



January 21, 2021

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-2021-002

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 change the closing time for trading in expiring Cboe<sup>®</sup> iBoxx<sup>®</sup> iShares<sup>®</sup> Bond Index (“CB Index”) futures. Exhibit 1 to this submission sets forth the rule changes included in the Amendment. The Amendment will become effective on or after February 4, 2021, on a date to be announced by the Exchange through the issuance of an Exchange notice.

Chapter 15 of the CFE Rulebook includes contract specification provisions relating to CB Index futures. CFE currently offers two CB Index futures for trading: Cboe<sup>®</sup> iBoxx<sup>®</sup> iShares<sup>®</sup> \$ High Yield Corporate Bond Index Futures (“IBHY futures”) and Cboe<sup>®</sup> iBoxx<sup>®</sup> iShares<sup>®</sup> \$ Investment Grade Corporate Bond Index (“IBIG futures”).<sup>1</sup> IBHY futures are cash-settled futures on the iBoxx<sup>®</sup> iShares<sup>®</sup> \$ High Yield Corporate Bond Index (“IBXXIBHY Index”). IBIG futures are cash-settled futures on the iBoxx<sup>®</sup> iShares<sup>®</sup> \$ Investment Grade Corporate Bond Index (“IBXXIBIG Index”). Markit owns, compiles, and publishes the IBXXIBHY and the IBXXIBIG Indexes.

CFE Rule 1502(b) (Schedule and Prohibited Order Types) and CFE Rule 1502(e) (Termination of Trading) set forth the trading hours for CB Index futures. The trading hours for CB Index futures are currently from 8:30 a.m. to 3:00 p.m., except that the trading hours for an expiring CB Index future end at 2:00 p.m. on its final settlement date.<sup>2</sup> CFE is amending Rule 1502(b) and Rule 1502(e) to change the time of the close of trading hours for an expiring CB Index future on its final settlement date from 2:00 p.m. to 3:00 p.m. so that the trading hours for an expiring CB Index future will run from 8:30 a.m. to 3:00 p.m. on its final settlement date. Following this change, the trading hours for a non-expiring CB Index future and an expiring CB Index future will be the same in

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<sup>1</sup> See Exhibit 2 for disclaimers and trademarks with respect to IBHY and IBIG futures relating to and of Markit Indices Limited (“Markit”) and BlackRock Fund Advisors.

<sup>2</sup> All times referenced in this submission are Chicago time.

all respects. This change will apply to all CB Index futures contracts then listed for trading on CFE on the effective date of the Amendment when each of those contracts is or becomes the expiring CB Index futures contract and to all CB Index futures contracts first listed for trading on CFE after the effective date of the Amendment when each of those contracts becomes the expiring CB Index futures contract.

The time of the close of trading hours for an expiring CB Index future on its final settlement date is currently the same as the snap time used by Markit to determine the price levels for the corporate bonds included in the IBXXIBHY and the IBXXIBIG Indexes for purposes of calculating the final settlement value of those indexes. Both of these times are currently at 2:00 p.m. Markit has announced that it intends to change this snap time from 2:00 p.m. to 3:00 p.m. CFE intends to implement the Amendment on the same date that Markit implements this snap time change. The purpose of the Amendment is to retain alignment between the snap time and the closing time of trading hours for an expiring CB Index future on its final settlement date.

CFE believes that the Amendment is consistent with the Designated Contract Market (“DCM”) Core Principles under Section 5 of the Act. In particular, CFE believes that the Amendment is consistent with: (i) DCM Core Principle 3 (Contracts Not Readily Subject to Manipulation) in that the Amendment serves to augment the risk management features of CB Index futures by expanding the time frame during which transactions may be executed and used for hedging purposes in those products prior to the time that the final settlement value of those products is determined; (ii) DCM Core Principle 7 (Availability of General Information) because the Amendment includes and describes in CFE’s rules the revised CB Index futures trading hours and how they apply to an expiring CB Index future on its final settlement date; and (iii) DCM Core Principle 9 (Execution of Transactions) in that the Amendment contributes to the provision of a competitive, open, and efficient market and mechanism for executing transactions that serves to enhance the price discovery process of trading on CFE’s centralized market by providing additional time and opportunity for market participants to submit orders and execute transactions in CB Index futures prior to their final settlement.

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://markets.cboe.com/us/futures/regulation/rule\\_filings/cfe/](http://markets.cboe.com/us/futures/regulation/rule_filings/cfe/)) concurrent with the filing of this submission with the Commission.

Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 or Michael Margolis at (312) 786-7153. Please reference our submission number CFE-2021-002 in any related correspondence.

Cboe Futures Exchange, LLC

/s/ Michael Mollet

By: Michael Mollet  
Managing Director

## EXHIBIT 1

The Amendment, marked to show additions in underlined text and deletions in ~~stricken~~ text, consists of the following:

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### Cboe Futures Exchange, LLC Rulebook

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#### 1502. Contract Specifications

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(a) No change.

(b) *Schedule and Prohibited Order Types.* The Exchange may list for trading up to four near-term serial months and four months on the March quarterly cycle for each CB Index futures product. The final settlement date for an CB Index future is the first business day of the calendar month denoted by the ticker symbol for the Contract. If the final settlement date is a CFE holiday, the final settlement date shall be the business day immediately following the holiday.

The trading days for CB Index futures are any Business Day the Exchange is open for trading.

The trading hours for CB Index futures are from 8:30 a.m. to 3:00 p.m. Chicago time, ~~except that the trading hours for an expiring CB Index future end at 2:00 p.m. Chicago time on its final settlement date. Non expiring CB Index futures continue to trade until 3:00 p.m. Chicago time on that date.~~

Market Orders for CB Index futures will not be accepted by the Exchange for CB Index futures. Any Market Orders for CB Index futures received by the Exchange will be automatically rejected or canceled back to the sender.

(c) - (d) No change.

(e) *Termination of Trading.* Trading hours for an expiring CB Index future end at ~~2:00 p.m.~~ 3:00 p.m. Chicago time on its final settlement date.

(f) - (r) No change.

## EXHIBIT 2

The iBoxx<sup>®</sup> iShares<sup>®</sup> \$ High Yield Corporate Bond Index and the iBoxx<sup>®</sup> iShares<sup>®</sup> \$ Investment Grade Corporate Bond Index (the “Indexes”) referenced herein are the property of Markit Indices Limited (“Index Sponsor”) and have been licensed for use in connection with Cboe<sup>®</sup> iBoxx<sup>®</sup> iShares<sup>®</sup> \$ High Yield Corporate Bond Index Futures and Cboe<sup>®</sup> iBoxx<sup>®</sup> iShares<sup>®</sup> \$ Investment Grade Corporate Bond Index Futures. Each party to a Cboe<sup>®</sup> iBoxx<sup>®</sup> iShares<sup>®</sup> \$ High Yield Corporate Bond Index Futures or Cboe<sup>®</sup> iBoxx<sup>®</sup> iShares<sup>®</sup> \$ Investment Grade Corporate Bond Index Futures transaction acknowledges and agrees that the transaction is not sponsored, endorsed or promoted by the Index Sponsor. The Index Sponsor makes no representation whatsoever, whether express or implied, and hereby expressly disclaims all warranties (including, without limitation, those of merchantability or fitness for a particular purpose or use), with respect to the Indexes or any data included therein or relating thereto, and in particular disclaims any warranty either as to the quality, accuracy and/or completeness of the Indexes or any data included therein, the results obtained from the use of the Indexes and/or the composition of the Indexes at any particular time on any particular date or otherwise and/or the creditworthiness of any entity, or the likelihood of the occurrence of a credit event or similar event (however defined) with respect to an obligation, in the Indexes at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the Indexes, and the Index Sponsor is under no obligation to advise the parties or any person of any error therein.

The Index Sponsor makes no representation whatsoever, whether express or implied, as to the advisability of purchasing or selling Cboe<sup>®</sup> iBoxx<sup>®</sup> iShares<sup>®</sup> \$ High Yield Corporate Bond Index Futures or Cboe<sup>®</sup> iBoxx<sup>®</sup> iShares<sup>®</sup> \$ Investment Grade Corporate Bond Index Futures, the ability of the Indexes to track relevant markets’ performances, or otherwise relating to the Indexes or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The Index Sponsor has no obligation to take the needs of any party into consideration in determining, composing or calculating the Indexes. No party purchasing or selling Cboe<sup>®</sup> iBoxx<sup>®</sup> iShares<sup>®</sup> \$ High Yield Corporate Bond Index Futures or Cboe<sup>®</sup> iBoxx<sup>®</sup> iShares<sup>®</sup> \$ Investment Grade Corporate Bond Index Futures, nor the Index Sponsor, shall have any liability to any party for any act or failure to act by the Index Sponsor in connection with the determination, adjustment, calculation or maintenance of the Indexes.

iBoxx<sup>®</sup> is a service mark of IHS Markit Limited.

The iBoxx<sup>®</sup> iShares<sup>®</sup> \$ High Yield Corporate Bond Index and the iBoxx<sup>®</sup> iShares<sup>®</sup> \$ Investment Grade Corporate Bond Index (the “Indexes”) and futures contracts on the Indexes (“Contracts”) are not sponsored by, or sold by BlackRock, Inc. or any of its affiliates (collectively, “BlackRock”). BlackRock makes no representation or warranty, express or implied to any person regarding the advisability of investing in securities, generally, or in the Contracts in particular. Nor does BlackRock make any representation or warranty as to the ability of the Indexes to track the performance of the fixed income securities market, generally, or the performance of HYG, LQD or any subset of fixed income securities.

BlackRock has not calculated, composed or determined the constituents or weightings of the fixed income securities that comprise the Indexes (“Underlying Data”). BlackRock is not responsible for and has not participated in the determination of the prices and amounts of the Contracts, or the timing of the issuance or sale of such Contracts or in the determination or calculation of the equation by which the Contracts are to be converted into cash (if applicable). BlackRock has no obligation or liability in connection with the administration or trading of the Contracts. BlackRock does not guarantee the accuracy or the completeness of the Underlying Data and any data included therein and BlackRock shall

have no liability for any errors, omissions or interruptions related thereto.

BlackRock makes no warranty, express or implied, as to results to be obtained by Markit or its affiliates, the parties to the Contracts or any other person with respect to the use of the Underlying Data or any data included therein. BlackRock makes no express or implied warranties and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Underlying Data or any data included therein. Without limiting any of the foregoing, in no event shall BlackRock have any liability for any special, punitive, direct, indirect or consequential damages (including lost profits) resulting from the use of the Underlying Data or any data included therein, even if notified of the possibility of such damages.

iShares<sup>®</sup> is a registered trade mark of BlackRock Fund Advisors and its affiliates.