

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-75548; File No. SR-CBOE-2015-070)

July 29, 2015

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Amending its Simple Auction Liaison (“SAL”) Rule

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934,¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 24, 2015, Chicago Board Options Exchange, Incorporated (“Exchange” or “CBOE”) 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 Exchange. 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 is proposing to amend its SAL rule to make it explicit that 6.13A(d) applies to Hybrid 3.0 classes.

The text of the proposed rule change is available on the Exchange’s website (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange’s Office of the Secretary, and at the Commission’s Public Reference Room.

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 Exchange 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 specified in

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Item IV below. The Exchange 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 is proposing to amend language to clarify that certain provisions of its SAL rule apply to select option classes. The operation of the Exchange’s SAL rule is codified in Rule 6.13A. The purpose of this proposed change is to clarify that the provisions found in 6.13A(d) apply to Hybrid 3.0 classes. The original filing³ which introduced SAL for the Hybrid 3.0 classes stated that the provisions of Rule 6.13A will apply, however, the Exchange is proposing to amend Rule 6.13A to add clarity and avoid confusion by making this more explicit. The Exchange believes that the proposed changes will bring added clarity to its Trading Permit Holders (“TPHs”) regarding the SAL rule and which classes it applies to.

Currently, Rule 6.13A(d) states that an auction will terminate early under certain circumstances related to the Hybrid System.⁴ As an administrative clean-up change, the Exchange is proposing to add language to 6.13A.04 to specifically state that the same circumstances that may cause an auction to terminate early under 6.13A(d) also apply to Hybrid 3.0 classes. The Exchange believes that adding this language will bring greater clarity to the Exchange Rules.

The Exchange believes the proposed change will allow the Exchange to clarify that Rule 6.13A(d) applies to Hybrid 3.0 classes as well. The proposed change will allow the Exchange to remove the ambiguity of its rule text regarding SAL in order to lessen confusion about which

³ See Securities Exchange Release No. 56951 (December 12, 2007), 72 FR 71977 (December 19, 2007) (SR-CBOE-2007-074).

⁴ See Exchange Rule 6.13A(d).

provisions apply to Hybrid 3.0 classes. In addition, the Exchange believes the lack of explicit reference to 6.13A(d) applying to Hybrid 3.0 classes is somewhat ambiguous and has the potential to cause confusion. Thus, the Exchange believes by further clarifying the language, it will be clearer which SAL provisions apply to Hybrid 3.0 classes.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.⁵ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁶ requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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.

In particular, the proposed rule change is consistent with these provisions as it will more accurately reflect the intentions of the Exchange for 6.13A(d) to apply to Hybrid 3.0 classes. The purpose of the proposed change is to add clarity to the rule text, however, the current practices of the Exchange will remain the same. The Exchange believes the proposed rule change will help avoid confusion, thereby removing impediments to and perfecting the mechanism of a free and open market and national market system.

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

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

CBOE 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. The Exchange does not believe that the proposed rule change imposes any burden on intramarket competition because it applies to all TPHs. SAL will continue to function in the same manner as it currently functions. Furthermore, the Exchange does not believe that the proposed rule change imposes any burden on intermarket competition because it specifies that paragraph (d): 1) will apply to all classes activated in Hybrid 3.0; 2) applies equally to all intermarket users and; 3) otherwise just makes technical changes to improve readability.

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

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

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

Because the foregoing proposed rule change does not:

- A. significantly affect the protection of investors or the public interest;
- B. impose any significant burden on competition; and
- C. become operative for 30 days from the date on which it was filed, or such shorter

time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act⁷ and Rule 19b-4(f)(6)⁸ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4(f)(6).

Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or 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-CBOE-2015-070 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-CBOE-2015-070. 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, D.C. 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; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2015-070 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

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

Robert W. Errett
Deputy Secretary

⁹ 17 CFR 200.30-3(a)(12).