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
Rulebook

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Chapter 1 Definitions

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Authorized Reporter

The term "Authorized Reporter" has the meaning set forth in Rule 414(i) in relation to Exchange of Contract for Related Position transactions and has the meaning set forth in Rule 415(f) in relation to Block Trades.

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303A. Order Entry Operator IDs

(a) Each Trading Privilege Holder, in a form and manner prescribed by the Exchange, shall include an Order Entry Operator ID with every [order and quote]Order (including, without limitation, every Cancel Order and Cancel Replace/Modify Order) from that Trading Privilege Holder that is submitted to the [CBOE]CFE System. Any Order submitted to the CFE System that does not contain an Order Entry Operator ID in a form and manner prescribed by the Exchange will be rejected or canceled back to the sender by the CFE System.

(b) Order Entry Operator IDs are subject to the following requirements (except in relation to Automated Trading Systems, with respect to which paragraph (c) below is applicable):

> (i) Each Order Entry Operator ID shall represent

> (A) the natural person physically responsible for entering the [order or quote]Order into the [CBOE]CFE System (if a natural person entered the [order or quote]Order into the [CBOE]CFE System); or

> (B) the natural person physically responsible for entering the [order or quote]Order directly or indirectly into a system of or used by a Trading Privilege Holder that interfaces with the [CBOE]CFE System (if no natural person entered the [order or quote]Order into the [CBOE]CFE System and instead a natural person entered the [order or quote]Order directly or indirectly into a

system of or used by a Trading Privilege Holder that interfaces with the [CBOE]CFE System).

(ii)   An Order Entry Operator ID issued for a natural person may only be used by that natural person. An Order Entry Operator ID issued for a natural person may not be used by any other natural person or entity and may not be used as the Order Entry Operator ID for an Automated Trading System.

(c)   Order Entry Operator IDs are subject to the following requirements in relation to Automated Trading Systems:

(i)   For purposes of this Rule 303A, an Automated Trading System is a system that automates the generation and routing of [orders or quotes]Orders.

(ii)   Each [order or quote]Order originating from an Automated Trading System that is submitted to the [CBOE]CFE System shall include an Order Entry Operator ID for that Automated Trading System.

(iii)   An Order Entry Operator ID issued for an Automated Trading System may only be used for that Automated Trading System. An Order Entry Operator ID issued for an Automated Trading System may not be used for any other Automated Trading System and may not be used as the Order Entry Operator ID for any natural person or entity.

(d)   Each Trading Privilege Holder shall comply with the following issuance, recordkeeping, and reporting requirements related to Order Entry Operator IDs:

(i)   Each Order Entry Operator ID issued for a natural person or Automated Trading System for inclusion with any [order or quote]Order from the Trading Privilege Holder that is submitted to the [CBOE]CFE System shall be unique, and shall not be associated with more than one natural person or Automated Trading System, at the Clearing Member level. Each Trading Privilege Holder and any Clearing Member utilized by the Trading Privilege Holder shall coordinate as necessary in order to ensure that this requirement is satisfied.

(ii)   Each Trading Privilege Holder shall collect and maintain accurate, complete, and up-to-date records with the following information for each Order Entry Operator ID issued for a natural person or Automated Trading System for inclusion with any [order or quote]Order from the Trading Privilege Holder that is submitted to the [CBOE]CFE System:

(A)   a clear identification of whether the Order Entry Operator ID is issued for a natural person or Automated Trading System;

(B)   if the Order Entry Operator ID is issued for a natural person, the name, address, telephone and e-mail contact information,

and position or relationship to the Trading Privilege Holder of the natural person;

(C)   if the Order Entry Operator ID is issued for an Automated Trading System, the name, address, telephone and e-mail contact information, and position or relationship to the Trading Privilege Holder of the head operator of the Automated Trading System;

(D)   and any other related information as may be prescribed by the Exchange.

(iii)   Each Trading Privilege Holder shall provide to the Exchange in a form and manner prescribed by the Exchange information requested by the Exchange regarding any Order Entry Operator IDs and the natural persons and Automated Trading Systems for which they have been issued for inclusion with any [order or quote]Order from the Trading Privilege Holder that is submitted to the [CBOE]CFE System. The information requested relating to an Automated Trading System may include, among other things, information regarding the head operator and other individuals that operate the Automated Trading System and the type of models, algorithms, programs, and systems utilized by the Automated Trading System.

Each Trading Privilege Holder shall promptly report to the Exchange in a form and manner prescribed by the Exchange any new or changed information regarding Order Entry Operator IDs that are identified to the Trading Privilege Holder by the Exchange as being subject to this reporting requirement.

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403.   Order Entry and Maintenance of Front-End Audit Trail Information

(a)   All Orders shall be entered into the [CBOE]CFE System by electronic transmission through a [CBOE]CFE Workstation, and the Exchange shall maintain an electronic record of those entries. Each Trading Privilege Holder (including its Authorized Traders) shall be responsible in every respect for any and all Orders entered by it (including its Related Parties) and for compliance by its Related Parties with this Rule 403. Prior to entering any Order, the relevant Related Party shall [sign onto the CBOE System by inputting the user identification assigned for such purpose]connect to the CFE System in a form and manner prescribed by the Exchange. Each Order must contain the following information: (i) whether such Order is a buy or sell Order; (ii) Order type; (iii) [commodity; (iv)]price or premium (if the Order is not a Market Order); (iv) quantity; (v) Contract identifier or product and contract expiration[;]([v]s)[price]; (vi) [quantity; (vii) account type; (viii)]Client Order ID; (vii) EFID; (viii) Order Entry Operator ID; (ix) Clearing Corporation origin code (C for Customer or F for Firm); (x) Customer Type Indicator code; (xi) manual Order indicator; (xii) account designation (which shall be the account number of the account of the party for which the Order was placed, except that a different account designation may be included in the case of a bunched Order processed in accordance with Rules 406([e]g) and 605 or in the case of an Order for which there

will be a post-trade allocation of the resulting trade(s) to a different clearing member); ([ix]xiii) in the case of Orders for Options, either Contract identifier or each of strike price, type of option (put or call) and expiration[month]; and ([x]xiv) such additional information as may be prescribed from time to time by the Exchange. Any Order that does not contain required information in a form and manner prescribed by the Exchange will be rejected or canceled back to the sender by the CFE System.

(b)   With respect to [orders]Orders received by a Trading Privilege Holder (including its Authorized Traders) which are immediately entered into the [CBOE]CFE System, no record needs to be kept by such Trading Privilege Holder, except as may be required pursuant to Rule 501 and Applicable Law. However, if a Trading Privilege Holder (including its Authorized Traders) receives [orders]Orders which cannot be immediately entered into the [CBOE]CFE System, such Trading Privilege Holder must prepare an order form in a non-alterable written medium, which shall be time-stamped and include the account designation, date and other required information. Each such form must be retained by the Trading Privilege Holder for at least five years from the time it is prepared. Any such Orders must be entered into the [CBOE]CFE System, in the order they were received, as soon as they can be entered into the [CBOE]CFE System.

(c)   Each Clearing Member and each Trading Privilege Holder that is a Futures Commission Merchant or Introducing Broker shall maintain front-end audit trail information for all electronic [orders and quotes]Orders entered by that party into the [CBOE]CFE System, including all related modifications and cancellations. Each Clearing Member shall also maintain, or cause to be maintained, front-end audit trail information for all electronic [orders and quotes]Orders entered into the [CBOE]CFE System by any Trading Privilege Holder for which the Clearing Member is identified in the [order or quote]Order submission by EFID as the Clearing Member for the execution of the [order or quote]Order, including all related modifications and cancellations. This audit trail must contain all [order]Order entry, modification, cancellation and response receipt time(s) as well as all Financial Information Exchange interface ("FIX") tag information and fields or [CBOE Market Interface (CMi) order structure]Binary Order Entry ("BOE") Order message information, as applicable. Notwithstanding any of the provisions of this Rule 403(c), each Trading Privilege Holder is obligated to comply with the provisions of Commission Regulation §1.35 as applicable to that Trading Privilege Holder.

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414. Exchange of Contract for Related Position

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(e)   The timing of an Exchange of Contract for Related Position transaction must satisfy all of the following three requirements:

(i)   The agreement to an Exchange of Contract for Related Position transaction may only occur during the Trading Hours, or a queuing period not in connection with a trading halt, for the Contract that comprises

the Contract leg of the transaction, when that Contract is not halted or suspended ("Permissible Agreement Period"). For purposes of this Rule 414:

(A) Trading Hours or a queuing period for a TAS Exchange of Contract for Related Position transaction that is permitted by the rules governing the applicable Contract shall be deemed to include the time periods during which TAS transactions may be executed or TAS Orders may be entered in that Contract (and not any other time periods).

(B) Agreement to an Exchange of Contract for Related Position transaction includes, without limitation, agreement to the quantity and actual price or premium of the Contract leg of the transaction (except in the case of a TAS Exchange of Contract for Related Position transaction that is permitted by the rules governing the applicable Contract, in which case agreement to the transaction includes, without limitation, agreement upon the quantity of the Contract leg of the transaction and whether the price or premium of the Contract leg of the transaction will be the daily settlement price or an agreed upon differential above or below the daily settlement price).

(ii) Unless otherwise specified in the rules governing the relevant Contract, an Exchange of Contract for Related Position transaction must be fully reported to the Exchange without delay and by no later than thirty minutes after the transaction is agreed upon ("Reporting Deadline"). The Reporting Deadline is measured from the time the transaction is agreed upon to the time that the full report of the transaction is received by the CFE System matching engine.

(iii) An Exchange of Contract for Related Position transaction must be fully reported to the Exchange during the Trading Hours, or a queuing period, for the Contract that comprises the Contract leg of the transaction, when that Contract is not suspended ("Permissible Reporting Period").

Accordingly, in order to satisfy the requirements of this paragraph (e), the time periods in which an Exchange of Contract for Related Position transaction may occur are limited to those time periods in which:

(i) the transaction is agreed to within a Permissible Agreement Period; and

(ii) the transaction is able to be fully reported to the Exchange within a Permissible Reporting Period by no later than the Reporting Deadline.

Exchange of Contract for Related Position transactions in an expiring Contract on the last trading day for that Contract may not be agreed to or reported to the Exchange after the termination of Trading Hours in the expiring Contract on that trading day.

As an example of the application of the thirty minute Reporting Deadline and the Permissible Reporting Period: An Exchange of Contract for Related Position transaction involving a VX future (other than an expiring VX future on its last trading day) that is agreed upon after 3:30 p.m. and before 4:00 p.m. Monday – Friday (during the extended trading hours for VX futures that end at 4:00 p.m.) must be fully reported to the Exchange by 4:00 p.m. of the calendar day of the transaction, even though this provides less than thirty minutes to fully report the transaction. All times referenced in this example are Chicago time.

[(d) Exchange of Contract for Related Position transactions with respect to any Contract may occur (i) during the Trading Hours for the applicable Contract and (ii) outside of the Trading Hours for the applicable Contract, but only if the transaction is fully reported to the Exchange during a permissible reporting period and by no later than the Reporting Deadline pursuant to paragraph (i) below. Exchange of Contract for Related Position transactions in an expiring Contract on the last trading day for that Contract may not occur after the termination of Trading Hours in the expiring Contract on that trading day. An Exchange of Contract for Related Position transaction in an expiring Contract that occurs during Trading Hours on the last trading day for that Contract may be reported to the Exchange after Trading Hours, but only if the transaction is fully reported to the Exchange by no later than the Reporting Deadline pursuant to paragraph (i) below.]

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(g)[(f)] Each Trading Privilege Holder that acts as agent for an Exchange of Contract for Related Position shall record the following details with respect to the Contract leg of the Exchange of Contract for Related Position on its order ticket: (i) the Contract (including the expiration); (ii) the number of contracts traded; (iii) the price of execution or premium; (iv) the time of execution (i.e., the time at which the parties agreed to the Exchange of Contract for Related Position); (v) the arrangement time, if any (i.e., the time at which the parties agreed to enter into the transaction at a later time); (vi) the identity of the counterparty; (vii) that the transaction is an Exchange of Contract for Related Position; (viii) the account number of the Customer for which the Exchange of Contract for Related Position was executed; and [if applicable, the underlying commodity, whether the transaction involved a put or a call and the](ix) the identity, quantity and price or premium of the Related Position (including the expiration, strike price, type of option (put or call) and delta in the case of an option). Every Trading Privilege Holder handling, executing, clearing or carrying Exchange of Contract for Related Position transactions or positions shall identify and mark as such by appropriate symbol or designation all Exchange of Contract for Related Position transactions or positions and all orders, records and memoranda pertaining thereto.

(h)[(g)] Each Trading Privilege Holder involved in any Exchange of Contract for Related Position transaction shall either maintain records evidencing compliance with the criteria set forth in this Rule 414 or be able to obtain such records from its Customer involved in the Exchange of Contract for Related Position transaction. Such records shall include, without limitation, documentation relating to the Related Position portion of the Exchange of Contract for Related Position transaction, including those documents customarily generated in accordance with Related Position market practices which demonstrate the existence and nature of the Related

Position portion of the transaction. Upon request by the Exchange and within the time frame designated by the Exchange, any such Trading Privilege Holder shall produce satisfactory evidence that an Exchange of Contract for Related Position transaction meets the requirements set forth in this Rule 414.

(i)[(h)] Each Trading Privilege Holder executing an Exchange of Contract for Related Position transaction must have at least one designated [Person]individual that is either a Trading Privilege Holder or a Related Party of a Trading Privilege Holder and is pre-authorized by a Clearing Member to report Exchange of Contract for Related Position transactions on behalf of the Trading Privilege Holder ("Authorized Reporter")[. When an entity designated as an Authorized Reporter reports an Exchange of Contract for Related Position transaction, the report must be made by one Related Party of that entity respecting that specific transaction]. Only an Authorized Reporter of a Trading Privilege Holder will be allowed to report an Exchange of Contract for Related Position transaction on behalf of that Trading Privilege Holder. A Clearing Member that authorizes an Authorized Reporter to report Exchange of Contract for Related Position transactions on behalf of a Trading Privilege Holder accepts responsibility for all such transactions reported to the Exchange by that Authorized Reporter on behalf of the Trading Privilege Holder. Any designation of an Authorized Reporter or revocation of a previous designation of an Authorized Reporter, including any termination of the guarantee provided for in the preceding sentence, must be made in a form and manner prescribed by the Exchange and shall become effective as soon as the Exchange is able to process the designation or revocation. If a Clearing Member authorizes an Authorized Reporter to report Exchange of Contract for Related Position transactions on behalf of a Trading Privilege Holder, the Clearing Member must also authorize the Authorized Reporter to report Block Trades on behalf of the Trading Privilege Holder pursuant to Rule 415. Both the parties to and Authorized Reporters for an Exchange of Contract for Related Position transaction are obligated to comply with the requirements set forth in Rule 414, and any of these parties or Authorized Reporters may be held responsible by the Exchange for noncompliance with those requirements.

(j)[(i)] Each party to an Exchange of Contract for Related Position transaction is obligated to have an Authorized Reporter notify the [Help Desk]Exchange of the terms of the transaction after the transaction is agreed upon. This notification must be made [by e-mail. For this purpose, agreement to the transaction includes, without limitation, agreement to the quantity and actual price or premium of the Contract leg of the transaction (except in the case of a TAS Exchange of Contract for Related Position transaction that is permitted by the rules governing the relevant Contract, in which case agreement to the transaction includes, without limitation, agreement upon the quantity of the Contract leg of the transaction and whether the price or premium of the Contract leg of the transaction will be the daily settlement price or an agreed upon differential above or below the daily settlement price). Unless otherwise specified in the rules governing the relevant Contract, this notification to the Help Desk shall be made without delay and by no later than thirty minutes after the transaction is agreed upon ("Reporting Deadline"). The chart below sets forth the permissible time periods during which an Exchange of Contract for Related Position transaction may be]in accordance with paragraph (l) below within a Permissible Reporting Period by no later than the Reporting Deadline. All Exchange of Contract for Related Position transactions will be submitted for clearing on the Business Day during which the transaction is fully reported to the Exchange.[Based upon the time

of notification to the Exchange of the transaction, the chart below also sets forth the Business Day for which the Contract leg of the transaction will be submitted for clearing and when the Help Desk will report the Contract leg of the transaction and provide a written transaction summary pursuant to paragraph (k) below. All times included in the chart below are Chicago time.

Time of Notification to the Exchange	Business Day for Which Contract Leg Submitted for Clearing	When Help Desk Reports Contract Leg
5:00 p.m. Sunday to 3:15 p.m. Monday	Business Day of transaction. Next Business Day for Trade at Settlement (TAS) transactions reported after 3:13 p.m.	As soon as practicable following notification to Help Desk.
3:15 p.m. to 3:30 p.m. Monday – Thursday	Calendar day of the transaction or next Business Day, as designated by Authorized Reporters. Next Business Day for TAS transactions.	As soon as practicable after trading next commences following notification to Help Desk.
3:15 p.m. to 3:30 p.m. Friday	Calendar day of the transaction. TAS transactions may not be reported after 3:13 p.m.	As soon as practicable following notification to Help Desk.
3:30 p.m. to 4:00 p.m. Monday - Thursday	Calendar day of the transaction or next Business Day, as designated by Authorized Reporters. Business Day of the transactions for TAS transactions.	As soon as practicable following notification to Help Desk.
4:00 p.m. previous day to 3:15 p.m. Tuesday – Friday	Business Day of transaction. Next Business Day for TAS transactions reported after 3:13 p.m. Tuesday – Thursday. TAS transactions may not be reported after 3:13 p.m. on Friday.	As soon as practicable following notification to Help Desk.

Time of Notification to the Exchange	Business Day for Which Contract Leg Submitted for Clearing	When Help Desk Reports Contract Leg
3:30 p.m. Friday to 5:00 p.m. Sunday	No transactions may be reported to the Exchange during this time period when the Exchange is closed.	

Pursuant to paragraph (k) below, the Help Desk will provide a written transaction summary to each Authorized Reporter on the Business Day for which the Contract leg of the transaction is submitted for clearing or on the Calendar Day of the transaction.The Exchange may modify the days and times during which the foregoing notification, reporting, and clearance submission provisions will be applicable in the event that the Exchange will not be open for business or will have shortened Trading Hours in connection with a holiday or a period of mourning.]

(k)[(j)] The notification to the [Help Desk]Exchange of an Exchange of Contract for Related Position transaction shall include (i) [the identity, contract expiration, price or premium, quantity, and time of execution of the relevant Contract leg (i.e., the time the parties agreed to the Exchange of Contract for Related Position transaction), (ii) the counterparty Clearing Member, (iii) the identity, quantity and price of the Related Position, and (iv]whether the component of the transaction in the Contract listed on the Exchange is a single leg transaction, a transaction in a spread or transaction in a strip; (ii) the Contract identifier (or product and contract expiration for a future or product, expiration, strike price and type of option (put or call) in the case of an option), price (or premium for an option) and quantity of the relevant Contract leg of the transaction and whether the relevant Contract leg is buy or sell; (iii) the time of execution (i.e., the time at which the parties agreed to the transaction); (iv) the arrangement time, if any (i.e., the time at which the parties agreed to enter into the transaction at a later time); (v) Operator ID; (vi) EFID; (vii) account; (viii) Clearing Corporation origin code; (ix) Customer Type Indicator code; (x) the identity, quantity and price or premium of the Related Position (including the expiration, strike price, type of option (put or call) and delta in the case of an option); and (xi) any other information required by the Exchange.[After the notification of an Exchange of Contract for Related Position transaction has been provided to the Help Desk, the Exchange of Contract for Related Position transaction may not be changed and the Exchange of Contract for Related Position transaction may not be cancelled (provided, however, that corrections to any inaccuracies in the transaction summary of the Exchange of Contract for Related Position transaction provided by the Help Desk may be made as provided in paragraph (k) below.

(k)   The Help Desk will report the Contract leg of the transaction to the CBOE System. The Help Desk will also provide a written transaction summary on the Business Day for which the Contract leg of the transaction is submitted for clearing or on the Calendar Day of the transaction to the Authorized Reporters that reported the transaction to the Help Desk on behalf of each party to the transaction. The transaction summary will include the transaction information reported to the Help Desk by the Authorized Reporters and any other relevant information included by the Help Desk. The Authorized Reporters and the parties to the transaction shall have thirty minutes from the time the Help Desk transmits the transaction summary to Authorized Reporters to notify the Help Desk of any inaccuracies in the content of

the transaction summary and of the corrections to any inaccurate information. It is the responsibility of the buying and selling parties to effect any subsequent allocations or necessary updates to non-critical matching fields utilizing a post-trade processing system designated by the Exchange.]

(l)   [The Help Desk may review an Exchange of Contract for Related Position transaction for compliance with the requirements of this Rule and may determine not to permit the Exchange of Contract for Related Position transaction to be consummated, or may bust an Exchange of Contract for Related Position transaction for which the Contract leg has been posted or for which the Help Desk has transmitted a transaction summary, if the Help Desk determines that the Exchange of Contract for Related Position transaction does not conform with those requirements.]Authorized Reporters shall provide notification to the Exchange of Exchange of Contract for Related Position transactions by reporting them to the CFE System in a form and manner prescribed by the Exchange. The CFE System includes a mechanism, in a form and manner provided by the Exchange, for:

> (i)   the Authorized Reporter that is the initiator of a notification of an Exchange of Contract for Related Position transaction to enter information regarding the transaction; and

> (ii)   the Authorized Reporter for the contra side of the transaction to accept the notification to the Exchange of the transaction as entered by the initiating Authorized Reporter and enter contra side information for the transaction.

The Authorized Reporter that is the initiator of a notification of an Exchange of Contract for Related Position transaction may not cancel or revise the notification after it has been entered into the CFE System while it awaits acceptance by the Authorized Reporter for the contra side of the transaction. The Authorized Reporter that is the initiator of a notification of an Exchange of Contract for Related Position transaction must enter the required information for the transaction into the CFE System and provide the reference ID generated by the CFE System to the Authorized Reporter for the contra side of the transaction promptly enough to allow a reasonable amount of time for the contra side Authorized Reporter to accept the notification to the Exchange of the transaction as entered by the initiating Authorized Reporter and enter contra side information for the transaction within a Permissible Reporting Period by no later than the Reporting Deadline. An Exchange of Contract for Related Position transaction may not be changed or canceled after it has been fully reported to the Exchange, except to the extent that the Contract leg(s) of the transaction may be busted by the Trade Desk in accordance with Policy and Procedure III.

(m)   For timing purposes in connection with measuring adherence to Permissible Reporting Periods and the Reporting Deadline, an Exchange of Contract for Related Position transaction shall be deemed to have been fully reported to the Exchange when the full report of the transaction has been received by the CFE System matching engine following notification to the CFE System of required information relating to the transaction by the initiating Authorized Reporter and acceptance and notification to the CFE System of required information relating to the transaction by the contra side Authorized Reporter.

(n)   The Exchange may modify a Permissible Agreement Period, Reporting Deadline, Permissible Reporting Period, and/or permissible manner of notification to the Exchange of an Exchange of Contract for Related Position transaction in the event of unusual circumstances.

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415. Block [Trading]Trades

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(c)   [Block Trades with respect to any Contract may occur (i) during the Trading Hours for the applicable Contract and (ii) outside of the Trading Hours for the applicable Contract, but only if the transaction is fully reported to the Exchange during a permissible reporting period and by no later than the Reporting Deadline pursuant to paragraph (g) below. Block Trades in an expiring Contract on the last trading day for that Contract may not occur after the termination of Trading Hours in the expiring Contract on that trading day. A Block Trade in an expiring Contract that occurs during Trading Hours on the last trading day for that Contract may be reported to the Exchange after Trading Hours, but only if the transaction is fully reported to the Exchange by no later than the Reporting Deadline pursuant to paragraph (g) below. Each party to a Block Trade shall comply with all applicable Rules of the Exchange other than those which by their terms only apply to trading through the CBOE System.]The timing of a Block Trade must satisfy all of the following three requirements:

> (i)   The agreement to a Block Trade in a Contract may only occur during the Trading Hours, or a queuing period not in connection with a trading halt for that Contract, when that Contract is not halted or suspended ("Permissible Agreement Period"). For purposes of this Rule 415:

>> (A)   Trading Hours or a queuing period for a TAS Block Trade that is permitted by the rules governing the applicable Contract shall be deemed to include the time periods during which TAS transactions may be executed or TAS Orders may be entered in that Contract (and not any other time periods).

>> (B)   Agreement to a Block Trade includes, without limitation, agreement to the quantity and actual price or premium of the Block Trade (except in the case of a TAS Block Trade that is permitted by the rules governing the applicable Contract, in which case agreement to the transaction includes, without limitation, agreement upon the quantity of the Block Trade and whether the price or premium of the Block Trade will be the daily settlement price or an agreed upon differential above or below the daily settlement price).

> (ii)   Unless otherwise specified in the rules governing the relevant Contract, a Block Trade must be fully reported to the Exchange without delay and by no later than ten minutes after the transaction is agreed upon ("Reporting Deadline"). The Reporting Deadline is measured from the

time the transaction is agreed upon to the time that the full report of the transaction is received by the CFE System matching engine.

       (iii)   A Block Trade in a Contract must be fully reported to the Exchange during the Trading Hours, or a queuing period, for that Contract, when that Contract is not suspended ("Permissible Reporting Period").

Accordingly, in order to satisfy the requirements of this paragraph (c), the time periods in which a Block Trade may occur are limited to those time periods in which:

       (i)   the transaction is agreed to within a Permissible Agreement Period; and

       (ii)   the transaction is able to be fully reported to the Exchange within a Permissible Reporting Period by no later than the Reporting Deadline.

Block Trades in an expiring Contract on the last trading day for that Contract may not be agreed to or reported to the Exchange after the termination of Trading Hours in the expiring Contract on that trading day.

As an example of the application of the ten minute Reporting Deadline and the Permissible Reporting Period: A Block Trade involving a VX future (other than an expiring VX future on its last trading day) that is agreed upon after 3:50 p.m. and before 4:00 p.m. Monday – Friday (during the extended trading hours for VX futures that end at 4:00 p.m.) must be fully reported to the Exchange by 4:00 p.m. of the calendar day of the transaction even though this provides less than ten minutes to fully report the transaction. All times referenced in this example are Chicago time.

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(e)   Each Trading Privilege Holder that is party to a Block Trade shall record the following details on its order ticket: (i) the Contract (including the expiration)[to which such Block Trade relates]; (ii) the number of [Contracts]contracts traded; (iii) the price of execution or premium; (iv) the time of execution (i.e., the time at which the parties agreed to the Block Trade); (v) the arrangement time, if any (i.e., the time at which the parties agreed to enter into the Block Trade at a later time); (vi) the identity of the counterparty; (vii) that the transaction is a Block Trade; [and,](viii) if applicable, the account number of the Customer for which the Block Trade was executed[, the underlying commodity, whether the transaction involved a put or a call and the]; and (ix) if applicable, the expiration, strike price and type of option (put or call) in the case of an option. Every Trading Privilege Holder handling, executing, clearing or carrying Block Trades or positions shall identify and mark as such by appropriate symbol or designation all Block Trades or positions and all orders, records and memoranda pertaining thereto. Upon request by the Exchange and within the time frame designated by the Exchange, any such Trading Privilege Holder shall produce satisfactory evidence, including the order ticket referred to in the preceding sentence, that the Block Trade meets the requirements set forth in this Rule 415.

(f)   Each Trading Privilege Holder executing[a side of] a Block Trade must have at least one designated [Person]individual that is either a Trading Privilege Holder or a Related Party of a Trading Privilege Holder and is pre-authorized by a Clearing Member to report Block Trades on behalf of the Trading Privilege Holder ("Authorized Reporter")[. If an entity designated as an Authorized Reporter reports a Block Trade, the report must be made by a Related Party of that entity]. Only an Authorized Reporter of a Trading Privilege Holder will be allowed to report a Block Trade on behalf of that Trading Privilege Holder. A Clearing Member that authorizes an Authorized Reporter to report Block Trades on behalf of a Trading Privilege Holder accepts responsibility for all such transactions reported to the Exchange by that Authorized Reporter on behalf of the Trading Privilege Holder. Any designation of an Authorized Reporter or revocation of a previous designation of an Authorized Reporter, including any termination of the guarantee provided for in the preceding sentence, must be made in a form and manner prescribed by the Exchange and shall become effective as soon as the Exchange is able to process the designation or revocation. If a Clearing Member authorizes an Authorized Reporter to report Block Trades on behalf of a Trading Privilege Holder, the Clearing Member must also authorize the Authorized Reporter to report Exchange of Contract for Related Position transactions on behalf of the Trading Privilege Holder pursuant to Rule 414. Both the parties to and Authorized Reporters for a Block Trade are obligated to comply with the requirements set forth in Rule 415, and any of these parties or Authorized Reporters may be held responsible by the Exchange for noncompliance with those requirements.

(g)   Each party to a Block Trade is obligated to have an Authorized Reporter notify the [Help]Exchange of the terms of the [transaction]Block Trade after the transaction is agreed upon. This notification must be made [by e-mail. For this purpose, agreement to the transaction includes, without limitation, agreement to the quantity and actual price or premium of the Block Trade (except in the case of a TAS Block Trade that is permitted by the rules governing the relevant Contract, in which case agreement to the transaction includes, without limitation, agreement upon the quantity of the Block Trade and whether the price or premium of the Block Trade will be the daily settlement price or an agreed upon differential above or below the daily settlement price). Unless otherwise specified in the rules governing the relevant Contract, this notification to the Help Desk shall be made without delay and by no later than ten minutes after the transaction is agreed upon ("Reporting Deadline"). The chart below sets forth the permissible time periods during which a Block Trade may be]in accordance with paragraph (i) below within a Permissible Reporting Period by no later than the Reporting Deadline. All Block Trades will be submitted for clearing on the Business Day during which the transaction is fully reported to the Exchange.[Based upon the time of notification to the Exchange of the transaction, the chart below also sets forth when the Help Desk will report the Block Trade and provide a written transaction summary pursuant to paragraph (i) below and the Business Day for which the Block Trade will be submitted for clearing. All times included in the chart below are Chicago time.

Time of Notification to the Exchange	Business Day for Which Block Trade Submitted for Clearing	When Help Desk Reports Block Trade
5:00 p.m. Sunday to 3:15 p.m. Monday	Business Day of transaction.	

Time of Notification to the Exchange	Business Day for Which Block Trade Submitted for Clearing	When Help Desk Reports Block Trade
	Next Business Day for Trade at Settlement (TAS) transactions reported after 3:13 p.m.	As soon as practicable following notification to Help Desk.
3:15 p.m. to 3:30 p.m. Monday – Thursday	Calendar day of the transaction or next Business Day, as designated by Authorized Reporters. Next Business Day for TAS transactions.	As soon as practicable after trading next commences following notification to Help Desk.
3:15 p.m. to 3:30 p.m. Friday	Calendar day of the transaction. TAS transactions may not be reported after 3:13 p.m.	As soon as practicable following notification to Help Desk.
3:30 p.m. to 4:00 p.m. Monday – Thursday	Calendar day of the transaction or next Business Day, as designated by Authorized Reporters. Business Day of the transactions for TAS transactions.	As soon as practicable following notification to Help Desk.
4:00 p.m. previous day to 3:15 p.m. Tuesday – Friday	Business Day of transaction. Next Business Day for TAS transactions reported after 3:13 p.m. Tuesday – Thursday. TAS transactions may not be reported after 3:13 p.m. on Friday.	As soon as practicable following notification to Help Desk.
3:30 p.m. Friday to 5:00 p.m. Sunday	No Block Trades may be reported to the Exchange during this time period when the Exchange is closed.	

Pursuant to paragraph (i) below, the Help Desk will provide a written transaction summary to each Authorized Reporter on the Business Day for which the Block Trade is submitted for clearing or on the Calendar Day of the transaction.

The Exchange may modify the days and times during which the foregoing notification, reporting, and clearance submission provisions will be applicable in the event that the Exchange will not be open for business or will have shortened Trading Hours in connection with a holiday or a period of mourning.]

(h)   The notification to the [Help Desk with respect to a Block Trade shall include the relevant Contract, contract expiration, price or premium, quantity, time of execution (i.e., the time the parties agreed to the Block Trade), counterparty Clearing Member and, if applicable, the underlying commodity, whether the transaction involved a put or a call and the strike price, and any other information that is required by the Exchange. After the notification of a Block Trade has been provided to the Help Desk, the terms of the Block Trade may not be changed and the Block Trade may not be cancelled (provided, however, that corrections to any inaccuracies in the transaction summary of the Block Trade provided by the Help Desk may be made as provided in paragraph (i) below).]Exchange of a Block Trade shall include (i) whether the Block Trade is a single leg transaction, a transaction in a spread or a transaction in a strip; (ii) the Contract identifier (or product and contract expiration for a future or product, expiration, strike price and type of option (put or call) in the case of an option), price (or premium for an option) and quantity of the Block Trade and whether the Block Trade is buy or sell; (iii) the time of execution (i.e., the time at which the parties agreed to the transaction); (iv) the arrangement time, if any (i.e., the time at which the parties agreed to enter into the transaction at a later time); (v) Operator ID; (vi) EFID; (vii) account; (viii) Clearing Corporation origin code; (ix) Customer Type Indicator code; and (x) any other information required by the Exchange.

[(i)   The Help Desk will report both sides of the Block Trade to the CBOE System. The Help Desk will also provide a written transaction summary on the Business Day for which the Block Trade is submitted for clearing or on the Calendar Day of the transaction to the Authorized Reporters that reported the Block Trade to the Help Desk on behalf of each party to the Block Trade. The transaction summary will include the trade information reported to the Help Desk by the Authorized Reporters and any other relevant information included by the Help Desk. The Authorized Reporters and the parties to the Block Trade shall have thirty minutes from the time the Help Desk transmits the transaction summary to Authorized Reporters to notify the Help Desk of any inaccuracies in the content of the transaction summary and of the corrections to any inaccurate information. It is the responsibility of the buying and selling Trading Privilege Holders to effect any subsequent allocations or necessary updates to non-critical matching fields utilizing a post-trade processing system designated by the Exchange.]

(i)   Authorized Reporters shall provide notification to the Exchange of Block Trades by reporting them to the CFE System in a form and manner prescribed by the Exchange. The CFE System includes a mechanism, in a form and manner provided by the Exchange, for:

          (i)   the Authorized Reporter that is the initiator of a notification of a Block Trade to enter information regarding the transaction; and

          (ii)   the Authorized Reporter for the contra side of the Block Trade to accept the notification to the Exchange of the transaction as entered

by the initiating Authorized Reporter and enter contra side information for the transaction.

The Authorized Reporter that is the initiator of a notification of a Block Trade may not cancel or revise the notification after it has been entered into the CFE System while it awaits acceptance by the Authorized Reporter for the contra side of the transaction. The Authorized Reporter that is the initiator of a notification of a Block Trade must enter the required information for the transaction into the CFE System and provide the reference ID generated by the CFE System to the Authorized Reporter for the contra side of the transaction promptly enough to allow a reasonable amount of time for the contra side Authorized Reporter to accept the notification to the Exchange of the transaction as entered by the initiating Authorized Reporter and enter contra side information for the transaction within a Permissible Reporting Period by no later than the Reporting Deadline. A Block Trade may not be changed or canceled after it has been fully reported to the Exchange, except to the extent that the transaction may be busted by the Trade Desk in accordance with Policy and Procedure III.

(j)   For timing purposes in connection with measuring adherence to Permissible Reporting Periods and the Reporting Deadline, a Block Trade shall be deemed to have been fully reported to the Exchange when the full report of the transaction has been received by the CFE System matching engine following notification to the CFE System of required information relating to the transaction by the initiating Authorized Reporter and acceptance and notification to the CFE System of required information relating to the transaction by the contra side Authorized Reporter.

(k)   The Exchange may modify a Permissible Agreement Period, Reporting Deadline, Permissible Reporting Period, and/or permissible manner of notification to the Exchange of a Block Trade in the event of unusual circumstances.

* * * * *

603.   Market Manipulation

Any manipulation of the market in any Contract is prohibited. Orders entered into the [CBOE]CFE System for the purpose of generating unnecessary volatility or creating a condition in which prices do not or will not reflect fair market values are prohibited and any Trading Privilege Holder (including its respective Related Parties) who makes or assists in entering any such Order with knowledge of the purpose thereof or who, with such knowledge, in any way assists in carrying out any plan or scheme for the entering of any such Order, shall be deemed to have engaged in an act detrimental to the Exchange.

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620.   Disruptive Practices

(a)   No Trading Privilege Holder nor any of its Related Parties shall engage in any trading, practice or conduct on the Exchange or subject to the Rules of the Exchange that:

   (i) Violates bids or offers;

   (ii) Demonstrates intentional or reckless disregard for the orderly execution of transactions during the closing period; or

   (iii) Is, is of the character of, or is commonly known to the trade as "spoofing" (bidding or offering with the intent to cancel the bid or offer before execution).

(b) All Orders must be entered for the purpose of executing bona fide transactions. Additionally, all non-actionable messages must be entered in good faith for legitimate purposes.

   (i) No Person shall enter or cause to be entered an Order[or quote] with the intent, at the time of entry, to cancel the Order[or quote] before execution or to modify the Order[or quote] to avoid execution;

   (ii) No Person shall enter or cause to be entered an actionable or non-actionable message or messages with intent to mislead other market participants;

   (iii) No Person shall enter or cause to be entered an actionable or non-actionable message or messages with intent to overload, delay, or disrupt the systems of the Exchange or other market participants; and

   (iv) No Person shall enter or cause to be entered an actionable or non-actionable message with intent to disrupt, or with reckless disregard for the adverse impact on, the orderly conduct of trading or the fair execution of transactions.

The provisions of this Rule apply to all market states, including the pre-opening period, the closing period, and all trading sessions.

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714. Imposition of Fines for Minor Rule Violations

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(f) The following is a list of the rule violations subject to, and the applicable fines that may be imposed by the Exchange pursuant, this Rule 714:

   (i) **Failure to Include an Order Entry Operator ID with Order[or Quote] that is Submitted to the [CBOE]CFE System. (Rule 303A(a))**

      Improper Use of Order Entry Operator IDs.
      (Rules 303A(b) and 303A(c))

Failure to Comply with Issuance, Recordkeeping and Reporting Requirements Related to Order Entry Operator IDs. (Rule 303A(d))

Number of Cumulative Violations in Any Twelve (12) Month Rolling Period	*Fine Amount*
First Offense…………..………..............	Letter of Caution
Second Offense…..……………………	$2,500
Third Offense……...……...……………	$10,000
Subsequent Offenses………..…………	Referral to Business Conduct Committee

(ii) **Failure to Identify Correct [Account]<u>Customer</u> Type <u>Indicator Code </u>in Order. (Rule 403(a)([vii]<u>x</u>))**

Number of Cumulative Violations in Any Twelve (12) Month Rolling Period	*Fine Amount*
First Offense…………..………...........	Letter of Caution
Second Offense…..……………………	$2,500
Third Offense……...……...……………	$5,000
Fourth Offense……...…………………	$7,500
Fifth Offense………..…………………..	$10,000
Subsequent Offenses………..………..	Referral to Business Conduct Committee

(iii) **Failure to Provide Correct Account Designation in Order. (Rule 403(a)([viii]<u>xii</u>))**

Number of Cumulative Violations in Any Twenty-Four (24) Month Rolling Period	*Fine Amount*
First Offense…………..………...........	Letter of Caution
Second Offense…..……………………	$2,500
Third Offense……...……...……………	$10,000
Subsequent Offenses………..…………	Referral to Business Conduct Committee

(iv) **Failure to Comply with Order Form Preparation and Recordkeeping Requirements Relating to Orders Which Cannot Be Immediately Entered into the [CBOE]<u>CFE</u> System. (Rule 403(b))**

Failure to Maintain Front-End Audit Trail Information for All Electronic Orders Entered into the [CBOE]<u>CFE</u> System, Including Order Modifications and Cancellations. (Rule 403(c))

Number of Cumulative Violations in Any Twelve (12) Month Rolling Period	*Fine Amount*
First Offense…………..………...........	Letter of Caution
Second Offense…..……………………	$2,500
Third Offense……...……...……………	$10,000
Subsequent Offenses………..…………	Referral to Business Conduct Committee

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(viii) **Failure to Comply with Order Marking Requirement for Exchange of Contract for Related Position Transactions. (Rule 414([f]g))**

Failure to Comply with Recordkeeping Requirement for Exchange of Contract for Related Position Transactions. (Rule 414([g]h))

Number of Cumulative Violations in Any Twelve (12) Month Rolling Period	*Fine Amount*
First Offense…………….……………...	Letter of Caution
Second Offense……………...…………	$2,500
Third Offense……………….....…...……	$10,000
Subsequent Offenses……………...……...	Referral to Business Conduct Committee

(ix) **Failure to Comply with Exchange of Contract for Related Position Transaction Rule Provisions Relating to Authorized Reporter. (Rule 414([h]i))**

Number of Cumulative Violations in Any Twelve (12) Month Rolling Period	*Fine Amount*
First Offense…………………………....	Letter of Caution
Second Offense……………...…………	$10,000
Subsequent Offenses……………...……...	Referral to Business Conduct Committee

(x) **Failure to Comply with Exchange of Contract for Related Position Transaction Reporting Requirements. (Rules 414([i]k) and 414([j]l))**

Number of Cumulative Violations in Any Twelve (12) Month Rolling Period	*Fine Amount*
First Offense…………….………...........	Letter of Caution
Second Offense…..………………….……	$7,500
Third Offense…..……...……………..……	$15,000
Subsequent Offenses………..……………	Referral to Business Conduct Committee

* * * * *

(xiv) **Failure to Comply with Block Trade Reporting Requirements. (Rules 415([g]h) and 415([h]i))**

Number of Cumulative Violations in Any Twelve (12) Month Rolling Period	*Fine Amount*
First Offense…………….………...........	Letter of Caution
Second Offense…..………………….……	$7,500
Third Offense…..……...……………..……	$15,000
Subsequent Offenses………..……………	Referral to Business Conduct Committee

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1602. Contract Specifications

(n)   *Reportable Position and Trading Volume.*

(i)   *Reportable Position.* Pursuant to Commission Regulation §15.03 and Commission Regulation Part 17, the position level that is required to be reported to the Commission is any open position in a Volatility Index futures contract at the close of trading on any trading day equal to or in excess of 200 contracts on either side of the market.

(ii)   *Reportable Trading Volume*. Pursuant to Commission Regulation §15.04 and Commission Regulation Part 17, the reportable trading volume that triggers the requirement to report a volume threshold account to the Commission is 50 or more futures contracts in a Volatility Index futures contract during a single trading day or such other reportable trading volume threshold as may be designated by the Commission.

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1802. Contract Specifications

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(o)   *Block Trades*. Pursuant to Rule 415(a)(i), the minimum Block Trade quantity for each Single Stock Future shall be 100 contracts, unless otherwise set forth in the Specifications Supplement for that Single Stock Future. If the Block Trade is executed as a [spread order]Spread Order, one leg must meet the minimum Block Trade quantity for the particular Single Stock Future and the other leg(s) must have a contract size that is reasonably related to the leg meeting the minimum Block Trade quantity.

No natural person associated with a Trading Privilege Holder or Authorized Trader that has knowledge of a pending Block Trade of such Trading Privilege Holder or Authorized Trader, or a Customer thereof in a Single Stock Future on the Exchange, may enter an Order or execute a transaction, whether for his or her own account or, if applicable, for the account of a Customer over which he or she has control, for or in the Single Stock Future to which such Block Trade relates until after (i) such Block Trade has been reported to and published by the Exchange and (ii) any additional time period from time to time prescribed by the Exchange in its block trading procedures or contract specifications has expired.

No natural person associated with a Trading Privilege Holder or Authorized Trader that has knowledge of a pending Block Trade of such Trading Privilege Holder or Authorized Trader, or a Customer thereof in a Single Stock Future on any other exchange or trading system, may enter an Order or execute a transaction on the Exchange, whether for his or her own account or, if applicable, for the account of a Customer over which he or she has control, for any Single Stock Future which has the same underlying security as the contract to which such block trade relates until after (i) such block trade is reported and published in accordance with the rules, procedures or contract specifications of such exchange or trading system and (ii) any

additional time period prescribed by the Exchange in its block trading procedures or contract specifications has expired.

(p)   *No-Bust Range*. Pursuant to Rule 416, the Exchange error trade policy may only be invoked for a trade price that is greater than 10% on either side of the market price of the applicable Single Stock Future contract. In accordance with Policy and Procedure III, the [Help]Trade Desk will determine what the true market price for the relevant Contract was immediately before the potential error trade occurred. In making that determination, the [Help]Trade Desk may consider all relevant factors, including the last trade price for such Contract, a better bid or offer price, a more recent price in a different contract month and the prices of related contracts trading in other markets.

(q)   *Pre-execution Discussions*. The Order Exposure Period under Policy and Procedure IV before an Order may be entered to take the other side of another Order with respect to which there has been pre-execution discussions is five seconds after the first Order was entered into the [CBOE]CFE System.

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1902.   Contract Specifications

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(m)   *Block Trades*. Pursuant to Rule 415(a)(i), the minimum Block Trade quantity for each Narrow Based Stock Index Future shall be 100 contracts, unless otherwise set forth in the Specifications Supplement for that Narrow Based Stock Index Future. If the Block Trade is executed as a [spread order]Spread Order, one leg must meet the minimum Block Trade quantity for the particular Narrow Based Stock Index Future and the other leg(s) must have a contract size that is reasonably related to the leg meeting the minimum Block Trade quantity.

No natural person associated with a Trading Privilege Holder or Authorized Trader that has knowledge of a pending Block Trade of such Trading Privilege Holder or Authorized Trader, or a Customer thereof in a Narrow-Based Stock Index Future on the Exchange, may enter an Order or execute a transaction, whether for his or her own account or, if applicable, for the account of a Customer over which he or she has control, for or in the Narrow-Based Stock Index Future to which such Block Trade relates until after (i) such Block Trade has been reported to and published by the Exchange and (ii) any additional time period from time to time prescribed by the Exchange in its block trading procedures or contract specifications has expired.

No natural person associated with a Trading Privilege Holder or Authorized Trader that has knowledge of a pending Block Trade of such Trading Privilege Holder or Authorized Trader, or a Customer thereof in a Narrow-Based Stock Index Future on any other exchange or trading system, may enter an Order or execute a transaction on the Exchange, whether for his or her own account or, if applicable, for the account of a Customer over which he or she has control, for any Narrow-Based Stock Index Future which has the same underlying index as the contract to which such block trade relates until after (i) such block trade is reported and published in accordance with the rules, procedures or contract specifications of such exchange or trading system

and (ii) any additional time period prescribed by the Exchange in its block trading procedures or contract specifications has expired.

(n)   *No-Bust Range*. Pursuant to Rule 416, the Exchange error trade policy may only be invoked for a trade price that is greater than 10% on either side of the market price of the applicable Narrow-Based Stock Index Future. In accordance with Policy and Procedure III, the [Help]Trade Desk will determine what the true market price for the relevant Contract was immediately before the potential error trade occurred. In making that determination, the [Help]Trade Desk may consider all relevant factors, including the last trade price for such Contract, a better bid or offer price, a more recent price in a different contract month and the prices of related contracts trading in other markets.

(o)   *Pre-execution Discussions*. The Order Exposure Period under Policy and Procedure IV before an Order may be entered to take the other side of another Order with respect to which there has been pre-execution discussions is five seconds after the first Order was entered into the [CBOE]CFE System.

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Cboe Futures Exchange, LLC
Policies and Procedures

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XVIII. Disruptive Trading Practices (Rule 620)

Rule 620 prohibits disruptive trading practices as described by the Rule. The following are a non-exclusive list of factors that the Exchange may consider in assessing whether conduct violates Rule 620.

A.   Factors the Exchange may consider in assessing whether conduct violates Rule 620

The Exchange may consider a variety of factors in assessing whether conduct violates Rule 620, including, but not limited to:

- whether the market participant's intent was to induce others to trade when they otherwise would not;

- whether the market participant's intent was to affect a price rather than to change the market participant's position;

- whether the market participant's intent was to create misleading market conditions;

- market conditions in the impacted market(s) and related markets;

- the effect on other market participants;

- the market participant's historical pattern of activity;

- the market participant's Order[1] entry and cancellation activity;

- the size of the Order(s) relative to market conditions at the time the Order(s) was placed;

- the size of the Order(s) relative to the market participant's position and/or capitalization;

- the number of Orders;

- the ability of the market participant to manage the risk associated with the Order(s) if fully executed;

- the duration for which the Order(s) is exposed to the market;

- the duration between, and frequency of, non-actionable messages;

- the queue position or priority of the Order in the order book;

- the prices of preceding and succeeding bids, offers, and trades;

- the change in the best offer price, best bid price, or last sale price[, or other price (such as the Expected Opening Price ("EOP"))] that results from the entry of the Order; and

- the market participant's activity in related markets.

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J.   "Actionable" and "non-actionable messages in relation to Rule 620(b)(ii), (iii), and (iv)

Actionable messages are messages that can be accepted by another party or[otherwise] lead to the execution of a trade or cancelation of an Order. An example of an actionable message is an Order message. Non-actionable messages are those messages submitted to the Exchange that relate to a non-actionable event. An example of a non-actionable message is a [Request for Quote]heartbeat message transmitted to the CFE System.

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Q.   Cancelling an Order via the Exchange's [Self-]Match Trade Prevention functionality or other self-match prevention technology

The means by which an Order is cancelled, in and of itself, is not an indicator of whether an Order violates Rule 620. The use of [self-]match trade prevention functionality in a manner that causes a disruption to the market may constitute a violation of Rule 620. Further, if the resting Order that was cancelled was non-bona fide *ab initio*, it would be considered to have been entered in violation of Rule 620.

[1 For purposes of this Policy and Procedure, all references to Orders include Orders and quotes.]

R.   Type of pre-open activity prohibited by Rule 620

Orders entered during the pre-opening period [and]or opening [rotation period]process must be entered for the purpose of executing bona fide transactions upon the opening of the market.

The entry and cancellation of Orders during the pre-opening period [and]or opening [rotation period]process for the purpose of either manipulating the [EOP]expected opening price or attempting to identify the depth of the order book at different price levels is prohibited and may be deemed a violation of Rule 620 or other rules.

Other activity related to the pre-opening period may also be considered disruptive, including but not limited to the entry of orders prior to the commencement of the pre-opening period in an attempt to "time" the price-time priority queue for Trade at Settlement ("TAS") transactions, or other similar purposes. For example, during the time period between Exchange Business Days for a [Contract]product, the entry into the [CBOE]CFE System of a TAS Order in that [Contract]product prior to the time at which the [CBOE]CFE System disseminates the first Pre-Opening Notice [for that Contract]under Rule 405[B(a)]A(a) for TAS Orders in that product is prohibited and may be deemed a violation of Rule 620, Rule 404A(c) or other rules. The [CBOE]CFE System disseminates a Pre-Opening Notice for each TAS Contract[expiration and spread], and the first Pre-Opening Notice for a [particular]TAS Contract [expiration or spread]in a product is the Pre-Opening Notice that establishes the time at which TAS Orders may be submitted for [that particular TAS Contact expiration or spread]all TAS Contacts in that product.

S.   Orders entered into the [CBOE]CFE System for the purpose of testing, such as to verify a connection to the [CBOE]CFE System or a data feed from the [CBOE]CFE System

[CFE]The Exchange provides a testing environment and test symbols in the [CBOE]CFE System for Trading Privilege Holders to use for the purpose of testing. The entering of an Order(s) other than in a test environment or test symbol without the intent to execute a bona fide transaction, including for the purpose of verifying connectivity or checking a data feed, is not permissible. This prohibition does not preclude a market participant from entering a bona fide Order that is intended to be executed and where such execution may also serve some other risk management purpose, such as verifying the flow of the executed trades through the market participant's back-office systems.

T.   [Creation or execution of user-defined]Trading in spreads for the purposes of deceiving or disadvantaging other market participants

[Trading Privilege Holders are not permitted to attempt to create any user-defined spreads (i.e., spreads created by Trading Privilege Holders on their own) in the CBOE System. If a Trading Privilege Holder would like a type of CFE spread to be created that is not already available in the CBOE System, the Trading Privilege Holder should contact the Help Desk to request creation of the spread.]

Market participants are reminded that knowingly[creating and/or] trading spreads in a manner intended to deceive or unfairly disadvantage other market participants is considered a violation of Rule 620.

U.   Examples of Prohibited Activity

The following is a non-exhaustive list of various examples of conduct that may be found to violate Rule 620.

- A market participant enters one or more Orders to generate selling or buying interest in a specific contract. By entering the Orders, often in substantial size relative to the contract's overall pending order volume, the market participant creates a misleading and artificial appearance of buy- or sell-side pressure. The market participant places these large Orders at or near the best bid and offer prevailing in the market at the time. The market participant benefits from the market's reaction by either receiving an execution on an already resting Order on the opposite side of the book from the larger Order(s) or by obtaining an execution by entering an opposing side Order subsequent to the market's reaction. Once the smaller Orders are filled, the market participant cancels the large Orders that had been designed to create the false appearance of market activity. Placing a bona fide Order on one side of the market while entering Order(s) on the other side of the market without intention to trade those Orders violates Rule 620.

- A market participant places buy (or sell) Orders that the market participant intends to have executed, and then immediately enters numerous sell (or buy) Orders for the purpose of attracting interest to the resting Orders. The market participant placed these subsequent Orders to induce or trick other market participants to execute against the initial Order. Immediately after the execution against the resting Order, the market participant cancels the open Orders.

- A market participant enters one or more Orders in a particular market (Market A) to identify algorithmic activity in a related market (Market B). Knowing how the algorithm will react to order activity in Market A, the participant first enters an Order or Orders in Market B that the market participant anticipates would be filled opposite the algorithm when ignited. The participant then enters an Order or Orders in Market A for the purpose of igniting the algorithm and creating momentum in Market B. This results in the market participant's Order(s) in Market B being filled opposite the algorithm. This conduct violates Rule 620(b)(i), as the Orders in Market A were not intended to be executed, and Rule 620(b)(ii), as the Orders in Market A were intended to mislead participants in related markets. If the conduct resulted in a disruption to the orderly execution of transactions, it may also violate Rule 620(b)(iv).

- A market participant enters a large aggressor buy (sell) Order at the best offer (bid) price, trading opposite the resting sell (buy) Orders in the book, which results in the remainder of the original aggressor Order resting first in the queue at the new best bid (offer). As the market participant anticipated and intended, other participants join the market participant's best bid (offer) behind the market participant in the queue. The market participant then enters a large aggressor sell (buy) Order into the market participant's now resting buy (sell) Order at the top of the book. The market participant's use of [CFE's Self-Trade Prevention]the Exchange's match trade prevention functionality or other wash blocking functionality cancels the market participant's resting buy (sell) Order, such that market participant's aggressor sell (buy) Order then trades opposite the Orders that joined and were behind the market participant's best bid (offer) in the book.

- A market participant places large quantity Orders during the pre-opening period in an effort to artificially increase or decrease the EOP with the intent to attract other market participants. Once others join the market participant's bid or offer, the market participant cancels the market participant's Orders shortly before the opening.

- During the pre-opening period, a market participant enters a large Order priced at a bid higher than the existing best bid or at an offer lower than the existing best offer, and continues to systematically enter successive Orders priced further through the book until it causes a movement in the best bid or best offer. These Orders are subsequently cancelled. The market participant continues to employ this strategy on both sides of the market for the purpose of determining the depth of support at a specific price level for the product before the market opens.

- A market participant enters a large number of messages for the purpose of overloading the quotation systems of other market participants with excessive market data messages to create "information arbitrage."

- A market participant enters messages for the purpose of creating latencies in the market or in information dissemination by the Exchange for the purpose of disrupting the orderly functioning of the market.

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