CBOE FUTURES EXCHANGE

August 3, 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-2016-013

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 ("Commission") under the Act, CBOE Futures Exchange, LLC ("CFE" or "Exchange") hereby submits a CFE rule amendment ("Amendment") to amend CFE Policy and Procedure XVII which sets forth the Lead Market Maker Program for Weekly (Non-Standard) CBOE Volatility Index ("VX") Futures Expirations ("Program"). The Amendment will become effective on August 17, 2016.

The Program sets forth market performance benchmarks applicable to the appointed LMMs under the Program. Under the current market performance benchmarks, each LMM under the Program is to provide 2-sided quotes with a maximum width of $0.15 in all Weekly (Non-Standard) VX futures expirations. CFE is replacing this maximum quote width with a graduated schedule of maximum quote widths under which the maximum quote width will vary depending on the prevailing best bid price for the applicable Weekly (Non-Standard) VX futures expiration. Under this schedule, the maximum quote width will increase at various price points as the prevailing best bid price for the applicable Weekly (Non-Standard) VX futures expiration increases.

The size parameters under the market performance benchmarks for the quotes provided by the LMMs under the Program are not changing. Under those parameters, each LMM under the Program is to provide, at least 85% of the time throughout each trading day during regular trading hours which are from 8:30 a.m. to 3:15 p.m. (Chicago time) in VX futures, a 2-sided quote with: (1) a collective minimum size of 100 contracts on each side of the market aggregated across all Weekly (Non-Standard) VX futures expirations; (2) a minimum size on each side of the market of 25 contracts in the front Weekly (Non-Standard) VX futures expiration; and (3) a minimum size on each side of the market of 10 contracts in each of the other Weekly (Non-Standard) VX futures expirations. Additionally, each LMM will continue to be able to satisfy the market performance benchmarks relating to the provision of quotes through the equivalent provision of orders instead of quotes.

CFE has had Weekly (Non-Standard) VX futures expirations available for trading for a little over a year now. As a result, the Exchange now has more experience with these expirations and the attributes of the market in these expirations. CFE believes that the graduated schedule of maximum quote widths that the Exchange is putting in place is more appropriate for these expirations than the current maximum quote width in light of, among other things, the generally prevailing size, volume, order flow, depth of the market, and volatility for these futures. CFE also believes that it is appropriate to take price level into consideration with respect to the applicable maximum quoting width and to have greater maximum quoting widths for these futures as their price level increases.

CFE believes that the Amendment is consistent with Core Principle 9 (Execution of Transactions) under Section 5 of the Act. CFE believes that the graduated schedule of maximum quote widths that the Exchange is putting in place will further incentivize LMMs to devote their efforts to enhancing market quality in Weekly (Non-Standard) VX futures expirations and thus have a positive impact on the price discovery process by fostering improved liquidity, market size, and volume in these futures on CFE's centralized market. Accordingly, 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, marked to show additions in underlined text and deletions in [bracketed] text, consists of the following:

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XVII. Lead Market Maker Program for Weekly (Non-Standard) CBOE Volatility Index Futures Expirations

Trading Privilege Holder ("TPH") organizations may apply to the Exchange for appointment as a lead market maker ("LMM") in the Lead Market Maker Program for Weekly (Non-Standard) CBOE Volatility Index Futures Expirations ("Program"). The specific CBOE Volatility Index ("VX") futures covered by this Program are those contracts that have a "VX" ticker symbol followed by a number denoting the specific week of a calendar year. For symbology purposes, the first week of a calendar year is the first week of that year with a Wednesday on which a weekly VX futures contract could expire. The final settlement value of these contracts is calculated using P.M.-settled S&P 500 Index ("SPX") options traded on CBOE, and these contracts are referred to as "Weekly (Non-Standard) VX expirations." The Program does not apply to VX futures expirations that have a "VX" ticker symbol, for which the final settlement value is calculated using A.M.-settled SPX options.

The Exchange may approve up to two TPHs as LMMs in the Program. Any TPH that desires to apply for LMM status in the Program should submit an application in the form of a letter outlining the organization's qualifications and commitments. TPHs shall be selected by the Exchange based on the Exchange's judgment as to which applicants are most qualified to perform the functions of an LMM under the Program. Factors to be considered in making this selection may include, but are not limited to, satisfaction of the qualifications listed below as well as any one or more of the factors listed in Rule 515(b), as applied to LMM applicants instead of with respect to DPM applicants.

The following describes the qualifications, market performance benchmarks, benefits, and appointment term under the Program unless otherwise specified.

Qualifications

No change.

Market Performance Benchmarks

- Each LMM shall identify in advance to the Exchange the login(s) through which the LMM will provide quotes to satisfy the market performance benchmarks under the Program. Each LMM is required to utilize Exchange self-trade prevention functionality under Rule 406A.

- Throughout each trading day during regular trading hours which are from 8:30 a.m. to 3:15 p.m. (Chicago time) in VX futures, each LMM shall provide at least 85% of the time 2-sided quotes with:

  - a collective minimum size of 100 contracts on each side of the market aggregated across all Weekly (Non-Standard) VX expirations;

  - a minimum size on each side of the market of 25 contracts in the front Weekly (Non-Standard) VX expiration; and

  - a minimum size on each side of the market of 10 contracts in each of the other Weekly (Non-Standard) VX expirations.

  The maximum width of these 2-sided quotes in all Weekly (Non-Standard) VX expirations shall be [$0.15] as set forth in the table below [in all Weekly (Non-Standard) VX expirations].

Price Range of Best Bid for Applicable Weekly (Non-Standard) VX Contract	Maximum Quote Width
0 – 16.00	$0.20
16.01 – 24.00	$0.40
24.01 – 32.00	$0.60
32.01 – 40.00	$0.80
40.01+	$1.00

- The above market performance benchmarks shall be subject to relief in the event of a fast market in the VX futures or SPX options traded on CBOE or other extenuating circumstances or unusual market conditions to be determined solely by the Exchange. Under conditions as specified in the preceding sentence, each LMM shall use commercially reasonable efforts to provide a continuous quote and to respond to requests for a quote.

- Each LMM may satisfy the above market performance benchmarks relating to the provision of quotes through the equivalent provision of orders instead of quotes.

- The Exchange may terminate, place conditions upon or otherwise limit a TPH's appointment as an LMM under the Program or not make payments to a TPH under the Program if the TPH fails to satisfy the market performance benchmarks under the Program. However, failure of a TPH to satisfy the market performance benchmarks under the Program shall not be deemed a violation of Exchange rules.

Benefits

No change.

Term

No change.

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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-2016-013 in any related correspondence.

CBOE Futures Exchange, LLC

By: Edward Provost
President