

Regulatory Circular RG14-017

Date: May 21, 2014

To: CFE Trading Privilege Holders

From: CFE Business Development

RE: Expansion of Extended Trading Hours for VIX Futures

This circular provides information about the expansion by CBOE Futures Exchange, LLC (CFE) of extended trading hours for CBOE Volatility Index (VIX) futures. CFE rule certification filing [CFE-2014-010](#) contains additional detail regarding expanded extended trading hours in VIX futures.¹

What are the current trading hours for VIX futures?

VIX futures are currently available for trading from 2:00 a.m. to 3:15 p.m., Monday through Friday and from 3:30 p.m. to 4:15 p.m. on Monday through Thursday.² Regular trading hours in VIX futures are from 8:30 a.m. to 3:15 p.m. Monday through Friday and trading in VIX futures during all other times are extended trading hours.

What will be the new trading hours for VIX futures?

Beginning on Sunday, June 22, 2014 at 5:00 p.m. for the business day of Monday, June 23, 2014, CFE is expanding trading hours in VIX futures to be nearly 24 hours a day, five days a week. Specifically, the trading week for VIX futures will begin on Sunday at 5:00 p.m. and end on Friday at 3:15 p.m. CFE will be closed for trading on Monday through Thursday for 15 minutes between 3:15 p.m. and 3:30 p.m. and trading for the new business day will begin at 3:30 p.m. on Monday through Thursday. CFE will close at 3:15 p.m. on Friday and will remain closed until 5:00 p.m. on Sunday, when the new trading week will begin. Regular trading hours in VIX futures will continue to be from 8:30 a.m. to 3:15 p.m. Monday through Friday and trading in VIX futures during all other times will be extended trading hours.

Will the submission cut-off time be impacted?

The cut-off time for acceptance by CFE's trading system of orders, quotes, cancellations and order modifications in VIX futures will continue to occur one second prior to the close of trading hours for a trading session (i.e., at 3:14:59 p.m. for regular transactions in VIX futures and at 3:11:59 p.m. for Trade at Settlement (TAS) transactions in VIX futures).

How will the new hours impact the daily settlement calculation?

The daily settlement prices for VIX futures will still be calculated at 3:15 p.m. in accordance with CFE Rule 1202(p). The daily settlement prices for VIX futures on each trading day will be disseminated shortly after 3:15 p.m. on CFE's website at <http://cfe.cboe.com/data/dailyvxfuturesvalues/default.aspx> in addition to later being posted to the Daily Market Statistics page on the CFE website.

¹ The rule certification filing and the changes described in this circular remain subject to regulatory review.

² All times referenced in this circular are Chicago time.

How will holidays be handled?

Holiday hours will be addressed in CFE rules and be announced in advance of domestic and floating trading holidays.

How will expiring contracts be handled on the final settlement date?

Trading in an expiring VIX futures contract terminates on the Business Day immediately preceding the final settlement date of the contract and is not permitted during extended trading hours for an expiration day trading session. For example, the expiring July 2014 VIX future will cease trading at 3:15 p.m. on Tuesday, July 15, 2014 at 3:15 p.m. It will not re-open for trading at 3:30 p.m. on July 15, 2014 for Business Day July 16.

Are any other CFE products available to trade during extended trading hours?

No. CFE notes that TAS transactions in VIX futures for the then applicable business day may be executed during extended VIX futures trading hours. The close of trading hours for TAS transactions executed through CFE's electronic trading system will continue to be 3:12 p.m. Additionally, any TAS Block Trades or TAS Exchange of Contract for Related Position (ECRP) transactions will need to be fully reported to CFE by 3:12 p.m. in order to be a TAS trade for that calendar day and to be cleared on that calendar day. TAS Block or TAS ECRP transactions that are reported to CFE before 3:12 p.m. and disseminated by CFE after 3:12 p.m. will be disseminated through the use of the trading symbol VX instead of the trading symbol VXT.

Are VIX futures traded during extended trading hours subject to position accountability requirements?

Yes. Position accountability requirements apply to VIX futures at all times. The VIX futures position accountability levels are 50,000 contracts net long or net short in all VIX futures expirations combined; 30,000 contracts net long or net short in the expiring VIX future, commencing at 3:30 p.m. on the Thursday prior to final settlement of that future; and 10,000 contracts net long or net short in the expiring VIX future, commencing at 3:30 p.m. on the Monday prior to final settlement of that future.

Although VIX futures are subject to position accountability, CFE requires prior notice to CFE Regulation through the submission of a Position Accountability Form before exceeding a position accountability level solely for the expiring VIX future and CFE Regulation may not permit the party to exceed the applicable level. Specifically, a Party must notify CFE Regulation by no later than 10:00 a.m. on the day a position accountability level for the expiring VIX future will become applicable if the party was in excess of that level at 3:30 p.m. on the prior business day or if the party intends to exceed that level when it becomes applicable. Additionally, a party must provide notice at least one full business day before exceeding a position accountability level for the expiring VIX future during the time period in which the level is applicable. In no event will a party be permitted to exceed a position accountability level for the expiring VIX future during the time period when it is applicable without providing the required prior notice. Parties should refer to CFE Rules 412A and 1202(d) and CFE Regulatory Circular [RG14-013](#) for further information regarding VIX futures position accountability requirements.

Additional Information:

Please contact Jennifer Fortino at fortino@cboe.com or (312) 786-8151, Dave Schulz at schulz@cboe.com or (312) 786-7858 or the CFE Help Desk at ehelpdesk@cboe.com or (877) 226-3773 with any additional questions regarding the expansion of extended trading hours for VIX futures.

(Replaces CFE Regulatory Circular RG13-031)