

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 28	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2018 - * 005	Amendment No. (req. for Amendments *)
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Filing by Cboe EDGX Exchange, Inc.
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
	Section 3C(b)(2) * <input type="checkbox"/>

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

The Exchange filed a proposal to modify Rule 21.1 of Exchange's rules and related functionality applicable to the Exchange's options platform in preparation for the technology migration of the Exchange's affiliated options exchanges onto the same technology as the Exchange.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Anders	Last Name * Franzon
Title * SVP, Associate General Counsel	
E-mail * afranzon@cboe.com	
Telephone * (913) 815-7154	Fax <input type="text"/>

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date 02/09/2018	SVP, Associate General Counsel
By Anders Franzon	<input style="width: 100%;" type="text"/>
(Name *)	

afranzon@cboe.com

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)¹, and Rule 19b-4 thereunder,² Cboe EDGX Exchange, Inc. (the “Exchange”) is filing with the Securities and Exchange Commission (the “Commission”) a proposal to modify Rule 21.1 of Exchange’s rules and related functionality applicable to the Exchange’s options platform (“EDGX Options”) in preparation for the technology migration of the Exchange’s affiliated options exchanges onto the same technology as the Exchange.

The text of the proposed rule change is attached as Exhibit 5. Material proposed to be added is underlined. Material proposed to be deleted is enclosed in brackets.

(b) Not applicable

(c) Not applicable

2. Procedures of the Self-Regulatory Organization

(a) The Exchange’s President (or designee) pursuant to delegated authority approved the proposed rule change on January 31, 2018.

(b) Please refer questions and comments on the proposed rule change to Joanne Moffic-Silver, Executive Vice President, General Counsel and Corporate Secretary, (312) 786-7462, or Anders Franzon, (913) 815-7154, SVP, Associate General Counsel.

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

(a) Purpose

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

In 2016, the Exchange and its affiliates Cboe BYX Exchange, Inc. (“BYX”), Cboe EDGA Exchange, Inc. (“EDGA”), and Cboe BZX Exchange, Inc. (“BZX”) received approval to affect a merger (the “Merger”) of the Exchange’s then-current indirect parent company, Bats Global Markets, Inc., with Cboe Global Markets f/k/a CBOE Holdings, Inc. (“Cboe”), the direct parent of Cboe Exchange, Inc. (“Cboe Options”) and Cboe C2 Exchange, Inc. (“C2 Options”, and together with the Exchange, BZX, and Cboe Options the “Cboe Affiliated Exchanges”).³ The Cboe Affiliated Exchanges are working to align certain system functionality, retaining only intended differences between the Cboe Affiliated Exchanges, in the context of a technology migration. Thus, the proposals set forth below are intended to add certain functionality to the Exchange’s System⁴ that is more similar to functionality offered by Cboe Options and C2 Options in order to ultimately provide a consistent technology offering for market participants who interact with the Cboe Affiliated Exchanges. Although the Exchange intentionally offers certain features that differ from those offered by its affiliates and will continue to do so, the Exchange believes that offering similar functionality to the extent practicable will reduce potential confusion for Users.

The Exchange is proposing to adopt periodic but relatively minor changes to functionality in order to reduce risk in connection with the technology migration

³ See Securities Exchange Act Release No. 79585 (December 16, 2016), 81 FR 93988 (December 22, 2016) (SR-BatsBZX-2016-68; SR-BatsBYX-2016-29; SR-BatsEDGA-2016-24; SR-BatsEDGX-2016-60). The Exchange notes that BYX and EDGA are also affiliated exchanges but do not operate options platforms and thus the integration described in this proposal is inapplicable to such exchanges.

⁴ The “System” is the automated trading system used by EDGX Options for the trading of options contracts. See Rule 16.1(a)(59).

described above; this proposal is related to one such proposed change but is primarily intended to add language to the Exchange's rules regarding ports that are referenced in the Exchange's fee schedule. Specifically, the Exchange proposes to add language to Rule 21.1 to define various types of ports used to submit orders to and receive information from the Exchange. In addition, the Exchange proposes to modify the operation of bulk order entry ports, as described below.

Port Definitions

The Exchange currently provides access to EDGX Options to Users⁵ through various ports. These ports have been previously described in multiple filings submitted by the Exchange⁶ and are referenced on the Exchange's fee schedule. However, the Exchange has not previously maintained any language in its rules related to such ports. The Exchange proposes to add language to Rule 21.1 to provide additional clarity in the Exchange's rules and to accommodate changes to the rules of other Cboe Affiliated Exchanges that refer to analogous, but different, concepts to describe the technology used to describe system access.⁷

⁵ The term "User" means any Options Member or Sponsored Participant who is authorized to obtain access to the Exchange's System (as defined below) pursuant to Rule 11.3. See Rule 16.1(a)(63).

⁶ See Securities Exchange Act Release Nos. 82064 (November 13, 2017), 82 FR 54442 (November 17, 2017) (SR-BatsEDGX-2017-46) (modifying and describing fees for physical ports on an immediately effective basis); 76453 (November 17, 2015), 80 FR 72999 (adopting initial fees for EDGX Options, including description of logical ports and bulk order entry ports to be provided free of charge, on an immediately effective basis).

⁷ For instance, C2 Options Rules refer to logins as the mechanism through which a participant on C2, or Trading Permit Holder ("TPH"), can access C2. See, e.g., C2 Options Rule 6.17(g)-(i), which describes various risk controls that can restrict

The Exchange proposes to define three different types of ports, specifically, physical ports, logical ports, and bulk order ports. The Exchange notes that bulk order ports is a type of logical port and that there are other types of logical ports that are not specifically identified in the proposed rule. The Exchange believes that a separate definition is warranted for bulk order ports given the specific functionality provided through such ports but that the other types of logical ports are sufficiently described in the proposed definition of logical port.

The Exchange proposes to define a “physical port” as a port that provides a physical connection to the System. The Exchange also proposes to note that a physical port may provide access to multiple logical ports.

The Exchange proposes to define a “logical port” or “logical session” as a port that provides Users with the ability within the System to accomplish a specific function through a connection, such as order entry, data receipt, or access to information.

The Exchange proposes to define a “bulk order port” as a logical port that provides Users with the ability to submit bulk messages to enter, modify or cancel orders designated as Post Only Orders, provided such orders are entered with a Time-in-Force of Day or GTD with an expiration time on that trading day. The Exchange does not currently limit bulk order ports to Post Only Orders and further describes this proposed limitation below.

Modification to Operation of Bulk Order Entry Ports

access to the Exchange acronym (i.e., the letters used to identify the TPH) or the login level (i.e., the equivalent of the port level).

In addition to codifying the three types of ports in the Exchange's Rules, as set forth above, the Exchange proposes to restrict the type of messages that may be submitted through bulk order ports to orders submitted as Post Only Orders with a Time-in-Force of Day or a Time-in-Force of GTD with an expiration time on that trading day. Post Only Orders are defined in Rule 21.1(d)(8) as "orders that are to be ranked and executed on the Exchange pursuant to Rule 21.8 (Order Display and Book Processing) or cancelled, as appropriate, without routing away to another options exchange except that the order will not remove liquidity from the EDGX Options Book." Rule 21.1(d)(8) further provides that "[a] Post Only Order that is not subject to the Price Adjust process that would lock or cross a Protected Quotation of another options exchange or the Exchange will be cancelled." The Time-in-Force of DAY is defined in Rule 21.1(f)(3) to mean, "for an order so designated, a limit order to buy or sell which, if not executed expires at market close." The Time-in-Force of GTD is defined in Rule 21.1(f)(1) to mean "for orders so designated, that if after entry into the System, the order is not fully executed, the order (or the unexecuted portion thereof) shall remain available for potential display and/or execution for the amount of time specified by the entering User unless canceled by the entering party." In sum, Post Only Orders with a Time-in-Force of Day or GTD are orders that will be posted to and displayed by the Exchange, rather than removing liquidity or routing to another options exchange. As noted above, the Exchange proposes to limit the acceptable messages with the time in force of GTD to orders with an expiration time on the applicable trading day.

As a general matter, and as further described below, the proposed change is intended to limit the use of bulk order ports to liquidity provision, particularly by, but not

limited to, market makers registered with the Exchange. In turn, the Exchange believes it unnecessary to allow orders entered via bulk order entry ports to be able to last beyond the trading day on which they were entered. The Exchange notes that while, as a general matter, bulk order entry provides an efficient way for a market participant to conduct business on the Exchange by allowing the bundling of multiple instructions in a single message, the main purpose of such functionality has always been to encourage quoting on exchanges.⁸

The Exchange proposes this change in order to provide functionality that is more similar to quoting functionality available on Cboe Options and C2 Options. In particular, the Exchange has never differentiated between a quote or an order on entry. Rather, Users submit orders to the Exchange regardless of the capacity of the order (*i.e.*, customer, market-maker or other non-market-maker professional) and regardless of the intended result from submitting such order (*e.g.*, to remove liquidity, post and display liquidity on the Exchange, route to another market, etc.). Of course, an order that is posted and displayed on the Exchange is a quotation and the Exchange does maintain various requirements regarding quotations and quoting on the Exchange; the Exchange, however, reiterates that in order to quote on the Exchange a User submits an order. In contrast, Cboe Options and C2 Options distinguish between orders and quotes, with

⁸ For instance, when initially adopted by the Exchange's affiliate, BZX, bulk order entry was described as a "bulk-quoting interface" and such functionality was limited to BZX market makers. See Securities Exchange Act Release No. 65133 (August 15, 2011), 76 FR 52032 (August 19, 2011) (SR-BATS-2011-029). Bulk quoting was shortly thereafter expanded to be available to all participants on BZX's options platform but the focus remained on promoting liquidity provision on the Exchange, even though the types of messages permitted were not limited to liquidity providing orders. See Securities Exchange Act Release No. 65307 (September 9, 2011), 76 FR 57092 (September 15, 2011) (SR-BATS-2011-034).

quotes being required of and only available to registered market makers.⁹ While the Exchange does not propose to limit bulk order entry functionality to registered market makers on the Exchange, as such a change would remove access to functionality currently available to all Exchange Users, the Exchange does propose to limit the type of messages that may be submitted through bulk order entry ports in order to mimic the quoting functionality offered by Cboe Options and C2 Options.

(b) Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act¹⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act¹¹ 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. In particular, consistent rules and functionality between the Exchange and its affiliated exchanges will reduce complexity and help avoid potential confusion by the Users of the Exchange that are also participants on other Cboe Affiliated Exchanges.

The Exchange believes the proposed amendment will reduce complexity and increase the understanding of the Exchange's operations for all Users of the Exchange. In particular, the Exchange is promoting transparency by adopting definitions within Rule 21.1 to describe various ports used to access the Exchange that are currently described on

⁹ See Cboe Rule 1.1(ooo), C2 Rule 1.1 (defining "quote" or "quotation" as "a bid or offer entered by a Market-Maker that is firm and that updates the Market-Maker's previous quote, if any").

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

the Exchange's fee schedule and in filings previously made by the Exchange.¹² In turn, when Cboe Options and C2 Options are migrated to the same technology as that of the Exchange, Users of the Exchange and other Cboe Affiliated Exchanges will have access to similar functionality on all Cboe Affiliated Exchanges and similar language can be incorporated into the rules of all Cboe Affiliated Exchanges. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

The Exchange further believes that the proposed modification to the operation of bulk order entry ports such that only Post Only Orders with a time in force of DAY or GTD may be entered, modified or cancelled through such ports will protect investors and the public interest and maintain fair and orderly markets by offering specific functionality through which Users can submit orders that will result in quotations on the Exchange. In particular, the options markets are quote driven markets dependent on liquidity providers to an even greater extent than equities markets. In contrast to the approximately 7,000 different securities traded in the U.S. equities markets each day, there are more than 500,000 unique, regularly quoted option series. Given this breadth in options series the options markets are more dependent on liquidity providers than equities markets; such liquidity is provided most commonly by registered market makers but also by other professional traders. As such, the Exchange believes maintaining specific functionality to maintain quotations on the Exchange through bulk order entry ports will protect investors and the public interest and the maintenance of fair and orderly markets by

¹² See supra, note 6.

ensuring that an efficient process to enter and update quotations is available to Exchange Users. The Exchange also believes this is reasonable and is necessary to afford the Exchange the ability to establish a marketplace that operates more similar to the existing Cboe and C2 options exchanges, which are quote-based markets.

4. 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. The Exchange notes that the proposal will further promote consistency between the Exchange and its affiliated exchanges, and is part of a larger technology integration that will ultimately reduce complexity for Users of the Exchange that are also participants on other Cboe Affiliated Exchanges. The Exchange does not believe that the proposed changes will have any direct impact on inter-market competition. The Exchange does not believe that restricting bulk order entry ports to orders that will be displayed as quotations will impose any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act. In particular, while the Exchange believes it could be appropriate to propose to limit such functionality to registered market makers, the Exchange has not proposed such limitation at this time. As such, bulk order entry functionality will still be available to all Users of the Exchange, as it is today.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act¹³ and paragraph (f)(6) thereunder.¹⁴ The Exchange asserts that the proposed rule change: (1) will not significantly affect the protection of investors or the public interest; (2) will not impose any significant burden on competition; and (3) will not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate. In addition, the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing, or such shorter time as designated by the Commission.¹⁵

The Exchange believes that the proposed rule change is particularly appropriate for filing on an immediately effective basis under paragraph (f)(6) of Rule 19b-4. As described above, the rule changes proposed herein are to codify in Exchange Rule 21.1 the descriptions of certain access ports that the Exchange has previously described in filings with the Commission and that are currently listed on the Exchange's fee schedule. Further, the change proposed to restrict bulk order entry ports to Post Only Orders with a Time-in-Force of DAY or GTD will make the Exchange's functionality more consistent with that of Cboe Options and C2 Options in preparation for the ultimate migration of

¹³ 15 U.S.C. 78s(b)(3)(A).

¹⁴ 17 CFR 240.19b-4.

¹⁵ 17 CFR 240.19b-4(f)(6)(iii).

such exchanges onto the same technology as the Exchange. Because this filing is based on filings previously made by the Exchange¹⁶ and on rules currently in place for other options exchanges¹⁷ and does not present any new or novel issues that have not been previously considered by the Commission, the Exchange believes this proposal is properly filed pursuant to paragraph (f)(6) of Rule 19b-4.¹⁸

Furthermore, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

8. Proposed Rule Change Based on Rule of Another Self-Regulatory Organization or of the Commission

As noted above, the proposed rule changes to adopt definitions of the ports described above are based on filings previously made by the Exchange and such ports are currently listed on the Exchange's fee schedule.¹⁹ Other than the proposed modification

¹⁶ See supra, note 6.

¹⁷ See supra, note 9.

¹⁸ 17 CFR 240.19b-4(f)(6).

¹⁹ See supra, note 6.

to bulk order entry ports, the proposed definitions are substantively identical to the descriptions previously made with respect to such ports. With respect to the modification to bulk order entry ports such that only messages with Post Only Orders with a Time-in-Force of DAY or GTD will be accepted through such ports, the Exchange again notes that several options exchanges, including Cboe Options and C2 Options, have separate functionality that is available for quoting.²⁰ As such, the proposed change is intended to mimic such functionality.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1: Completed Notice of the Proposed Rule Change for publication in the Federal Register.

Exhibits 2 – 4: Not applicable.

Exhibit 5: Text of Proposed Rule Change.

²⁰ See supra, note 9.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____; File No. SR-CboeEDGX-2018-005)

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Modify EDGX Rule 21.1 and Related Functionality Applicable to the Exchange's Options Platform

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on _____, Cboe EDGX Exchange, Inc. (the "Exchange" or "EDGX") 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 Exchange has designated this proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6)(iii) thereunder,⁴ which renders it effective upon filing with the Commission. 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 filed a proposal to modify Rule 21.1 of Exchange's rules and related functionality applicable to the Exchange's options platform ("EDGX Options") in preparation for the technology migration of the Exchange's affiliated options exchanges onto the same technology as the Exchange.

The text of the proposed rule change is available at the Exchange's website at

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6)(iii).

www.markets.cboe.com, at the principal office of the Exchange, 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 Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

In 2016, the Exchange and its affiliates Cboe BYX Exchange, Inc. ("BYX"), Cboe EDGA Exchange, Inc. ("EDGA"), and Cboe BZX Exchange, Inc. ("BZX") received approval to affect a merger (the "Merger") of the Exchange's then-current indirect parent company, Bats Global Markets, Inc., with Cboe Global Markets f/k/a CBOE Holdings, Inc. ("Cboe"), the direct parent of Cboe Exchange, Inc. ("Cboe Options") and Cboe C2 Exchange, Inc. ("C2 Options", and together with the Exchange, BZX, and Cboe Options the "Cboe Affiliated Exchanges").⁵ The Cboe Affiliated Exchanges are working to align certain system functionality, retaining only intended differences between the Cboe Affiliated Exchanges, in the context of a technology

⁵ See Securities Exchange Act Release No. 79585 (December 16, 2016), 81 FR 93988 (December 22, 2016) (SR-BatsBZX-2016-68; SR-BatsBYX-2016-29; SR-BatsEDGA-2016-24; SR-BatsEDGX-2016-60). The Exchange notes that BYX and EDGA are also affiliated exchanges but do not operate options platforms and thus the integration described in this proposal is inapplicable to such exchanges.

migration. Thus, the proposals set forth below are intended to add certain functionality to the Exchange's System⁶ that is more similar to functionality offered by Cboe Options and C2 Options in order to ultimately provide a consistent technology offering for market participants who interact with the Cboe Affiliated Exchanges. Although the Exchange intentionally offers certain features that differ from those offered by its affiliates and will continue to do so, the Exchange believes that offering similar functionality to the extent practicable will reduce potential confusion for Users.

The Exchange is proposing to adopt periodic but relatively minor changes to functionality in order to reduce risk in connection with the technology migration described above; this proposal is related to one such proposed change but is primarily intended to add language to the Exchange's rules regarding ports that are referenced in the Exchange's fee schedule. Specifically, the Exchange proposes to add language to Rule 21.1 to define various types of ports used to submit orders to and receive information from the Exchange. In addition, the Exchange proposes to modify the operation of bulk order entry ports, as described below.

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information from the Exchange. In addition, the Exchange proposes to modify the operation of bulk order entry ports, as described below.

Port Definitions

The Exchange currently provides access to EDGX Options to Users⁷ through various ports. These ports have been previously described in multiple filings submitted by the Exchange⁸ and are referenced on the Exchange's fee schedule. However, the Exchange has not previously maintained any language in its rules related to such ports. The Exchange proposes to add language to Rule 21.1 to provide additional clarity in the Exchange's rules and to accommodate changes to the rules of other Cboe Affiliated Exchanges that refer to analogous, but different, concepts to describe the technology used to describe system access.⁹

The Exchange proposes to define three different types of ports, specifically, physical ports, logical ports, and bulk order ports. The Exchange notes that bulk order ports is a type of logical port and that there are other types of logical ports that are not specifically identified in the proposed rule. The Exchange believes that a separate

⁷ The term "User" means any Options Member or Sponsored Participant who is authorized to obtain access to the Exchange's System (as defined below) pursuant to Rule 11.3. See Rule 16.1(a)(63).

⁸ See Securities Exchange Act Release Nos. 82064 (November 13, 2017), 82 FR 54442 (November 17, 2017) (SR-BatsEDGX-2017-46) (modifying and describing fees for physical ports on an immediately effective basis); 76453 (November 17, 2015), 80 FR 72999 (adopting initial fees for EDGX Options, including description of logical ports and bulk order entry ports to be provided free of charge, on an immediately effective basis).

⁹ For instance, C2 Options Rules refer to logins as the mechanism through which a participant on C2, or Trading Permit Holder ("TPH"), can access C2. See, e.g., C2 Options Rule 6.17(g)-(i), which describes various risk controls that can restrict access to the Exchange acronym (i.e., the letters used to identify the TPH) or the login level (i.e., the equivalent of the port level).

definition is warranted for bulk order ports given the specific functionality provided through such ports but that the other types of logical ports are sufficiently described in the proposed definition of logical port.

The Exchange proposes to define a “physical port” as a port that provides a physical connection to the System. The Exchange also proposes to note that a physical port may provide access to multiple logical ports.

The Exchange proposes to define a “logical port” or “logical session” as a port that provides Users with the ability within the System to accomplish a specific function through a connection, such as order entry, data receipt, or access to information.

The Exchange proposes to define a “bulk order port” as a logical port that provides Users with the ability to submit bulk messages to enter, modify or cancel orders designated as Post Only Orders, provided such orders are entered with a Time-in-Force of Day or GTD with an expiration time on that trading day. The Exchange does not currently limit bulk order ports to Post Only Orders and further describes this proposed limitation below.

Modification to Operation of Bulk Order Entry Ports

In addition to codifying the three types of ports in the Exchange’s Rules, as set forth above, the Exchange proposes to restrict the type of messages that may be submitted through bulk order ports to orders submitted as Post Only Orders with a Time-in-Force of Day or a Time-in-Force of GTD with an expiration time on that trading day. Post Only Orders are defined in Rule 21.1(d)(8) as “orders that are to be ranked and executed on the Exchange pursuant to Rule 21.8 (Order Display and Book Processing) or cancelled, as appropriate, without routing away to another options exchange except that

the order will not remove liquidity from the EDGX Options Book.” Rule 21.1(d)(8) further provides that “[a] Post Only Order that is not subject to the Price Adjust process that would lock or cross a Protected Quotation of another options exchange or the Exchange will be cancelled.” The Time-in-Force of DAY is defined in Rule 21.1(f)(3) to mean, “for an order so designated, a limit order to buy or sell which, if not executed expires at market close.” The Time-in-Force of GTD is defined in Rule 21.1(f)(1) to mean “for orders so designated, that if after entry into the System, the order is not fully executed, the order (or the unexecuted portion thereof) shall remain available for potential display and/or execution for the amount of time specified by the entering User unless canceled by the entering party.” In sum, Post Only Orders with a Time-in-Force of Day or GTD are orders that will be posted to and displayed by the Exchange, rather than removing liquidity or routing to another options exchange. As noted above, the Exchange proposes to limit the acceptable messages with the time in force of GTD to orders with an expiration time on the applicable trading day.

As a general matter, and as further described below, the proposed change is intended to limit the use of bulk order ports to liquidity provision, particularly by, but not limited to, market makers registered with the Exchange. In turn, the Exchange believes it unnecessary to allow orders entered via bulk order entry ports to be able to last beyond the trading day on which they were entered. The Exchange notes that while, as a general matter, bulk order entry provides an efficient way for a market participant to conduct business on the Exchange by allowing the bundling of multiple instructions in a single

message, the main purpose of such functionality has always been to encourage quoting on exchanges.¹⁰

The Exchange proposes this change in order to provide functionality that is more similar to quoting functionality available on Cboe Options and C2 Options. In particular, the Exchange has never differentiated between a quote or an order on entry. Rather, Users submit orders to the Exchange regardless of the capacity of the order (*i.e.*, customer, market-maker or other non-market-maker professional) and regardless of the intended result from submitting such order (*e.g.*, to remove liquidity, post and display liquidity on the Exchange, route to another market, etc.). Of course, an order that is posted and displayed on the Exchange is a quotation and the Exchange does maintain various requirements regarding quotations and quoting on the Exchange; the Exchange, however, reiterates that in order to quote on the Exchange a User submits an order. In contrast, Cboe Options and C2 Options distinguish between orders and quotes, with quotes being required of and only available to registered market makers.¹¹ While the Exchange does not propose to limit bulk order entry functionality to registered market makers on the Exchange, as such a change would remove access to functionality

¹⁰ For instance, when initially adopted by the Exchange's affiliate, BZX, bulk order entry was described as a "bulk-quoting interface" and such functionality was limited to BZX market makers. See Securities Exchange Act Release No. 65133 (August 15, 2011), 76 FR 52032 (August 19, 2011) (SR-BATS-2011-029). Bulk quoting was shortly thereafter expanded to be available to all participants on BZX's options platform but the focus remained on promoting liquidity provision on the Exchange, even though the types of messages permitted were not limited to liquidity providing orders. See Securities Exchange Act Release No. 65307 (September 9, 2011), 76 FR 57092 (September 15, 2011) (SR-BATS-2011-034).

¹¹ See Cboe Rule 1.1(ooo), C2 Rule 1.1 (defining "quote" or "quotation" as "a bid or offer entered by a Market-Maker that is firm and that updates the Market-Maker's previous quote, if any").

currently available to all Exchange Users, the Exchange does propose to limit the type of messages that may be submitted through bulk order entry ports in order to mimic the quoting functionality offered by Cboe Options and C2 Options.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act¹² in general, and furthers the objectives of Section 6(b)(5) of the Act¹³ 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. In particular, consistent rules and functionality between the Exchange and its affiliated exchanges will reduce complexity and help avoid potential confusion by the Users of the Exchange that are also participants on other Cboe Affiliated Exchanges.

The Exchange believes the proposed amendment will reduce complexity and increase the understanding of the Exchange's operations for all Users of the Exchange. In particular, the Exchange is promoting transparency by adopting definitions within Rule 21.1 to describe various ports used to access the Exchange that are currently described on the Exchange's fee schedule and in filings previously made by the Exchange.¹⁴ In turn, when Cboe Options and C2 Options are migrated to the same technology as that of the Exchange, Users of the Exchange and other Cboe Affiliated Exchanges will have access to similar functionality on all Cboe Affiliated Exchanges and similar language can be

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(5).

¹⁴ See supra, note 8.

incorporated into the rules of all Cboe Affiliated Exchanges. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

The Exchange further believes that the proposed modification to the operation of bulk order entry ports such that only Post Only Orders with a time in force of DAY or GTD may be entered, modified or cancelled through such ports will protect investors and the public interest and maintain fair and orderly markets by offering specific functionality through which Users can submit orders that will result in quotations on the Exchange. In particular, the options markets are quote driven markets dependent on liquidity providers to an even greater extent than equities markets. In contrast to the approximately 7,000 different securities traded in the U.S. equities markets each day, there are more than 500,000 unique, regularly quoted option series. Given this breadth in options series the options markets are more dependent on liquidity providers than equities markets; such liquidity is provided most commonly by registered market makers but also by other professional traders. As such, the Exchange believes maintaining specific functionality to maintain quotations on the Exchange through bulk order entry ports will protect investors and the public interest and the maintenance of fair and orderly markets by ensuring that an efficient process to enter and update quotations is available to Exchange Users. The Exchange also believes this is reasonable and is necessary to afford the Exchange the ability to establish a marketplace that operates more similar to the existing Cboe and C2 options exchanges, which are quote-based markets.

(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. The Exchange notes that the proposal will further promote consistency between the Exchange and its affiliated exchanges, and is part of a larger technology integration that will ultimately reduce complexity for Users of the Exchange that are also participants on other Cboe Affiliated Exchanges. The Exchange does not believe that the proposed changes will have any direct impact on inter-market competition. The Exchange does not believe that restricting bulk order entry ports to orders that will be displayed as quotations will impose any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act. In particular, while the Exchange believes it could be appropriate to propose to limit such functionality to registered market makers, the Exchange has not proposed such limitation at this time. As such, bulk order entry functionality will still be available to all Users of the Exchange, as it is today.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

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) by its terms, 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 Act¹⁵ and paragraph (f)(6) of Rule 19b-4 thereunder,¹⁶ the Exchange has designated this rule filing as non-controversial. The Exchange has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

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: (1) necessary or appropriate in the public interest; (2) for the protection of investors; or (3) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule 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 proposal 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 No. SR-CboeEDGX-2018-005 on the subject line.

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 CFR 240.19b-4.

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 No. SR-CboeEDGX-2018-005. 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 am and 3:00 pm. Copies of such filing will also 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 No. SR-CboeEDGX-2018-005 and should be submitted on or before [_____21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to

delegated authority.¹⁷

Robert W. Errett
Deputy Secretary

¹⁷ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Note: Proposed new language is underlined. Proposed deletions are enclosed in [brackets].

Rules of Cboe EDGX Exchange, Inc.

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CHAPTER XXI. TRADING SYSTEMS

Rule 21.1. Definitions

(No change.)

(a)-(i) (No change.)

(j) The term “port” includes the following types of ports:

(1) A “physical port” provides a physical connection to the System. A physical port may provide access to multiple logical ports.

(2) A “logical port” or “logical session” provides Users with the ability within the System to accomplish a specific function through a connection, such as order entry, data receipt, or access to information.

(3) A “bulk order port” is a logical port that provides Users with the ability to submit bulk messages to enter, modify or cancel orders designated as Post Only Orders, provided such orders are entered with a Time-in-Force of DAY or a Time-in-Force of GTD with an expiration time on that trading day.

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