

OMB APPROVAL

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Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 24	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2020 - * 003 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 <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)
Pilot <input type="checkbox"/> Extension of Time Period for Commission Action * <input type="checkbox"/> Date Expires *		
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/> Section 806(e)(2) * <input type="checkbox"/>		Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 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"/>	
Description Provide a brief description of the action (limit 250 characters, required when Initial is checked *). <div style="border: 1px solid black; padding: 5px; min-height: 40px;"> The Exchange proposes to amend Rule 6.34 in connection with business continuity and disaster recovery testing. </div>		
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. <div style="text-align: right;">(Title *)</div> <div style="display: flex; justify-content: space-between;"> <div> Date 03/26/2020 By Laura G. Dickman (Name *) </div> <div style="border: 1px solid black; padding: 5px; width: 300px;"> Vice President, Associate General Counsel </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> 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. </div> <div style="border: 1px solid black; padding: 5px; background-color: #f0f0f0;"> Idickman@cboe.com </div> </div>		

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

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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 Rule 6.34 in connection with business continuity and disaster recovery testing. The text of the proposed rule change is provided in Exhibit 5.

(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 March 17, 2020.

(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 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 harmonize Rule 6.34, in connection with business continuity and disaster recovery testing, with the corresponding rules of its affiliated options exchanges, Cboe BZX Exchange, Inc. (“BZX Options”) and Cboe EDGX Exchange, Inc. (“EDGX Options”).¹

¹ The Exchange notes that Cboe Exchange, Inc. (“Cboe Options”) is simultaneously filing a rule change to harmonize certain provisions of its business continuity and disaster recovery testing rules with that of BZX Options and EDGX Options.

As background, Regulation Systems Compliance and Integrity (“Regulation SCI”)² applies to certain self-regulatory organizations (including the Exchange), alternative trading systems (“ATs”), plan processors, and exempt clearing agencies (collectively, “SCI entities”). Specifically, Rule 1004 of Regulation SCI (“Reg SCI”) states that each SCI entity shall establish standards for the designation of members or participants that are necessary for the maintenance of fair and orderly markets in the event of the activation of the business continuity and disaster recovery plans, designate such members or participants in scheduled functional and performance testing of the operation of such plans no less than once every 12 months, and coordinate the testing of such plans on an industry- or sector-wide basis with other SCI entities.

In order to comply with the coordination requirement among SCI entities, the Exchange has conducted the required operational testing in parallel with the industry-led testing program coordinated by the Securities Industry and Financial Markets Association (“SIFMA”), which occurs on an annual basis. In particular, Rule 6.34(b) requires certain Trading Permit Holders (“TPHs”) that contribute a meaningful percentage of the Exchange’s overall volume must connect to the Exchange’s backup systems and participate in functional and performance testing as announced by the Exchange, which occurs at least once every 12 months. This is consistent with Reg SCI and generally occurs in October. In particular, subparagraph (b)(1) provides that the Exchange determines the percentage of volume it considers to be meaningful for purposes of Rule 6.34(b), subparagraph (b)(2) provides that the Exchange measures volume executed on the Exchange on a quarterly basis, and that the Exchange also individually notifies all Trading Permit Holders quarterly that are

² See Securities Exchange Act Release No. 73639 (November 19, 2014), 79 FR 72252 (December 5, 2014) (“SCI Adopting Release”).

subject to this paragraph (b) based on the prior calendar quarter's volume, and subparagraph (b)(3) provides that if a Trading Permit Holder has not previously been subject to the requirements of this paragraph (b), such Trading Permit Holder has until the next calendar quarter before such requirements are applicable.

In order to harmonize its business continuity and disaster recovery testing provisions with that of its affiliated options exchanges, the Exchange proposes to amend subparagraph (b)(2) to allow the Exchange to identify TPHs designated to test based on trading activity during a single designated quarter for a given year. In line with this proposed rule change, the Exchange also subsequently updates the timeframe for notification to TPHs that are designated for testing in subparagraph (b)(2) and removes subparagraph (b)(3) as all TPHs will be subject to the same measurement quarter selected by the Exchange. Specifically, the proposed rule change provides that the Exchange individually notifies all TPHs (designated for testing) annually, and at least three months prior to the scheduled functional and performance testing. The proposed rule change is substantively identical to the language regarding testing notification provided in Interpretation and Policy .01 to Rule 2.4 of BZX Options and EDGX Options. The proposed rule change is intended to provide the Exchange with greater flexibility in selecting the most relevant quarter's trade data for which the Exchange may identify TPHs that will be designated to participate in annual testing. As such, the Exchange may identify TPHs designated for testing based on potentially the most representative measure of trading activity. For example, if the second quarter of the year in which the test will take place is generally experiencing high volume and trading activity, such a quarter would provide a better, more relevant and/or accurate sample of overall activity and trading patterns on the Exchange than a former, potentially less active quarter or

a quarter farther removed from the test date (e.g., the third quarter of the preceding year) for which a TPH might have been designated, thus providing a more relevant and/or accurate, holistic representation of the TPHs who meet the requirement set forth in Rules 6.34(b). The proposed rule change provides additional detail regarding the timeframe for which the Exchange will provide notice to TPHs that have been designated to test based on a single designated quarter as opposed to a quarterly basis. The Exchange believes three months is reasonable advanced notice.

(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.³ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁴ 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)⁵ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(5).

⁵ Id.

In particular, the proposed change is intended to harmonize the rules in connection with business continuity and disaster recovery testing across the Exchange and its affiliated options exchanges, BZX Options and EDGX Options.⁶ The proposed rule change does not proposed new or unique business continuity and disaster recovery procedures or requirements as the proposed changes are substantively similar to rules currently in place on the Exchange's affiliated options exchanges and previously filed with the Commission. Consistent requirements and procedures in connection with business continuity and disaster recovery testing will simplify the regulatory requirements and increase the understanding of the Exchange's operations for TPHs that are also participants on the Exchange's affiliated options exchanges. Greater harmonization across the affiliated options exchanges will result in greater uniformity, rules that are easier to follow and understand, and less burdensome, more efficient regulatory compliance, thereby contributing to the protection of investors and the public interest. Moreover, the proposed rule change will harmonize Exchange rules with those of other self-regulatory organizations in furtherance of the coordination of testing among SCI entities required by Rule 1004(c) of Regulation SCI. As set forth in Regulation SCI, "SROs have the authority, and legal responsibility, under Section 6 of the Exchange Act, to adopt and enforce rules (including rules to comply with Regulation SCI's requirements relating to business continuity and disaster recovery testing) applicable to their members or participants that are designed to, among other things, foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove

⁶ See supra note 1.

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.”⁷ The Exchange believes that the proposed rule change is consistent with such authority and legal responsibility and will serve to strengthen the Exchange’s coordination with other SCI entities to the benefit of investors and the public interest.

In addition to this, by allowing the Exchange to identify TPHs that are subject to testing based on activity during a single designated quarter and to issue an annual notification at least three months prior to testing the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and national market system, and, in general, protect investors as it will allow the Exchange to rely on the trading activity within a quarter that may be more relevant or representative of overall trading activity and patterns on the Exchange in order to better determine which TPHs should participate in testing, provide specificity as to the timing for which the Exchange will give notice to TPHs designated to participate in testing based on the selection of a single measurement quarter, and, in general, will simplify the TPH designation and notice process.

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 Exchange notes that the proposed rule change is not a competitive proposal as it is intended to coordinate TPH notification and designated calendar quarters

⁷ See supra note 2.

in connection with annual functional and performance testing participation with the rules of its affiliated options exchanges.

The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the trading activity of TPHs will be measured during the same Exchange-determined quarter for all TPHs and annual notice will be given to each TPH designated for testing at the same time at least three months in advance.

The Exchange does not believe that the proposed rule 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 rule changes are substantively identical to the corresponding rules of BZX Options and EDGX Options, which have previously been filed with the Commission.

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 Act⁸ and Rule 19b-4(f)(6)⁹ thereunder.

⁸ 15 U.S.C. 78s(b)(3)(A).

(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 that the proposed rule change will significantly affect the protection of investors or the public interest, but rather, will benefit investors and the public interest by providing them with more uniformity, rules that are easier to follow and understand, and less burdensome and more efficient regulatory compliance for investors that participate across the Exchange and its affiliated options exchanges. Further, the proposed rule changes will harmonize Exchange rules with those of other self-regulatory organizations in furtherance of the coordination of testing among SCI entities, thereby contributing the protection of investors and the public interest. Additionally, the Exchange believes that the proposed rule change will serve to benefit investors and the public interest because it will allow the Exchange to rely on more relevant and/or representative trading activity in order to better determine which TPHs should participate in testing, provide specificity as to the timing for which the Exchange will give notice to TPHs designated to participate in testing based on a single

⁹ 17 CFR 240.19b-4(f)(6).

measurement quarter, and, in general, will simplify the TPH designation and notice 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 competitive in nature and is instead intended to coordinate notification and designated quarters in connection with TPH participation requirements in annual functional and performance testing with the rules of its affiliated options exchanges, which have previously been filed with the Commission. Additionally, the Exchange notes that the timing in which TPHs receive notification and the quarter for which the Exchange determines meaningful percentage of volume will apply equally to all TPHs.

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. Waiver of the operative delay is consistent with the protection of investors and the public interest as it would eliminate potential confusion in connection with testing participation in the next annual functional and performance testing (October

2020) across the Exchange and its affiliated options exchanges and in coordination with other SCI entities. The proposed rule change will simplify and streamline the process of notification to TPHs designated to participate in the annual test and will ensure that the Exchange and its affiliated options exchanges will be able to base all member participation on the same designated quarter (e.g., Q1 2020) for the upcoming annual test, thus resulting in more efficient regulatory compliance and operations for investors across the exchanges. For these reasons and the reasons enumerated above, 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 changes are substantively identical to Interpretation and Policy .01 to Rule 2.4 of BZX Options and EDGX Options. The Exchange notes that the proposed rule change does not incorporate the language in BZX Options and EDGX Options rules which provides that the Exchange will publish its determination of meaningful percentage of volume in a circular distributed to its TPHs because Exchange Rule 1.2 already requires the Exchange to announce such a determination to TPHs in a specification, Notice or Circular with appropriate advanced notice.

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 5. Proposed rule text.

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34- ; File No. SR-C2-2020-003]

[Insert date]

Self-Regulatory Organizations; Cboe C2 Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Amend Rule 6.34 in Connection with Business Continuity and Disaster Recovery Testing

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 Rule 6.34 in connection with business continuity and disaster recovery testing. The text of the proposed rule change is provided in Exhibit 5.

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).

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 harmonize Rule 6.34, in connection with business continuity and disaster recovery testing, with the corresponding rules of its affiliated options exchanges, Cboe BZX Exchange, Inc. ("BZX Options") and Cboe EDGX Exchange, Inc. ("EDGX Options").⁵

As background, Regulation Systems Compliance and Integrity ("Regulation SCI")⁶ applies to certain self-regulatory organizations (including the Exchange), alternative trading systems ("ATs"), plan processors, and exempt clearing agencies (collectively, "SCI entities"). Specifically, Rule 1004 of Regulation SCI ("Reg SCI")

⁵ The Exchange notes that Cboe Exchange, Inc. ("Cboe Options") is simultaneously filing a rule change to harmonize certain provisions of its business continuity and disaster recovery testing rules with that of BZX Options and EDGX Options.

⁶ See Securities Exchange Act Release No. 73639 (November 19, 2014), 79 FR 72252 (December 5, 2014) ("SCI Adopting Release").

states that each SCI entity shall establish standards for the designation of members or participants that are necessary for the maintenance of fair and orderly markets in the event of the activation of the business continuity and disaster recovery plans, designate such members or participants in scheduled functional and performance testing of the operation of such plans no less than once every 12 months, and coordinate the testing of such plans on an industry- or sector-wide basis with other SCI entities.

In order to comply with the coordination requirement among SCI entities, the Exchange has conducted the required operational testing in parallel with the industry-led testing program coordinated by the Securities Industry and Financial Markets Association (“SIFMA”), which occurs on an annual basis. In particular, Rule 6.34(b) requires certain Trading Permit Holders (“TPHs”) that contribute a meaningful percentage of the Exchange’s overall volume must connect to the Exchange’s backup systems and participate in functional and performance testing as announced by the Exchange, which occurs at least once every 12 months. This is consistent with Reg SCI and generally occurs in October. In particular, subparagraph (b)(1) provides that the Exchange determines the percentage of volume it considers to be meaningful for purposes of Rule 6.34(b), subparagraph (b)(2) provides that the Exchange measures volume executed on the Exchange on a quarterly basis, and that the Exchange also individually notifies all Trading Permit Holders quarterly that are subject to this paragraph (b) based on the prior calendar quarter’s volume, and subparagraph (b)(3) provides that if a Trading Permit Holder has not previously been subject to the requirements of this paragraph (b), such Trading Permit Holder has until the next calendar quarter before such requirements are applicable.

In order to harmonize its business continuity and disaster recovery testing provisions with that of its affiliated options exchanges, the Exchange proposes to amend subparagraph (b)(2) to allow the Exchange to identify TPHs designated to test based on trading activity during a single designated quarter for a given year. In line with this proposed rule change, the Exchange also subsequently updates the timeframe for notification to TPHs that are designated for testing in subparagraph (b)(2) and removes subparagraph (b)(3) as all TPHs will be subject to the same measurement quarter selected by the Exchange. Specifically, the proposed rule change provides that the Exchange individually notifies all TPHs (designated for testing) annually, and at least three months prior to the scheduled functional and performance testing. The proposed rule change is substantively identical to the language regarding testing notification provided in Interpretation and Policy .01 to Rule 2.4 of BZX Options and EDGX Options. The proposed rule change is intended to provide the Exchange with greater flexibility in selecting the most relevant quarter's trade data for which the Exchange may identify TPHs that will be designated to participate in annual testing. As such, the Exchange may identify TPHs designated for testing based on potentially the most representative measure of trading activity. For example, if the second quarter of the year in which the test will take place is generally experiencing high volume and trading activity, such a quarter would provide a better, more relevant and/or accurate sample of overall activity and trading patterns on the Exchange than a former, potentially less active quarter or a quarter farther removed from the test date (e.g., the third quarter of the preceding year) for which a TPH might have been designated, thus providing a more relevant and/or accurate, holistic representation of the TPHs who meet the requirement set forth in Rules 6.34(b).

The proposed rule change provides additional detail regarding the timeframe for which the Exchange will provide notice to TPHs that have been designated to test based on a single designated quarter as opposed to a quarterly basis. The Exchange believes three months is reasonable advanced notice.

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.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 proposed change is intended to harmonize the rules in connection with business continuity and disaster recovery testing across the Exchange

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

⁹ Id.

and its affiliated options exchanges, BZX Options and EDGX Options.¹⁰ The proposed rule change does not proposed new or unique business continuity and disaster recovery procedures or requirements as the proposed changes are substantively similar to rules currently in place on the Exchange's affiliated options exchanges and previously filed with the Commission. Consistent requirements and procedures in connection with business continuity and disaster recovery testing will simplify the regulatory requirements and increase the understanding of the Exchange's operations for TPHs that are also participants on the Exchange's affiliated options exchanges. Greater harmonization across the affiliated options exchanges will result in greater uniformity, rules that are easier to follow and understand, and less burdensome, more efficient regulatory compliance, thereby contributing to the protection of investors and the public interest. Moreover, the proposed rule change will harmonize Exchange rules with those of other self-regulatory organizations in furtherance of the coordination of testing among SCI entities required by Rule 1004(c) of Regulation SCI. As set forth in Regulation SCI, "SROs have the authority, and legal responsibility, under Section 6 of the Exchange Act, to adopt and enforce rules (including rules to comply with Regulation SCI's requirements relating to business continuity and disaster recovery testing) applicable to their members or participants that are designed to, among other things, 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

¹⁰ See supra note 5.

market system, and, in general, to protect investors and the public interest.”¹¹ The Exchange believes that the proposed rule change is consistent with such authority and legal responsibility and will serve to strengthen the Exchange’s coordination with other SCI entities to the benefit of investors and the public interest.

In addition to this, by allowing the Exchange to identify TPHs that are subject to testing based on activity during a single designated quarter and to issue an annual notification at least three months prior to testing the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and national market system, and, in general, protect investors as it will allow the Exchange to rely on the trading activity within a quarter that may be more relevant or representative of overall trading activity and patterns on the Exchange in order to better determine which TPHs should participate in testing, provide specificity as to the timing for which the Exchange will give notice to TPHs designated to participate in testing based on the selection of a single measurement quarter, and, in general, will simplify the TPH designation and notice process.

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 proposed rule change is not a competitive proposal as it is intended to coordinate TPH notification and designated calendar quarters in connection with annual functional and performance testing participation with the rules of its affiliated options exchanges.

¹¹ See supra note 6.

The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the trading activity of TPHs will be measured during the same Exchange-determined quarter for all TPHs and annual notice will be given to each TPH designated for testing at the same time at least three months in advance.

The Exchange does not believe that the proposed rule 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 rule changes are substantively identical to the corresponding rules of BZX Options and EDGX Options, which have previously been filed with the Commission.

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 Act¹² and Rule 19b-4(f)(6)¹³ thereunder. At any time within 60 days of the filing of the proposed rule

¹² 15 U.S.C. 78s(b)(3)(A).

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-C2-2020-003 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-C2-2020-003. 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-C2-2020-003 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.¹⁴

Secretary

¹⁴ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

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Rules of Cboe C2 Exchange, Inc.

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Rule 6.34. Disaster Recovery

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(b) Trading Permit Holders that contribute a meaningful percentage of the Exchange's overall volume must connect to the Exchange's backup systems and participate in functional and performance testing as announced by the Exchange, which occurs at least once every 12 months. The Exchange has established the following standards to identify Trading Permit Holders that account for a meaningful percentage of the Exchange's overall volume and, taken as a whole, that constitute the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of business continuity and disaster recovery plans:

(1) The Exchange determines the percentage of volume it considers to be meaningful for purposes of this Rule.

(2) The Exchange measures volume executed on the Exchange [on a quarterly basis]during a single designated quarter for a given year. The Exchange also individually notifies all Trading Permit Holders annually, and at least three months prior to the scheduled functional and performance testing, [quarterly] that are subject to this paragraph (b) based on the [prior calendar]designated quarter's volume.

[(3) If a Trading Permit Holder has not previously been subject to the requirements of this paragraph (b), such Trading Permit Holder has until the next calendar quarter before such requirements are applicable.]

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