



December 11, 2015

Mr. Christopher 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-2015-034

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 an updated CFE Fee Schedule for fees filed with the Commission ("Amendment"). The effective date of the Amendment is January 1, 2016.

The changes to the CFE Fee Schedule for fees filed with the Commission include one fee change and two changes related to the application of existing fees. These changes include:

- An increase in the regular transaction fee for Customer transactions in CBOE Volatility Index ("VX") futures, CBOE Russell 2000 Volatility Index ("VU") futures, and CBOE/CBOT 10-Year U.S. Treasury Note Volatility Index ("VXTY") futures from \$1.30 per contract side to \$1.40 per contract side.
- The deletion of the current requirement that market participants subject to CFE Day Trade fees submit an annual renewal notification to CFE in order to continue to be eligible for Day Trade fees.
- The replacement of references to CFE's London communications hub with references to a foreign communications hub made available by or on behalf of CFE. CFE plans to replace its London communications hub with communications hubs made available by a third party on behalf of CFE in London and other foreign locations and the revised references will encompass these foreign communication hubs.

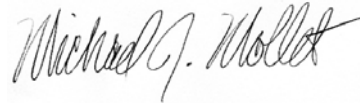
CFE believes that the Amendment is consistent with Designated Contract Market ("DCM") Core Principles 2 (Compliance with Rules) and 7 (Availability of General Information) under Section 5 of the Act because the amended fees are equitable and do not unfairly discriminate and the Amendment sets forth in a clear and transparent way the manner in which CFE will assess these fees.

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 it 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 attached and is marked to show additions in double underlined text and deletions in ~~stricken~~ text.

Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 or Nicole Gordon at (312) 786-8109. Please reference our submission number CFE-2015-034 in any related correspondence.

CBOE Futures Exchange, LLC

A handwritten signature in black ink, appearing to read "Michael J. Mollet". The signature is fluid and cursive, with a large, stylized initial "M".

By: Michael J. Mollet  
Managing Director

**CFE Fee Schedule<sup>1</sup>**  
**For Fees Filed with Commodity Futures Trading Commission**  
**Effective ~~October 21, 2015~~ January 1, 2016**

- 1.a. Transaction Fees in CBOE Volatility Index (VX) Per Contract Side  
Futures, CBOE Russell 2000 Volatility Index (VU)  
Futures and CBOE/CBOT 10-Year U.S. Treasury Note  
Volatility Index (VXTY) Futures:
- |   |  |
|---|--|
| A. CFE TPH Permit Holder <sup>2</sup>                     |  |
| 1. Non-CBOE trading permit holder                         | \$1.00   |
| B. Customer   | <del>\$1.30</del> <u>\$1.40</u>  |
| C. Day Trade <sup>3</sup>                                 | 55% of generally applicable transaction fee/No Day Trade discount for VXTY futures |
| D. Block Trade  | \$1.00   |
| (Fee is in addition to other applicable transaction fees) |  |
- 1.b. Transaction Fees in S&P 500 Variance Futures:
- Standard Transactions By contract side per 1,000 Vega Notional
- |   |        |
|---|--------|
| A. CFE TPH Permit Holder <sup>2</sup>   |        |
| 1. CBOE trading permit holder   | \$4.00 |
| 2. Non-CBOE trading permit holder   | \$4.00 |
| B. Customer   | \$8.00 |
| C. Block Trade  | \$1.00 |
| (Fee is in addition to other applicable transaction fees. Block Trades are not permitted in stub positions in S&P 500 Variance Futures) |        |

CFE assesses the Transaction Fees set forth above to the Clearing Member for the execution that is identified on the trade record for the applicable transaction, regardless of whether the trade is given up to another Clearing Member for clearing and regardless of whether a different Clearing Member has been identified as the designated Clearing Member under the Integrated Billing System by the CFE TPH that executed the trade.

Transaction Fee questions may be directed to Don Patton at 312-786-7026 or [patton@cboe.com](mailto:patton@cboe.com) or John Mavindidze at 312-786-7689 or [mavindidze@cboe.com](mailto:mavindidze@cboe.com).

- |  |               |
|--|---------------|
| 2. <u>Annual Trading Permit Fees:</u> <sup>4</sup> | <u>Amount</u> |
| A. Order Entry Trading Permit                      | \$2,400/year  |
| B. Quoting and Order Entry Trading Permit          | \$2,400/year  |
- |  |               |
|--|---------------|
| 3. <u>Applications Fees:</u>                   | <u>Amount</u> |
| A. Non-CBOE trading permit holder <sup>5</sup> | \$500         |

Annual Trading Permit Fee and Application Fee questions may be directed to the Richard Fuller at 312-786-7835 or [fuller@cboe.com](mailto:fuller@cboe.com).

4. Integrated Billing System:  
Every Trading Privilege Holder must designate a Clearing Member for the payment by means of the integrated billing system ("IBS") of the Trading Privilege Holder's Exchange invoices (other than for Transaction Fees) and vendor invoices for Exchange-related services designated by the Exchange. The designated Clearing Member shall pay to the Exchange on a timely basis any

amount that is not disputed pursuant to IBS procedures by the Trading Privilege Holder that is directly involved. Such payments shall be collected by the Exchange against the designated Clearing Member's account at the Clearing Corporation. Exchange Transaction Fees are also assessed pursuant to the IBS to the Clearing Member for the execution that is identified on the trade record for the applicable transaction. The Clearing Corporation shall have no liability in connection with forwarding to the Exchange payments drafted pursuant to the IBS.

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<sup>1</sup> Any potential billing errors relating to fees assessed by CFE must be brought to the attention of CFE's Accounting Department within 90 days from the invoice date. All fees assessed shall be deemed final and non-refundable after 90 days from the invoice date if notice of a potential billing error is not provided within that time frame. The Exchange is not precluded from assessing fees more than 90 days after they were incurred if those fees were required to be paid pursuant to the CFE Fee Schedule in effect at the time the fees were incurred.

<sup>2</sup> A TPH is only eligible to receive a CFE TPH Permit Holder rate for transactions resulting from the execution of orders and quotes that are submitted through that TPH's own login(s) to CFE's trading system or that TPH's own login(s) to CFE's trading system that are established through an Independent Software Vendor. Otherwise, the TPH's transactions are subject to the Customer rate.

<sup>3</sup> In order for the Day Trade fee to be applicable with respect to transactions by or on behalf of an account of an ultimate account holder for a particular trading month in a CFE product eligible for the Day Trade fee, the ultimate account holder's account must meet the applicable monthly trading volume threshold below in that trading month:

<u>Contract</u>	<u>Monthly Trading Volume Threshold</u>
VX futures	20,000 contracts in VX futures
VU futures	10,000 contracts in VU futures

If the ultimate account holder's account meets the applicable monthly trading volume threshold in a product or product group, CFE will rebate 45% of the generally applicable transaction fees that are assessed for all contract purchases and sales by or on behalf of the ultimate account holder's account that qualify as Day Trades in the product or product group during that month. Transactions in S&P 500 Variance futures and VXTY futures do not qualify as Day Trades. The rebate shall occur at the end of the applicable trading month for those Day Trades that qualify for the rebate during the applicable trading month.

A Day Trade consists of two or more transactions on CFE on the same trading day in which a market participant buys and sells, or sells and buys, a particular number of contracts in a particular CFE product for a particular contract month. For example, if a market participant bought 10 December VX futures contracts and sold 10 December VX futures contracts on the same trading day, those transactions would constitute a Day Trade and would result in a rebate equal to 45% of the generally applicable transaction fee for all 20 contracts. Similarly, if a market participant sold 10 March VX futures contracts and bought 15 March VX futures contracts on the same trading day, those transactions would constitute a Day Trade with respect to the 10 contracts sold and with respect to 10 of the 15 contracts bought. In this example, the rebate would be equal to 45% of the generally applicable transaction fee for 20 of the 25 contracts.

Determination of monthly trading volume and Day Trade fee rebates are made with respect to transactions by or on behalf of the account of an ultimate account holder and transactions by or on behalf of different ultimate account holders or different accounts of the same ultimate account holder may not be aggregated for purposes of meeting the monthly trading volume threshold or receiving Day Trade fee rebates. Day Trade fee rebates are made to the Clearing Member that is originally assessed the generally applicable transaction fees for the Day Trade transactions at the time they occur through the payment of the rebates to that Clearing Member.

In order to be eligible for the Day Trade fee, market participants are required to provide a written notification to CFE in a form and manner prescribed by CFE with the following information: (i) a request to have the Day Trade fee apply to transactions by or on their behalf, (ii) the CFE product(s) for which Day Trade fee rebates are requested, and (iii) the account(s) in which Day Trades will occur. Other than as provided in the following paragraph, the application of the

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Day Trade fee to a market participant for a product or account begins at the start of the next trading month following receipt of this notification by CFE. ~~Additionally, this notification shall expire on December 31st of each year and must be renewed through the submission of a new notification for the following year. If a market participant does not submit a new notification by December 31st, the market participant will not be eligible for the Day Trade fee starting on January 1st of the following year. A new notification may be submitted subsequent to December 31st, but in that case the Day Trade fee will not become applicable until the beginning of the next trading month following receipt of the new notification by CFE.~~ Market participants shall also provide any supplemental documentation requested by CFE to substantiate that contract purchases and sales qualify as Day Trades in order for Day Trade fee rebates to apply to those transactions. Failure to promptly provide notice of any changes to information provided to CFE for purposes of receiving Day Trade fee rebates, including account number changes and additions, and supplemental documentation requested by CFE may result in ineligibility for the applicable rebates.

In the event that a market participant's account is transferred from a Clearing Member to an affiliated Clearing Member or from a Clearing Member to an unaffiliated Clearing Member in connection with a transaction or agreement between the Clearing Members involving the transfer of accounts between the Clearing Members, the following shall be applicable: The account at the new Clearing Member will be treated as the same account as the account at the original Clearing Member for purposes of the Day Trade fee during the trading month in which the transfer occurs, provided that the market participant provides a written notification to CFE in a form and manner prescribed by CFE of the change in account prior to the end of that trading month.

<sup>4</sup> The annual Trading Permit fees are assessed at the beginning of each calendar year. If a Trading Permit is obtained during a calendar year, the annual Trading Permit fee will be assessed at the prorated amount of \$200 per month for all months remaining in the calendar year and will be assessed beginning with the month in which the Trading Permit is obtained. The annual Trading Permit fees are nonrefundable, including in the event that a Trading Privilege Holder relinquishes a Trading Permit during a calendar year. If a Trading Privilege Holder relinquishes a Trading Permit during a calendar year and reinstates that Trading Permit within 30 days following the date of its relinquishment, the Trading Privilege Holder will not be required to pay an additional pro-rated annual Trading Permit fee for that Trading Permit for that calendar year. A Pool Manager may obtain a single Trading Permit for the Pool Manager and all of the Pools approved under Rule 305A for which it acts as Pool Manager. If there is more than one Pool Manager for a Pool or Pools, the Pool Managers for the Pool(s) may obtain a single Trading Permit for the Pool Managers and all of the Pools approved under Rule 305A for which they act as Pool Manager. The annual Trading Permit fee for one Trading Permit for the time period from April 2015 through June 2016 is waived for any Person that first became or becomes a Trading Privilege Holder during the time period from February 19, 2013 through June 30, 2016 and accesses CFE's matching engine in the United States via CFE's London foreign communications hub made available by or on behalf of CFE during that time period ("New TPH LondonForeign Hub Fee Waiver"). If a Person receives the benefit of the New TPH LondonForeign Hub Fee Waiver and subsequently fails to satisfy the conditions of the waiver, the Person will be assessed all applicable waived fees following June 30, 2016. A "Person" is a firm, corporation, limited liability company, partnership, trust or other form of entity or association, as well as an individual natural person.

<sup>5</sup> The Non-CBOE Trading Permit Holder application fee is not applicable if a former Trading Privilege Holder applies for reinstatement as a Trading Privilege Holder within 30 days of termination as a Trading Privilege Holder. The Non-CBOE Trading Permit Holder application fee is waived during the time period from April 2015 through June 2016 for any Person eligible for the New TPH LondonForeign Hub Fee Waiver (described in note 4).