

OMB APPROVAL

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Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 20

SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549
 Form 19b-4

File No.* SR - 2019 - * 015

Amendment No. (req. for Amendments *)

Filing by Cboe C2 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"/>
			Rule		
Pilot <input type="checkbox"/>	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) *

☐

Section 806(e)(2) *

☐

Section 3C(b)(2) *

☐

Exhibit 2 Sent As Paper Document



Exhibit 3 Sent As Paper Document



Description

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

The Exchange proposes to amend the fat finger check for with respect to simple orders in Rule 6.14.

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 * Rebecca Last Name * Tenuta
 Title * Counsel
 E-mail * rtenuta@cboe.com
 Telephone * (312) 786-7068 Fax

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 06/06/2019

By Rebecca Tenuta

(Name *)

Counsel

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.

rtenuta@cboe.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFT 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 *

Add Remove View

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

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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

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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.

Item 1. Text of the Proposed Rule Change

(a) Cboe C2 Exchange, Inc. (the “Exchange” or “C2”) proposes to amend the fat finger check for with respect to simple orders in Rule 6.14. The text of the proposed rule change is provided below and in Exhibit 1.

* * * * *

(additions are underlined; deletions are [bracketed])

* * * * *

Rules of Cboe C2 Exchange, Inc.

* * * * *

Rule 6.14. Order and Quote Price Protection Mechanisms and Risk Controls

(a) – (b) No change.

(c) *All Orders.*

(1) *Limit Order Fat Finger Check.* If a User submits a buy (sell) limit order to the System with a price that is more than a buffer amount above (below) the NBO (NBB) for simple orders or the SNBO (SNBB) for complex orders, the System cancels or rejects the order. The Exchange determines a default buffer amount; however, a User may establish a higher or lower amount than the Exchange default.

(A) For simple buy (sell) orders, the Exchange may determine to apply this check on a class-by-class basis and not apply it to limit orders entered prior to the conclusion of the RTH [O]opening auction [P]process. If the check applies prior to the conclusion of the RTH [O]opening auction [P]process, it uses [the midpoint of the prior trading day’s closing NBBO (prior to 9:30 a.m.) or](i) the last disseminated NBBO on that trading day, or (ii) the midpoint of the prior trading day’s closing NBBO, if no NBBO has been disseminated on that trading day[(if there is one, after 9:30 a.m.)]. The Exchange or User, as applicable, may establish a different default amount prior to the conclusion of the RTH [O]opening auction [P]process than it does after trading is open. If the check applies prior to the conclusion of the O]RTH opening auction [P]process, it does not apply (i) if there is a corporate action impacting the corporate stock price, (ii) if there is no NBBO from the prior trading day, (iii) to orders with origin code M or N, or (iv) to GTC and GTD orders that reenter the Book from the prior trading session[day].

* * * * *

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) The Exchange's President (or designee) to delegated authority approved the proposed rule change on June 4, 2019. The Exchange intends to implement the proposed rule change on or about June 17, 2019.

(b) Please refer questions and comments on the proposed rule change to Pat Sexton, Executive Vice President, General Counsel, and Corporate Secretary, (312) 786-7467, or Rebecca Tenuta, (312) 786-7068, Cboe C2 Exchange, Inc., 400 South LaSalle, Chicago, Illinois 60605.

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

(a) Purpose

The proposed rule change amends the fat finger check with respect to simple orders in Rule 6.14. Current Rule 6.14(c)(1) states if a User submits a buy (sell) limit order to the System with a price that is more than a buffer amount above (below) the national best offer ("NBO") (national best bid ("NBB")) for simple orders, the System cancels or rejects the order.¹ Under current Rule 6.14(c)(1)(A) for simple orders, the Exchange may determine to apply this check on a class-by-class basis and not apply it to limit orders entered prior to the conclusion of the opening auction process. If the check applies prior to the conclusion of the

¹ The Exchange determines a default buffer amount; however, a User may establish a higher or lower amount than the Exchange default.

opening auction process, it uses the midpoint of the prior trading day's closing NBBO (prior to 9:30 a.m.) or the last disseminated NBBO (if there is one, after 9:30 a.m.).²

The Exchange recently adopted a global trading hours ("GTH") trading session, which will occur from 8:30 to 9:15 a.m. Eastern Time, which the Exchange intends to implement on June 17, 2019.³ For classes that trade during the GTH trading session, there may be an NBBO disseminated prior to 9:30 a.m, as well as a GTH opening auction process. Therefore, the Exchange proposes to update the fat finger check for simple orders to reflect a GTH trading session. Because the GTH and regular trading hours ("RTH") trading sessions will each have an opening auction process,⁴ the Exchange now proposes to amend Rule 6.14(c)(1)(A) to specify that if the check applies prior to the conclusion of the RTH opening auction process (therefore, from the beginning of the GTH opening process⁵ through the RTH opening process), it uses the last disseminated NBBO during that trading day (which accounts for NBBOs disseminated during GTH),⁶ or the midpoint of the prior

² Current Rule 6.14(c)(1)(A) also states that the Exchange or User, as applicable, may establish a different default amount prior to the conclusion of the opening auction process than it does after trading is open. If the check applies prior to the conclusion of the Opening Process, it does not apply (i) if there is a corporate action impacting the corporate stock price, (ii) if there is no NBBO from the prior trading day, (iii) to orders with origin code M (Market-Maker) or N (away market-maker), or (iv) to good-til-cancelled ("GTC") or good-til-day ("GTD") orders that reenter the Book from the prior trading day.

³ See Securities Exchange Act Release No. 85788 (May 6, 2019), 84 FR 20673 (May 10, 2019) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Exchange's Opening Process and Add a Global Trading Hours Session for DJX Options) (SR-C2-2019-009).

⁴ See Rule 6.11 which provides for the opening auction processes for GTH and RTH.

⁵ The Exchange notes this includes the queuing period as defined under Rule 6.11 which provides for the opening auction process.

⁶ See Rule 1.1 which states that a trading day includes both trading sessions on that day. The Exchange also notes that it is amending the term "orders" to state "buy

trading day's closing NBBO, if no NBBO has been disseminated during that trading day. The Exchange notes that it is deleting the language that refers to using the prior trading day's closing NBBO if the check applies prior to 9:30 a.m., as well as language that refers to an NBBO after 9:30 a.m., to accommodate the new GTH session. For example, if it is 9:25 a.m. the check would use the last disseminated NBBO from the GTH session (i.e. on that trading day), and, if no NBBO has been disseminated on that trading day then the System would pull the midpoint of the prior trading day's closing NBBO, as it currently does today. It also proposes to amend Rule 6.14(c)(1)(A) to state that if the check applies prior to the conclusion of the RTH opening auction process, it does not apply to good-til-cancelled ("GTC") and good-til-date ("GTD") orders that reenter the Book from the prior trading session. This proposed change accounts for a prior trading session instead of the trading day because the Exchange will use the same Book for all trading sessions, and thus any GTC or GTD orders that do not trade during GTH may become eligible for trading during RTH.

The Exchange notes that the proposed change is substantially similar to the current rule, and merely proposes to update language in connection with the implementation of the GTH trading session, specifying to which opening auction process the check under Rule 6.14(c)(1)(A) will apply, and accounting for the fact that there may be an NBBO disseminated prior to 9:30 a.m. for classes that will trade during the GTH trading session.

(b) 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

(sell) orders" in Rule 6.14(c)(1)(A) to mirror the same language used in Rule 6.14(c)(1), as well as the term "Opening Process" to "opening auction process" which is consistent with the verbiage used throughout Rule 6.11 (Opening Auction Process).

the Exchange and, in particular, the requirements of Section 6(b) of the Act.⁷ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁸ 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. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes that by updating the fat finger check for simple orders to account for the recently adopted GTH trading session, the proposed rule change serves to remove impediments to and perfect the mechanism of a free and open market and a national market system. As described above, the proposed change is substantially similar to the way in which the current fat finger check for simple orders functions, and merely accounts for the fact that there will be two trading sessions on the Exchange, each with an opening auction process and one of which will occur, and may disseminate an NBBO, before 9:30 a.m. Therefore, the Exchange believes that by amending rule language to specify that the fat finger check under Rule 6.14(c)(1)(A) will apply prior to the conclusion of the RTH opening auction process and by updating

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

⁹ Id.

language to reflect the earlier GTH session time and potential NBBO dissemination during that session in connection with the fat finger check, it will remove impediments to and perfect the mechanism of a free and open market, thereby protecting investors, by increasing transparency of the Exchange's fat finger price protection mechanism as it relates to the earlier GTH trading session.

Item 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 proposed rule change is not intended to address competitive issues, but rather to update a current price protection mechanism in connection with the addition of a GTH trading session. The Exchange does not believe that the proposed rule change to update the fat finger check as it relates to the GTH trading session will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because it will apply in the same manner to all Users' limit orders prior to the conclusion of the RTH opening auction process. The Exchange notes that a User may choose to establish a different default amount prior to the conclusion of the RTH opening auction process. Furthermore, the Exchange does not believe that the proposed change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed change merely updates a price protection mechanism already in place on the Exchange and applicable only to trading on the Exchange.

Item 5. 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.

Item 6. Extension of Time Period for Commission Action

Not applicable.

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

(a) The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of Act¹⁰ and Rule 19b-4(f)(6)¹¹ thereunder.

(b) The Exchange designates that the proposed rule change effects a change that (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. Additionally, 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.

The Exchange does not believe this proposed rule change will significantly affect the protection of investors and the public interest, but rather benefits investors and the public interest by amending its price protection mechanism rules to align with the two

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6).

different trading sessions to be implemented by the Exchange, thereby increasing transparency regarding the Exchange's fat finger check as it relates to the GTH trading session which will have an opening auction process and will occur prior to 9:30 a.m. The Exchange notes that a User may opt to establish a different default amount prior to the conclusion of the RTH trading session's opening auction process.

The Exchange does not believe that the proposed rule change will impose any significant burden on competition because the proposed rule change is not intended to address competitive issues, but rather to update a current price protection mechanism in connection with the addition of a GTH trading session.

For the foregoing reasons, this rule filing qualifies as a "non-controversial" rule change under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with the Commission. At any time within 60 days of the filing of this 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 Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved. The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective. The Exchange believes that the waiver of the operative delay will serve in the interests of investors and the public interest as it will ensure the limit order fat finger check applies in a manner that reflects the presence of multiple trading sessions, which are to be

implemented on June 17, 2019. For this reason, the Exchange respectfully requests that the Commission waive the 30-day operative delay.

(c) Not applicable.

(d) Not applicable.

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

The proposed rule change is not based on a rule either of another self-regulatory organization or of the Commission.

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

Not applicable.

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

Not applicable.

Item 11. Exhibits

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

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34- ; File No. SR-C2-2019-015]

[Insert date]

Self-Regulatory Organizations; Cboe C2 Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Amend the Fat Finger Check for with Respect to Simple Orders in Rule 6.14

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 [insert date], Cboe C2 Exchange, Inc. (the “Exchange” or “C2”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ 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

Cboe C2 Exchange, Inc. (the “Exchange” or “C2”) proposes to amend the fat finger check for with respect to simple orders in Rule 6.14. The text of the proposed rule change is provided below.

(additions are underlined; deletions are [bracketed])

* * * * *

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

Rules of Cboe C2 Exchange, Inc.

* * * * *

Rule 6.14. Order and Quote Price Protection Mechanisms and Risk Controls

(a) – (b) No change.

(c) *All Orders.*

(1) *Limit Order Fat Finger Check.* If a User submits a buy (sell) limit order to the System with a price that is more than a buffer amount above (below) the NBO (NBB) for simple orders or the SNBO (SNBB) for complex orders, the System cancels or rejects the order. The Exchange determines a default buffer amount; however, a User may establish a higher or lower amount than the Exchange default.

(A) For simple buy (sell) orders, the Exchange may determine to apply this check on a class-by-class basis and not apply it to limit orders entered prior to the conclusion of the RTH [O]opening auction [P]process. If the check applies prior to the conclusion of the RTH [O]opening auction [P]process, it uses [the midpoint of the prior trading day's closing NBBO (prior to 9:30 a.m.) or](i) the last disseminated NBBO on that trading day, or (ii) the midpoint of the prior trading day's closing NBBO, if no NBBO has been disseminated on that trading day[(if there is one, after 9:30 a.m.)]. The Exchange or User, as applicable, may establish a different default amount prior to the conclusion of the RTH [O]opening auction [P]process than it does after trading is open. If the check applies prior to the conclusion of the O]RTH opening auction [P]process, it does not apply (i) if there is a corporate action impacting the corporate stock price, (ii) if there is no NBBO from the prior trading day, (iii) to orders with origin code M or N, or (iv) to GTC and GTD orders that reenter the Book from the prior trading session[day].

* * * * *

The text of the proposed rule change is also available on the Exchange's website (http://markets.cboe.com/us/options/regulation/rule_filings/ctwo/), 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 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 proposed rule change amends the fat finger check with respect to simple orders in Rule 6.14. Current Rule 6.14(c)(1) states if a User submits a buy (sell) limit order to the System with a price that is more than a buffer amount above (below) the national best offer ("NBO") (national best bid ("NBB")) for simple orders, the System cancels or rejects the order.⁵ Under current Rule 6.14(c)(1)(A) for simple orders, the Exchange may determine to apply this check on a class-by-class basis and not apply it to limit orders entered prior to the conclusion of the opening auction process. If the check applies prior to the conclusion of the opening auction process, it uses the midpoint of the prior trading day's closing NBBO (prior to 9:30 a.m.) or the last disseminated NBBO (if there is one, after 9:30 a.m.).⁶

The Exchange recently adopted a global trading hours ("GTH") trading session, which will occur from 8:30 to 9:15 a.m. Eastern Time, which the Exchange intends to implement on June 17, 2019.⁷ For classes that trade during the GTH trading session, there

⁵ The Exchange determines a default buffer amount; however, a User may establish a higher or lower amount than the Exchange default.

⁶ Current Rule 6.14(c)(1)(A) also states that the Exchange or User, as applicable, may establish a different default amount prior to the conclusion of the opening auction process than it does after trading is open. If the check applies prior to the conclusion of the Opening Process, it does not apply (i) if there is a corporate action impacting the corporate stock price, (ii) if there is no NBBO from the prior trading day, (iii) to orders with origin code M (Market-Maker) or N (away market-maker), or (iv) to good-til-cancelled ("GTC") or good-til-day ("GTD") orders that reenter the Book from the prior trading day.

⁷ See Securities Exchange Act Release No. 85788 (May 6, 2019), 84 FR 20673 (May 10, 2019) (Notice of Filing and Immediate Effectiveness of a Proposed Rule

may be an NBBO disseminated prior to 9:30 a.m., as well as a GTH opening auction process. Therefore, the Exchange proposes to update the fat finger check for simple orders to reflect a GTH trading session. Because the GTH and regular trading hours (“RTH”) trading sessions will each have an opening auction process,⁸ the Exchange now proposes to amend Rule 6.14(c)(1)(A) to specify that if the check applies prior to the conclusion of the RTH opening auction process (therefore, from the beginning of the GTH opening process⁹ through the RTH opening process), it uses the last disseminated NBBO during that trading day (which accounts for NBBOs disseminated during GTH),¹⁰ or the midpoint of the prior trading day’s closing NBBO, if no NBBO has been disseminated during that trading day. The Exchange notes that it is deleting the language that refers to using the prior trading day’s closing NBBO if the check applies prior to 9:30 a.m., as well as language that refers to an NBBO after 9:30 a.m., to accommodate the new GTH session. For example, if it is 9:25 a.m. the check would use the last disseminated NBBO from the GTH session (i.e. on that trading day), and, if no NBBO has been disseminated on that trading day then the System would pull the midpoint of the prior trading day’s closing NBBO, as it currently does today. It also proposes to amend Rule 6.14(c)(1)(A) to state that if the check applies prior to the

Change To Amend the Exchange’s Opening Process and Add a Global Trading Hours Session for DJX Options) (SR-C2-2019-009).

⁸ See Rule 6.11 which provides for the opening auction processes for GTH and RTH.

⁹ The Exchange notes this includes the queuing period as defined under Rule 6.11 which provides for the opening auction process.

¹⁰ See Rule 1.1 which states that a trading day includes both trading sessions on that day. The Exchange also notes that it is amending the term “orders” to state “buy (sell) orders” in Rule 6.14(c)(1)(A) to mirror the same language used in Rule 6.14(c)(1), as well as the term “Opening Process” to “opening auction process” which is consistent with the verbiage used throughout Rule 6.11 (Opening Auction Process).

conclusion of the RTH opening auction process, it does not apply to good-til-cancelled (“GTC”) and good-til-date (“GTD”) orders that reenter the Book from the prior trading session. This proposed change accounts for a prior trading session instead of the trading day because the Exchange will use the same Book for all trading sessions, and thus any GTC or GTD orders that do not trade during GTH may become eligible for trading during RTH.

The Exchange notes that the proposed change is substantially similar to the current rule, and merely proposes to update language in connection with the implementation of the GTH trading session, specifying to which opening auction process the check under Rule 6.14(c)(1)(A) will apply, and accounting for the fact that there may be an NBBO disseminated prior to 9:30 a.m. for classes that will trade during the GTH trading session.

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.¹¹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹² 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

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹³ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes that by updating the fat finger check for simple orders to account for the recently adopted GTH trading session, the proposed rule change serves to remove impediments to and perfect the mechanism of a free and open market and a national market system. As described above, the proposed change is substantially similar to the way in which the current fat finger check for simple orders functions, and merely accounts for the fact that there will be two trading sessions on the Exchange, each with an opening auction process and one of which will occur, and may disseminate an NBBO, before 9:30 a.m. Therefore, the Exchange believes that by amending rule language to specify that the fat finger check under Rule 6.14(c)(1)(A) will apply prior to the conclusion of the RTH opening auction process and by updating language to reflect the earlier GTH session time and potential NBBO dissemination during that session in connection with the fat finger check, it will remove impediments to and perfect the mechanism of a free and open market, thereby protecting investors, by increasing transparency of the Exchange's fat finger price protection mechanism as it relates to the earlier GTH trading session.

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 proposed rule change is not intended to address competitive issues, but

¹³ Id.

rather to update a current price protection mechanism in connection with the addition of a GTH trading session. The Exchange does not believe that the proposed rule change to update the fat finger check as it relates to the GTH trading session will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because it will apply in the same manner to all Users' limit orders prior to the conclusion of the RTH opening auction process. The Exchange notes that a User may choose to establish a different default amount prior to the conclusion of the RTH opening auction process. Furthermore, the Exchange does not believe that the proposed change will impose any burden on intermarket competition that that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed change merely updates a price protection mechanism already in place on the Exchange and applicable only to trading on the Exchange.

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 Act¹⁴ and Rule 19b-4(f)(6)¹⁵ 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 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-C2-2019-015 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-C2-2019-015. 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

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b-4(f)(6).

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-C2-2019-015 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.¹⁶

Secretary

¹⁶ 17 CFR 200.30-3(a)(12).