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

File No.* SR - 2020 - * 002

Amendment No. (req. for Amendments *)

Filing by   Cboe C2 Exchange, Inc.

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * ☑   Amendment * ☐   Withdrawal ☐   Section 19(b)(2) * ☐   Section 19(b)(3)(A) * ☑   Section 19(b)(3)(B) * ☐

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Rule

☐ 19b-4(f)(1)   ☐ 19b-4(f)(4)
☐ 19b-4(f)(2)   ☐ 19b-4(f)(5)
☐ 19b-4(f)(3)   ☑ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐   Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

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 Rule 6.31 in connection with the Exchange's Clearing Editor.

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 01/16/2020   Counsel

By   Rebecca Tenuta

(Name *)

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 EFFS website.

Form 19b-4 Information *

[Add] [Remove] [View]

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 *

[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, 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

[Add] [Remove] [View]

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

[Add] [Remove] [View]

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

[Add] [Remove] [View]

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

[Add] [Remove] [View]

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

[Add] [Remove] [View]

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 Rule 6.31 in connection with the Exchange's Clearing Editor. 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 6.31. Clearing Editor

(a) No change.

(b) Trading Permit Holders may change the following fields through the Clearing Editor: (1) Executing Firm and Contra Firm; (2) Executing Broker and Contra Broker; (3) CMTA; (4) Account and Sub Account; (5) [Customer]Client Order ID; (6) Position Effect (open/close); or (7) Capacity (if the change is from a customer Capacity code of (C) to any other Capacity code, it must be accompanied by a Reason Code, and notice of such change will automatically be sent to the Exchange with the submission of the change through the Clearing Editor).

* * * * *

(b)   Not applicable.

(c)   Not applicable.

Item 2.   **Procedures of the Self-Regulatory Organization**

(a)   The Exchange's President (or designee) pursuant to delegated authority approved the proposed rule change on December 27, 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 Exchange proposes to amend Rule 6.31 in connection with its Clearing Editor. The Clearing Editor currently allows Trading Permit Holders ("TPHs") to update executed trades on their trading dates and revise them for clearing. Specifically, the Clearing Editor allows TPHs to correct certain bonafide errors by changing certain fields, pursuant to Rule 6.31(b), including: (1) Executing Firm and Contra Firm; (2) Executing Broker and Contra Broker; (3) CMTA; (4) Account and Sub Account; (5) Customer ID; (6) Position Effect (open/close); or (7) Capacity. The Exchange proposes to amend the rule to provide additional specificity regarding a Capacity code change. The proposed rule provides that that if the change is from a customer Capacity code of (C) to any other Capacity code, it must be accompanied by a Reason Code and notice of such change will automatically be sent to the Exchange with the submission of the change through the Clearing Editor. As proposed, Rule 6.31(b) would continue to allow a TPH to change any Capacity code to another, however, would just require a TPH to provide automatic notification and explanation to the Exchange via a prompted Reason Code of a Capacity code change from a customer Capacity code to another Capacity code.[1] The Exchange notes that while a change from customer Capacity code does not affect the Consolidated Tape or terms of a contract, such changes may affect other substantive aspects of how a trade was processed, including whether or not a trade should have been given certain preferable customer treatment (e.g. customer complex orders are not subject to certain

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[1] Example Reason Codes include: Input Error; Unmatched Trade; Unknown; Manual Add; Other Text Required; Trade Nullification; Trade Adjustment; Error Account; and System Issue.

Complex Order Auction ("COA") restrictions and customer orders may receive specific rebates or are assessed reduced fees).[2] Accordingly, the Exchange believes that TPHs making changes to this field should be required to provide to the Exchange notice and explanation relating to the change. As a result, the proposed Reason Code for customer Capacity code changes would better enable the Exchange to surveil for and enforce against potential issues or abusive behavior via the Clearing Editor by allowing the Exchange to understand the rationale behind all such changes.

The proposed rule change also updates the term Customer ID in Rule 6.31(b) to Client Order ID, as this term more accurately reflect the name of the field displayed on an order[3] and in the Clearing Editor. This proposed rule change is identical to the manner in which a Capacity code may be changed via the Clearing Editor, and the term Client Order ID is used, on the Exchange's affiliated exchange, Cboe Exchange, Inc. ("Cboe Options").[4]

(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 the Exchange and, in particular, the requirements of Section 6(b) of the Act.[5] Specifically, the Exchange believes the proposed rule change is consistent with the

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[2]   See C2 Options Exchange Fees Schedule. The Exchange notes that preferential pricing to Customers is a long-standing options industry practice.

[3]   See Cboe Options FIX Specifications, available at: https://cdn.cboe.com/resources/membership/US_Options_FIX_Specification.pdf.

[4]   See Cboe Options Rule 6.1.

[5]   15 U.S.C. 78f(b).

Section 6(b)(5)[6] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[7] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, by requiring a TPH to submit a Reason Code via the Clearing Editor in conjunction with a change made from a customer Capacity code, the Exchange believes the proposed rule change may prevent fraudulent and manipulative acts and otherwise promote just and equitable principles of trade because it would allow the Exchange to automatically be notified of such a change and the rationale behind the change. This, in turn, would allow the Exchange to better surveil for and enforce against potential issues or abusive behavior via the Clearing Editor. As such, the proposed rule change is specifically designed to protect investors and the public interest. The Exchange further notes that, for the same reasons enumerated above, the proposed rule change is also consistent with Section 6(b)(1) of the Act,[8] which provides that the Exchange be organized and have the capacity to be able to carry out the purposes of the Act and to enforce compliance by the Exchange's Trading Permit Holders and persons associated

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[6]   15 U.S.C. 78f(b)(5).

[7]   Id.

[8]   15 U.S.C. 78f(b)(1).

with its Trading Permit Holders with the Act, the rules and regulations thereunder, and the rules of the Exchange.

Additionally, the Exchange believes that the proposed rule change to update the term Customer ID to Client Order ID, a term that more accurately reflects the field name that is displayed on an order and in the Clearing Editor, would remove impediments to and perfect the mechanism of a free and open market and a national market system and protect investors by mitigating any potential confusion surrounding the use of this field. Finally, the Exchange notes that the proposed rule change is identical to the manner in which a Capacity code change from a customer Capacity code must be made and the term Client Order ID is used in Cboe Options Rule 6.6, previously filed with the Commission.

Item 4.   <u>**Self-Regulatory Organization's Statement on Burden on Competition**</u>

The Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe the proposed rule change would impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the Act, because it would require all TPHs to input a Reason Code via the Clearing Editor when changing from a customer Capacity code. The Exchange notes that the proposed rule change does not alter or restrict any the fields that a TPH may currently change via the Clearing Editor. The Exchange does not believe that the proposed rule change would impose any burden on intermarket competition, because it is substantially the same as the Clearing Editor rule on Cboe Options, previously filed with the Commission. In addition to this, the Exchange notes that the proposed rule change is not intended to address competitive issues, but rather, is concerned with the correction of post-trade information

for purposes of enhancing surveillance and enforcement for potential issues or abuses of

the Clearing Editor.

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 Act[9] and Rule 19b-4(f)(6)[10] 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.

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[9]   15 U.S.C. 78s(b)(3)(A).

[10]   17 CFR 240.19b-4(f)(6).

The Exchange does not believe that the proposed rule change to require that a TPH making a change from a customer Capacity code in the Clearing Editor be required to provide a Reason Code along with the change would significantly affect the protection of investors and the public interest. Rather, the proposed rule change is designed to protect investors and the public interest by allowing the Exchange, through prompt notification of each change as well as the rationale behind each change, to better surveil for and enforce against potential issues or abusive behavior that could potentially arise in connection with changing such Capacity codes. Also, the Exchange does not believe that the proposed change to update the term Customer ID to Client Order ID would significantly affect the protection of investors and the public interest, but rather, would benefit investors and the public interest by more accurately reflecting the field name that is displayed on an order and in the Clearing Editor, thus, mitigating any potential confusion surrounding the use of this field.

The Exchange does not believe that the proposed rule change would impose any significant burden on competition because is not intended to address competitive issues, and is instead concerned with surveillance and enforcement for potential issues or abuses of the Clearing Editor. Moreover, the proposed Reason Code requirement would uniformly apply to all TPHs making the requisite Capacity code change. As stated above, the proposed change is substantially the same as the Clearing Editor rule on Cboe Options, previously filed with the Commission.

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.

(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 based on and substantively identical to Cboe Options Rule 6.6.

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.

<u>EXHIBIT 1</u>

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-   ; File No. SR-C2-2020-002]

[Insert date]

Self-Regulatory Organizations; Cboe C2 Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Amend Rule 6.31 in Connection with the Exchange's Clearing Editor

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 Act[3] 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 Rule 6.31 in connection with the Exchange's Clearing Editor. The text of the proposed rule change is provided below.

(additions are <u>underlined</u>; deletions are [bracketed])

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[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 6.31. Clearing Editor

(a) No change.

(b) Trading Permit Holders may change the following fields through the Clearing Editor: (1) Executing Firm and Contra Firm; (2) Executing Broker and Contra Broker; (3) CMTA; (4) Account and Sub Account; (5) [Customer]Client Order ID; (6) Position Effect (open/close); or (7) Capacity (if the change is from a customer Capacity code of (C) to any other Capacity code, it must be accompanied by a Reason Code, and notice of such change will automatically be sent to the Exchange with the submission of the change through the Clearing Editor).

* * * * *

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 Exchange proposes to amend Rule 6.31 in connection with its Clearing

Editor. The Clearing Editor currently allows Trading Permit Holders ("TPHs") to update

executed trades on their trading dates and revise them for clearing. Specifically, the Clearing Editor allows TPHs to correct certain bonafide errors by changing certain fields, pursuant to Rule 6.31(b), including: (1) Executing Firm and Contra Firm; (2) Executing Broker and Contra Broker; (3) CMTA; (4) Account and Sub Account; (5) Customer ID; (6) Position Effect (open/close); or (7) Capacity. The Exchange proposes to amend the rule to provide additional specificity regarding a Capacity code change. The proposed rule provides that that if the change is from a customer Capacity code of (C) to any other Capacity code, it must be accompanied by a Reason Code and notice of such change will automatically be sent to the Exchange with the submission of the change through the Clearing Editor. As proposed, Rule 6.31(b) would continue to allow a TPH to change any Capacity code to another, however, would just require a TPH to provide automatic notification and explanation to the Exchange via a prompted Reason Code of a Capacity code change from a customer Capacity code to another Capacity code.[5] The Exchange notes that while a change from customer Capacity code does not affect the Consolidated Tape or terms of a contract, such changes may affect other substantive aspects of how a trade was processed, including whether or not a trade should have been given certain preferable customer treatment (e.g. customer complex orders are not subject to certain Complex Order Auction ("COA") restrictions and customer orders may receive specific rebates or are assessed reduced fees).[6] Accordingly, the Exchange believes that TPHs making changes to this field should be required to provide to the Exchange notice and

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[5]   Example Reason Codes include: Input Error; Unmatched Trade; Unknown; Manual Add; Other Text Required; Trade Nullification; Trade Adjustment; Error Account; and System Issue.

[6]   See C2 Options Exchange Fees Schedule. The Exchange notes that preferential pricing to Customers is a long-standing options industry practice.

explanation relating to the change. As a result, the proposed Reason Code for customer Capacity code changes would better enable the Exchange to surveil for and enforce against potential issues or abusive behavior via the Clearing Editor by allowing the Exchange to understand the rationale behind all such changes.

The proposed rule change also updates the term Customer ID in Rule 6.31(b) to Client Order ID, as this term more accurately reflect the name of the field displayed on an order[7] and in the Clearing Editor. This proposed rule change is identical to the manner in which a Capacity code may be changed via the Clearing Editor, and the term Client Order ID is used, on the Exchange's affiliated exchange, Cboe Exchange, Inc. ("Cboe Options").[8]

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.[9] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[10] 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

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[7]   See Cboe Options FIX Specifications, available at: https://cdn.cboe.com/resources/membership/US_Options_FIX_Specification.pdf.

[8]   See Cboe Options Rule 6.1.

[9]   15 U.S.C. 78f(b).

[10]   15 U.S.C. 78f(b)(5).

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)[11] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, by requiring a TPH to submit a Reason Code via the Clearing Editor in conjunction with a change made from a customer Capacity code, the Exchange believes the proposed rule change may prevent fraudulent and manipulative acts and otherwise promote just and equitable principles of trade because it would allow the Exchange to automatically be notified of such a change and the rationale behind the change. This, in turn, would allow the Exchange to better surveil for and enforce against potential issues or abusive behavior via the Clearing Editor. As such, the proposed rule change is specifically designed to protect investors and the public interest. The Exchange further notes that, for the same reasons enumerated above, the proposed rule change is also consistent with Section 6(b)(1) of the Act,[12] which provides that the Exchange be organized and have the capacity to be able to carry out the purposes of the Act and to enforce compliance by the Exchange's Trading Permit Holders and persons associated with its Trading Permit Holders with the Act, the rules and regulations thereunder, and the rules of the Exchange.

Additionally, the Exchange believes that the proposed rule change to update the term Customer ID to Client Order ID, a term that more accurately reflects the field name that is displayed on an order and in the Clearing Editor, would remove impediments to and perfect the mechanism of a free and open market and a national market system and

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[11]   Id.

[12]   15 U.S.C. 78f(b)(1).

protect investors by mitigating any potential confusion surrounding the use of this field.

Finally, the Exchange notes that the proposed rule change is identical to the manner in

which a Capacity code change from a customer Capacity code must be made and the term

Client Order ID is used in Cboe Options Rule 6.6, previously filed with the Commission.

       B.   <u>Self-Regulatory Organization's Statement on Burden on Competition</u>

The Exchange does not believe that the proposed rule change would impose any

burden on competition that is not necessary or appropriate in furtherance of the purposes

of the Act. The Exchange does not believe the proposed rule change would impose any

burden on intramarket competition that is not necessary or appropriate in furtherance of

the Act, because it would require all TPHs to input a Reason Code via the Clearing Editor

when changing from a customer Capacity code. The Exchange notes that the proposed

rule change does not alter or restrict any the fields that a TPH may currently change via

the Clearing Editor. The Exchange does not believe that the proposed rule change would

impose any burden on intermarket competition, because it is substantially the same as the

Clearing Editor rule on Cboe Options, previously filed with the Commission. In addition

to this, the Exchange notes that the proposed rule change is not intended to address

competitive issues, but rather, is concerned with the correction of post-trade information

for purposes of enhancing surveillance and enforcement for potential issues or abuses of

the Clearing Editor.

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

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 Act[13] and Rule 19b-4(f)(6)[14] 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

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[13]   15 U.S.C. 78s(b)(3)(A).

[14]   17 CFR 240.19b-4(f)(6).

- Send an e-mail to <u>rule-comments@sec.gov</u>. <u>Please include File Number SR-C2-2020-002 on the subject line.</u>

<u>Paper comments:</u>

- 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-C2-2020-002. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (http://www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, D.C. 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.   All submissions should refer to File Number SR-C2-2020-002 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.[15]

Secretary

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[15]   17 CFR 200.30-3(a)(12).