

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-79984; SR-CHX-2016-16)

February 7, 2017

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Withdrawal of a Proposed Rule Change to Adopt the CHX Liquidity Taking Access Delay

On September 6, 2016, the Chicago Stock Exchange, Inc. (“CHX” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to adopt the CHX Liquidity Taking Access Delay (“LTAD”). The proposed rule change was published for comment in the Federal Register on September 22, 2016.<sup>3</sup> On November 1, 2016, pursuant to Section 19(b)(2) of the Exchange Act,<sup>4</sup> the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.<sup>5</sup> On December 20, 2016, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act,<sup>6</sup> to determine whether to approve or disapprove the proposed rule

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 78860 (September 16, 2016), 81 FR 65442 (“Notice”).

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> See Securities Exchange Act Release No. 79216, 81 FR 78228 (November 7, 2016). The Commission designated December 21, 2016, as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.

<sup>6</sup> 15 U.S.C. 78s(b)(2)(B).

change.<sup>7</sup> The Commission received 25 comments on the proposed rule change, including responses to certain comment letters by the Exchange.<sup>8</sup>

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<sup>7</sup> See Securities Exchange Act Release No. 79608, 81 FR 95238 (December 27, 2016).

<sup>8</sup> See letters from: (1) Douglas A. Cifu, Chief Executive Officer, Virtu Financial, dated September 21, 2016; (2) R.T. Leuchtkafer, dated September 29, 2016; (3) Adam Nunes, Head of Business Development, Hudson River Trading LLC, dated October 6, 2016; (4) Beste Bidd, Trader, dated October 9, 2016; (5) Joanna Mallers, Secretary, FIA Principal Traders Group, dated October 13, 2016; (6) John L. Thornton, Co-Chair, Hal S. Scott, Director, and R. Glenn Hubbard, Co-Chair, Committee on Capital Markets Regulation, dated October 13, 2016; (7) Adam C. Cooper, Senior Managing Director and Chief Legal Officer, Citadel Securities, dated October 13, 2016; (8) Tyler Gellasch, Executive Director, Healthy Markets Association, dated October 13, 2016; (9) Eric Budish, Professor of Economics, University of Chicago Booth School of Business, dated October 13, 2016; (10) Elizabeth K. King, General Counsel and Corporate Secretary, New York Stock Exchange, dated October 14, 2016; (11) James J. Angel, Associate Professor, McDonough School of Business, Georgetown University, dated October 16, 2016; (12) Eric Swanson, EVP, General Counsel and Secretary, Bats Global Markets, Inc., dated October 25, 2016; (13) Eric Pritchett, Chief Executive Officer, Potamus Trading LLC, dated October 26, 2016; (14) James Ongena, Executive Vice President and General Counsel, CHX, dated October 28, 2016; (15) Steve Crutchfield, Head of Market Structure, CTC Trading Group, L.L.C., dated November 1, 2016; (16) Boris Ilyevsky, Brokerage Director, Interactive Brokers LLC, dated November 7, 2016; (17) Alex Jacobson, dated November 9, 2016; (18) Brian Donnelly, Founder and Chief Executive Officer, Volant Trading, dated November 28, 2016; (19) R.T. Leuchtkafer, dated December 14, 2016; and (20) Theodore R. Lazo, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association, dated December 16, 2016; (21) John P. Comerford, Managing Director, Instinet, LLC, dated December 21, 2016; (22) Joanna Mallers, Secretary, FIA Principal Traders Group, dated January 17, 2017; (23) Adam C. Cooper, Senior Managing Director and Chief Legal Officer, Citadel Securities, dated January 17, 2017; (24) John A McCarthy, General Counsel, KCG Holdings, Inc., dated January 23, 2017; and (25) James Ongena, Executive Vice President and General Counsel, CHX, dated February 3, 2017. All of the comment letters are available at: <https://www.sec.gov/comments/sr-chx-2016-16/chx201616.shtml>.

On February 3, 2017, the Exchange withdrew the proposed rule change (SR-CHX-2016-16).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>9</sup>

Eduardo A. Aleman  
Assistant Secretary

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<sup>9</sup> 17 CFR 200.30-3(a)(12).