

OMB APPROVAL

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Required fields are shown with yellow backgrounds and asterisks.

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

File No.* SR - 2015 - * 030

Amendment No. (req. for Amendments *)

Filing by C2 Options Exchange, Incorporated

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 *).

Proposal to amend Rule 6.45 related to disaster recovery.

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 * Nicholas Last Name * Still
 Title * Counsel
 E-mail * still@cboe.com
 Telephone * (312) 786-7006 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 10/28/2015

By Nicholas Still

(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.

Persona Not Validated - 1444950452474,

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 *

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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) The C2 Options Exchange, Incorporated (the “Exchange” or “C2”) proposes to amend Rule 6.45 relating to disaster recovery. 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) C2’s President (or designee) pursuant to delegated authority approved the proposed rule change on September 16, 2015.

(b) Please refer questions and comments on the proposed rule change to Joanne Moffic-Silver, Executive Vice President, General Counsel, and Corporate Secretary, (312) 786-7462, or Nicholas M. Still, (312) 786-7006, C2 Options Exchange, Incorporated, 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

C2 proposes to amend Rule 6.45 relating to disaster recovery. Specifically, C2 proposes to update Rule 6.45 to further describe C2’s back-up systems, the circumstances under which they may be used and the testing that C2 may conduct to ensure the availability, functionality and performance of such systems. Additionally, C2 proposes certain updates to Rule 6.45 in response to new disaster recovery regulations and business resumption standards recently adopted by the Securities and Exchange Commission

(“SEC” or “Commission”) as promulgated in Regulation Systems Compliance and Integrity (“Regulation SCI”) under the Securities Exchange Act of 1934 (the “Act”).¹

Background

C2 adopted Rule 6.45 in 2012 for the limited purpose of providing alternative means of operation in the event C2’s trading system became inoperable or otherwise unavailable for use due to a disaster or other unusual circumstance. In particular, Rule 6.45, as originally adopted, was intended to allow C2 to operate a Disaster Recovery Facility (“DRF”) to continue to trade exclusively-listed option classes until C2’s main trading system was again available.² At that time, C2 intended to utilize hardware located in the Chicago Board Options Exchange, Incorporated (“CBOE”) building in Chicago, IL for the purposes of operating the DRF. C2’s main trade engine is located on the east coast.

In addition to adding greater detail to C2’s disaster recovery rules in Rule 6.45, C2 proposes to make updates to Rule 6.45 to harmonize its disaster recovery rules with the newly implemented disaster recovery-related regulatory imperatives of Regulation SCI. Regulation SCI supersedes and replaces the SEC’s voluntary Automation Review Policy (“ARP”), established by the Commission’s two policy statements each titled “Automated Systems of Self-Regulatory Organizations,” issued in 1989 and 1991,

¹ See Securities Exchange Act Release No. 73639 (November 19, 2014), 79 F.R. 72252 (December 5, 2014) (Regulation Systems Compliance and Integrity) (File No. S7-01-13).

² See Securities Exchange Act Release No. 67357 (July 5 2012), 77 F.R. 40928 (July 11, 2012) (SR-C2-2012-011).

expanding existing practices and making them mandatory.³ As part of Regulation SCI, C2 is required to maintain back-up and recovery capabilities with sufficient resiliency and geographical diversity and that are reasonably designed to achieve next business-day resumption of trading and two-hour resumption of critical systems following a wide-scale disruption.⁴ C2 must also participate in at least annual testing of its business continuity and disaster recovery plans and, to that end, develop and adopt standards to designate which of its TPHs must participate in testing in order to reasonably ensure the maintenance of a fair and orderly market if C2's disaster recovery plan must be activated.⁵

Proposed Rule Changes

C2 now proposes to make changes to Rule 6.45 to allow for trading in all C2-traded option classes on a back-up data center in the event the main trading system is unavailable. The proposed rule will no longer be limited to exclusively-listed options traded on C2. Furthermore, prior to the compliance date of Regulation SCI, C2 will have separate hardware designated for the C2 back-up data center (as opposed to using CBOE hardware).

C2 proposes to make changes to Rule 6.45 to provide additional details regarding C2's back-up trading systems and business continuity and disaster recovery plans activation and testing. As discussed above, C2 also seeks to update its disaster recovery rules to ensure consistency with Regulation SCI.

³ See Securities Exchange Act Release No. 73639 (November 19, 2014), 79 F.R. at 72252 (December 5, 2014) (Regulation Systems Compliance and Integrity) (File No. S7-01-13).

⁴ 17 C.F.R. § 242.1001(a)(2)(v).

⁵ Id. at § 242.1004.

Current Rule 6.45 is divided into four sections, (a) through (d). Rule 6.45(a) authorizes C2 to maintain a DRF to preserve C2's ability to trade exclusively-listed options in the event C2's primary data center becomes inoperable or otherwise unavailable for use. Current Rule 6.45(b) describes the notice that must be given prior to commencing trading on back-up data center systems. Current Rule 6.45(c) describes the rules that would be in effect if C2 were to switch its trading operations to the DRF. Current Rule 6.45(d) prescribes that Trading Permit Holders ("TPH") are required to take appropriate actions as instructed by C2 to accommodate C2's ability to trade options via the DRF.

C2 proposes to make rule changes to Rule 6.45 with detail added to each section of the current rule. Under proposed Rule 6.45(a) (General) C2 would adopt a general statement regarding the purpose of its disaster recovery rules, providing that C2 maintains business continuity and disaster recovery plans that may be effected in the interests of the continued operation of fair and orderly markets in the event of a systems failure, disaster, or other unusual circumstances that might threaten the ability to conduct business on C2.

Proposed Rule 6.45(b) (Back-up Data Center) would incorporate parts of the current Rule 6.45(a) in that it includes a statement that C2 maintains a back-up data center (replacing what was formerly referenced as a "Disaster Recovery Facility" or "DRF") in order to preserve C2's ability to conduct business in the event C2's primary data center becomes inoperable or otherwise unavailable for use. Proposed Rule 6.45(b) no longer limits the C2 disaster recovery facility to preserving C2's ability to trade exclusively-listed options. Currently C2 does not trade exclusively-listed options. The

proposed Rule would now cover all option classes available for trading on C2. The proposed Rule notes that disaster recovery plans may be effected to ensure the continued operation of a fair and orderly market. C2 is removing the reference to the trading of exclusively-listed options in favor of “conduct business”. This proposed rule change reflects the fact that C2 may be engaged in business activities other than just the trading of options, including, but not limited to, the dissemination of market data and certain regulatory functions.

Proposed Rule 6.45(b) would add the scenario of a significant systems failure to the list of causes that may trigger an operational switch to C2’s back-up data center. The proposed addition of significant systems failures to the list of scenarios that may trigger an operational switch to C2’s back-up data center is intended to more accurately reflect the realities of electronic trading environments and contemporary threats posed to the operation of fair and orderly markets. In addition to the reformulation of the description of C2’s back-up data center, proposed Rule 6.45(b) would also contain subsections similar to the notice, applicable rules, and Trading Permit Holder (“TPH”) preparations provisions currently contained in Rules 6.45(b) through (d).

Proposed Rule 6.45(b)(i) (Back-up Data Center Functionality), would make clear the functional and performance standards that the back-up data center must be reasonably designed to achieve. Specifically, proposed Rule 6.45(b)(i) would provide that C2 maintains a back-up data center that C2 has determined is reasonably designed to achieve prompt resumption of systems consistent with Regulation SCI. Proposed Rule 6.45(b)(i) would also provide that nothing in the provisions of proposed Rule 6.45(b) shall be interpreted to require C2 to develop or maintain a back-up data center designed to fully

replicate the capacity, latency, and other features of the primary data center. This statement attempts to make clear that in order to preserve C2's ability to conduct business in the event C2's primary data center becomes inoperable or otherwise unavailable for use, C2 must maintain a back-up data center that is reasonably designed achieve resumption of systems consistent with Regulation SCI during a significant systems failure, disaster or other unusual circumstances, rather than replicate C2's primary data center systems. C2 believes that the standards set forth in proposed Rule 6.45(b)(i) are reasonable to help ensure the maintenance of fair and orderly markets in the event of a significant systems failure, disaster or other unusual circumstances and are consistent with provisions in the release language of Regulation SCI.⁶

Proposed Rule 6.45(b)(ii) (Notice), would be similar to current Rule 6.45(b) and provide that prior to commencing trading on the back-up data center, C2 shall announce publicly the classes that will be available for trading. Proposed Rule 6.45(b)(iii) (Applicable Rules) would provide that in the event the primary data center becomes inoperable, trading will continue using the back-up data center and all trading rules will remain in effect. Consistent with current Rule 6.45(c), the proposed rule would also contain the provisions that all non-trading rules of C2 shall continue to apply.

Proposed Rule 6.45(b)(iv) (Trading Permit Holder Participation) regarding testing of C2's back-up data center would contain provisions similar to current Rule 6.45(d) (Trading Permit Holder Preparations), but add subparagraphs to more clearly articulate C2's authority to conduct testing of its back-up data center systems. Thus, similar to

⁶ See Securities Exchange Act Release No. 73639 (November 19, 2014), 79 F.R. at 72353 (December 5, 2014) (Regulation Systems Compliance and Integrity) (File No. S7-01-13).

current Rule 6.45(d), proposed Rule 6.45(b)(iv) would provide that TPHs are required to take appropriate actions as instructed by C2 to accommodate C2's ability to trade options via the back-up data center. C2 also proposes changing the rule text in proposed Rule 6.45(b)(iv) to provide that TPHs are required to take appropriate actions as instructed by C2 to accommodate C2's ability to conduct business via the back-up data center, rather than solely to accommodate C2's ability to trade options. Under the proposed rule change, the title of current Rule 6.45(d) (Trading Permit Holder Preparations) would also be changed in proposed Rule 6.45(b)(iv) (Trading Permit Holder Participation) to better describe the purpose of the rule provisions.

Subsections (A) through (C) under proposed Rule 6.45(b)(iv) are designed to harmonize C2's back-up data center testing rules with certain provisions of Regulation SCI. Under proposed Rule 6.45(b)(iv)(A) (Designated BCP/DR Participants), C2 shall designate those Trading Permit Holders that the C2 reasonably determines are, taken as a whole, the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of the C2's business continuity and disaster recovery plans ("Designated BCP/DR Participants"). Designated BCP/DR Participants will include: 1) all C2 Market-Makers and; 2) all C2 Trading Permit Holders connected to the C2 primary data center and transacting non-Participant customer business, unless a C2 Trading Permit Holder, other than a C2 Market-Maker, can demonstrate ready access to the back-up data center through another C2 Trading Permit Holder that is a designated participant. C2 has reasonably determined that a C2 TPH, other than a C2 Market-Maker, who can demonstrate ready-access to the back-up data center through another C2 Trading Permit Holder, that is a designated participant, is not necessary for the maintenance of fair and orderly markets in

the event of the activation of the C2's business continuity and disaster recovery plans. Criteria for designating BCP/DR participants will be announced prior via Regulatory Circular. Any changes to the standards by which a market participant might be determined to be a Designated BCP/DR Participant would be applied prospectively with reasonable advance notice as announced via Regulatory Circular. C2 would first announce the criteria by which market participants would be determined to be Designated BCP/DR Participants by November 1, 2015.

C2 has attempted to model the provisions of proposed Rule 6.45(b)(iv)(A) based on provisions of Regulation SCI, which require C2 to establish standards for the designation of those members or participants that C2 reasonably determines are, taken as a whole, the minimum number of members or participants necessary for the maintenance of fair and orderly markets in the event of the activation of its business continuity and disaster recovery plans.⁷ Also consistent with Regulation SCI, proposed Rule 6.45(b)(iv)(B) (Fair and Orderly Market Conditions) would make clear that nothing in proposed Rule 6.45(b) would require C2 to assume that average levels of liquidity, depth, or other characteristics of a usual trading session must be present in order to achieve a fair and orderly market in the event of the activation of C2's business continuity and disaster recovery plans.⁸

Proposed Rule 6.45(b)(iv)(C) (Business Continuity and Disaster Recovery Plans Testing), would provide that C2 shall require Designated BCP/DR Participants and may require other market participants to participate in scheduled business continuity and

⁷ See 17 C.F.R. § 242.1004(a)-(b).

⁸ See Securities Exchange Act Release No. 73639 (November 19, 2014), 79 F.R. at 72353 (December 5, 2014) (Regulation Systems Compliance and Integrity) (File No. S7-01-13).

disaster recovery plans tests in the manner and frequency prescribed by C2. Proposed Rule 6.45(b)(iv)(C) would set forth C2's authority to conduct testing of its business continuity and disaster recovery plans and obtain assistance from Designated BCP/DR Participants and other market participants in conducting such tests. C2 notes that the provisions of proposed Rule 6.45(b)(iv)(C) are consistent with C2's current rules⁹ as well as provisions of Regulation SCI pertaining to business continuity and disaster recovery plan testing.¹⁰ Proposed Rule 6.45(b)(iv)(C)(1) (Documentation and Reports), would provide that C2 may require Designated BCP/DR Participants and/or other market participants to provide documentation and reports regarding tests conducted pursuant to Rule 6.45, including related data and information, as may be requested by C2, and in the manner and frequency prescribed by C2. Proposed Rule 6.45(b)(iv)(C)(2) (Notice), would provide that C2 will provide reasonable prior notice of scheduled business continuity and disaster recovery plans tests to Trading Permit Holders, which notice shall describe the general nature of the test(s) and identify the Trading Permit Holders required to participate and shall be announced via Regulatory Circular.

(b) Statutory Basis

C2 believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to C2 and, in particular, the requirements of Section 6(b) of the Act¹¹ and Regulation SCI.¹² Specifically, C2 believes the proposed rule change is consistent with the Section 6(b)(5)¹³ requirements that the rules of an exchange

⁹ See Rules 6.34 (Participant Electronic Connectivity); 6.45(d) (Trading Permit Holder Preparations).

¹⁰ See 17 C.F.R. § 242.1004(a)-(b).

¹¹ 15 U.S.C. 78f(b).

¹² See 17 C.F.R. §242.1001(a) and 1004.

¹³ 15 U.S.C. 78f(b)(5).

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, C2 believes the proposed rule change is consistent with the Section 6(b)(5)¹⁴ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the proposed rule change is designed to promote C2's ability to ensure the continued operation of a fair and orderly market in the event of a systems failure, disaster, or other unusual circumstances that might threaten the ability to conduct business on C2. C2 recognizes that switching operations to the back-up data center may occur in times of uncertainty or great volatility in the markets. It is at these times that the investors may have the greatest need for viable, trustworthy marketplaces. The proposed rule changes seek to ensure that such a marketplace will exist when most needed. Accordingly, C2 believes that the proposed rule protects investors in the most fundamental sense by helping to ensure that a fair and orderly market will exist at a time when such a market may be most needed.

C2 also believes that the proposed rule change promotes just and equitable principles of trade by adding detail and clarity to the Rules. The proposed rule change seeks to provide additional clarity to C2's disaster recovery rules, putting all market

¹⁴ Id.

participants on notice as to how C2 will function in case of significant systems disruption or other disaster situation. C2 is continuously updating the Rules to provide additional detail, clarity, and transparency regarding its operations and trading systems and regulatory authority. C2 believes that the adoption of detailed, clear, and transparent rules reduces burdens on competition and promotes just and equitable principles of trade. C2 also believes that adding greater detail to the Rules regarding C2's ability to ensure the continuous operation of the market and preserve the ability to conduct business on C2 will increase confidence in the markets and encourage wider participation in the markets and greater investment. Finally, C2 notes that proposed Rule 6.45 is designed to harmonize C2's disaster recovery rules with Regulation SCI under the Act.

Item 4. Self-Regulatory Organization's Statement on Burden on Competition

C2 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. Rather, the proposed rule change will help ensure that competitive markets remain operative in the event of a systems failure or other disaster event. C2 notes that the proposed rule change is designed to clarify C2's authority to require market participants to participate in, and provide necessary liquidity to ensure fair and orderly markets. C2 further notes that the proposed rule change is designed to ensure competitive markets in that it is designed around the mandates of Regulation SCI, which each of the national securities exchanges is required to satisfy.

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

C2 neither solicited nor received written 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 Act¹⁵ and Rule 19b-4(f)(6)¹⁶ thereunder.

(b) C2 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, C2 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. C2 believes the proposed rule change does not present any new, unique or substantive issues; The proposed Rule merely clarifies TPH obligations as they relate to C2 business continuity and disaster recovery plans. The Rule also clarifies potential C2 actions in the event of a systems failure, disaster or other unusual circumstances and brings the existing C2 disaster recovery Rule into compliance with Regulation SCI.

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

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 CFR 240.19b-4(f)(6).

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. In addition, 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 in order to allow operability of this filing prior to the November 3, 2015 compliance date of Regulation SCI.¹⁷

(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 upon CBOE Rule 6.18 regarding disaster recovery¹⁸ and proposed amendments to Rule 6.18 submitted for approval on October 9, 2015.¹⁹ The proposed rule change is also designed to harmonize C2's disaster recovery rules with Regulation Systems, Compliance and Integrity, 17 C.F.R. Parts 240, 242 and 249.²⁰

¹⁷ See 79 FR at 72252.

¹⁸ See CBOE Rule 6.18.

¹⁹ See SR-CBOE-2015-088.

²⁰ See Securities Exchange Act Release No. 73639 (November 19, 2014), 79 F.R. 72252 (December 5, 2014) (Regulation Systems Compliance and Integrity) (File No. S7-01-13).

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-C2-2015-030]

[Insert date]

Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Amending Rule 6.45 relating to Disaster Recovery.

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], C2 Options Exchange, Incorporated (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 Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend Rule 6.45 relating to disaster recovery. The text of the proposed rule change is available on the Exchange’s website (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

C2 proposes to amend Rule 6.45 relating to disaster recovery. Specifically, C2 proposes to update Rule 6.45 to further describe C2's back-up systems, the circumstances under which they may be used and the testing that C2 may conduct to ensure the availability, functionality and performance of such systems. Additionally, C2 proposes certain updates to Rule 6.45 in response to new disaster recovery regulations and business resumption standards recently adopted by the Securities and Exchange Commission ("SEC" or "Commission") as promulgated in Regulation Systems Compliance and Integrity ("Regulation SCI") under the Securities Exchange Act of 1934 (the "Act").³

Background

C2 adopted Rule 6.45 in 2012 for the limited purpose of providing alternative means of operation in the event C2's trading system became inoperable or otherwise unavailable for use due to a disaster or other unusual circumstance. In particular, Rule 6.45, as originally adopted, was intended to allow C2 to operate a Disaster Recovery Facility ("DRF") to continue to trade exclusively-listed option classes until C2's main trading system was again available.⁴ At that time, C2 intended to utilize hardware

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⁴ See Securities Exchange Act Release No. 67357 (July 5 2012), 77 F.R. 40928 (July 11, 2012) (SR-C2-2012-011).

located in the Chicago Board Options Exchange, Incorporated (“CBOE”) building in Chicago, IL for the purposes of operating the DRF. C2’s main trade engine is located on the east coast.

In addition to adding greater detail to C2’s disaster recovery rules in Rule 6.45, C2 proposes to make updates to Rule 6.45 to harmonize its disaster recovery rules with the newly implemented disaster recovery-related regulatory imperatives of Regulation SCI. Regulation SCI supersedes and replaces the SEC’s voluntary Automation Review Policy (“ARP”), established by the Commission’s two policy statements each titled “Automated Systems of Self-Regulatory Organizations,” issued in 1989 and 1991, expanding existing practices and making them mandatory.⁵ As part of Regulation SCI, C2 is required to maintain back-up and recovery capabilities with sufficient resiliency and geographical diversity and that are reasonably designed to achieve next business-day resumption of trading and two-hour resumption of critical systems following a wide-scale disruption.⁶ C2 must also participate in at least annual testing of its business continuity and disaster recovery plans and, to that end, develop and adopt standards to designate which of its TPHs must participate in testing in order to reasonably ensure the maintenance of a fair and orderly market if C2’s disaster recovery plan must be activated.⁷

Proposed Rule Changes

⁵ See Securities Exchange Act Release No. 73639 (November 19, 2014), 79 F.R. at 72252 (December 5, 2014) (Regulation Systems Compliance and Integrity) (File No. S7-01-13).

⁶ 17 C.F.R. § 242.1001(a)(2)(v).

⁷ Id. at § 242.1004.

C2 now proposes to make changes to Rule 6.45 to allow for trading in all C2-traded option classes on a back-up data center in the event the main trading system is unavailable. The proposed rule will no longer be limited to exclusively-listed options traded on C2. Furthermore, prior to the compliance date of Regulation SCI, C2 will have separate hardware designated for the C2 back-up data center (as opposed to using CBOE hardware).

C2 proposes to make changes to Rule 6.45 to provide additional details regarding C2's back-up trading systems and business continuity and disaster recovery plans activation and testing. As discussed above, C2 also seeks to update its disaster recovery rules to ensure consistency with Regulation SCI.

Current Rule 6.45 is divided into four sections, (a) through (d). Rule 6.45(a) authorizes C2 to maintain a DRF to preserve C2's ability to trade exclusively-listed options in the event C2's primary data center becomes inoperable or otherwise unavailable for use. Current Rule 6.45(b) describes the notice that must be given prior to commencing trading on back-up data center systems. Current Rule 6.45(c) describes the rules that would be in effect if C2 were to switch its trading operations to the DRF. Current Rule 6.45(d) prescribes that Trading Permit Holders ("TPH") are required to take appropriate actions as instructed by C2 to accommodate C2's ability to trade options via the DRF.

C2 proposes to make rule changes to Rule 6.45 with detail added to each section of the current rule. Under proposed Rule 6.45(a) (General) C2 would adopt a general statement regarding the purpose of its disaster recovery rules, providing that C2 maintains business continuity and disaster recovery plans that may be effected in the

interests of the continued operation of fair and orderly markets in the event of a systems failure, disaster, or other unusual circumstances that might threaten the ability to conduct business on C2.

Proposed Rule 6.45(b) (Back-up Data Center) would incorporate parts of the current Rule 6.45(a) in that it includes a statement that C2 maintains a back-up data center (replacing what was formerly referenced as a “Disaster Recovery Facility” or “DRF”) in order to preserve C2's ability to conduct business in the event C2's primary data center becomes inoperable or otherwise unavailable for use. Proposed Rule 6.45(b) no longer limits the C2 disaster recovery facility to preserving C2's ability to trade exclusively-listed options. Currently C2 does not trade exclusively-listed options. The proposed Rule would now cover all option classes available for trading on C2. The proposed Rule notes that disaster recovery plans may be effected to ensure the continued operation of a fair and orderly market. C2 is removing the reference to the trading of exclusively-listed options in favor of “conduct business”. This proposed rule change reflects the fact that C2 may be engaged in business activities other than just the trading of options, including, but not limited to, the dissemination of market data and certain regulatory functions.

Proposed Rule 6.45(b) would add the scenario of a significant systems failure to the list of causes that may trigger an operational switch to C2's back-up data center. The proposed addition of significant systems failures to the list of scenarios that may trigger an operational switch to C2's back-up data center is intended to more accurately reflect the realities of electronic trading environments and contemporary threats posed to the operation of fair and orderly markets. In addition to the reformulation of the description

of C2's back-up data center, proposed Rule 6.45(b) would also contain subsections similar to the notice, applicable rules, and Trading Permit Holder ("TPH") preparations provisions currently contained in Rules 6.45(b) through (d).

Proposed Rule 6.45(b)(i) (Back-up Data Center Functionality), would make clear the functional and performance standards that the back-up data center must be reasonably designed to achieve. Specifically, proposed Rule 6.45(b)(i) would provide that C2 maintains a back-up data center that C2 has determined is reasonably designed to achieve prompt resumption of systems consistent with Regulation SCI. Proposed Rule 6.45(b)(i) would also provide that nothing in the provisions of proposed Rule 6.45(b) shall be interpreted to require C2 to develop or maintain a back-up data center designed to fully replicate the capacity, latency, and other features of the primary data center. This statement attempts to make clear that in order to preserve C2's ability to conduct business in the event C2's primary data center becomes inoperable or otherwise unavailable for use, C2 must maintain a back-up data center that is reasonably designed achieve resumption of systems consistent with Regulation SCI during a significant systems failure, disaster or other unusual circumstances, rather than replicate C2's primary data center systems. C2 believes that the standards set forth in proposed Rule 6.45(b)(i) are reasonable to help ensure the maintenance of fair and orderly markets in the event of a significant systems failure, disaster or other unusual circumstances and are consistent with provisions in the release language of Regulation SCI.⁸

⁸ See Securities Exchange Act Release No. 73639 (November 19, 2014), 79 F.R. at 72353 (December 5, 2014) (Regulation Systems Compliance and Integrity) (File No. S7-01-13).

Proposed Rule 6.45(b)(ii) (Notice), would be similar to current Rule 6.45(b) and provide that prior to commencing trading on the back-up data center, C2 shall announce publicly the classes that will be available for trading. Proposed Rule 6.45(b)(iii) (Applicable Rules) would provide that in the event the primary data center becomes inoperable, trading will continue using the back-up data center and all trading rules will remain in effect. Consistent with current Rule 6.45(c), the proposed rule would also contain the provisions that all non-trading rules of C2 shall continue to apply.

Proposed Rule 6.45(b)(iv) (Trading Permit Holder Participation) regarding testing of C2's back-up data center would contain provisions similar to current Rule 6.45(d) (Trading Permit Holder Preparations), but add subparagraphs to more clearly articulate C2's authority to conduct testing of its back-up data center systems. Thus, similar to current Rule 6.45(d), proposed Rule 6.45(b)(iv) would provide that TPHs are required to take appropriate actions as instructed by C2 to accommodate C2's ability to trade options via the back-up data center. C2 also proposes changing the rule text in proposed Rule 6.45(b)(iv) to provide that TPHs are required to take appropriate actions as instructed by C2 to accommodate C2's ability to conduct business via the back-up data center, rather than solely to accommodate C2's ability to trade options. Under the proposed rule change, the title of current Rule 6.45(d) (Trading Permit Holder Preparations) would also be changed in proposed Rule 6.45(b)(iv) (Trading Permit Holder Participation) to better describe the purpose of the rule provisions.

Subsections (A) through (C) under proposed Rule 6.45(b)(iv) are designed to harmonize C2's back-up data center testing rules with certain provisions of Regulation SCI. Under proposed Rule 6.45(b)(iv)(A) (Designated BCP/DR Participants), C2 shall

designate those Trading Permit Holders that the C2 reasonably determines are, taken as a whole, the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of the C2's business continuity and disaster recovery plans ("Designated BCP/DR Participants"). Designated BCP/DR Participants will include: 1) all C2 Market-Makers and; 2) all C2 Trading Permit Holders connected to the C2 primary data center and transacting non-Participant customer business, unless a C2 Trading Permit Holder, other than a C2 Market-Maker, can demonstrate ready access to the back-up data center through another C2 Trading Permit Holder that is a designated participant. C2 has reasonably determined that a C2 TPH, other than a C2 Market-Maker, who can demonstrate ready-access to the back-up data center through another C2 Trading Permit Holder, that is a designated participant, is not necessary for the maintenance of fair and orderly markets in the event of the activation of the C2's business continuity and disaster recovery plans. Criteria for designating BCP/DR participants will be announced prior via Regulatory Circular. Any changes to the standards by which a market participant might be determined to be a Designated BCP/DR Participant would be applied prospectively with reasonable advance notice as announced via Regulatory Circular. C2 would first announce the criteria by which market participants would be determined to be Designated BCP/DR Participants by November 1, 2015.

C2 has attempted to model the provisions of proposed Rule 6.45(b)(iv)(A) based on provisions of Regulation SCI, which require C2 to establish standards for the designation of those members or participants that C2 reasonably determines are, taken as a whole, the minimum number of members or participants necessary for the maintenance of fair and orderly markets in the event of the activation of its business continuity and

disaster recovery plans.⁹ Also consistent with Regulation SCI, proposed Rule 6.45(b)(iv)(B) (Fair and Orderly Market Conditions) would make clear that nothing in proposed Rule 6.45(b) would require C2 to assume that average levels of liquidity, depth, or other characteristics of a usual trading session must be present in order to achieve a fair and orderly market in the event of the activation of C2's business continuity and disaster recovery plans.¹⁰

Proposed Rule 6.45(b)(iv)(C) (Business Continuity and Disaster Recovery Plans Testing), would provide that C2 shall require Designated BCP/DR Participants and may require other market participants to participate in scheduled business continuity and disaster recovery plans tests in the manner and frequency prescribed by C2. Proposed Rule 6.45(b)(iv)(C) would set forth C2's authority to conduct testing of its business continuity and disaster recovery plans and obtain assistance from Designated BCP/DR Participants and other market participants in conducting such tests. C2 notes that the provisions of proposed Rule 6.45(b)(iv)(C) are consistent with C2's current rules¹¹ as well as provisions of Regulation SCI pertaining to business continuity and disaster recovery plan testing.¹² Proposed Rule 6.45(b)(iv)(C)(1) (Documentation and Reports), would provide that C2 may require Designated BCP/DR Participants and/or other market participants to provide documentation and reports regarding tests conducted pursuant to Rule 6.45, including related data and information, as may be requested by C2, and in the

⁹ See 17 C.F.R. § 242.1004(a)-(b).

¹⁰ See Securities Exchange Act Release No. 73639 (November 19, 2014), 79 F.R. at 72353 (December 5, 2014) (Regulation Systems Compliance and Integrity) (File No. S7-01-13).

¹¹ See Rules 6.34 (Participant Electronic Connectivity); 6.45(d) (Trading Permit Holder Preparations).

¹² See 17 C.F.R. § 242.1004(a)-(b).

manner and frequency prescribed by C2. Proposed Rule 6.45(b)(iv)(C)(2) (Notice), would provide that C2 will provide reasonable prior notice of scheduled business continuity and disaster recovery plans tests to Trading Permit Holders, which notice shall describe the general nature of the test(s) and identify the Trading Permit Holders required to participate and shall be announced via Regulatory Circular.

2. Statutory Basis

C2 believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to C2 and, in particular, the requirements of Section 6(b) of the Act¹³ and Regulation SCI.¹⁴ Specifically, C2 believes the proposed rule change is consistent with the Section 6(b)(5)¹⁵ 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, C2 believes the proposed rule change is consistent with the Section 6(b)(5)¹⁶ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the proposed rule change is designed to promote C2's ability to ensure the continued operation of a fair and orderly market in the event of a systems

¹³ 15 U.S.C. 78f(b).

¹⁴ See 17 C.F.R. §242.1001(a) and 1004.

¹⁵ 15 U.S.C. 78f(b)(5).

¹⁶ Id.

failure, disaster, or other unusual circumstances that might threaten the ability to conduct business on C2. C2 recognizes that switching operations to the back-up data center may occur in times of uncertainty or great volatility in the markets. It is at these times that the investors may have the greatest need for viable, trustworthy marketplaces. The proposed rule changes seek to ensure that such a marketplace will exist when most needed. Accordingly, C2 believes that the proposed rule protects investors in the most fundamental sense by helping to ensure that a fair and orderly market will exist at a time when such a market may be most needed.

C2 also believes that the proposed rule change promotes just and equitable principles of trade by adding detail and clarity to the Rules. The proposed rule change seeks to provide additional clarity to C2's disaster recovery rules, putting all market participants on notice as to how C2 will function in case of significant systems disruption or other disaster situation. C2 is continuously updating the Rules to provide additional detail, clarity, and transparency regarding its operations and trading systems and regulatory authority. C2 believes that the adoption of detailed, clear, and transparent rules reduces burdens on competition and promotes just and equitable principles of trade. C2 also believes that adding greater detail to the Rules regarding C2's ability to ensure the continuous operation of the market and preserve the ability to conduct business on C2 will increase confidence in the markets and encourage wider participation in the markets and greater investment. Finally, C2 notes that proposed Rule 6.45 is designed to harmonize C2's disaster recovery rules with Regulation SCI under the Act.

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

C2 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.

Rather, the proposed rule change will help ensure that competitive markets remain operative in the event of a systems failure or other disaster event. C2 notes that the proposed rule change is designed to clarify C2's authority to require market participants to participate in, and provide necessary liquidity to ensure fair and orderly markets. C2 further notes that the proposed rule change is designed to ensure competitive markets in that it is designed around the mandates of Regulation SCI, which each of the national securities exchanges is required to satisfy.

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 Act¹⁷ and Rule 19b-4(f)(6)¹⁸ 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

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f)(6).

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-C2-2015-030 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-C2-2015-030. 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-C2-2015-030 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.¹⁹

Secretary

¹⁹ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

* * * * *

**C2 Options Exchange, Incorporated
Rules**

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Rule 6.45. Disaster Recovery [Facility]

[(a) *General*. The Exchange will maintain a separate trading system facility to preserve the Exchange's ability to trade exclusively-listed options in the event the Exchange's trading system becomes inoperable or otherwise unavailable for use due to a disaster or other unusual circumstance. The purpose of this Disaster Recovery Facility ("DRF") is to allow the Exchange to continue to operate a marketplace for exclusively-listed options until the Exchange's trading system is operational.

(b) *Notice*. Prior to commencing trading on the DRF and as soon as practicable, the Exchange shall announce publicly the classes that will be available for trading on the DRF.

(c) *Applicable Rules*. All classes traded on the DRF will trade pursuant to Exchange trading rules. All non-trading rules of the Exchange shall continue to apply.

(d) *Trading Permit Holder Preparations*. Trading Permit Holders are required to take appropriate actions as instructed by the Exchange to accommodate the Exchange's ability to trade options via the DRF. Such actions may include Trading Permit Holder certification by the Exchange.]

(a) *General*. The Exchange maintains business continuity and disaster recovery plans that may be effected in the interests of the continued operation of fair and orderly markets in the event of a systems failure, disaster, or other unusual circumstances that might threaten the ability to conduct business on the Exchange.

(b) *Back-up Data Center*. The Exchange maintains a back-up data center in order to preserve the Exchange's ability to conduct business in the event the Exchange's primary data center becomes inoperable or otherwise unavailable for use due to a significant systems failure, disaster or other unusual circumstances. The purpose of this back-up data center is to allow the Exchange to operate if the primary data center becomes inoperable.

(i) *Back-up Data Center Functionality*. The Exchange's back-up data center shall be reasonably designed, as determined by the Exchange, to achieve prompt resumption of systems consistent with Regulation Systems Compliance and Integrity. Nothing in paragraph (b) of this Rule shall be interpreted to require the Exchange to develop or maintain a back-up data center designed to fully replicate the capacity, latency, and other features of the primary data center.

(ii) Notice. Prior to commencing trading on the back-up data center, the Exchange shall announce publicly the classes that will be available for trading.

(iii) Applicable Rules. In the event the primary data center becomes inoperable, trading will continue using the back-up data center and all trading rules will remain in effect. All non-trading rules of the Exchange shall continue to apply.

(iv) Trading Permit Holder Participation. Trading Permit Holders are required to take appropriate actions as instructed by the Exchange to accommodate the Exchange's ability to conduct business via the back-up data center.

(A) Designated BCP/DR Participants. The Exchange shall designate those Trading Permit Holders that the Exchange reasonably determines are, taken as a whole, the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of the Exchange's business continuity and disaster recovery plans ("Designated BCP/DR Participants"). Designated BCP/DR Participants will include:

(1) all C2 Market-Makers and;

(2) all C2 Trading Permit Holders connected to the C2 primary data center and transacting non-Participant customer business, unless a C2 Trading Permit Holder, other than a C2 Market-Maker, can demonstrate ready access to the back-up data center through another C2 Trading Permit Holder that is a designated participant.

Criteria for designating BCP/DR Participants shall be announced via Regulatory Circular.

(B) Fair and Orderly Market Conditions. Nothing in paragraph (b)(iv) of this Rule shall be interpreted to require the Exchange to assume that average levels of liquidity, depth, or other characteristics of a usual trading session must be present in order to achieve a fair and orderly market.

(C) Business Continuity and Disaster Recovery Plans Testing. The Exchange shall require Designated BCP/DR Participants and may require other market participants to participate in scheduled business continuity and disaster recovery plans tests in the manner and frequency prescribed by the Exchange.

(1) Documentation and Reports. The Exchange may require Designated BCP/DR Participants and/or other market participants to provide documentation and reports regarding tests conducted pursuant to this Rule, including related data and information, as may be requested by the Exchange and in the manner and frequency prescribed by the Exchange.

(2) Notice. The Exchange will provide reasonable prior notice of scheduled business continuity and disaster recovery plans tests to Trading Permit Holders, which notice shall describe the general nature of the test(s) and identify the Trading Permit Holders required to participate and shall be announced via Regulatory Circular.

* * * * *