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## CFE Position Limit Exemption Application

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**Submit to:**

**Cboe Futures Exchange, LLC (CFE)**  
**Attention: CFE Regulation**  
**E-mail: CFEReg@cboe.com**

Please refer to CFE Rule 412, *Position Limits*, for CFE requirements related to position limits.

Reporting TPH or Market Participant (MP) as defined in CFE Rule 308(c): \_\_\_\_\_  
\_\_\_\_\_

Contact Name: \_\_\_\_\_ Contact E-mail: \_\_\_\_\_ Contact Phone: \_\_\_\_\_

Clearing Number of MP if MP is a Trading Privilege Holder (TPH): \_\_\_\_\_ CFTC Reporting ID: \_\_\_\_\_

Product(s): \_\_\_\_\_

Exemption Requested for Transaction(s):  Bona Fide Hedge  Risk Management  Arbitrage or Spread

Desired Time Duration to Exceed Position Limit Level(s): \_\_\_\_\_

| Account Information |         |                | Futures Position                                     |
|---------------------|---------|----------------|--|
| Name                | Address | Account Number | Maximum Number of Contracts MP Intends to Enter Into |
|                     |         |                |  |
|                     |         |                |  |
|                     |         |                |  |
| <b>TOTAL</b>        |         |                |  |

Describe the current nature and size of the positions: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Describe the nature of the underlying exposure related to the positions: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Describe the trading strategy employed with respect the positions: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Describe the bona fide hedging or risk management activities with respect to the positions: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Describe, in detail, how the proposed transaction or position qualifies as a bona fide hedge transaction, a risk management transaction, or an arbitrage or spread transaction: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Describe whether the positions are subject to aggregation under CFE Rule 412(e). Identify accounts (if applicable) that are to be aggregated: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MP represents and covenants to CFE as follows:

1. Each transaction or position that is described above constitutes a bona fide hedge transaction, a risk management transaction, or an arbitrage or a spread transaction, and such transaction or position is not used to attempt to violate or avoid any CFE Rule.
2. Each transaction or position that is described above is necessary or advisable as an integral part of the business of MP. A description of the business of MP is as follows: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
3. The current and planned activity in the market underlying the Contract for which such exemption is requested is as follows: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. The positions involved will be moved in an orderly manner based upon the characteristics of the market for which the exemption is sought and not initiated or liquidated in a manner calculated to cause unreasonable price fluctuations or unwarranted price changes.
5. MP has complied and will comply with any applicable CFTC requirements relating to bona fide hedge, risk management, arbitrage or spread transactions, as applicable.
6. Each bona fide hedge, risk management, arbitrage or spread transaction is accurately described in detail as follows:
  - a. Type of position(s) hedged, risk managed, arbitrated, or spread (include the dollar value of each position): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  - b. Calculation(s) utilized in determining the number and type of hedge, risk management, or arbitrage or spread requested: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  - c. Strategies which will be employed to manage the requested position(s): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  - d. Policies or guidelines of the MP regarding position management prior to or upon contract expiration: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  - e. Method of monitoring positions to ensure that all positions are executed pursuant to strategies described above and that the maximum limit is not exceeded: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  - f. Pre-determined levels of price movements, if any, that would cause a significant adjustment to the MP's position: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
7. MP will promptly provide, upon request of CFE, information or documentation regarding the MP's financial condition.
8. Pursuant to CFE Rule 412(f), CFE shall have the authority, at any time and in its sole discretion, to review and rescind, limit or condition any position limit exemption granted by it.
9. MP will comply with any terms, conditions, or limitations imposed by CFE with respect to the exemption.
10. MP will promptly submit a supplemental statement explaining any material change in circumstances that may affect the nature of its positions and any material change to the information provided herein.

11. MP will comply with any CFE rules, including Rule 412 and not use the positions involved to violate or avoid any CFE Rule and/or CFTC regulation.
12. All information set forth by MP in this form is accurate and complete.

By: \_\_\_\_\_

Title (if applicable): \_\_\_\_\_

Signature: \_\_\_\_\_

Report Date: \_\_\_\_\_

Attach additional sheets as needed to complete the above questions.

*Form Version 5/21*