I. Introduction

On November 6, 2017, BOX Options Exchange LLC (the “Exchange” or “BOX”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) and Rule 19b-4 thereunder, a proposed rule change to amend the minimum eligible order size from 500 contracts to 50 contracts to qualify for the Floor Broker guarantee described in BOX Rule 7600(f). The proposed rule change was published for comment in the Federal Register on November 24, 2017. The Commission received no comments on the proposed rule change. This order approves the proposed rule change.

II. Description of the Proposed Rule Change

Currently, BOX Rule 7600(f) provides that a Floor Broker holding an order of the eligible order size or greater 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, 40% of the remaining contracts in the

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4 For a more detailed description of the proposed rule change, see Notice, supra note Error! Bookmark not defined.
order with other orders he is holding. Under the current rule, the Exchange may determine, on an option by option basis, the eligible order size for an order that may be transacted pursuant to BOX Rule 7600(f), but the minimum eligible order size may not be less than 500 contracts. Under the proposed rule change, the Exchange proposes to reduce the minimum eligible order size from 500 contracts to 50 contracts.

III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange. In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act, which requires, among other things, that the Exchange’s rules be designed to prevent fraudulent and manipulative acts and practices, 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.

The Commission notes that the proposed rule change does not modify the size of the Floor Broker guarantee, but rather modifies the size of the order necessary in order to receive the guarantee. Orders submitted by Floor Brokers for execution must execute at a price equal to or better than the NBBO and (1) may not trade through any equal or better priced Public Customer

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5 See BOX Rule 7600(f).
6 See BOX Rule 7600(f)(2). Pursuant to BOX Rule 7600(f)(2), the Exchange is required to communicate any changes to the eligible order size to Participants via circular.
7 See proposed BOX Rule 7600(f)(2).
8 In approving this proposed rule change, the Commission notes that it has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).
bids or offers on the BOX Book\textsuperscript{10} or any non-Public Customer bids or offers on the BOX Book that are ranked ahead of such equal or better priced Public Customer bids or offers, and (2) may not trade through any non-Public Customer bids or offers on the BOX Book that are priced better than the proposed execution price.\textsuperscript{11} In addition, the Commission notes that the proposed change is similar to the rules of other options exchanges\textsuperscript{12} and therefore, the Commission does not believe that the reduction in the minimum order size requirement raises any new regulatory issues.

For the foregoing reasons, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act\textsuperscript{13} and the rules and regulations thereunder applicable to a national securities exchange.

\textsuperscript{10} See BOX Rule 100(a)(10) (defining BOX Book).

\textsuperscript{11} See BOX Rule 7600(c).

\textsuperscript{12} See Cboe Options Rule 6.74(d) and NYSE Arca Inc. Rule 6.47-O(b)(1).

\textsuperscript{13} 15 U.S.C. 78f(b)(5).
IV. **Conclusion**

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,\(^\text{14}\) that the proposed rule change (SR-BOX-2017-33), be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.\(^\text{15}\)

Eduardo A. Aleman  
Assistant Secretary

\(^{15}\) 17 CFR 200.30-3(a)(12).