

SECURITIES AND EXCHANGE COMMISSION
(Release No. 3481415; File No. SR-CHX-2017-04)

August 17, 2017

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Designation of Longer Period for Commission Action on Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change to Adopt the CHX Liquidity Enhancing Access Delay

On February 10, 2017, 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”)¹ and Rule 19b-4 thereunder,² a proposed rule change to adopt the CHX Liquidity Enhancing Access Delay (“LEAD”). The proposed rule change was published for comment in the Federal Register on February 21, 2017.³ On April 3, 2017, 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 the proposed rule change should be disapproved.⁴ The Commission received eleven comment letters on the proposed rule change, including a response from the Exchange.⁵ On May 22, 2017, the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 80041 (February 14, 2017), 82 FR 11252 (“Notice”).

⁴ See Securities Exchange Act Release No. 80364, 82 FR 17065 (April 7, 2017).

⁵ See letters from: (1) Ryan Hitch, Head of Equities Trading, XR Securities LLC, dated February 24, 2017; (2) Douglas A. Cifu, Chief Executive Officer, Virtu Financial LLC, dated February 27, 2017; (3) Joanna Mallers, Secretary, FIA Principal Traders Group, dated March 13, 2017; (4) Adam Nunes, Head of Business Development, Hudson River Trading LLC, dated March 13, 2017; (5) R.T. Leuchtkafer, dated March 14, 2017; (6) Stephen John Berger, Managing Director, Government & Regulatory Policy, Citadel Securities, dated March 14, 2017; (7) Tyler Gellasch, Executive Director, Healthy Markets Association, March 17, 2017; (8) Elizabeth K. King, General Counsel and Corporate Secretary, New York Stock Exchange, dated March 20, 2017; (9) James G. Ongena, Executive Vice President and General Counsel, CHX, dated March 24, 2017; (10) Steve Crutchfield, Head of Market Structure, CTC Trading Group, LLC, dated April

Commission instituted proceedings under Section 19(b)(2)(B) of the Exchange Act⁶ to determine whether to approve or disapprove the proposed rule change.⁷ Since then, the Commission has received six more comment letters, including a response from the Exchange.⁸

Section 19(b)(2) of the Act⁹ provides that, after initiating proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later than 180 days after the date of publication of notice of filing of the proposed rule change. The Commission may, however, extend the period for issuing an order approving or disapproving the proposed rule change by not more than 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination. The proposed rule change was published for notice and comment in the Federal Register on February 21, 2017.¹⁰ August 20, 2017 is 180 days from that date, and October 19, 2017 is 240 days from that date.

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change so that it has sufficient time to consider the proposed rule change, the issues raised in the comment letters that have been

4, 2017; and (11) Theodore R. Lazo, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association, dated May 17, 2017. All comments on the proposed rule change are available at: <https://www.sec.gov/comments/sr-chx-2017-04/chx201704.htm>.

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ See Securities Exchange Act Release No. 80740, 82 FR 24412 (May 26, 2017).

⁸ See letters from: (1) R. T. Leuchtkafer, dated June 15, 2017; (2) Stephen Berger, Managing Director, Government and Regulatory Policy, Citadel Securities, dated June 16, 2017; (3) Joanna Mallers, Secretary, FIA Principal Traders Group, dated June 16, 2017; (4) James G. Ongena, Executive Vice President, General Counsel, CHX, dated June 30, 2017; (5) R. T. Leuchtkafer, dated July 7, 2017; and (6) R. T. Leuchtkafer, dated July 10, 2017.

⁹ 15 U.S.C. 78s(b)(2).

¹⁰ See supra text accompanying note 3.

submitted in connection therewith, and the Exchange's responses to the comments. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,¹¹ designates October 19, 2017 as the date by which the Commission should either approve or disapprove the proposed rule change (File No. SR-CHX-2017-04).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

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Assistant Secretary

¹¹ 15 U.S.C. 78s(b)(2).

¹² 17 CFR 200.30-3(a)(57).