



May 22, 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-2015-015

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 under the Act, CBOE Futures Exchange, LLC (“CFE” or “Exchange”) hereby submits revised rules (“Amendment”) to provide for the weekly expiration of CBOE Volatility Index futures (“VX futures”). The Amendment will become effective on or after July 23, 2015 on a date to be announced by the Exchange through the issuance of a circular.

In March 2004, CFE began listing futures that expire monthly on the CBOE Volatility Index (“VIX Index”), which measures a 30-day period of implied volatility of the Standard & Poor’s 500 (“S&P 500”) Index and is calculated by Chicago Board Options Exchange, Incorporated (“CBOE”). CFE now plans to expire 30-day VX futures every week. VX futures will continue to trade as they do today and will be subject to all of the same rules to which they are currently subject, except as modified by the Amendment. The weekly expiration feature of VX futures is similar to the weekly expiration of futures currently listed on CFE on the CBOE Short-Term Volatility Index (“VXST”), which measures a nine-day period of implied volatility of the S&P 500, and which are and will remain a separate product from VX futures.

Currently, standard VX futures expire once a month. Trading hours for expiring VIX futures contracts end at 7:00 a.m. (Chicago time) on the final settlement date. The constituents of the VIX Index are options on the S&P 500 (“SPX options”) listed on CBOE, and CBOE calculates the final settlement value of the VIX Index to which VX futures settle on their final settlement date. The final settlement date for VX futures is pegged to the standard (third Friday) SPX option expiration in the subsequent month. The final settlement date is on the Wednesday that is thirty days prior to the third Friday of the calendar month immediately following the month in which the applicable VX futures contract expires. If the third Friday in the subsequent month is a CBOE holiday, this standard Wednesday VX futures expiration is changed to be the business day that is thirty days prior to the CBOE business day immediately preceding that Friday.

CFE now intends to have VX futures expire every Wednesday instead of once a month. Similar to VXST futures, different types of SPX options will be used to calculate and settle VX futures. Specifically, as today, the final settlement value of the standard (monthly) VX future

expiration will be calculated using A.M.-settled SPX options that expire on the third Friday in the subsequent month and the period of implied volatility covered by these contracts will be exactly 30 days. The final settlement value of the new VX future expirations will be calculated using P.M.-settled SPX End-of-Week expirations (“SPXWs”) that expire in 30 days and the period of implied volatility covered by these contracts will be 30 days, plus 390 minutes.¹

To effectuate this change, CFE is amending the CFE rules listed below in the following ways:

- Rule 418(a)(ii) (Emergencies) is being amended to change a reference from “Expiration Month” to “expiration duration.”
- Rule 513A(d) (Risk Controls) is being amended to change two references from “contract month” to “contract expiration.”
- Rule 1202(b) (Contract Specifications, Schedule and Prohibited Order Types) is being amended to permit the listing of VX futures with up to six near-term expiration weeks, in addition to nine near-term serial months and five months on the February quarterly cycle. VX futures that have a “VX” ticker are not counted as part of the six near-term expiration weeks.
- Rule 1202(b) (Contract Specifications, Schedule and Prohibited Order Types) is being amended to revise the definition of “final settlement date” for VX futures to provide that a final settlement date will now occur every Wednesday (unless CFE were to determine not to list a VX future for a particular expiration week). If that Wednesday or the Friday that is 30 days following that Wednesday is a CBOE holiday, the final settlement date for the contract will be on the business day that is 30 days prior to the CBOE business day immediately preceding that Wednesday.
- Rule 1202(d) (Contract Specifications, Position Accountability) is being amended to delete the word “month” from the references to term “contract month.”
- Rule 1202(i) (Contract Specifications, Price Limits and Halts) is being amended to clarify which VX future will be utilized to determine the price movement from the prior daily settlement price that would trigger a trading halt during extended trading hours for VX futures once CFE commences the listing of VX futures with weekly expirations.
- Rule 1202(k) (Contract Specifications, Block Trades) is being amended to change a reference from “contract months” to “contract expirations.”
- Rule 1202(1) (Contract Specifications, No-Bust Range) is being amended to change a reference from “contract month” to “contract expiration.”

¹ CFE will use two futures symbols to differentiate between VX futures expirations that cover an exact 30-day implied volatility period and those that cover a 30-day, plus 390 minute implied volatility period. Specifically, the final settlement value for futures with the ticker symbol “VX” will be calculated using A.M.-settled SPX options. The final settlement value for futures with the ticker “VX” followed by a number denoting the specific week of a calendar year will be calculated using P.M.-settled SPX options.

- Policy and Procedure V (Emergency and Physical Delegations and Procedures (Rules 135 and 418)) of the Policies and Procedures section of the CFE Rulebook is being amended to change a reference from “Expiration Month” to “expiration duration.”

The summary contract specifications for VX futures will be updated and are marked to show the changes being made to them in order to expire VX futures weekly.

CFE believes that the Amendment is consistent with Designated Contract Market Core Principle 3 (Contracts Not Readily Susceptible to Manipulation). The Exchange represents that, consistent with the guidance set forth under Appendix C to Part 38 of the Commission’s Regulations (Demonstration of Compliance that a Contract is Not Readily Susceptible to Manipulation), CFE, among other things: (1) conducted market research so that the design of VX futures with weekly expirations meets the risk management needs of prospective users and promotes price discovery and (2) consulted with market users and obtained their views and opinions during the contract design process to ensure that the terms and conditions of VX futures with weekly expirations reflect the underlying cash market. CFE believes that VX futures with weekly expirations will perform the intended risk management and/or price discovery functions and provide market participants with additional opportunities to manage risk associated with 30-day implied volatility of the S&P 500 Index each week.

CFE also believes that the Amendment is consistent with Core Principles 5 (Position Limitations or Accountability) and 7 (Availability of General Information) because the Amendment (i) applies the existing position accountability provisions applicable to VX futures to VX futures with weekly expirations and (ii) describes in CFE’s rules and contract specifications the changes being made by CFE to allow for the listing VX futures with weekly expirations.

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 is marked to show additions in underlined text and deletions in [bracketed] text to the current summary product specifications chart for VX futures, CFE’s Rulebook, and the Policies and Procedures section of CFE’s Rulebook. The Amendment consists of the following:

* * * * *

**Summary Product Specifications Chart for
CBOE Volatility Index Futures**

CONTRACT NAME:	CBOE Volatility Index (VIX) Futures		
LISTING DATE:	March 26, 2004		
DESCRIPTION:	The CBOE Volatility Index - more commonly referred to as "VIX" - is an up-to-the-minute market estimate of expected volatility that is calculated by using real-time prices of options on the S&P 500® Index listed on the Chicago Board Options Exchange (Symbol: SPX). The VIX Index is calculated using SPX quotes generated during regular trading hours for SPX options. The VIX Index uses SPX options with more than 23 days and less than 37 days to expiration and then weights them to yield a constant, 30-day measure of the expected volatility of the S&P 500 Index.		
CONTRACT MULTIPLIER:	The contract multiplier for each VX futures contract is \$1000.		
[CONTRACT MONTHS:]	[The Exchange may list for trading nine near-term serial months and five months on the February quarterly cycle for the VX futures contract.]		
<u>TICKER SYMBOLS:</u>	<p><u>Cash Index – VIX</u></p> <p><u>VX Futures Symbols – VX* and VX01 through VX53**.</u> Embedded numbers denote the specific week of a calendar year during which a contract is settled.</p> <p><u>*The final settlement value for a contract with the ticker symbol “VX” is calculated using A.M.-settled SPX options.</u></p> <p><u>**The final settlement value for a contract with the ticker symbol “VX” followed by a number denoting the specific week of a calendar year is calculated using P.M.-settled SPX options.</u></p>		
<u>CONTRACT EXPIRATIONS:</u>	<p><u>The Exchange may list for trading up to six near-term expiration weeks, nine near-term serial months and five months on the February quarterly cycle for the VX futures contract. VX futures that have a “VX” ticker are not counted as part of the six near-term expiration weeks.</u></p> <p><u>For example, if 4 near-term VX expiration weeks, 3 near-term serial VX months and 1 VX month on the February quarterly cycle were listed as of April 7, 2016, these expirations would have the following ticker symbols:</u></p> <p><u>VX15 (expiring Wednesday, April 13, 2016)</u> <u>VX (expiring Wednesday, April 20, 2016)</u> <u>VX17 (expiring Wednesday, April 27, 2016)</u> <u>VX18 (expiring Wednesday May 4, 2016)</u> <u>VX19 (expiring Wednesday, May 11, 2016)</u> <u>VX (expiring Wednesday, May 18, 2016)</u> <u>VX (expiring Wednesday, June 15, 2016)</u> <u>VX (expiring Wednesday, July 20, 2016)</u></p>		
TRADING HOURS:	Type of Trading Hours	Monday	Tuesday - Friday
	Extended	5:00 p.m. (Sunday) to 8:30 a.m.	3:30 p.m. (previous day) to 8:30 a.m.
	Regular	8:30 a.m. to 3:15 p.m.	8:30 a.m. to 3:15 p.m.

	<p>The end of day submission cut-off time for all Orders, quotes, cancellations and Order modifications for VX futures (other than for the expiring VX future on its [f]Final [s]Settlement [d]Date) is 3:14:59 p.m. Chicago time. Any Orders, quotes, cancellations or Order modifications submitted after the end of day submission cut-off time will be automatically rejected by the Exchange.</p> <p>Market Orders for VX futures contracts will not be accepted by the Exchange during extended trading hours for the VX futures contract or during any other time period outside of regular trading hours for the VX futures contract. Any Market Orders for VX futures contracts received by the Exchange outside of regular trading hours for the VX futures contract will be automatically rejected. Stop Limit Orders are permitted during regular and extended trading hours for the VX futures contract.</p> <p>Click here for domestic and international holiday session trading hours.</p>
TRADING PLATFORM:	CBOE Command
[TICKER SYMBOLS:	CBOE Volatility Index - VIX VIX Futures – VX]
MINIMUM PRICE INTERVALS/DOLLAR VALUE PER TICK:	<p>0.05 points, equal to \$50.00 per contract</p> <p>The individual legs and net prices of spread trades in the VX futures contract may be in increments of 0.01 index points, which has a value of \$10.00.</p>
TRADE AT SETTLEMENT TRANSACTIONS:	<p>CFE Rule 1202(g). Trade at Settlement ("TAS") transactions are permitted in VX futures and may be transacted on the CBOE System, as spread transactions, as Block Trades (including as spread transactions but not as a strip) and as Exchange of Contract for Related Position transactions. The trading hours for all types of TAS transactions in VX futures are during extended trading hours and during regular trading hours until three minutes prior to the close of regular trading hours at the end of a Business Day. TAS transactions in an expiring VX futures contract are not permitted during the Business Day of its [f]Final [s]Settlement [d]Date. All Orders, quotes, cancellations and Order modifications for TAS transactions during trading hours must be received by the Exchange by no later than three minutes and one second prior to the close of trading hours at the end of a Business Day and will be automatically rejected if received by the Exchange during trading hours after this cutoff time. Any TAS Block Trade or TAS Exchange of Contract for Related Position transaction reported to the Exchange later than three minutes prior to the close of regular trading hours at the end of a Business Day may only be for the next Business Day.</p> <p>The permissible price range for all types of TAS transactions in VX futures is from \$100 (0.10 index points x \$1,000) below the daily settlement price to \$100 above the daily settlement price. The permissible minimum increment for TAS non-spread transactions in VX futures that are transacted on the CBOE System is 0.01 index points and the permissible minimum increment for TAS spread transactions in VX futures is 0.01 index points. The permissible minimum increment for TAS Block Trades (including as spread transactions but not as a strip) and TAS Exchange of Contract for Related Position transactions in VX futures is 0.005 index points. Any TAS transaction must satisfy the requirements of CFE Rule 404A.</p>

	<p>All TAS orders are required to be Day Orders. TAS Market Orders are not permitted. TAS Stop Limit Orders are permitted. VXT is the ticker symbol for VX TAS transactions.</p> <p><u>The VX TAS ticker symbol will map to the VX futures symbol for that expiration week. For example, if 4 near-term VX expiration weeks, 3 near-term serial VX months and 1 VX month on the February quarterly cycle were listed as of April 7, 2016, the TAS symbols would be the following:</u></p>																											
	<table border="1"> <thead> <tr> <th>VX Futures Symbol</th> <th>VX TAS Symbol</th> <th>Final Settlement Date:</th> </tr> </thead> <tbody> <tr> <td>VX15</td> <td>VXT15</td> <td>April 13, 2016</td> </tr> <tr> <td>VX</td> <td>VXT</td> <td>April 20, 2016</td> </tr> <tr> <td>VX17</td> <td>VXT17</td> <td>April 27, 2016</td> </tr> <tr> <td>VX18</td> <td>VXT18</td> <td>May 4, 2016</td> </tr> <tr> <td>VX19</td> <td>VXT19</td> <td>May 11, 2016</td> </tr> <tr> <td>VX</td> <td>VXT</td> <td>May 18, 2016</td> </tr> <tr> <td>VX</td> <td>VXT</td> <td>June 15, 2016</td> </tr> <tr> <td>VX</td> <td>VXT</td> <td>July 20, 2016</td> </tr> </tbody> </table>	VX Futures Symbol	VX TAS Symbol	Final Settlement Date:	VX15	VXT15	April 13, 2016	VX	VXT	April 20, 2016	VX17	VXT17	April 27, 2016	VX18	VXT18	May 4, 2016	VX19	VXT19	May 11, 2016	VX	VXT	May 18, 2016	VX	VXT	June 15, 2016	VX	VXT	July 20, 2016
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CROSSING:	CFE Rule 1202(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 Trading Privilege Holder or Authorized Trader, as applicable, must expose to the market for at least five seconds under Rule 407(a) at least one of the original Orders that it intends to cross.																											
PRE-EXECUTION DISCUSSIONS:	CFE Rule 1202(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 five seconds after the first Order was entered into the CBOE System.																											
EXCHANGE OF CONTRACT FOR RELATED POSITION TRANSACTIONS:	<p>CFE Rule 1202(j). Exchange of Contract for Related Position (ECRP) transactions may be entered into with respect to VX futures contracts. Any ECRP transaction must satisfy the requirements of CFE Rule 414.</p> <p>The minimum price increment for an ECRP transaction involving the VX futures contract is 0.005 index points.</p>																											
BLOCK TRADES:	<p>CFE Rule 1202(k). The minimum Block Trade quantity for the VX futures contract is 200 contracts if there is only one leg involved in the trade. If the Block Trade is executed as a transaction with legs in multiple contract [months] <u>expirations</u> and all legs of the Block Trade are exclusively for the purchase or exclusively for the sale of VX 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. If the Block Trade is executed as a spread order that is not a strip, one leg must meet the minimum Block Trade quantity for the VX 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. Any Block Trade must satisfy the requirements of CFE Rule 415.</p> <p>The minimum price increment for a Block Trade in the VIX futures contract is 0.005 index points.</p>																											
NO BUST RANGE:	CFE Rule 1202(l). The CFE error trade policy may only be invoked for a trade																											

	<p>price that is greater than 10% on either side of the market price of the applicable VX 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] <u>expiration</u> and the prices of related contracts trading on the Exchange or other markets.</p>
TERMINATION OF TRADING:	<p>Trading hours for expiring VX futures contracts end at 7:00 a.m. Chicago time on the [f]Final [s]Settlement [d]Date.</p> <p>The expiring VX future will be put in a closed state at 6:59:59 a.m. Chicago time on its [f]Final [s]Settlement [d]Date. As a result, no Orders, quotes, or Order modifications in the expiring VX future will be accepted by the CBOE System at or after 6:59:59 a.m. Chicago time on its [f]Final [s]Settlement [d]Date. The CBOE System will complete the processing of any trades in the expiring VX future on its [f]Final [s]Settlement [d]Date that are matched by the CBOE System and that the CBOE System begins to process prior to 6:59:59 a.m. Chicago time. The CBOE System will not process any trades in the expiring VX future on its [f]Final [s]Settlement [d]Date that the CBOE System does not match and begin to process prior to 6:59:59 a.m. Chicago time.</p>
FINAL SETTLEMENT DATE:	<p>[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 VX 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.]</p> <p><u>The Final Settlement Date for a contract with the "VX" ticker symbol is on the Wednesday that is 30 days prior to the third Friday of the calendar month immediately following the month in which the contract expires. The Final Settlement Date for a futures contract with the "VX" ticker symbol followed by a number denoting the specific week of a calendar year is on the Wednesday of the week specifically denoted in the ticker symbol.</u></p> <p><u>If that Wednesday or the Friday that is 30 days following that Wednesday is a CBOE holiday, the Final Settlement Date for the contract shall be on the business day that is 30 days prior to the CBOE business day immediately preceding that Wednesday.</u></p>
FINAL SETTLEMENT VALUE:	<p>The final settlement value for VX futures shall be a Special Opening Quotation (SOQ) of <u>the VIX Index</u> calculated from the sequence of opening prices during regular trading hours for the SPX options used to calculate the index on the Final [s]Settlement [d]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.</p> <p><u>The "time to expiration" used to calculate the SOQ shall account for the actual number of days and minutes until expiration for the constituent option series. For example, if CBOE announces that the opening of trading in the constituent option series is delayed, the amount of time until expiration for the constituent</u></p>

	<p><u>option series used to calculate the final settlement value would be reduced to reflect the actual opening time of the constituent option series. Another example would be when CBOE is closed on a Wednesday due to an Exchange holiday, in which case the amount of time until expiration used to calculate the final settlement value would be increased to reflect the extra calendar day between the day that the final settlement value is calculated and the day on which the constituent option series expire.</u></p> <p>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. Click here for more information about VIX futures settlement.</p>
DELIVERY:	Settlement of VX 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 value of the VIX futures multiplied by \$1000.
POSITION ACCOUNTABILITY:	<p>CFE Rule 1202 (d). VX futures are subject to position accountability under CFE Rule 412A.</p> <p>A person is subject to the position accountability requirements set forth in Rule 412A if the person (i) owns or controls at any time more than 50,000 contracts net long or net short in all VX futures contracts [months] combined, (ii) owns or controls more than 30,000 contracts net long or net short in the expiring VX futures contract [month], commencing at the start of trading hours for the Friday prior to the [f]Final [s]Settlement [d]Date of the expiring VX futures or (iii) owns or controls more than 10,000 contracts net long or net short in the expiring VX futures contract [month], commencing at the start of trading hours for the Business Day immediately preceding the [f]Final [s]Settlement [d]Date of the expiring VX futures.</p> <p>For purposes of this Rule, the start of trading hours for the Friday prior to the final settlement date of expiring VX futures and the start of trading hours for the Business Day immediately preceding the [f]Final [s]Settlement [d]Date of expiring VX futures shall occur upon commencement of the first period of extended trading hours for the trading session for that Business Day. For a more comprehensive overview of the requirements applicable to position accountability for VX futures, including notice requirements, see CFE Regulatory Circular RG14-013.</p> <p>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.</p> <p>[MARGIN REQUIREMENTS]</p>
MARGIN REQUIREMENTS:	The margin requirements for VX futures are available at: http://cfe.cboe.com/margins/CurDoc/Default.aspx .
REPORTABLE POSITION LEVEL:	200 contracts

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CBOE Futures Exchange, LLC Rules

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Rule 418. Emergencies

(a) General. If the President, or any individual designated by the President, determines on behalf of the Board that an Emergency exists, the President or such designee, as the case may be, may take or place into immediate effect a temporary Emergency action or rule. Any such action or rule may provide for, or may authorize the Exchange, the Board or any committee thereof to undertake actions necessary or appropriate to respond to the Emergency, including such actions as:

- (i) limiting trading to liquidation only, in whole or in part;
- (ii) extending or shortening, as applicable, the Expiration Date or [Expiration Month] expiration duration of any Contract;

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Remainder of Rule 418 – No change.

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Rule 513A. Risk Controls

(a) – (c) No change.

(d) *Parameterized Risk Controls.* Each Clearing Member shall have the ability, in a form and manner prescribed and provided by the Exchange, to set the following parameterized risk control thresholds for a Trading Privilege Holder with respect to orders and quotes for which the Clearing Member is identified in the order or quote submission as the Clearing Member for the execution of the order or quote: (i) a limit on the quantity per order or quote; (ii) a limit on the number of contracts bought per trading day; and (iii) a limit on the number of contracts sold per trading day. Each threshold will apply in a manner determined by the Exchange and will apply separately to simple orders, spread orders and quotes. Clearing Members may set these thresholds at different levels by Trading Privilege Holder or by Trading Privilege Holder login or acronym group for each of these categories. Clearing Members may set a default value for each of these thresholds by Trading Privilege Holder, login or acronym group that will apply to all Exchange products or may set different values by Trading Privilege Holder, login or acronym group on a per-product basis.

With respect to settings of parameterized risk control thresholds by login or acronym group, settings may apply to an individual login only if the applicable login is not designated to an acronym group by the Trading Privilege Holder in a form and manner prescribed by the Exchange. If a login is included in an acronym group, that login may not have individual settings for these thresholds and any settings for the acronym group shall collectively apply to all of the logins in the acronym group.

Threshold values applicable to a product shall apply to all contract expirations or series, as applicable, in that product. If TAS transactions are permitted in a product, threshold values shall apply separately to TAS orders, quotes, and transactions in that product. The quantity of a spread order for purposes of applying the spread order quantity limit shall be the contract quantity of the largest side of the spread order (buy or sell), and the quantity of a quote for purposes of applying the quote quantity limit shall be the quantity of the largest side (bid or ask) of the quote. Parameterized risk control thresholds shall not be applicable to or take into account Block Trades and Exchange of Contract for Related Position transactions. Any pre-trade order size limits that are applicable pursuant to Rule 513A(a) shall apply unless a different limit is applicable under this Rule 513A(d) in which case the limit applicable under this Rule 513A(d) shall apply.

When a Trading Privilege Holder, login or acronym group exceeds the threshold set by a Clearing Member for a parameterized risk control, the CBOE System shall cancel back to the sender any incoming orders and reject any incoming quotes from that Trading Privilege Holder, login or acronym group for which that Clearing Member is identified as the Clearing Member for the execution of the order or quote. If a quote in a contract [month] expiration or series is rejected because the threshold for a parameterized risk control has been exceeded, any resting quote from the Trading Privilege Holder, login or acronym group, as applicable, in that contract [month] expiration or series will be canceled. With respect to the limits on the number of contracts bought or sold per trading day, (i) the number of contracts already counted against the limit upon the receipt of an incoming order or quote shall include the quantity of previous buy or sell executions from that trading day and the quantity of buy or sell orders and quotes already residing in the CBOE System as if those orders and quotes have already been executed and (ii) the CBOE System shall cancel back to the sender any incoming order or reject any incoming quote that, if it were to be executed, would cause the limit to be exceeded when added to the number of contracts already counted against the limit.

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CHAPTER 12 CBOE VOLATILITY INDEX FUTURES CONTRACT SPECIFICATIONS

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Rule 1202. Contract Specifications

- (a) No change.
- (b) *Schedule and Prohibited Order Types.* The Exchange may list for trading up to six near-term VX futures expiration weeks, nine near-term serial months and five months on the February quarterly cycle for the VX futures contract. VX futures that have a “VX” ticker are not counted as part of the six near-term expiration weeks. [The final settlement date for the VX futures contract shall be on the Wednesday that is thirty days prior to the third Friday of the calendar month immediately following the month in which the applicable VX futures contract expires. If the third Friday of the month subsequent to expiration of the applicable VX 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.]

The final settlement date for a contract with the “VX” ticker symbol is on the Wednesday that is thirty days prior to the third Friday of the calendar month immediately following the month in which the contract expires. The final settlement date for a contract with the “VX” ticker symbol

followed by a number denoting the specific week of a calendar year is on the Wednesday of the week specifically denoted in the ticker symbol. If that Wednesday or the Friday that is thirty days following that Wednesday is a CBOE holiday, the final settlement date for the contract shall be on the business day that is thirty days prior to the CBOE business day immediately preceding that Wednesday.

The trading days for VX futures are any Business Days the Exchange is open for trading.

The trading hours for VX futures contracts are set forth in the charts below, except that the trading hours in an expiring VX futures contract end at 7:00 a.m. Chicago time on its final settlement date. The trading hours for VX futures contracts during extended trading hours and regular trading hours shall constitute a single trading session for a Business Day. All times set forth in the charts below are in Chicago time.

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Remainder of Rule 1202(b) – No change.

(c) No change.

(d) *Position Accountability.* VX futures are subject to position accountability under Rule 412A.

The position accountability levels for VX futures are: (i) ownership or control at any time of more than 50,000 contracts net long or net short in all VX futures contracts [months] combined, (ii) ownership or control of more than 30,000 contracts net long or net short in the expiring VX futures contract [month], commencing at the start of trading hours for the Friday prior to the final settlement date of the expiring VX futures or (iii) ownership or control of more than 10,000 contracts net long or net short in the expiring VX futures contract [month], commencing at the start of trading hours for the Business Day immediately preceding the final settlement date of the expiring VX futures.

For purposes of this Rule, the start of trading hours for the Friday prior to the final settlement date of expiring VX futures and the start of trading hours for the Business Day immediately preceding the final settlement date of expiring VX futures shall occur upon commencement of the first period of extended trading hours for the trading session for that Business Day.

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.

(e) – (h) No change.

(i) *Price Limits and Halts.*

(i) *No Price Limits.* Pursuant to Rule 413, VX futures contracts are not subject to price limits.

(ii) *Circuit Breaker Halts.* Trading in VX futures contracts shall be halted pursuant to Rule 417A if there is a Level 1, 2 or 3 Market Decline.

(iii) *Halts Due to VX Futures Price Movements During Extended Trading Hours.*

Trading in VX futures will be halted for 15 minutes if during VX futures extended trading hours, except from 7:00 a.m. to 8:30 a.m. Chicago time on a regular trading day:

(A) the best bid in the VX futures front contract month is 5 or more index points above the daily settlement price of that contract month on the prior Business Day;
or

(B) the best offer in the VX futures front contract month is 5 or more index points below the daily settlement price of that contract month on the prior Business Day.

After trading commences following such a halt, trading in VX futures will be halted for 15 minutes, except from 7:00 a.m. to 8:30 a.m. Chicago time on a regular trading day if:

(A) the best bid in the VX futures front contract month is 8 or more index points above the daily settlement price of that contract month on the prior Business Day;
or

(B) the best offer in the VX futures front contract month is 8 or more index points below the daily settlement price of that contract month on the prior Business Day.

The Exchange shall commence a trading halt in VX futures pursuant to the provisions of this Rule 1202(i)(iii) as soon as practicable following the occurrence of one of the triggering events set forth above and there may be time between the occurrence of a triggering event and the commencement of the trading halt.

Nothing in this Rule 1202(i)(iii) shall be construed to limit the ability of the Exchange to extend the time period of a halt pursuant to this Rule 1202(i)(iii) or to halt trading in VX futures during the foregoing time period pursuant to any other Exchange rule or policy.

This Rule 1202(i)(iii) shall not apply from 7:00 a.m. Chicago time to 8:30 a.m. Chicago time during VX futures extended trading hours (other than on the calendar day of a holiday) or during VX futures regular trading hours.

If the provisions of Rule 1202(i)(iv) become applicable on a Business Day due to the triggering of a price limit in the E-mini S&P 500 Index (“E-mini”) futures contract traded on Chicago Mercantile Exchange (“CME”), this Rule 1202(i)(iii) shall no longer be applicable on that Business Day following the time at which Rule 1202(i)(iv) first becomes applicable on that Business Day.

References to the VX futures front contract month in this Rule 1202(i) shall mean the VX future with the nearest expiration that has a “VX” ticker symbol that is not followed by a number denoting the specific week of a calendar year.

(iv) *Halts Due to E-mini®* Price Limits During Extended Trading Hours*

Trading in VX futures will be halted if a price limit is triggered in the E-mini futures contract traded on CME during VX futures extended trading hours. Following the initiation of such a VX futures trading halt, the Exchange may resume trading in VX futures during VX futures extended trading hours if the E-mini futures contract is no longer limit offered, limit bid

or halted as a result of triggering a price limit or the Exchange determines that trading in VX futures may resume consistent with the maintenance of a fair and orderly market.

If trading in VX futures resumes and the E-mini futures contract moves from and then back to a limit or halt state as a result of triggering a price limit during VX futures extended trading hours, the process set forth in the preceding paragraph shall be repeated.

The Exchange shall commence a trading halt in VX futures pursuant to the provisions of this Rule 1202(i)(iv) as soon as practicable following the triggering of a price limit in the E-mini futures contract, and there may be time between the triggering of the E-mini price limit and the commencement of the VX futures trading halt.

If the E-mini futures contract is limit offered, limit bid or halted as a result of triggering a price limit at the time that the Exchange is scheduled to commence extended trading hours in VX futures, the Exchange may commence trading in VX futures during that session if the Exchange determines that trading in VX futures may commence consistent with the maintenance of a fair and orderly market.

Nothing in this Rule 1202(i)(iv) shall be construed to limit the ability of the Exchange to halt trading in VX futures during VX futures extended trading hours pursuant to any other Exchange rule or policy.

This Rule 1202(i)(iv) shall not apply during VX futures regular trading hours.

*E-Mini® is a registered trademark of Chicago Mercantile Exchange, Inc. The Exchange and VX futures are not affiliated with, and have not been authorized, sponsored, or otherwise approved by, Chicago Mercantile Exchange, Inc.

(j) No change.

(k) *Block Trades.* Pursuant to Rule 415(a)(i), the minimum Block Trade quantity for the VX futures contract is 200 contracts if there is only one leg involved in the trade. If the Block Trade is executed as a transaction with legs in multiple contract [months] expirations and all legs of the Block Trade are exclusively for the purchase or exclusively for the sale of VX 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. If the Block Trade is executed as a spread order that is not a strip, one leg must meet the minimum Block Trade quantity for the VX 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.

The minimum price increment for a Block Trade in the VX futures contract is 0.005 index points.

(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 VX 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] expiration and the prices of related contracts trading on the Exchange or other markets.

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Remainder of Rule 1202 – No change.

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**CBOE Futures Exchange, LLC
Policies and Procedures**

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V. Emergency and Physical Delegations and Procedures (Rules 135 and 418)

A. *Specific Emergency and Physical Emergency Delegations*

1. Emergency Delegations

Rule 135 defines the term “Emergency” and provides a non-exclusive list of circumstances that may constitute an Emergency.

Rule 418(a) grants the President or any individual designated by the President the authority to determine on behalf of the Board the existence of an Emergency and the authority to take actions in response to an Emergency, including all of the actions listed below. The President or the President’s designee may also order the removal of any restriction previously imposed based upon a determination that the Emergency no longer exists or has sufficiently abated to permit the function of the Exchange to continue in an orderly manner.

Pursuant to Rule 418(a), the following individuals in addition to the President are authorized as designees of the President to determine the existence of an Emergency and to take the actions specified in the delegations below in response to an Emergency. These additional individuals may also order the removal of any restriction that the applicable individual has been delegated the authority to impose based upon a determination by the applicable individual that the Emergency no longer exists or has sufficiently abated to permit the function of the Exchange to continue in an orderly manner.

Rule	Emergency Actions	Emergency Delegations
417A(a)	Halting trading if there is a Level 1, 2 or 3 Market Decline	• Senior Person in Charge of Help Desk
417A(d)	Resuming trading after the 15-minute halt period following a Level 1 or Level 2 Market Decline	• Senior Person in Charge of Help Desk
418(a)(i)	Limiting trading to liquidation only, in whole or in part	• Managing Director

Rule	Emergency Actions	Emergency Delegations
418(a)(ii)	Extending or shortening, as applicable, the Expiration Date or [Expiration Month] <u>expiration duration</u> of any Contract	<ul style="list-style-type: none"> • Managing Director
418(a)(iii)	Extending the time of delivery, changing delivery points or the means of delivery provided in the rules governing any Contract	<ul style="list-style-type: none"> • Managing Director
418(a)(iv)	Imposing or modifying position or price limits or intraday market restrictions with respect to any Contract	<ul style="list-style-type: none"> • Managing Director
418(a)(v)	Ordering the liquidation of Contracts, the fixing of a settlement price or any reduction in positions	<ul style="list-style-type: none"> • Managing Director
418(a)(vi)	Ordering the transfer of Contracts, and the money, securities, and property securing such Contracts, held on behalf of Customers by any Trading Privilege Holder to one or more other Trading Privilege Holders willing to assume such Contracts or obligated to do so	<ul style="list-style-type: none"> • Managing Director
418(a)(vii)	Extending, limiting or changing hours of trading	<ul style="list-style-type: none"> • Managing Director or • Senior Person in Charge of Help Desk
418(a)(viii)	Declaring a fast market in a Contract	<ul style="list-style-type: none"> • Managing Director or • Senior Person in Charge of Help Desk
418(a)(ix)	Temporarily Changing the Threshold Width, Pre-Trade Order Size Limit or Price Reasonability Ranges for a Contract	<ul style="list-style-type: none"> • Managing Director or • Senior Person in Charge of Help Desk
418(a)(x)	Suspending, curtailing, halting or delaying the opening of trading in any or all Contracts	<ul style="list-style-type: none"> • Managing Director or • Senior Person in Charge of Help Desk
418(a)(x)	Modifying circuit breakers	<ul style="list-style-type: none"> • Managing Director
418(a)(xi)	Requiring Clearing Members, Trading Privilege Holders or Customers to meet special margin requirements	<ul style="list-style-type: none"> • Managing Director or • Chief Regulatory Officer

Rule	Emergency Actions	Emergency Delegations
418(a)(xii)	Altering any settlement terms or conditions of a Contract	<ul style="list-style-type: none"> • Managing Director
418(a)(xiii)	Suspending any provision of the Rules of the Exchange or the Rules of the Clearing Corporation	<ul style="list-style-type: none"> • Managing Director or • Chief Regulatory Officer
418(a)(xiv)	Modifying any provisions of the Rules of the Exchange or the Rules of the Clearing Corporation	<ul style="list-style-type: none"> • Managing Director
418(a)(xv)	Providing for the carrying out of such actions through the Exchange's agreements with a third-party provider of clearing or regulatory services	<ul style="list-style-type: none"> • Managing Director or • Chief Regulatory Officer
1202(i)(iii)	Halting trading in VIX futures during extended trading hours if there is a 5 or 8 index point movement in the VIX futures front contract month	<ul style="list-style-type: none"> • Senior Person in Charge of Help Desk
1202(i)(iii)	Resuming trading during VX futures extended trading hours following a trading halt due to a 5 or 8 index point movement in the VX futures front contract month	<ul style="list-style-type: none"> • Senior Person in Charge of Help Desk
1202(i)(iv)	Halting trading in VX futures during extended trading hours if a price limit is triggered in the E-mini S&P 500 Index futures contract traded on Chicago Mercantile Exchange	<ul style="list-style-type: none"> • Senior Person in Charge of Help Desk
1202(i)(iv)	Resuming or commencing trading in VX futures during VX futures extended trading hours following the triggering of a price limit in the E-mini S&P 500 Index futures contract traded on Chicago Mercantile Exchange	<ul style="list-style-type: none"> • Senior Person in Charge of Help Desk

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Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 or Jenny Golding at (312) 786-7466. Please reference our submission number CFE-2015-015 in any related correspondence.

CBOE Futures Exchange, LLC

A handwritten signature in black ink, appearing to read "James F. Lubin". The signature is written in a cursive style with a large initial "J" and a distinct "L".

By: James F. Lubin
Senior Managing Director