



February 11, 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-2016-001

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 the Block Trade sizes for the S&P 500 Variance (“VA”) futures contract. The Amendment will become effective on February 26, 2016.

The VA futures contract is based on the realized variance of the S&P 500 Composite Stock Price Index (“S&P 500”). The sizes of quotes, orders, and trades in the VA futures contract are expressed and displayed in notional equivalent units of 1,000 vega notional. For example, a quote, order, or trade size of 1 has a size of 1,000 vega notional.

CFE Rule 2302(k) currently sets forth the following minimum Block Trade sizes for single leg and spread Block Trades in the VA futures contract. The minimum Block Trade quantity for a single leg VA futures contract Block Trade is 200,000 vega notional. If a VA futures contract Block Trade is executed as a spread, one leg of the Block Trade must meet the minimum Block Trade quantity for a single leg Block Trade and the other leg(s) must have a contract size that is reasonably related to the leg meeting the minimum single leg VA futures contract Block Trade quantity.

CFE is amending Rule 2302(k) to change the single leg VA futures contract Block Trade quantity to 50,000 vega notional. If a VA futures contract Block Trade is executed as a spread, Rule 2302(k) will continue to require that one leg of the Block Trade must meet the minimum Block Trade quantity for a single leg Block Trade (which will now be 50,000 vega notional) and the other leg(s) must have a contract size that is reasonably related to the leg meeting the minimum single leg VA futures contract Block Trade quantity. CFE believes that these revised Block Trade sizes are appropriate given the current market environment with relation to the VA futures contract.

CFE believes that the Amendment is consistent with Designated Contract Market Core Principle 9 (Execution of Transaction) under Section 5 of the Act and contributes to the provision

by CFE of a competitive, open, and efficient market and mechanism for executing transactions in the VA futures contract that protects the price discovery process of trading in the centralized market for the contract. In particular, CFE believes that 50,000 vega is larger than the size at which a single buy or sell order is customarily able to be filled in its entirety in the VA futures contract on CFE's centralized market without incurring a substantial price concession. Additionally, CFE believes that any increased volume and open interest in the VA futures contract that results from increased Block Trade activity due to the lower Block Trade thresholds in the contract will also contribute to attracting and increasing liquidity and volume in the centralized market for the VA futures contract on CFE.

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:

\* \* \* \* \*

**Rule 2302. Contract Specifications**

(a) - (j) No change.

(k) *Block Trades.* Pursuant to Rule 415(a)(i), the minimum Block Trade quantity for the S&P 500 Variance futures contract is a contract amount equaling [200,000] 50,000 vega notional if there is only one leg involved in the trade. If the Block Trade is executed as a spread order, one leg must meet the minimum Block Trade quantity for the S&P 500 Variance futures contract and the other leg(s) must have a contract size that is reasonably related to the leg meeting the minimum Block Trade quantity. A Block Trade may not be executed in S&P 500 Variance futures as a strip.

Block Trades in S&P 500 Variance future stub positions are not permitted.

(l) - (t) 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-2016-001 in any related correspondence.

CBOE Futures Exchange, LLC



By: Michael J. Mollet  
Managing Director