

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-79979; File No. SR-OC-2017-01)

February 6, 2017

Self-Regulatory Organizations; OneChicago, LLC; Notice of Filing of Proposed Rule Change  
Regarding Fraudulent Acts

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934 (the “Act”)<sup>1</sup>, notice is hereby given that on January 25, 2017, OneChicago, LLC (“OneChicago,” “OCX,” or the “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change 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. OneChicago has also filed this rule change with the Commodity Futures Trading Commission (“CFTC”). OneChicago filed a written certification with the CFTC under Section 5c(c) of the Commodity Exchange Act on January 17, 2017.

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

OneChicago is proposing to make two amendments to OCX Rule 601 (Fraudulent Acts). First, OneChicago is proposing to amend OCX Rule 601 to clarify that in addition to prohibiting fraudulent acts, the rule also prohibits any attempt to engage in any fraudulent act. Further, the rule is also being amended to track the language in CFTC Regulation 180.1 that expressly prohibits the use or employment of any manipulative device, scheme, or artifice to defraud.<sup>2</sup> The text of the proposed rule change is attached as Exhibit 4 to the filing submitted by the Exchange but is not attached to the published notice of the filing.

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<sup>1</sup> 15 U.S.C. 78s(b)(7).

<sup>2</sup> 17 CFR. 180.1.

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

In its filing with the Commission, OneChicago 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 Item IV below. The self-regulatory organization has prepared a summary of the most significant aspects of such statements.

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

1. Purpose

The purpose of the proposed rule change to OCX Rule 601 is to prohibit attempts to engage in any fraudulent act or scheme that is already prohibited by Rule 601. Currently, Rule 601 prohibits Clearing Members, Exchange Members, or Access Persons from engaging in any fraudulent act or from engaging in any scheme to defraud, deceive or trick, in connection with or related to any trade on or other activity related to the Exchange or the Exchange's clearinghouse. The proposed rule change to Rule 601 broadens the language of the rule to prohibit attempts to engage in any fraudulent act or any scheme to defraud, deceive or trick. Further, the rule is also being amended to expressly prohibit the use or employment of any manipulative device, scheme, or artifice to defraud. This rule change is being made upon request by the CFTC, and is consistent with CFTC Regulation 180.1 that expressly prohibits the use or employment of any manipulative device, scheme or artifice to defraud.

## 2. Statutory Basis

OneChicago believes that the proposed rule changes are consistent with Section 6(b) of the Act,<sup>3</sup> in general, and furthers the objectives of Section 6(b)(5)<sup>4</sup> in particular in that they are intended to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, and 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 proposed rule changes provide OneChicago market participants with clarity and specificity regarding attempted fraudulent acts in relation to OneChicago products. Specifically, the proposed rule changes make it clear that attempts to engage in fraudulent acts are prohibited, and that the use or employment of any manipulative device, scheme or artifice to defraud is also prohibited.

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

OneChicago does not believe that the rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act, in that the rule change will enhance OneChicago's ability to carry out its responsibilities as a self-regulatory organization. OneChicago believes that the proposed rule change is equitable and not unfairly discriminatory because the amendments regarding attempted fraudulent acts or schemes apply equally to all market participants.

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

No written comments were solicited or received with respect to the proposed rule change.

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<sup>3</sup> 15 U.S.C. 78f(b).

<sup>4</sup> 15 U.S.C. 78f(b)(5).

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

The proposed rule change will become operative on January 31, 2017. At any time within 60 days of the date of the filing by the Exchange of a written certification with the CFTC under Section 5c(c) of the CEA, the Commission, after consultation with the CFTC, may summarily abrogate the proposed rule change and require that the proposed rule change be refiled in accordance with the provisions of Section 19(b)(1) of the Act.<sup>5</sup>

### 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](mailto:rule-comments@sec.gov). Please include File Number SR-OC-2017-01 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-OC-2017-01. 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

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<sup>5</sup> 15 U.S.C. 78s(b)(1).

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; 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-OC-2017-01 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.<sup>6</sup>

Robert W. Errett  
Deputy Secretary

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<sup>6</sup> 17 CFR 200.30-3(a)(12).