

Required fields are shown with yellow backgrounds and asterisks.

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-7

File No.* SR - 2017 - * 001

Amendment No. (req. for Amendments *)

Proposed Rule Change by * CBOE Futures Exchange

Pursuant to Rule 19b-7 under the Securities Exchange Act of 1934

Initial *



Amendment *



Withdrawal



Exhibit 2 Sent As Paper Document



Exhibit 3 Sent As Paper Document

**Description**

Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *).

Rule change regarding Block Trades.

Contact Information

Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name * Nicole

Last Name * Gordon

Title * Counsel

E-mail * gordon@cboe.com

Telephone * (312) 786-8109

Fax

SRO Governing Body Action

Describe action on the proposed rule change taken by the members or board of directors or other governing body of the SRO (limit 250 characters, required *).

A CFE Managing Director approved the proposed rule change on January 18, 2017 pursuant to delegated authority.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date 01/19/2017

Assistant Secretary

By Nicole Gordon

(Name *)

(Title *)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

gordon@cboe.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-7 instructions please refer to the EFFS website.

Exhibit 1- Notice of Proposed Rule Change (required when Initial)

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal.

The Notice section of this Form 19b-7 must comply with the guidelines for publication in the Federal Register, as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC and CFTC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases and Commodities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction E, they shall be filed in accordance with Instruction F.

Exhibit Sent As Paper Document

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Exhibit 3 - Form, Report, or Questionnaire

Add Remove View

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change. If such documents cannot be filed electronically in accordance with Instruction E, they shall be filed in accordance with Instruction F.

Exhibit Sent As Paper Document

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Exhibit 4 - Proposed Rule Text

Add Remove View

The self-regulatory organization must attach as Exhibit 4 proposed changes to rule text. Exhibit 4 shall be considered part of the proposed rule change.

Exhibit 5 - Date of Effectiveness of Proposed Rule Change (required when Initial)

The self-regulatory organization must attach one of the following:

- ☒ CFTC Certification
☐ CFTC Request that Review of Proposed Rule Change is not Necessary
☐ Request for CFTC Approval of Proposed Rule Change
☐ CFTC Determination that Review of Proposed Rule Change is not Necessary
☐ Indication of CFTC Approval of Proposed Rule Change

CFTC Certification: Attach a copy of the certification submitted to the CFTC pursuant to section 5c(c) of the Commodity Exchange Act.

Add Remove View

Exhibit Sent As Paper Document

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Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission staff's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Exhibit 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-CFE-2017-001)

Self-Regulatory Organizations; CBOE Futures Exchange, LLC; Proposed Rule Change Regarding Block Trades.

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934 (“Act”),¹ notice is hereby given that on January 19, 2017 CBOE Futures Exchange, LLC (“CFE” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change described in Items I, II, and III below, which Items have been prepared by CFE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. CFE also has filed this proposed rule change with the Commodity Futures Trading Commission (“CFTC”). CFE filed a written certification with the CFTC under Section 5c(c) of the Commodity Exchange Act (“CEA”)² on January 19, 2017.

I. Self-Regulatory Organization's Description of the Proposed Rule Change

The Exchange proposes to amend CFE Rule 415 related to Block Trades. The scope of this filing is limited solely to the application of the proposed rule amendments to security futures that may be traded on CFE. Although no security futures are currently listed for trading on CFE, CFE may list security futures for trading in the future. The text of the proposed rule change is attached as Exhibit 4 to the filing but is not attached to the publication of this notice.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

¹ 15 U.S.C. 78s(b)(7).

² 7 U.S.C. 7a-2(c).

In its filing with the Commission, CFE included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. CFE has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, Proposed Rule Change

1. Purpose

CFE Rule 415 sets forth requirements relating to Block Trades. The proposed rule change adds paragraph (l) to Rule 415 which relates to the front running of Block Trades. Proposed Rule 415(l) makes clear that no person may engage in the front running of a Block Trade when acting on material non-public information regarding an impending transaction by another person, acting on non-public information obtained through a confidential employee/employer relationship, broker/customer relationship, or in breach of a pre-existing duty. Proposed Rule 415(l) would apply to all products traded on CFE, including both non-security futures and security futures.

The proposed rule change is being made in connection with other proposed amendments to Rule 415 which are not included as part of this proposed rule change. Those proposed amendments are to be included in new paragraph (k) of Rule 415³. The provisions of proposed Rule 415(k) are intended to clarify certain restrictions relating to disclosure and use of non-public information regarding Block Trades and the extent to which counterparties to a Block Trade may enter into pre-hedging or anticipatory hedging transactions in connection with Block Trades. Proposed Rule 415(k) would only apply to

³ Paragraph (k) will be filed simultaneously with paragraph (l) with CFTC which is why the provisions of paragraph (l) are marked as existing rule text in Exhibit 4.

non-security futures, and the Exchange is including a sentence in proposed Rule 415(k) to make clear that its provisions do not apply to security futures.

The Exchange is also re-lettering certain paragraphs in Rule 415 to accommodate for the new provisions that are being added.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁴ in general, and furthers the objectives of Sections 6(b)(5)⁵ and 6(b)(7)⁶ in particular, in that it is designed:

- to prevent fraudulent and manipulative acts and practices,
- to promote just and equitable principles of trade, and
- to remove impediments to and perfect the mechanism of a free and open market and a national market system, and in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change would provide additional guidance to CFE market participants related to the front running of Block Trades. The proposed rule change would also contribute to enhanced protection of CFE's market and market participants.

B. Self-Regulatory Organization's Statement on Burden on Competition

CFE does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act, in that the proposed rule change is consistent with similar guidance provided by other designated

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

⁶ 15 U.S.C. 78f(b)(7).

contracts markets.⁷ The Exchange believes that the proposed rule change is equitable and not unfairly discriminatory in that the rule amendments included in the proposed rule change would apply equally to all market participants.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The proposed rule change will become operative on February 2, 2017. At any time within 60 days of the date of effectiveness of the proposed rule change, the Commission, after consultation with the CFTC, may summarily abrogate the proposed rule change and require that the proposed rule change be refiled in accordance with the provisions of Section 19(b)(1) of the Act.⁸

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form <http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CFE-

⁷ These designated contract markets are Chicago Mercantile Exchange, Inc. ("CME"), The Board of Trade of the City of Chicago, Inc., New York Mercantile Exchange, Inc., New York Mercantile Exchange, Inc., and Commodity Exchange, Inc. See, [CME Submission No. 16-470](#) (November 15, 2016), which is available on the CFTC's website.

⁸ 15 U.S.C. 78s(b)(1).

2017-001 on the subject line.

Paper comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-CFE-2017-001. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filing also will be available for inspection and copying at the principal office of CBOE Futures Exchange, LLC. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CFE-2017-001 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

Secretary

⁹ 17 CFR 200.30-3(a)(73).

Exhibit 4

Set forth below are proposed changes to the rule text, with additions represented by underscoring and deletions represented by [bracketing].

CBOE Futures Exchange, LLC Rules

* * * * *

415. Block Trading

(a) - (j) No changes.

(k) Parties involved in the solicitation or negotiation of a Block Trade may not disclose the details of those communications to any other party for any purpose other than to facilitate the execution of the Block Trade. Parties privy to non-public information regarding a consummated Block Trade may not disclose such information to any other party prior to the public report of the Block Trade by the Exchange. A broker negotiating a Block Trade on behalf of a Customer may disclose the identity of the Customer to potential counterparties, including the counterparty with which the Block Trade is consummated, only with the permission of the Customer.

Parties to a potential Block Trade may engage in pre-hedging or anticipatory hedging of the position that they believe in good faith will result from consummation of the Block Trade, except for an intermediary that takes the opposite side of its own Customer order. In such instances, prior to the consummation of the Block Trade, the intermediary is prohibited from offsetting the position established by the Block Trade in any account which is owned or controlled by the intermediary, in which an ownership interest is held by the intermediary, or which is a proprietary account of the employer of the intermediary. The intermediary may enter into transactions to offset the position only after the Block Trade has been consummated.

The Exchange may proceed with an enforcement action when the facts and circumstances of pre-hedging suggest deceptive or manipulative conduct by any of the involved parties, including when an intermediary handling a customer order acts against its customer's best interests.

The guidance in this paragraph (k) applies only in the context of pre-hedging of Block Trades. This guidance does not affect any requirement under the CEA or Commission Regulation.

Parties solicited to provide a two-sided Block Trade market are not deemed to be in possession of non-public information provided that side of market is not disclosed in the context of the solicitation.

The provisions of this paragraph (k) do not apply to Security Futures.

(l) It shall be a violation of this Rule for a Person to engage in the front running of a Block Trade when acting on material non-public information regarding an impending transaction by another Person, acting on non-public information obtained through a confidential employee/employer relationship, broker/customer relationship or in breach of a pre-existing duty.

[(k)] (m) The Help Desk may review a Block Trade for compliance with the requirements of this Rule and may determine not to permit the Block Trade to be consummated, or may bust a Block Trade that has been posted or for which the Help Desk has transmitted a transaction summary, if the Help Desk determines that the Block Trade does not conform with those requirements.

[(l)] (n) The posting of a Block Trade by the Help Desk or the transmission by the Help Desk of a transaction summary for a Block Trade does not constitute a determination by the Exchange that the Block Trade was effected in conformity with the requirements of this Rule. A Block Trade that is posted by the Help Desk or for which the Help Desk has transmitted a transaction summary that does not conform to the requirements of this Rule shall be processed and given effect if it is not busted but will be subject to appropriate disciplinary action in accordance with the Rules of the Exchange.

[(m)] (o) Any Block Trade in violation of the requirements of this Rule shall constitute conduct which is inconsistent with just and equitable principles of trade; provided, however, if the Exchange imposes a minor rule violation fine pursuant to Rule 714 for violation of this Rule, that minor rule violation shall not be considered to constitute conduct which is inconsistent with just and equitable principles of trade.

[(n)] (p) Authorized Reporters may electronically report Block Trades in VX futures to the CBOE System pursuant to this paragraph ([n]p) in a form and manner prescribed by the Exchange instead of reporting them to the Help Desk.

A Block Trade may be electronically reported to the CBOE System only if each Authorized Reporter for the transaction has obtained access to the CBOE System from the Exchange to enable the Authorized Reporter to electronically report Block Trades and agrees with the other Authorized Reporter for the Block Trade to electronically report the Block Trade to the CBOE System in lieu of reporting the Block Trade to the Help Desk. In order to electronically report a Block Trade to the CBOE System, each Authorized Reporter for the Block Trade must complete all of the steps required by the CBOE System and as prescribed by the Exchange in order for a Block Trade to be electronically reported to the CBOE System.

The Authorized Reporter that is the initiator of an electronic report of a Block Trade to the CBOE System must enter the required information into the CBOE System promptly enough to allow a reasonable amount of time for the other Authorized Reporter to electronically accept that report by no later than ten minutes after the Block Trade is agreed upon.

Electronic Block Trade reports may be submitted during trading hours and outside of trading hours to the extent permitted in paragraph (c) of this Rule. For Block Trades that are electronically reported outside of trading hours, the CBOE System will generally disseminate the Block Trade and provide a transaction summary to the Authorized Reporters following the next commencement of trading hours.

The Business Day which Authorized Reporters electronically reporting a Block Trade designate for the Block Trade to be submitted for clearing must conform to the same parameters in this regard that apply to Block Trades that are reported to the Help Desk which are set forth in the first and second columns of the chart in paragraph (g) of this Rule.

Except to the extent modified by this paragraph ([n]p), the provisions of the other paragraphs of this Rule shall continue to be applicable in relation to Block Trades that are electronically reported to the CBOE System. For the avoidance of doubt:

- (i) the e-mail notification requirement and the third column of the chart in paragraph (g) of this Rule shall not be applicable to electronically submitted Block Trades;

(ii) the procedure in paragraph (i) of this Rule for notification to the Help Desk of any inaccuracies in the content of the transaction summary for a Block Trade shall be applicable to electronically submitted Block Trades and to any mistake or inaccuracy in the electronic submission of a Block Trade to the CBOE System; and

(iii) the provisions of paragraph ([1]n) of this Rule shall be applicable to electronically submitted Block Trades.

* * * * *



January 19, 2017

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-2017-001

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 415 (Block Trading) to clarify certain restrictions relating to disclosure and use of non-public information regarding Block Trades and the extent to which counterparties to a Block Trade may enter into pre-hedging or anticipatory hedging transactions. The Amendment will become effective on February 2, 2017.

CFE Rule 415 sets forth requirements relating to Block Trades. The Amendment adds new paragraphs (k) and (l) to Rule 415 which include clarifying language that addresses the following items.

First, Rule 415(k) clarifies that parties involved in the solicitation or negotiation of a Block Trade may not disclose the details of those communications to any other party for any purpose other than to facilitate the execution of the Block Trade. Rule 415(k) also clarifies that parties privy to non-public information regarding a consummated Block Trade may not disclose that information prior to the public report of the Block Trade by the Exchange and that a broker negotiating a Block Trade on behalf of a customer may not disclose the identity of the customer to potential counterparties without the permission of the customer.

Second, Rule 415(k) provides that parties to a potential Block Trade may engage in pre-hedging or anticipatory hedging of the position that they believe in good faith will result from the consummation of the Block Trade, with the following exception. Rule 415(k) prohibits an intermediary that takes the opposite side of its own customer order in a Block Trade from pre-hedging or anticipatory hedging. In cases where an intermediary is a party to a Block Trade with its own customer order, the intermediary may not establish an offsetting position prior to the consummation of the Block Trade in any account which is owned or controlled by the intermediary, in which an ownership interest is held by the intermediary, or which is a proprietary account of the employer of the intermediary. The intermediary may enter into transactions to offset the position only after the Block Trade has been consummated, which includes the period prior to the Block Trade being publicly reported by the Exchange.

Rule 415(k) also clarifies that the Exchange may proceed with an enforcement action when the facts and circumstances of pre-hedging suggest deceptive or manipulative conduct by any of the involved parties (including when an intermediary handling a customer order acts against its customer's best interest); that the guidance in Rule 415(k) applies only in the context of pre-hedging of Block Trades and does not affect any requirement under the Act or Commission regulations; that parties solicited to provide a two-sided Block Trade market are not deemed to be in possession of non-public information provided that side of market is not disclosed in the context of the solicitation; and that the provisions of Rule 415(k) do not apply to security futures.

Finally, Rule 415(l) makes clear that no person may engage in the front running of a Block Trade when acting on material non-public information regarding an impending transaction by another person, acting on non-public information obtained through a confidential employee/employer relationship, broker/customer relationship, or in breach of a pre-existing duty. The provisions of Rule 415(l), like the remainder of Rule 415 except for paragraph (k), apply both to non-security futures and to security futures.

The Amendment is consistent with similar guidance provided by other designated contract markets ("DCMs").¹

CFE believes that the Amendment is consistent with Designated Contract Market Core Principles 2 (Compliance with Rules), 7 (Availability of General Information), 9 (Execution of Transactions), and 12 (Protection of Markets and Market Participants) under Section 5 of the Act. The Amendment provides guidance to CFE market participants related to the disclosure and use of non-public information relating to Block Trades, provides a framework to allow market participants to hedge their anticipated exposure from Block Trades in accordance with the requirements of CFE Rule 415(k), and limits the ability of intermediaries to gain an unfair advantage when entering into Block Trades with customers.

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 the Amendment as it may relate to security futures with the Securities and Exchange Commission pursuant to Section 19(b)(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:

* * * * *

¹ These DCMs are Chicago Mercantile Exchange, Inc. ("CME"), The Board of Trade of the City of Chicago, Inc., New York Mercantile Exchange, Inc., New York Mercantile Exchange, Inc., Commodity Exchange, Inc., ICE Futures U.S., Inc., and NASDAQ Futures, Inc. See, e.g., [CME Submission No. 16-427](#) (October 24, 2016) and [CME Submission No. 16-470](#) (November 15, 2016), which are available on the CFTC's website.

CBOE Futures Exchange, LLC
Rules

* * * * *

415. Block Trading

(a) - (j) No changes.

(k) Parties involved in the solicitation or negotiation of a Block Trade may not disclose the details of those communications to any other party for any purpose other than to facilitate the execution of the Block Trade. Parties privy to non-public information regarding a consummated Block Trade may not disclose such information to any other party prior to the public report of the Block Trade by the Exchange. A broker negotiating a Block Trade on behalf of a Customer may disclose the identity of the Customer to potential counterparties, including the counterparty with which the Block Trade is consummated, only with the permission of the Customer.

Parties to a potential Block Trade may engage in pre-hedging or anticipatory hedging of the position that they believe in good faith will result from consummation of the Block Trade, except for an intermediary that takes the opposite side of its own Customer order. In such instances, prior to the consummation of the Block Trade, the intermediary is prohibited from offsetting the position established by the Block Trade in any account which is owned or controlled by the intermediary, in which an ownership interest is held by the intermediary, or which is a proprietary account of the employer of the intermediary. The intermediary may enter into transactions to offset the position only after the Block Trade has been consummated.

The Exchange may proceed with an enforcement action when the facts and circumstances of pre-hedging suggest deceptive or manipulative conduct by any of the involved parties, including when an intermediary handling a customer order acts against its customer's best interests.

The guidance in this paragraph (k) applies only in the context of pre-hedging of Block Trades. This guidance does not affect any requirement under the CEA or Commission Regulation.

Parties solicited to provide a two-sided Block Trade market are not deemed to be in possession of non-public information provided that side of market is not disclosed in the context of the solicitation.

The provisions of this paragraph (k) do not apply to Security Futures.

(l) It shall be a violation of this Rule for a Person to engage in the front running of a Block Trade when acting on material non-public information regarding an impending transaction by another Person, acting on non-public information obtained through a confidential employee/employer relationship, broker/customer relationship or in breach of a pre-existing duty.

[(k)] (m) The Help Desk may review a Block Trade for compliance with the requirements of this Rule and may determine not to permit the Block Trade to be consummated, or may bust a Block Trade that has been posted or for which the Help Desk has transmitted a transaction summary, if the Help Desk determines that the Block Trade does not conform with those requirements.

[(l)] (n) The posting of a Block Trade by the Help Desk or the transmission by the Help Desk of a transaction summary for a Block Trade does not constitute a determination by the Exchange that

the Block Trade was effected in conformity with the requirements of this Rule. A Block Trade that is posted by the Help Desk or for which the Help Desk has transmitted a transaction summary that does not conform to the requirements of this Rule shall be processed and given effect if it is not busted but will be subject to appropriate disciplinary action in accordance with the Rules of the Exchange.

[(m)] (o) Any Block Trade in violation of the requirements of this Rule shall constitute conduct which is inconsistent with just and equitable principles of trade; provided, however, if the Exchange imposes a minor rule violation fine pursuant to Rule 714 for violation of this Rule, that minor rule violation shall not be considered to constitute conduct which is inconsistent with just and equitable principles of trade.

[(n)] (p) Authorized Reporters may electronically report Block Trades in VX futures to the CBOE System pursuant to this paragraph ([n]p) in a form and manner prescribed by the Exchange instead of reporting them to the Help Desk.

A Block Trade may be electronically reported to the CBOE System only if each Authorized Reporter for the transaction has obtained access to the CBOE System from the Exchange to enable the Authorized Reporter to electronically report Block Trades and agrees with the other Authorized Reporter for the Block Trade to electronically report the Block Trade to the CBOE System in lieu of reporting the Block Trade to the Help Desk. In order to electronically report a Block Trade to the CBOE System, each Authorized Reporter for the Block Trade must complete all of the steps required by the CBOE System and as prescribed by the Exchange in order for a Block Trade to be electronically reported to the CBOE System.

The Authorized Reporter that is the initiator of an electronic report of a Block Trade to the CBOE System must enter the required information into the CBOE System promptly enough to allow a reasonable amount of time for the other Authorized Reporter to electronically accept that report by no later than ten minutes after the Block Trade is agreed upon.

Electronic Block Trade reports may be submitted during trading hours and outside of trading hours to the extent permitted in paragraph (c) of this Rule. For Block Trades that are electronically reported outside of trading hours, the CBOE System will generally disseminate the Block Trade and provide a transaction summary to the Authorized Reporters following the next commencement of trading hours.

The Business Day which Authorized Reporters electronically reporting a Block Trade designate for the Block Trade to be submitted for clearing must conform to the same parameters in this regard that apply to Block Trades that are reported to the Help Desk which are set forth in the first and second columns of the chart in paragraph (g) of this Rule.

Except to the extent modified by this paragraph ([n]p), the provisions of the other paragraphs of this Rule shall continue to be applicable in relation to Block Trades that are electronically reported to the CBOE System. For the avoidance of doubt:

(i) the e-mail notification requirement and the third column of the chart in paragraph (g) of this Rule shall not be applicable to electronically submitted Block Trades;

(ii) the procedure in paragraph (i) of this Rule for notification to the Help Desk of any inaccuracies in the content of the transaction summary for a Block Trade

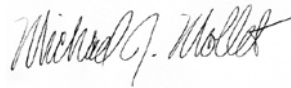
shall be applicable to electronically submitted Block Trades and to any mistake or inaccuracy in the electronic submission of a Block Trade to the CBOE System; and

(iii) the provisions of paragraph (I)n of this Rule shall be applicable to electronically submitted Block Trades.

* * * * *

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-2017-001 in any related correspondence.

CBOE Futures Exchange, LLC

A handwritten signature in black ink, appearing to read "Michael J. Mollet", is positioned above the typed name.

By: Michael J. Mollet
Managing Director