

Text of the Proposed Rule Change

Underlining indicates additions; [brackets] indicate deletions.

Rule 710. Minimum Trading Increments

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Supplementary Material to Rule 710

.01 Notwithstanding any other provision of this Rule 710, the Exchange will operate a pilot program, scheduled to expire on [June 30] December 31, 2017, to permit options classes to be quoted and traded in increments as low as \$.01. The Exchange will specify which options trade in such pilot, and in what increments, in Market Information Circulars distributed to Members.

The Exchange may replace any penny pilot issues that have been delisted with the next most actively traded multiply listed options classes that are not yet included in the penny pilot, based on trading activity in the previous six months. The replacement issues may be added to the penny pilot on the second trading day following [January 1] July 1, 2017.

.02 - .03 No Change.

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