

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-82112; File No. SR-BOX-2017-33)

November 17, 2017

Self-Regulatory Organizations; BOX Options Exchange LLC; Notice of Filing of Proposed Rule Change to Amend the Minimum Order Size for the Floor Broker Guarantee Provided in Rule 7600(f)

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on November 6, 2017, BOX Options Exchange LLC (“Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Rule 7600 to amend the minimum order size for the Floor Broker guarantee provided in Rule 7600(f). The text of the proposed rule change is available from the principal office of the Exchange, at the Commission’s Public Reference Room and also on the Exchange’s Internet website at <http://boxexchange.com>.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule 7600(f). Specifically, the Exchange is proposing to amend the minimum order size for the Floor Broker guarantee provided in Rule 7600(f).

Currently, on the Trading Floor, when a Floor Broker holds an order of the eligible order size or greater, the Floor Broker is entitled to cross a certain percentage of the order with other orders that he is holding. The Exchange may determine, on an option by option basis, the eligible size for an order that may be transacted pursuant to Rule 7600(f); however, the eligible order size may not be less than 500 contracts. The percentage of the order which a Floor Broker is entitled to cross, after all equal or better priced Public Customer bids or offers on the BOX Book and any non-Public Customer bids or offers that are ranked ahead of such Public Customer bids or offers are filled, is 40% of the remaining contracts in the order .

The Exchange is now proposing to decrease the required minimum eligible order size for the Floor Broker guarantee from 500 contracts to 50 contracts.³ The proposed change would align the eligible order size with that of another exchange.⁴ The Exchange notes that it may still determine the eligible order size, provided that it is at least 50 contracts. Changes to the eligible order size will be communicated to Participants via Regulatory Circular pursuant to BOX Rule 7600(f)(2).

³ The Exchange notes that Participants have requested this change. The Exchange believes that the proposed change will result in more transactions on the BOX Trading Floor.

⁴ See CBOE Rule 6.74(d). The Exchange notes that CBOE Rule 6.74(d) also refers to facilitated and solicitation orders. The Exchange does not currently differentiate between facilitated orders or solicited orders on the BOX Trading Floor.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act⁵ in general, and furthers the objectives of Section 6(b)(5) of the Act⁶ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest. Specifically, the Exchange believes that the proposed change offers Floor Brokers a greater incentive to execute transactions on the BOX Trading Floor. Further, the Exchange believes that the proposed change is appropriate as a similar minimum eligible order size is present at another options exchange with a trading floor. Further, the Exchange believes that the proposed change will benefit market participants as the decreased minimum eligible order size may result in more transactions on the exchange.

In addition, the proposed rule change would promote a free and open market by permitting the Exchange to compete with other options exchanges. In this regard, competition would result in benefits to the investing public. As noted above, the proposed change would align the eligible order size with the rules of another options exchange with an open outcry trading floor.⁷ As such, permitting the Exchange to operate on an even playing field relative to other exchanges removes impediments to and perfects the mechanism for a free and open market and a national market system.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. As

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

⁷ See CBOE Rule 6.74(d).

discussed above, the proposed change simply aligns the eligible order size for the Floor Broker guarantee with that of another exchange with a trading floor. As such, the proposed change will allow the Exchange to compete with other options exchanges currently offering a reduced eligible order size with regard to the Floor Broker guarantee.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange has neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-BOX-2017-33 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-BOX-2017-33. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying

information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-BOX-2017-33 and should be submitted on or before [date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁸

Eduardo A. Aleman
Assistant Secretary

⁸ 17 CFR 200.30-3(a)(12).