



May 10, 2016

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-2016-005

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 rules to clarify the application of CFE requirements relating to volume threshold accounts. The Amendment will become effective on or after, May 24, 2016, on a date to be announced by the Exchange through the issuance of a circular.

CFE previously submitted CFE Rule Certification Submission Number CFE-2015-003 (“CFE-2015-003”) to the Commission on January 28, 2015 and CFE Rule Certification Submission Number CFE-2015-022 (“CFE-2015-022”) to the Commission on August 15, 2015 to amend CFE Rule 412B (Ownership and Control Reports and Reportable Positions) to require CFE Trading Privilege Holders (“TPHs”) and non-TPHs to concurrently file with CFE submissions relating to CFE contracts that are required to be filed with the Commission pursuant to the Final Rule adopted by the Commission under the caption Ownership and Control Reports (“OCR Rule”).¹ In particular as related to this Amendment, CFE-2015-003 and CFE-2015-022 amended Rule 412B to require each TPH and non-TPH to concurrently file new CFTC Form 102B with CFE when a TPH or non-TPH is required to file Form 102B with the Commission in relation to CFE contracts. CFE-2015-003 and CFE-2015-022 also amended the contract specification rule chapters for various CFE products to specify the reportable trading volume that triggers the requirement to report a volume threshold account pursuant to Form 102B. The reportable trading volume threshold that was included in each of these contract specification rule chapters is 50 or more contracts traded in the applicable CFE product during a single trading day (which is the reportable trading volume threshold for the submission of Form 102B that is set forth in the OCR Rule).

CFE-2015-003 and CFE-2015-022 provided for these CFE rule changes to become effective on a date to be announced by CFE through the issuance of a circular. CFE has not yet made these changes effective and intends to do so consistent with the compliance dates under the

¹ 78 FR 69178 (November 18, 2013).

OCR Rule as provided for by the Commission.² The Amendment would be made effective in the same manner.

The purpose of the Amendment is to align the reportable trading volume threshold for the submission of Form 102B to CFE with any reportable trading volume threshold as may be designated by the Commission for the submission of Form 102B to the Commission. For example, the April 2016 No-Action Letter issued by the Commission provides conditional time-limited no-action relief from the requirement to submit Form 102B to the Commission based on a daily trading volume level of 50 contracts. Specifically, the April 2016 No-Action Letter provides that the trading volume level that triggers the requirement to report a volume threshold account will be a trading volume of 250 or more contracts during a single trading day from September 29, 2016 until September 28, 2017 and will be 100 or more contracts during a single trading day from September 29, 2017 until August 29, 2018. After these time frames, this trading volume level will be 50 or more contracts during a single trading day. The Amendment amends CFE Rules 1202(n)(ii), 1402(n)(ii), 2102(n)(ii), and 2302(n)(ii) so that the reportable trading volume threshold for the products currently listed on CFE will be the same as the level designated by the Commission in the April 2016 No-Action Letter or as may be designated by the Commission in any future no-action letter that the Commission may issue in this regard.

CFE believes that the Amendment is consistent with Designated Contract Market Core Principles 4 (Prevention of Market Disruption), 5 (Position Limitations or Accountability), and 7 (Availability of General Information) under Section 5 of the Act. In order for CFE to satisfy its self-regulatory obligations, CFE needs to receive the same information relating to volume threshold accounts for CFE products that is required to be reported to the Commission. The Amendment will facilitate CFE's ability to receive this information.

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

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CBOE Futures Exchange, LLC Rules³

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CFE Rule 1202. Contract Specifications

(a) – (m) No changes.

² See CFTC No-Action Letter No. 16-32 (April 8, 2016) (which provided conditional time-limited no-action relief to extend certain compliance dates and reporting requirements under the OCR Rule) (“April 2016 No-Action Letter”).

³ The additions and deletions shown are to CFE Rules as amended by CFE-2015-003 and CFE-2015-022.

(n) *Reportable Position and Trading Volume.*

(i) No changes.

(ii) *Reportable Trading Volume.* Pursuant to Commission Regulation §15.04 and Commission Regulation Part 17, the reportable trading volume that triggers the requirement to report a volume threshold account to the Commission is 50 or more VX futures contracts during a single trading day or such other reportable trading volume threshold as may be designated by the Commission.

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CFE Rule 1402. Contract Specifications

(a) – (m) No changes.

(n) *Reportable Position and Trading Volume.*

(i) No changes.

(ii) *Reportable Trading Volume.* Pursuant to Commission Regulation §15.04 and Commission Regulation Part 17, the reportable trading volume that triggers the requirement to report a volume threshold account to the Commission is 50 or more VXTY futures contracts during a single trading day or such other reportable trading volume threshold as may be designated by the Commission.

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CFE Rule 2102. Contract Specifications

(a) – (m) No changes.

(n) *Reportable Position and Trading Volume.*

(i) No changes.

(ii) *Reportable Trading Volume.* Pursuant to Commission Regulation §15.04 and Commission Regulation Part 17, the reportable trading volume that triggers the requirement to report a volume threshold account to the Commission is 50 or more VU futures contracts during a single trading day or such other reportable trading volume threshold as may be designated by the Commission.

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CFE Rule 2302. Contract Specifications

(a) – (m) No changes.

(n) *Reportable Position and Trading Volume.*

(i) No changes.

(ii) *Reportable Trading Volume.* Pursuant to Commission Regulation §15.04 and Commission Regulation Part 17, the reportable trading volume that triggers the requirement to report a volume threshold account to the Commission is 50 or more S&P 500 Variance futures contracts during a single trading day or such other reportable trading volume threshold as may be designated by the Commission.

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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-2016-005 in any related correspondence.

CBOE Futures Exchange, LLC

A handwritten signature in black ink, appearing to read "Michael J. Mollet". The signature is written in a cursive style with a prominent initial "M".

By: Michael Mollet
Managing Director