



March 16, 2016

Via Electronic Submission

Mr. Christopher Kirkpatrick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Comment Letter Regarding Proposed Regulation Automated Trading;
RIN 3038-AD52, 80 FR 78824 (December 17, 2015)

Dear Mr. Kirkpatrick:

CBOE Futures Exchange, LLC ("CFE") appreciates the opportunity to provide its comments to the Commodity Futures Trading Commission ("Commission") regarding the above-referenced rule proposal ("Regulation AT" or "Proposal"). The Proposal seeks public comment regarding a series of proposed requirements related to automated trading. Because CFE is a Designated Contract Market ("DCM"), CFE's comments are focused on the provisions of the Proposal that relate to DCMs.

CFE agrees that it is important to manage the risks associated with automated trading, and CFE maintains robust risk controls pursuant to its obligations as a DCM under the core principles set forth in the Commodity Exchange Act ("CEA"). As a DCM, CFE has strong economic incentives to implement appropriate risk controls that evolve as technology and markets evolve. CFE appreciates that the Commission wants to promote industry best practices and regulatory standards by seeking the appropriate balance between regulation that allows for and encourages market growth and liquidity while protecting the financial integrity of the markets by mitigating operational risks and minimizing the potential for disruptions. This is a difficult task, and the Commission has found success in this regard when it has adhered to a principles-based regulatory regime applicable to DCMs.

CFE believes that sufficient regulation of DCMs is already in place to address the concerns of the Proposal, so CFE questions the need for further regulatory requirements in this area. Further, CFE does not believe that the current iteration of the Proposal adheres to the Commission's historical principles-based approach to market regulation. The Proposal's goal is to impose regulatory requirements that retain the flexibility to adapt to changing markets and technologies, yet this goal already is accomplished by existing risk controls and regulatory obligations applicable to DCMs. For example, DCMs are subject to Core Principles 4 and 11 under Section 5 of the CEA regarding the prevention of market disruption and the financial integrity of market transactions, as well as to Commission Regulations 38.255 and 38.607 thereunder. Commission Regulation 38.255 requires DCMs to establish and maintain risk control

mechanisms to prevent and reduce the potential risk of price distortions and market disruptions. Commission Regulation 38.607 requires DCMs that permit direct electronic access by customers to have in place effective systems and controls reasonably designed to facilitate a Futures Commission Merchant's ("FCM's") management of financial risk, such as automated pre-trade controls that enable member FCMs to implement appropriate financial risk limits.

In his statement regarding the Proposal, Commissioner J. Christopher Giancarlo expressed the concern that:

“. . . Regulation AT does not seem to be a non-prescriptive, low burden rule that simply codifies industry best practices as the proposal asserts. It goes much further and, I fear, does greater harm. While Regulation AT does recognize industry best practices with respect to several risk controls, it adds prescriptive compliance, reporting and registration requirements and establishes overlapping and duplicative DCM and [Registered Futures Association] review programs of questionable value. I question whether the costs of Regulation AT actually justify the benefits.”

CFE echoes this concern and does not see sufficient beneficial value to justify the significant costs that DCMs and other industry participants would need to incur to comply with the Proposal. These costs include expenditures to develop and implement new risk controls and testing standards that serve the same functions as those already in place. Though the Commission may view the new requirements of the Proposal to be flexible, many of them go to such a granular level that the practical application of them would be very prescriptive. Prescriptive requirements inhibit competition by setting stringent standards that do not allow for the implementation of new technology and innovative methods that could better address the Proposal's concerns about ensuring the integrity of the markets. In relation to DCMs in particular, CFE believes that the Commission should not add unnecessarily stringent standards to DCM requirements. Instead, the Commission should allow the current DCM risk control practices and industry standards to evolve as technology and markets evolve, subject to the existing requirements of the Core Principles that are currently applicable to DCMs.

Should the Commission decide to proceed with final adoption of the Proposal, CFE has the following comments regarding specific aspects of the Proposal.

Risk Controls

- The Proposal appears to require under proposed §38.255 that a DCM make available to clearing member FCMs ("Clearing Firms") one system that enables Clearing Firms to set risk controls at the DCM and to also require under proposed §40.20 that the DCM create and use a separate, second system to input the DCM's own settings for these same risk controls. CFE believes that a DCM should be able to accomplish both objectives within the same system. A DCM should not be required to implement two separate risk control systems (one for the Clearing Firms and one for the DCM) and to then run orders through both systems. For example, CFE believes that the same goal of risk mitigation can be met if a DCM makes available a single system that enables Clearing Firms to make risk control settings at the DCM and in which the DCM also sets maximum settings which may not be exceeded by Clearing Firms. Under this approach, the DCM establishes its risk control settings by imposing maximum settings on Clearing Firms and Clearing Firms can determine and input their own risk control settings as long as they are lower than or equal to the maximum settings established by the DCM. The apparent approach taken by the Proposal to require two separate systems to perform these tasks which can

be accomplished by one system is unnecessarily inflexible, would increase costs and administrative burdens, and would create system and order processing inefficiencies, all without providing any additional risk mitigation benefit.

- CFE believes that a DCM should be able to set maximum risk controls at the Clearing Firm level per AT Person with direct electronic access to the DCM, rather than aggregating risk controls for AT Persons with direct electronic access across multiple Clearing Firms. CFE only permits Trading Privilege Holders (“TPHs”) (i.e., CFE’s members for purposes of the CEA) to have direct electronic access to CFE’s market. CFE’s risk control system currently allows for a Clearing Firm to set risk control settings by TPH that are applicable to any order from the TPH for which the TPH identifies that Clearing Firm as the Clearing Firm for the execution of the order. This enables a Clearing Firm to set risk controls for the TPH for all orders from that TPH with respect to which that Clearing Firm is responsible and allows any other Clearing Firm that clears for that TPH to set risk controls for that TPH for all of the TPH’s orders with respect to which the other Clearing Firm is responsible. Neither Clearing Firm is responsible for an order for which the other Clearing Firm is designated as the Clearing Firm so each Clearing Firm can manage the risk from that TPH that is specific to that particular Clearing Firm. Additionally, each Clearing Firm is able to calibrate its risk controls for that TPH based on that Clearing Firm’s own relationship with the TPH, which may differ by Clearing Firm depending on the Clearing Firm’s financial relationship with the TPH and the Clearing Firm’s own risk tolerance in relation to the TPH. CFE should also have the flexibility to set its own maximum risk controls for that TPH by Clearing Firm as it would be difficult and costly for CFE to modify its systems to implement CFE’s own risk controls in a different manner. The risk to each Clearing Firm is separate because neither Clearing Firm is responsible for orders from the TPH that are designated to the other Clearing Firm and thus CFE should be able to impose separate risk control settings for that TPH by Clearing Firm. The risk to the DCM lies at the Clearing Firm level, and a DCM should be able to set its risk controls by TPH at that level.
- Proposed §38.255(b)(1)(ii) would require a DCM to make systems available to Clearing Firms that enable Clearing Firms to set pre-trade risk controls at the level of each AT Person, product, account number or designation, and one or more identifiers of natural persons associated with an AT Order Message. Similarly, proposed §40.20(a)(2) would require a DCM to evaluate whether to establish pre-trade risk controls at a more granular level than the AT Person level. A DCM should not be required to provide or set risk controls at a more granular level than the level of each AT Person with direct electronic access to the DCM for each product and for each Clearing Firm for that AT Person. Requiring DCMs to provide more granular level risk controls would require DCMs to build overly complicated risk control systems that would be difficult and cumbersome to implement given the large number of iterations of different risk control levels that would need to be checked for each order, which would be different on an order by order basis. A DCM’s direct relationships are with the DCM’s Clearing Firms and with the AT Persons that have direct electronic access to the DCM. The DCM does not have a direct relationship with AT Persons that do not have direct electronic access to the DCM or with individual customers and traders that trade through a Clearing Firm. Risk resides at the Clearing Firm level and the ultimate goal of risk mitigation for a DCM is better addressed at the Clearing Firm level per product and per AT Person with direct access to the DCM. This approach actually promotes risk mitigation over individual settings by account and natural person because it aggregates the setting per AT Person with direct electronic access, by Clearing Firm, regardless of the underlying number of accounts or

natural persons trading through that AT Person at its Clearing Firm (e.g., whether it is two or two-hundred natural persons and/or accounts). As with the other risk control provisions in the Proposal, the better approach to risk mitigation is to allow DCMs to have the flexibility and discretion to determine how best to design their risk control systems and not to include prescriptive requirements relating to such aspects as the granularity at which risk controls need to be made available or set.

- Under proposed §38.255(b)(1)(i) and proposed §40.20(a)(1), a DCM would be required make available to Clearing Firms and to establish risk controls that include, at a minimum, the risk controls specified under proposed §1.80(a)(1)(i). These risk controls include maximum AT Order Message and execution frequencies per unit of time, commonly referred to as message and execution throttles. CFE has two comments in relation to these provisions. First, a DCM should have the discretion to exclude cancellations from a message throttle. CFE is concerned that rejecting cancel messages with a message throttle would potentially trap a customer in a position that increases the customer's risk, exacerbating the very problem the Proposal is trying to prevent. If excessive cancellations were to occur, that behavior more appropriately could be disciplined afterward under a DCM's disruptive trading practice rule provisions and thereby deterred. Second, a DCM should have the discretion to structure an execution throttle as a volume limit per trading day (such as a limit on the number of contracts bought in a product per trading day coupled with a limit on the number of contracts sold in the product per trading day). CFE currently has a volume limit like this in place which prevents the entry of orders which, if executed, would exceed the volume limit. Message throttles already address the issue of the submission of an excessive number of orders which disrupts the market or detrimentally impacts the integrity of a DCM's trading system. An execution throttle is not needed for that purpose. As long as there is not excessive messaging (which is addressed by a message throttle), it does not matter whether an AT Person with direct electronic access executes, for example, one-hundred one lot orders or a single hundred lot order, as long as that AT Person stays within its trading volume limit for the trading day. The contract volume of executions per day is what matters in this context and not the number of executions in a few minutes or seconds. Accordingly, a DCM should have the discretion to structure its execution throttle in a manner that best addresses the risk of executing too many contracts during a trading day.
- Under proposed §40.20(a)(1), a DCM would be required to establish risk controls that include, at a minimum, the risk controls under proposed §1.80(a)(1)(ii), which require maximum order price parameters. CFE's current risk controls under CFE Rule 513A(b) provide for price reasonability checks that are determined by the DCM. These price reasonability checks reject (i) any buy order with a limit price that, upon receipt of the order by the DCM, is more than a designated amount above the prevailing best offer in the applicable contract and (ii) any sell order with a limit price that, upon receipt of the order by the DCM, is more than a designated amount below the prevailing best bid in the applicable contract. These price parameters are set by the CFE for each CFE product and are published so that market participants can better understand the price parameters by which all participants must abide for each product. Proposed §38.255(b)(1)(i) would allow each Clearing Member to set its own price parameters on the DCM. As written, this provision could create chaos in any given market. If Clearing Members set their own price parameters for each AT Person with direct electronic access to the DCM (or at a more granular level), this would create confusion because market participants would not know the price parameters by which all other participants are abiding in the market. This

would hurt market confidence and ultimately liquidity in the market. Price parameters, or price reasonability checks, only make sense at the DCM level if implemented by the DCM. It is not workable to have different price reasonability levels interacting on the same potential trade in a given market.

Self-Trade Prevention

- Proposed §40.23(a) would require a DCM to “either apply, or provide and require the use of, self-trade prevention tools that are reasonably designed to prevent self-trading and are applicable to all orders on its electronic trade matching platform.” An AT Person also would be required to apply the DCM’s self-trading tools pursuant to proposed §1.80(e), which the Commission intends to work in conjunction with proposed §40.23. Proposed §40.23 defines self-trading as the matching of orders for accounts that have common beneficial ownership or are under common control. A DCM has no information about the underlying ownership or control of orders from different TPHs that it can use prior to the entry of an order to prevent the orders from trading with one another. CFE Rule 406A describes CFE’s self-trade prevention (“STP”) system, which allows a TPH to avoid self-trading by marking its orders with one of three order modifier options: 1) Cancel Newest, 2) Cancel Oldest, or 3) Cancel Both. This system avoids self-trades by the same TPH but cannot be used to avoid trades between two different TPHs. A primary reason for this is because there is no unique identifier that can be used to identify orders coming from two different TPHs that have common beneficial ownership or are under common control. Order Entry Operator IDs (“OEOs”) and account numbers are assigned at the Clearing Firm level and included in order submissions, but may not be unique across Clearing Firms and thus cannot be used for this purpose. Additionally, omnibus accounts may be used for trades by multiple parties and thus account numbers for non-disclosed omnibus accounts may not be specific to trading by a particular party. It would be extremely difficult from a technological standpoint, as well as costly, to create an STP system that was able to identify orders from different TPHs which have a common beneficial ownership or are under common control.
- CFE believes that the better approach is to allow DCMs to have flexibility in designing their STP systems, allowing for STP systems like the one that CFE employs under CFE Rule 406A, and requiring use of these STP systems by AT Persons trading through direct electronic access. Further, CFE believes that its current post-trade surveillance, which gathers and utilizes information on known business and ownership associations to identify potential rule violations, is sufficient to address what the Proposal is trying to accomplish. The Proposal on STP would be costly for a DCM to implement. The level of granularity required by the Proposal creates an added financial burden and contradicts the Commission’s articulated desire to allow flexibility to the DCMs in the design and implementation of the STP measures required by the Proposal.
- The Proposal allows for exemptions to STP, under proposed §40.23(b), if the DCM requires market participants to request pre-approval for the exemption when a market participant meets the criteria under proposed §40.23(c). CFE believes that this step of pre-approval is unnecessary and only adds additional administrative costs and burdens to a DCM and market participants. The CEA and the regulations thereunder allow market participants to avail themselves of exceptions to general requirements in many different contexts without requiring pre-approval by a DCM. The Commission should follow a less prescriptive regulatory approach, as it has in the past, and should allow these STP exceptions to be utilized without a DCM’s pre-approval. Just like many other DCM rule

requirements, market participants should simply be required to follow the requirement and be subject to potential disciplinary action after the fact if they do not do so.

- Proposed §40.23(d) would require a DCM to publish self-trading statistics on its website and to list the percentage of trades and volume that represent approved self-trading pursuant to proposed §40.23(c). CFE does not believe there is a benefit to the market in capturing statistics about STP exceptions and believes that this requirement unnecessarily adds administrative costs and burdens. Additionally, proposed §40.23(d)(3) would require a DCM to publish the ratio of orders in a product where the STP system prevented matching “expressed as a ratio of all trades” in the product and contract expiration month. As written in the Proposal, requiring calculation of the ratio of “orders” instead of “matches” in this provision would skew the statistics, because orders would be counted twice when a “Cancel Both” orders option is used within an STP system to avoid a self-trade. If this provision is retained (which CFE does not believe it should be), CFE believes that the provision should use the number of matched trades prevented by the STP system instead of the number of orders that would match into those trades to calculate the ratio, so that this double-counting will be avoided.
- In the Proposal, the Commission stated that it would not be overly prescriptive in requiring specific types of self-trade prevention tools, or in requiring specific settings or controls in connection with these tools, because these tools are still technologically evolving. The Commission also agreed with comments stating that DCMs are in the best position, from a technology standpoint, to develop STP controls. CFE agrees that the Commission should allow DCMs the discretion under proposed §40.23 to tailor the design of STP tools to determine how most effectively to calibrate them in order to prevent intentional and unintentional self-matching.

Testing Requirements

- Under proposed §40.21, a DCM would be required to provide a test environment that would enable AT Persons to simulate production trading. CFE agrees that DCMs should provide test environments for AT Persons with direct electronic access to the DCM. CFE currently provides a test environment to its TPHs. This test environment allows a TPH to test to verify that its messages are being sent to CFE’s trading system in the manner required to enable the proper receipt and processing of the messages by CFE and that the TPH is able to receive and process messages that CFE’s trading system sends to the TPH. TPHs are able to code to the various CFE application programming interface (“API”) specifications and may test new releases and updates to the APIs. CFE makes historical data available for sale to firms to use in-house for back-testing their own algorithms. In-house testing by firms along with CFE’s current testing environment allows firms to efficiently test any changes to their algorithms. However, CFE does not believe it is currently possible within the bounds of reasonable investment to develop a testing environment that simulates trading in a production environment or that a firm could use to test how an automated trading system would behave under actual market conditions, as appears to be required under proposed §40.21. This type of simulated testing environment does not exist. Additionally, even if one could be created, it would have to be duplicated multiple times to allow firms to independently test their automated trading systems without other firms conducting similar tests in the same environment at the same time. It would be difficult and expensive to develop a testing environment that could accommodate multiple firms simultaneously. CFE recommends that any requirements for testing environments be principles-based and not prescriptive, so that they

accommodate the current industry best practices and do not require the development of costly new systems that are not currently in existence at DCMs. In particular, the Commission should permit a DCM to comply with test environment standards by providing a test system to AT Persons with direct electronic access to the DCM like the test system that CFE currently makes available to its TPHs and by making historical market data available for sale to market participants that market participants can utilize in-house to back test their automated trading systems.

Oversight

- CFE believes that the Proposal should not require both the National Futures Association (“NFA”) and DCMs to establish and implement oversight of algorithmic trading systems (“ATSS”). Proposed §170.18 would require an AT Person to become a member of a registered futures association. Proposed §170.19 would require that a registered futures association (i.e., NFA) adopt risk control rules for ATSS with standards for development, testing, monitoring, and compliance. This structure is redundant and inefficient because it would require NFA and DCMs to both establish and implement risk control requirements and rules and to receive and review risk control compliance reports and books and records. Instead, CFE recommends that each DCM set the standards for the risk controls and requirements addressed in the Proposal for its own market and that the Commission implement oversight in a manner similar to the structure of the Joint Audit Committee (“JAC”). The JAC is made up of U.S. futures exchanges and NFA and oversees the implementation of the Joint Audit Agreement regarding the practices and procedures to be followed during regulatory examinations and financial reviews. The JAC enhances uniformity and lessens the regulatory burden of DCMs, as well as FCMs, by assigning a “lead regulator” to the common members (referred to as the Designated Self-Regulatory Organization (“DSRO”)) that is primarily responsible for the audits and financial reviews of FCMs. The JAC system or a system like the JAC system could be utilized in a similar manner to address the issues identified in the Proposal. DCMs could set the review standards for their own products, with each DCM determining the standards that it believes are reasonable and appropriate for its market, and NFA or a DSRO could apply those standards and perform risk control oversight applicable to activity on all of the DCMs. By establishing a DSRO, or assigning NFA to the role, to review risk control compliance reports and books and records, duplication of efforts by multiple DCMs and NFA would be avoided. This approach would make the review process for risk control reports and books and records more effective and efficient. If the Commission does not use this JAC approach, then at a minimum, risk control reports sent to each DCM should only address the particular products and risk controls of the DCM and should not include products that a Clearing Firm or AT Person trades at other DCMs.
- A DCM (or a DSRO or NFA) should not be required to review the risk control books and records of AT Persons and Clearing Firms based solely on their trading volume. The recordkeeping requirements under proposed §1.83(c) and (d) and under proposed §40.22(d) and (e) should allow a DCM (or a DSRO or NFA) the appropriate flexibility to determine if and when it is necessary to review and evaluate these books and records of AT Persons or Clearing Firms. CFE agrees with the Commission that potential behavior that would provide a reason to review an AT Person’s risk control books and records would include if the AT Person’s kill switch is frequently activated, if a DCM (or a DSRO or NFA) becomes aware that the AT Person’s algorithm frequently performs in a manner inconsistent with its design, or if the AT Person commits frequent trade practice violations. However, CFE believes that an AT Person’s high trading volume by itself

should not mandate the inspection of the AT Person's risk control books and records. The trigger for a review of risk control books and records should be potential or actual problematic behavior by the AT Person that suggests the need for heightened scrutiny of the AT Person in relation to its risk controls, like the behavior noted above.

- Proposed §40.22 would require a DCM to establish rules that mandate each AT Person that trades on the DCM to submit risk control reports, described under proposed §1.81(a) and (b), and would require the DCM to review the risk control books and records of that AT Person. The definition of AT Person under proposed §1.3(xxxx)(1) would include persons that do not utilize direct electronic access. CFE believes that a DCM's regulatory requirements relating to the submission of risk control reports and the review of risk control books and records should only apply to AT Persons with direct electronic access to that DCM. A Clearing Firm has its own risk controls for its customers that trade through the Clearing Firm and that do not have direct electronic access to the DCM, and a DCM has no direct relationship with those customers. For example, a Commodity Trading Advisor ("CTA") that is an AT Person that trades through a Clearing Firm should not have to file risk control reports or produce risk control books and records for review by a DCM that has no direct relationship with that CTA. The Clearing Firm would have the relationship with the CTA and would be required pursuant to proposed §1.83(b) and (d) to submit risk control reports and keep books and records in relation to establishing and maintaining risk controls for its AT Person customers. Additionally, the Commission and DCMs already have jurisdiction over these persons for any rule violations that they may commit on the DCM regardless of any reporting to the DCM by these persons. CFE Rule 308(c) provides that any person who initiates or executes a transaction on or subject to CFE's rules, directly or through an intermediary, expressly consents to CFE's jurisdiction. This rule is consistent with the rules of other DCMs. Accordingly, any regulatory obligations of a DCM regarding those customers relating to risk control reporting and books and records would be redundant and unnecessary.

Additional Comments

- The Proposal notes that the Commission is not currently proposing to impose the requirements of Regulation AT on swap execution facilities ("SEFs"). CFE believes that SEFs and DCMs should be treated the same. It is crucial that the Proposal leave a level playing field between DCMs and SEFs because any regulatory disparities would make it more advantageous to use a SEF as opposed to a DCM. This is the case both in the context of swaps, which can be traded on either a SEF or DCM, and in the context of futures products traded on DCMs which are similar in nature to swaps that are traded on SEFs. Though the Commission notes the lesser degree of automation currently in SEF markets and that ". . . the policy considerations underlying Regulation AT are not as critical, at least at this time, in the SEF context," leaving SEFs out of the requirements of this Proposal will create an unfair advantage. As the Commission has made clear throughout the Proposal, it is endeavoring to implement rules that will address the evolving and increasing use of technology in the markets. Therefore, the Commission cannot ignore the practical implications of placing the burden of the Proposal's requirements on DCMs while waiting to implement similar obligations on SEFs until after the SEF markets have advanced further to a more automated environment. Should the Commission wait for that development to occur, it would inevitably create a regulatory gap that would provide SEFs a distinct advantage because similar regulations for SEFs would take time to pass and be implemented. Additionally, by imposing risk controls for manual order entry under proposed §40.20(d), the Proposal acknowledges

that manual orders, which are predominant on SEFs, pose the same risk for market disruption as automated orders. CFE believes it would greatly increase the chance of significant market disruption if SEFs were not also subject to the requirements of the Proposal. It should also be noted that the Commission's proposed rules for systems safeguards, which were issued shortly after Regulation AT, apply to both DCMs and SEFs. CFE believes that SEFs and DCMs should be treated the same under both of sets of proposed rules and that the Proposal's requirements that are applicable to DCMs should also apply to SEFs.

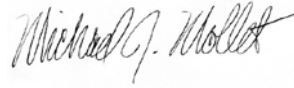
- Proposed §40.27 would require DCMs to implement policies and procedures designed to prevent payment under market maker and trading incentive programs for trades with common beneficial ownership. CFE believes that requiring the use of a DCM's STP system by participants in market maker and trading incentive programs should be sufficient to satisfy this requirement. The required use of an STP system, as discussed above, would be sufficient to prevent the payment of market maker or trading incentives program benefits in relation to self-trades.
- CFE believes that it would be appropriate that the scope of §1.35 recordkeeping requirements, and the related exemptions, should continue to apply to the registrants and entities that are currently subject to those requirements and exemptions, notwithstanding that those persons would become AT Person registrants under the Proposal. The Commission should make this point clear should it choose to adopt Regulation AT.
- If the Commission were to determine to adopt any provisions of the Proposal applicable to DCMs, it is important that DCMs be provided with adequate implementation time to modify current risk control systems and to allow market participants to adjust to those new systems or modifications. If DCMs are not given sufficient time to develop, implement, and test new or modified systems to verify proper functionality and if AT Persons are not given sufficient time to make required system changes and to conform to DCM system changes, it will increase the very risks to the market that the Proposal hopes to address. Accordingly, CFE believes that the Commission should provide for a minimum two year implementation period, following the effectiveness of any final rules, prior to the date on which compliance with the rules is required. CFE believes that it will require this implementation period to develop, build, and implement systems to meet the requirements of the Proposal and for CFE market participants to then modify and adjust their systems and processes to conform to CFE's system changes as well as to comply with the new risk control, testing, and reporting requirements applicable to those market participants.

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CFE is available to provide any further input desired by the Commission regarding the issues discussed in the Proposal and to work cooperatively with the Commission to address

them. Please contact me at (312) 786-7428 or mollet@cboe.com if you have any questions regarding our comments.

Very truly yours,

A handwritten signature in black ink that reads "Michael J. Mollet". The signature is written in a cursive style with a prominent initial "M".

Michael J. Mollet
Managing Director
CBOE Futures Exchange, LLC