



February 21, 2018

Mr. Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F. Street N.E.
Washington, D.C. 20549-1090

RE: SR-CBOE-2017-057

Dear Mr. Fields:

Attached please find Amendment No. 2 to the above-referenced filing.

Regards,

A handwritten signature in black ink, appearing to read 'Chris Solgan'.

Chris Solgan
Assistant General Counsel

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * SECURITIES AND EXCHANGE COMMISSION File No.* SR - - *
 WASHINGTON, D.C. 20549 Form 19b-4 Amendment No. (req. for Amendments *)

Filing by Cboe Exchange, Inc.
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

Exhibit 2 Sent As Paper Document	Exhibit 3 Sent As Paper Document
<input type="checkbox"/>	<input type="checkbox"/>

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Last Name *

Title *

E-mail *

Telephone * Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date

By

(Name *)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Cboe Exchange, Inc. (“Cboe” or the “Exchange”) (formally known as Chicago Board Options Exchange, Incorporated) is filing this Partial Amendment No. 2 to SR-CBOE-2017-057, which was originally filed with the Securities and Exchange Commission (the “Commission”) on August 15, 2017 (the “Proposal”). The filing was published for comment in the Federal Register on August 31, 2017.¹ On October 11, 2017, the Commission extended their time to review the Proposal until November 29, 2017.² On November 22, 2017, the Exchange submitted Amendment No. 1 to the proposed rule change which provided additional justification and analysis in support of the proposed position limits. On November 29, 2017, the Commission instituted proceedings under Section 19(b)(2)(B) of the Exchange Act³ (the “Act”) to determine whether to approve or disapprove the proposed rule change.⁴ One comment letter was submitted on the proposed rule change, which supported approval of the proposed rule change.⁵ Unless otherwise defined below, defined terms in this Amendment No. 2 have the same meaning as in the Proposal.

The Proposal seeks to amend Interpretation and Policy .07 of Exchange Rule 4.11, Position Limits, to increase the position limits for options on the following exchange traded funds (“ETFs”) and exchange traded notes (“ETNs”): iShares China Large-Cap ETF (“FXI”), iShares MSCI EAFE ETF (“EFA”), iShares MSCI Emerging Markets ETF (“EEM”), iShares

¹ See Securities Exchange Act Release No. 81483 (August 25, 2017), 82 FR 41457.

² See Securities Exchange Act Release No. 81853 (October 11, 2017), 82 FR 48300 (October 17, 2017).

³ 15 U.S.C. 78s(b)(2)(B).

⁴ See Securities Exchange Act Release No. 82168, 82 FR 57501 (December 5, 2017).

⁵ See letter from Ellen Greene, Managing Director, Securities Industry and Financial Markets Association (“SIFMA”), to Brent J. Fields, Secretary, Commission, dated December 19, 2017.

Russell 2000 ETF (“IWM”), iShares MSCI Brazil Capped ETF (“EWZ”), iShares 20+ Year Treasury Bond Fund ETF (“TLT”), iPath S&P 500 VIX Short-Term Futures ETN (“VXX”), PowerShares QQQ Trust (“QQQ”), and iShares MSCI Japan Index (“EWJ”).

As stated in the Proposal, market participants’ trading activity has been adversely impacted by the current position limits as such limits have caused options trading in the symbols subject to the Proposal to move from exchanges to the over-the-counter market. The Exchange submitted the Proposal at the request of market participants whose on-exchange activity has been hindered by the existing position limits causing them to be unable to provide additional liquidity not just on the Exchange, but also on other options exchanges on which they participate.⁶ The Exchange understands that certain market participants wishing to make trades involving a large number of options contracts in the symbols subject to the Proposal are opting to execute those trades in the over-the-counter market. The over-the-counter transactions occur via bi-lateral agreements, the terms of which are not publicly disclosed to other market participants. Therefore, these large trades do not contribute to the price discovery process performed on a lit market.

As described in the Proposal, options on VXX are currently subject to the standard position limit of 250,000 contracts as set forth in Exchange Rule 4.11.⁷ The Exchange proposed to increase the position limits for VXX to 500,000 contracts. For the reasons set forth in the Proposal and Amendment No. 1, the Exchange continues to believe that its trading characteristics and volumes justify the increased position limits for options on the VXX.

⁶ The Exchange understands that other options exchange would be required to file similar proposed rule changes with the Commission to increase their position limits.

⁷ See <https://www.theocc.com/webapps/delo-search>.

However, considering the Commission's upcoming February 27, 2018 deadline to act on the Proposal, the Exchange seeks to amend the Proposal to no longer include increasing the position limits for options on the VXX. Doing so will allow the Exchange to provide the Commission with additional support for increasing the options on the VXX's position limits, which it expects to do through a separate proposed rule change to be submitted at a later date. This amendment should also facilitate the Commission's approval to increase the options position limits on the eight ETFs that remain included in the Proposal in a timely manner and in advance of its next statutory deadline of February 27, 2018.

Request for Accelerated Approval

The Exchange requests the Commission to find good cause to accelerate effectiveness of the Proposal, as amended, pursuant to Section 19(b)(2) of the Act and to approve the Proposal, as amended, prior to the 30th day after publication of Amendment No. 2 to the Proposal in the Federal Register. The Exchange believes there is good cause to grant expedited review and accelerated effectiveness of Proposal, as amended, because it is intended solely to limit the scope of the proposed rule change by removing its proposal to increase the position limit on one of the nine products that are subject to the Proposal and does not seek to amend the Proposal in any other manner. Therefore, the Exchange does not believe that the Proposal, as amended, raises any new or novel issues. The Exchange further notes that one comment letter has been received in connection with the Proposal, as amended, and that comment letter supported approval of the Proposal. Finally, the Proposal, as amended, is designed to encourage Market Makers to shift liquidity from over the counter markets onto the Exchange, which will enhance the process of price discovery conducted on the Exchange through increased order flow.

EXHIBIT 4

Exhibit 4 shows the changes proposed in this Partial Amendment No. 2, with the proposed changes in the original filing shown as if adopted. Proposed new language in this Partial Amendment No. 2 is underlined; proposed deletions in this Partial Amendment No. 1 are in [brackets].

* * * * *

**Chicago Board Options Exchange, Incorporated
Rules**

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CHAPTER IV Business Conduct (Rules 4.1-4.24)

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Rule 4.11. Position Limits

No change.

...Interpretations and Policies:

.01 – .06 No change.

.07 The position limits under Rule 4.11 applicable to options on shares or other securities that represent interests in registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trusts or similar entities that satisfy the criteria set forth in Interpretation and Policy .06 under Rule 5.3 shall be the same as the position limits applicable to equity options under Rule 4.11 and Interpretations and Policies thereunder; except that the position limits under Rule 4.11 applicable to option contracts on the securities listed in the below chart are as follows:

Security Underlying Option	Position Limit
The DIAMONDS Trust (DIA)	(No change.)
The Standard and Poor's Depository Receipts Trust (SPY)	(No change.)
The iShares Russell 2000 ETF (IWM)	1,000,000 contracts
The PowerShares QQQ Trust (QQQQ)	1,800,000 contracts
The iShares MSCI Emerging Markets ETF (EEM)	1,000,000 contracts
iShares China Large-Cap ETF ("FXI")	500,000 contracts
iShares MSCI EAFE ETF ("EFA")	500,000 contracts
iShares MSCI Brazil Capped ETF ("EWZ")	500,000 contracts

iShares 20+ Year Treasury Bond Fund ETF (“TLT”)	500,000 contracts
[iPath S&P 500 VIX Short-Term Futures ETN (“VXX”)]	500,000 contracts]
iShares MSCI Japan ETF (“EWJ”)	500,000 contracts

Position limits for SPY options are subject to a pilot program through July 12, 2018.

.08 (No change).

* * * * *

EXHIBIT 5

Note: Proposed new language is underlined. Proposed deletions are enclosed in [brackets].

* * * * *

**Chicago Board Options Exchange, Incorporated
Rules**

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CHAPTER IV Business Conduct (Rules 4.1-4.24)

* * * * *

Rule 4.11. Position Limits

No change.

...Interpretations and Policies:

.01 – .06 No change.

.07 The position limits under Rule 4.11 applicable to options on shares or other securities that represent interests in registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trusts or similar entities that satisfy the criteria set forth in Interpretation and Policy .06 under Rule 5.3 shall be the same as the position limits applicable to equity options under Rule 4.11 and Interpretations and Policies thereunder; except that the position limits under Rule 4.11 applicable to option contracts on the securities listed in the below chart are as follows:

Security Underlying Option	Position Limit
The DIAMONDS Trust (DIA)	(No change.)
The Standard and Poor's Depository Receipts Trust (SPY)	(No change.)
The iShares Russell 2000 [Index Fund] <u>ETF</u> (IWM)	[500,000] <u>1,000,000</u> contracts
The PowerShares QQQ Trust (QQQQ)	[900,000] <u>1,800,000</u> contracts
The iShares MSCI Emerging Markets [Index Fund] <u>ETF</u> (EEM)	[500,000] <u>1,000,000</u> contracts
<u>iShares China Large-Cap ETF ("FXI")</u>	<u>500,000 contracts</u>
<u>iShares MSCI EAFE ETF ("EFA")</u>	<u>500,000 contracts</u>

iShares MSCI Brazil Capped ETF (“EWZ”) 500,000 contracts

iShares 20+ Year Treasury Bond Fund ETF (“TLT”) 500,000 contracts

iShares MSCI Japan ETF (“EWJ”) 500,000 contracts

Position limits for SPY options are subject to a pilot program through July 12, 2018.

.08 (No change).

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