CBOE FUTURES EXCHANGE

February 16, 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-2017-002

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 amend CFE Rule 1202(q) relating to Trade at Settlement ("TAS") Block Trades executed as a "strip". The Amendment will become effective on March 3, 2017.

Chapter 12 of the CFE Rulebook sets forth contract specifications for CBOE Volatility Index ("VX") futures. Rule 1202(q) includes provisions relating to TAS transactions in VX futures. The Amendment makes a clarifying change to the language included in Rule 1202(q) relating to the permissible minimum increment for TAS Block Trades to make clear that TAS Block Trades in VX futures may be executed as a strip and that the minimum increment for these trades is .005 index points. A strip is a type of spread order in which all legs are either exclusively for the sale or exclusively for the purchase of a contract. The revision to Rule 1202(q) is consistent with other language in Rule 1202(q) which provides that TAS transactions in VX futures may be transacted as Block Trades (including as spread transactions) since a strip is a type of spread. The Amendment clarifies and harmonizes the provisions in Rule 1202(q) with respect to TAS Block Trades executed as strips.

CFE believes that the Amendment is consistent with Designated Contract Market Core Principles 7 (Availability of General Information) and 9 (Execution of Transactions) under Section 5 of the Act. The Amendment provides additional clarity to CFE market participants to make clear that TAS Block Trades may be executed as strips and what the minimum increment is for those transactions.

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
Rules

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1202. Contract Specifications

(a) – (p) No changes.

(q) *Trade at Settlement Transactions.* Trade at Settlement ("TAS") transactions pursuant to Rule 404A are permitted in VX futures and may be transacted on the CBOE System, as spread transactions, as Block Trades (including as spread transactions) and as Exchange of Contract for Related Position transactions. The trading hours for all types of TAS transactions in VX futures are during extended trading hours and during regular trading hours until two minutes prior to the close of regular trading hours at the end of a Business Day. TAS transactions in an expiring VX futures contract are not permitted during the Business Day of its final settlement date. All Orders, quotes, cancellations and Order modifications for TAS transactions during trading hours must be received by the Exchange by no later than two minutes and one second prior to the close of trading hours at the end of a Business Day and will be automatically rejected if received by the Exchange during trading hours after this cutoff time. Any TAS Block Trade or TAS Exchange of Contract for Related Position transaction reported to the Exchange later than two minutes prior to the close of regulator trading hours at the end of a Business Day may only be for the next Business Day.

The permissible price range for all types of TAS transactions in VX futures is from $100 (0.10 index points x $1,000) below the daily settlement price to $100 above the daily settlement price. The permissible minimum increment for TAS non-spread transactions in VX futures that are transacted on the CBOE System is 0.01 index points and the permissible minimum increment for TAS spread transactions in VX futures is 0.01 index points. The permissible minimum increment for TAS Block Trades (including spread transactions [but not as a strip]) and TAS Exchange of Contract for Related Position transactions in VX futures is 0.005 index points.

(r) No changes.

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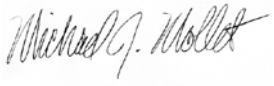
Questions regarding this submission may be directed to Arthur Reinstein at (312) 786-7570 or Nicole Gordon at (312) 786-8109. Please reference our submission number CFE-2017-002 in any related correspondence.

CBOE Futures Exchange, LLC



By: Michael J. Mollet
Managing Director