

2013 (13-12); May 3, 2013 (13-16); October 28, 2013 (13-33); November 4, 2013 (13-35); May 1, 2014 (14-08); June 23, 2014 (14-11); December 15, 2014 (14-17); March 11, 2015 (15-004); May 4, 2015 (15-008); June 30, 2015 (15-17); May 29, 2016 (16-007); June 23, 2016 (16-011).

Special Circumstances

416. Error Trades

Any error trades shall be resolved in accordance with the policies and procedures from time to time adopted by the Exchange.

417. Regulatory Halts

(a) Trading in a Single Stock Future shall be halted at all times that a “regulatory halt” (as defined in Commission Regulation § 41.1(1)) has been instituted for the security underlying such Single Stock Future.

(b) Trading in a Narrow-Based Stock Index Future shall be halted at all times that a “regulatory halt” (as defined in Commission Regulation § 41.1(1)) has been instituted for one or more of the securities that constitute 50% or more of the market capitalization of the “narrow-based security index” (as such term is defined in Section 1a(25) of the CEA) underlying such Narrow-Based Stock Index Future.

(c) Trading in any Single Stock Futures contract (including any futures contract on an exchange-traded product) shall be halted whenever trading in the underlying security has been paused by the primary listing market. Trading in such Single Stock Futures contracts may be resumed when the interests of a fair and orderly market are best served by a resumption of trading, which in no circumstances will be before the Exchange has received notification that the underlying security has resumed trading on at least one national securities exchange.

(d) For purposes of this Rule 417, a regulatory halt, as defined in Commission Regulation §41.1(l) shall be effective as of the time the "halt" is instituted by the national securities exchange or national securities association. Accordingly, trades in a Single Stock Future or in a Narrow-Based Stock Index Future made after the time the underlying halt is instituted and before trading has been resumed in the affected Security Future Contract will be subject to cancellation or "bust" by the Exchange.

Adopted July 26, 2005 (05-20). Amended March 22, 2011 (11-05).

417A. Market-Wide Trading Halts Due to Extraordinary Market Volatility

(a) The Exchange will halt trading in all Contracts subject to this Rule and shall not reopen trading in those Contracts for the time periods specified in this Rule if there is a Level 1, 2 or 3 Market Decline. The rules governing a particular Contract shall set forth whether the Contract is subject to this Rule.

(b) For purposes of this Rule:

(i) A “Market Decline” means a decline in price of the S&P 500 Index between 8:30 a.m. and 3:00 p.m. (all times are CT) on a trading day as compared to the closing price of the S&P 500 Index for the immediately preceding trading day. The Level 1, Level 2 and Level 3 Market Declines that will be applicable for the trading day will be the levels publicly disseminated by securities information processors.

(ii) A “Level 1 Market Decline” means a Market Decline of 7%.

(iii) A “Level 2 Market Decline” means a Market Decline of 13%.

(iv) A “Level 3 Market Decline” means a Market Decline of 20%.

(c) Halts in Trading:

(i) If a Level 1 or Level 2 Market Decline occurs after 8:30 a.m. and up to and including 2:25 p.m. or, in the case of an early scheduled close, 11:25 a.m., the Exchange shall halt trading in all Contracts subject to this Rule for 15 minutes after a Level 1 or Level 2 Market Decline. The Exchange shall halt trading based on a Level 1 or Level 2 Market Decline only once per trading day. The Exchange will not halt trading if a Level 1 or Level 2 Market Decline occurs after 2:25 p.m. or, in the case of an early scheduled close, 11:25 a.m.

(ii) If a Level 3 Market Decline occurs at any time during the trading day, the Exchange shall halt trading in all Contracts subject to this Rule until the next trading day.

(d) If a circuit breaker is initiated in all Contracts subject to this Rule due to a Level 1 or Level 2 Market Decline, the Exchange may resume trading in each Contract any time after the 15-minute halt period.

(e) Nothing in this Rule shall be construed to limit the ability of the Exchange to halt or suspend trading in any Contract pursuant to any other Exchange rule or policy.

Adopted October 17, 2012 (12-26). Amended February 4, 2013 (13-04); November 13, 2014 (14-22).

418. Emergencies

(a) General. If the President, or any individual designated by the President, determines on behalf of the Board that an Emergency exists, the President or such designee, as the case may be, may take or place into immediate effect a temporary Emergency action or rule. Any such action or rule may provide for, or may authorize the Exchange, the Board or any committee thereof to

matched by the CBOE System and that the CBOE System begins to process prior to 7:59:59 a.m. Chicago time. The CBOE System will not process any trades in the expiring VX future on its final settlement date that the CBOE System does not match and begin to process prior to 7:59:59 a.m. Chicago time.

(f) *Contract Modifications.* Specifications are fixed as of the first day of trading of a contract. If any U.S. government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

(g) *Execution Priorities.* Pursuant to Rule 406(a)(i), the base allocation method of price-time priority shall apply to trading in VX futures contracts.

(h) *Crossing Two or More Original Orders.* The eligible size for an original Order that may be entered for a cross trade with one or more other original Orders pursuant to Rule 407 is one Contract. The Trading Privilege Holder or Authorized Trader, as applicable, must expose to the market for at least five seconds under Rule 407(a) at least one of the original Orders that it intends to cross.

(i) *Price Limits and Halts.*

(i) *No Price Limits.* Pursuant to Rule 413, VX futures contracts are not subject to price limits.

(ii) *Circuit Breaker Halts.* Trading in VX futures contracts shall be halted pursuant to Rule 417A if there is a Level 1, 2 or 3 Market Decline.

(iii) *Halts Due to VX Futures Price Movements During Extended Trading Hours.*

Trading in VX futures will be halted for 15 minutes if during VX futures extended trading hours, except from 7:00 a.m. to 8:30 a.m. Chicago time on a regular trading day:

(A) the best bid in the VX futures front contract month is 5 or more index points above the daily settlement price of that contract month on the prior Business Day; or

(B) the best offer in the VX futures front contract month is 5 or more index points below the daily settlement price of that contract month on the prior Business Day.

After trading commences following such a halt, trading in VX futures will be halted for 15 minutes, except from 7:00 a.m. to 8:30 a.m. Chicago time on a regular trading day if:

(A) the best bid in the VX futures front contract month is 8 or more index points above the daily settlement price of that contract month on the prior Business Day; or

(B) the best offer in the VX futures front contract month is 8 or more index points below the daily settlement price of that contract month on the prior Business Day.

The Exchange shall commence a trading halt in VX futures pursuant to the provisions of this Rule 1202(i)(iii) as soon as practicable following the occurrence of one of the triggering events set forth above and there may be time between the occurrence of a triggering event and the commencement of the trading halt.

Nothing in this Rule 1202(i)(iii) shall be construed to limit the ability of the Exchange to extend the time period of a halt pursuant to this Rule 1202(i)(iii) or to halt trading in VX futures during the foregoing time period pursuant to any other Exchange rule or policy.

This Rule 1202(i)(iii) shall not apply from 7:00 a.m. Chicago time to 8:30 a.m. Chicago time during VX futures extended trading hours (other than on the calendar day of a holiday) or during VX futures regular trading hours.

If the provisions of Rule 1202(i)(iv) become applicable on a Business Day due to the triggering of a price limit in the E-mini S&P 500 Index (“E-mini”) futures contract traded on Chicago Mercantile Exchange (“CME”), this Rule 1202(i)(iii) shall no longer be applicable on that Business Day following the time at which Rule 1202(i)(iv) first becomes applicable on that Business Day.

References to the VX futures front contract month in this Rule 1202(i) shall mean the VX future with the nearest expiration that has a “VX” ticker symbol that is not followed by a number denoting the specific week of a calendar year.

(iv) *Halts Due to E-mini[®]* Price Limits During Extended Trading Hours*

Trading in VX futures will be halted if a price limit is triggered in the E-mini futures contract traded on CME during VX futures extended trading hours. Following the initiation of such a VX futures trading halt, the Exchange may resume trading in VX futures during VX futures extended trading hours if the E-mini futures contract is no longer limit offered, limit bid or halted as a result of triggering a price limit or the Exchange determines that trading in VX futures may resume consistent with the maintenance of a fair and orderly market.

If trading in VX futures resumes and the E-mini futures contract moves from and then back to a limit or halt state as a result of triggering a price limit during VX futures extended trading hours, the process set forth in the preceding paragraph shall be repeated.

The Exchange shall commence a trading halt in VX futures pursuant to the provisions of this Rule 1202(i)(iv) as soon as practicable following the triggering of a price limit in the E-mini futures contract, and there may be time between the triggering of the E-mini price limit and the commencement of the VX futures trading halt.

If the E-mini futures contract is limit offered, limit bid or halted as a result of triggering a price limit at the time that the Exchange is scheduled to commence extended trading hours in VX futures, the Exchange may commence trading in VX futures during that session if the Exchange determines that trading in VX futures may commence consistent with the maintenance of a fair and orderly market.

Nothing in this Rule 1202(i)(iv) shall be construed to limit the ability of the Exchange to halt trading in VX futures during VX futures extended trading hours pursuant to any other Exchange rule or policy.

This Rule 1202(i)(iv) shall not apply during VX futures regular trading hours.

References to the E-Mini futures contract in this Rule 1202(i) shall mean the primary E-mini futures contract.

*E-Mini[®] is a registered trademark of Chicago Mercantile Exchange, Inc. The Exchange and VX futures are not affiliated with, and have not been authorized, sponsored, or otherwise approved by, Chicago Mercantile Exchange, Inc.

(v) Notwithstanding any provisions of Rule 1202(i)(iii) and Rule 1202(i)(iv), the Help Desk may, in its absolute and sole discretion, take any action it determines necessary to protect market integrity. For avoidance of doubt, this authority includes, but is not limited to, modifying or eliminating the price movement parameters in Rule 1202(i)(iii) at any time and/or determining whether to halt or not to halt trading under Rule 1202(i)(iii) and Rule 1202(i)(iv). The senior person in charge of the Help Desk may exercise the authority of the Help Desk under this Rule 1202(i)(v). The help Desk will promptly issue an alert with respect to actions taken pursuant to this Rule 1202(i)(v).

(j) *Exchange of Contract for Related Position.* Exchange of Contract for Related Position transactions, as set forth in Rule 414, may be entered into with respect to VX futures contracts. Any Exchange of Contract for Related Position transaction must satisfy the requirements of Rule 414.

The minimum price increment for an Exchange of Contract for Related Position involving the VX futures contract is 0.005 index points.

(k) *Block Trades.* Pursuant to Rule 415(a)(i), the minimum Block Trade quantity for the VX futures contract is 200 contracts if there is only one leg involved in the trade. If the Block Trade is executed as a transaction with legs in multiple contract expirations and all legs of the Block Trade are exclusively for the purchase or exclusively for the sale of VX futures contracts (a “strip”), the minimum Block Trade quantity for the strip is 300 contracts and each leg of the strip is required to have a minimum size of 100 contracts. If the Block Trade is executed as a spread order that is not a strip, one leg must meet the minimum Block Trade quantity for the VX futures contract and the other leg(s) must have a contract size that is reasonably related to the leg meeting the minimum Block Trade quantity.