulations reportable positions and related information relating to Exchange Contracts shall report the foregoing reportable positions and related information to the Exchange in a form and manner prescribed by the Exchange.]

(a) Each Trading Privilege Holder shall, in a form and manner prescribed by the Exchange, concurrently file with the Exchange a copy of all CFTC Form 102 (including CFTC Form 102A and CFTC Form 102B) and CFTC Form 71 submissions (including any attachments, related submissions, or related information) relating to Exchange Contracts that each Trading Privilege Holder is required to report to the Commission pursuant to Commission regulations.

(b) Any Person that is not a Trading Privilege Holder and that is required to make to the Commission pursuant to Commission regulations CFTC Form 102 (including CFTC Form 102A and CFTC Form 102B) or CFTC Form 71 submissions (including any attachments, related submissions, or related information) relating to Exchange Contracts shall concurrently file with the Exchange copies of all of the foregoing CFTC Form 102 (including CFTC Form 102A, CFTC Form 102B, and CFTC Form 102S) or CFTC Form 71 submissions (including any attachments, related submissions, or related information) in a form and manner prescribed by the Exchange.

(c) Each Trading Privilege Holder that is a not a Clearing Member shall, in a form and manner prescribed by the Exchange, report to the Exchange the same information regarding the identification and reporting of special accounts relating to Exchange Contracts that each Trading Privilege Holder that is a Clearing Member is required to report to the Commission pursuant to Commission regulations.

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#### **CFE Rule 1202. Contract Specifications**

(a) – (m) No changes.

(n) Reportable Position and Trading Volume.

(i) 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 VIX 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.

(ii) Reportable Trading Volume. Pursuant to Commission Regulation §15.04 and Commission Regulation Part 17, the trading volume that is required to be reported to the Commission is 50 or more VIX futures contracts during a single trading day.

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#### **CFE Rule 1302. Contract Specifications**

(a) – (m) No changes.

(n) *Reportable Position and Trading Volume.*

(i) 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 VXST 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.

(ii) Reportable Trading Volume. Pursuant to Commission Regulation §15.04 and Commission Regulation Part 17, the trading volume that is required to be reported to the Commission is 50 or more VXST futures contracts during a single trading day.

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#### **CFE Rule 1402. Contract Specifications**

(a) – (m) No changes.

(n) *Reportable Position and Trading Volume.*

(i) 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 VXTYN 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.

(ii) Reportable Trading Volume. Pursuant to Commission Regulation §15.04 and Commission Regulation Part 17, the trading volume that is required to be reported to the Commission is 50 or more VXTYN futures contracts during a single trading day.

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#### **CFE Rule 1602. Contract Specifications**

(a) – (m) No changes.

(n) *Reportable Position and Trading Volume.*

(i) 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 a Volatility Index 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.

(ii) Reportable Trading Volume. Pursuant to Commission Regulation §15.04 and Commission Regulation Part 17, the trading volume that is required to be reported to the Commission is 50 or more futures contracts in a Volatility Index futures contract during a single trading day.

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#### **CFE Rule 1702. Contract Specifications**

(a) – (m) No changes.

(n) *Reportable Position and Trading Volume.*

(i) *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 VXN 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.

(ii) *Reportable Trading Volume.* Pursuant to Commission Regulation §15.04 and Commission Regulation Part 17, the trading volume that is required to be reported to the Commission is 50 or more VXN futures contracts during a single trading day.

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#### **CFE Rule 2102. Contract Specifications**

(a) – (m) No changes.

(n) *Reportable Position and Trading Volume.*

(i) *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 RVX 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.

(ii) *Reportable Trading Volume.* Pursuant to Commission Regulation §15.04 and Commission Regulation Part 17, the trading volume that is required to be reported to the Commission is 50 or more RVX futures contracts during a single trading day.

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#### **CFE Rule 2302. Contract Specifications**

(a) – (m) No changes.

(n) *Reportable Position and Trading Volume.*

(i) *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 S&P 500 Variance futures contracts at the close of trading on any trading day equal to or in excess of 25 variance units on either side of the market.

(ii) *Reportable Trading Volume.* Pursuant to Commission Regulation §15.04 and Commission Regulation Part 17, the trading volume that is required to be reported to the Commission is 50 or more S&P 500 Variance futures contracts during a single trading day.

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Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 or Eric Seinsheimer at (312) 786-8740. Please reference our submission number CFE-2015-003 in any related correspondence.

CBOE Futures Exchange, LLC

A handwritten signature in black ink, appearing to read "James F. Lubin". The signature is fluid and cursive, with the first name "James" being more legible than the last name "Lubin".

By: James F. Lubin  
Senior Managing Director