

OMB APPROVAL

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Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 30

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

File No.* SR - 2016 - * 047

Amendment No. (req. for Amendments *)

Filing by Chicago Board Options Exchange

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

Initial * ☒ Amendment * ☐ Withdrawal ☐

Section 19(b)(2) * ☒ Section 19(b)(3)(A) * ☐ Section 19(b)(3)(B) * ☐

Rule

Pilot ☐ Extension of Time Period
for Commission Action * ☐ Date Expires *

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

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

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 relating to the delgation of authorities to senior management

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 * Corinne Last Name * Klott
 Title * Senior Counsel
 E-mail * klott@cboe.com
 Telephone * (312) 786-7793 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 05/23/2016

By Corinne Klott

(Name *)

Attorney

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 - 1439308854429,

SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549	
For complete Form 19b-4 instructions please refer to the EFFT website.	
<div>Form 19b-4 Information *</div> <div><div>Add</div><div>Remove</div><div>View</div></div>	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.
<div>Exhibit 1 - Notice of Proposed Rule Change *</div> <div><div>Add</div><div>Remove</div><div>View</div></div>	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)
<div>Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *</div> <div><div>Add</div><div>Remove</div><div>View</div></div>	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)
<div>Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications</div> <div><div>Add</div><div>Remove</div><div>View</div></div> <div>Exhibit Sent As Paper Document <input type="checkbox"/></div>	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.
<div>Exhibit 3 - Form, Report, or Questionnaire</div> <div><div>Add</div><div>Remove</div><div>View</div></div> <div>Exhibit Sent As Paper Document <input type="checkbox"/></div>	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.
<div>Exhibit 4 - Marked Copies</div> <div><div>Add</div><div>Remove</div><div>View</div></div>	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.
<div>Exhibit 5 - Proposed Rule Text</div> <div><div>Add</div><div>Remove</div><div>View</div></div>	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.
<div>Partial Amendment</div> <div><div>Add</div><div>Remove</div><div>View</div></div>	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) Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) proposes to amend its rules and Bylaws with respect to delegations of certain authorities to senior management. The text of the proposed rule change is provided below and in Exhibit 1.

(additions are underlined; deletions are [bracketed])

* * * * *

**[SIXTH] SEVENTH AMENDED AND RESTATED
BYLAWS OF
CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED**

* * * * *

ARTICLE VI Advisory Board

Section 6.1. Advisory Board.

The Board will establish an Advisory Board which shall advise the Board and [the Office of the Chairman] management regarding matters of interest to Trading Permit Holders. It shall consist of such number of members as set by the Board from time to time, including at least two members who are Trading Permit Holders or persons associated with Trading Permit Holders. The Chief Executive Officer, or his or her designee, shall be the Chairman of the Advisory Board. The members of the Advisory Board shall be recommended by the Nominating and Governance Committee for approval by the Board. There shall be a Trading Permit Holders Subcommittee of the Advisory Board consisting of all members of the Advisory Board who are Trading Permit Holders or persons associated with Trading Permit Holders, which shall act as the Representative Director Nominating Body if and to the extent required by these Bylaws.

* * * * *

**Chicago Board Options Exchange, Incorporated
Rules**

* * * * *

Rule 2.15. Divisions of Exchange

The divisions of the Exchange shall include any such divisions as the [Chairman of the Board] Chief Executive Officer, with the approval of the Board, may establish. The [Chairman of the Board] Chief Executive Officer shall appoint a head of every division, provided that the [Chairman of the Board] Chief Executive Officer shall be the head of the Executive Division. Any official action taken by the [Chairman of the Board] Chief Executive Officer or the President shall, for purposes of the hearing and review provided for in Chapter XIX, be deemed to be action of the Executive Division.

* * * * *

Rule 4.10. Other Restrictions on Trading Permit Holders

(a) In General. Whenever the [Chairman] Chief Executive Officer or President shall find, on the basis of a report of the Department of Compliance or otherwise, that a Trading Permit Holder has failed to perform his contracts or is insolvent or is in such financial or operational condition or is otherwise conducting his business in such a manner that he cannot be permitted to continue in business with safety to his customers or creditors or the Exchange, the [Chairman] Chief Executive Officer or the President may summarily suspend the Trading Permit Holder in accordance with Chapter XVI or may impose such conditions and restrictions upon his being a Trading Permit Holder as he considers reasonably necessary for the protection of the Exchange and the customers of such Trading Permit Holder.

(b) Firms Clearing Market-Maker Trades.

* * * * *

(2) A proposed SBT of a Trading Permit Holder as enumerated in subsection (b)(1)(i) through (iii) is subject to the prior approval of the [Exchange's Office of the Chairman ("OOC")] Chief Executive Officer or President, when the Trading Permit Holder's Market-Maker clearance activities exceed, or would exceed as a result of the proposed SBT, any of the following parameters:

- (i) 15% of cleared Exchange Market-Maker contract volume for the most recent three (3) months;
- (ii) an average of 15% of the number of Exchange registered Market-Makers as of each month and for the most recent three (3) months, or
- (iii) 25% of Market-Maker gross deductions (haircuts) defined by SEC Rule 15c3-1 (a)(6) or (c)(2)(x) carried by the Clearing Trading Permit Holder(s) in relation to the aggregate of such haircuts carried by all other Market-Maker clearing organizations for any month end within the most recent three (3) months.

The Exchange shall notify in writing each Trading Permit Holder that clears Market-Maker trades within ten (10) business days from the close of each month of that Trading Permit Holder's proportion of the market making clearing business, whether or not such business exceeds the parameters described in (i), (ii), and (iii) of this subsection (b)(2). Trading Permit Holders subject to this subsection (b)(2) must provide thirty (30) calendar days notice of the proposed SBT, as enumerated in subsection (b)(1)(i) through (iii), to the President or his designee. The [OOC] Chief Executive Officer or President may

disapprove a Trading Permit Holder's proposed SBT, or approve such SBT subject to certain conditions, within the thirty (30) day period. The [OOC] Chief Executive Officer or President may disapprove or condition a Trading Permit Holder's SBT within the thirty (30) day period if the [OOC] Chief Executive Officer or President determines that such SBT has the potential to threaten the financial or operational integrity of Exchange Market-Maker transactions.

(3) In addition, at any time, the [OOC] Chief Executive Officer or President may impose additional financial and/or operational requirements on a Trading Permit Holder that clears Market-Maker trades when the [OOC] Chief Executive Officer or President determines that the Trading Permit Holder's continuance in business without such requirements has the potential to threaten the financial or operational integrity of Exchange Market-Maker transactions.

* * * * *

(6) In considering a proposed SBT, the [OOC] Chief Executive Officer or President may consider, among other relevant matters, the following criteria:

* * * * *

(7) In the event the [OOC] Chief Executive Officer or President determines, prior to the expiration of the thirty (30) day period set forth in subsection (1) hereof, that a proposed SBT may be approved without conditions, the [OOC] Chief Executive Officer or President shall promptly so advise the Trading Permit Holder. All [OOC] Chief Executive Officer or President decisions to disapprove or condition a proposed SBT pursuant to subsection (b)(2) hereof or to impose extraordinary requirements pursuant to subsection (b)(3) hereof shall be in writing, shall include a statement setting forth the grounds for the [OOC's] Chief Executive Officer or President's decision, and shall be served on the Trading Permit Holder. Notwithstanding any other provisions of the Rules of the Exchange, the Trading Permit Holder may appeal such decision directly to the Board of Directors of the Exchange by filing an application for review with the Secretary of the Exchange within fifteen (15) days of the date of service of the decision. The application for review shall be in the form prescribed by Rule 19.5(a), and the Board's review shall be conducted in the manner prescribed by Rule 19.5(b), except that the Trading Permit Holder may waive the making of a record. Review by the Board shall be the exclusive method of reviewing a decision of the [OOC] Chief Executive Officer or President pursuant to this subsection (b). The appeal to the Board of a decision of the [OOC] Chief Executive Officer or President shall not operate as a stay of that decision during the pendency of the appeal. The Exchange shall file notice with the SEC in accordance with the provisions of Section 19(d)(1) of the Securities Exchange Act of all final decisions to disapprove or condition a proposed SBT pursuant to subsection (b)(2) hereof, or to impose extraordinary requirements pursuant to subsection (b)(3) hereof.

* * * * *

(9) The [OOC] Chief Executive Officer or President may exempt a Trading Permit Holder from the requirements of subsection (b)(1) hereof, either generally or in respect of specific types of transactions, based on the limited proportion of Market-Maker trades on

the Exchange that are cleared by the Trading Permit Holder or on the limited importance that the clearing of Market-Maker trades bears to the total business of the Trading Permit Holder.

* * * * *

Rule 4.14. Liquidation of Positions

Whenever the President or his designee shall find, on the basis of a report of the Department of Market Regulation or otherwise, that a person or group of persons acting in concert holds or controls, or is obligated in respect of, an aggregate position (whether long or short) in all option contracts of one or more classes or series dealt in on the Exchange in excess of the applicable position limit established pursuant to Rule 4.11, he or his designee may order all Trading Permit Holders carrying a position in option contracts of such classes or series for such person or persons to liquidate such position as expeditiously as possible consistent with the maintenance of an orderly market. Whenever such an order is given by the President or his designee, no Trading Permit Holder shall accept any order to purchase, sell or exercise any option contract for the account of the person or persons named in the order, unless and until the President or his designee expressly approves such person or persons for options transactions.

* * * * *

Rule 6.17. Authority to Take Action Under Emergency Conditions

The [Chairman of the Board] Chief Executive Officer, the President or such other person or persons as may be designated by the Board shall have the power to halt or suspend trading in some or all securities traded on the Exchange, to close some or all Exchange facilities, to determine the duration of any such halt, suspension or closing, to take one or more of the actions permitted to be taken by any person or body of the Exchange under Exchange rules, or to take any other action deemed to be necessary or appropriate for the maintenance of a fair and orderly market or the protection of investors, or otherwise in the public interest, due to emergency conditions or extraordinary circumstances, such as (1) actual or threatened physical danger, severe climatic conditions, natural disaster, civil unrest, terrorism, acts of war, or loss or interruption of facilities utilized by the Exchange, or (2) a request by a governmental agency or official, or (3) a period of mourning or recognition for a person or event. The person taking the action shall notify the Board of actions taken pursuant to this Rule, except for a period of mourning or recognition for a person or event, as soon thereafter as is feasible.

* * * * *

Rule 6.20. Admission to and Conduct on the Trading Floor; Trading Permit Holder Education

(a) *Admission to Trading Floor.* Unless otherwise provided in the Rules, no one but a Trading Permit Holder, an Order Book Official designated by the Exchange pursuant to Rule 7.3, or PAR Official designated by the Exchange pursuant to Rule 7.12 shall make any transaction on the floor of the Exchange. Admission to the floor shall be limited to

Trading Permit Holders, employees of the Exchange, clerks employed by Trading Permit Holders and registered with the Exchange, service personnel and Exchange visitors authorized admission to the floor pursuant to Exchange policy, and such other persons permitted admission to the floor by the President of the Exchange or his designee.

* * * * *

Rule 10.2. Contracts of Suspended Trading Permit Holders

When a Trading Permit Holder, other than a Clearing Trading Permit Holder, is suspended pursuant to Chapter XVI of these Rules, all open short positions of the suspended Trading Permit Holder in option contracts and all open positions resulting from exercise of option contracts, other than positions that are secured in full by a specific deposit or escrow deposit in accordance with the Rules of the Clearing Corporation, shall be closed without unnecessary delay by all TPH organizations carrying such positions for the account of the suspended Trading Permit Holder; provided that the [Chairman] Chief Executive Officer or President may cause the foregoing requirement to be temporarily waived for such period as he may determine if he shall deem such temporary waiver to be in the interest of the public or the other Trading Permit Holder. No temporary waiver hereunder by the [Chairman] Chief Executive Officer or President shall relieve the suspended Trading Permit Holder of its obligations or of damages, nor shall it waive the close out requirements of any other Rule. When a Clearing Trading Permit Holder is suspended pursuant to Chapter XVI of these Rules, the positions of such Clearing Trading Permit Holder shall be closed out in accordance with the Rules of the Clearing Corporation.

* * * * *

Rule 16.1. Imposition of Suspension

A Trading Permit Holder or person associated with a Trading Permit Holder who has been and is expelled or suspended from any self-regulatory organization or barred or suspended from being associated with a Trading Permit Holder of any self-regulatory organization, or a Trading Permit Holder which is in such financial or operating difficulty that the [Chairman of the Board] Chief Executive Officer or the President determines that the Trading Permit Holder cannot be permitted to continue to do business as a Trading Permit Holder with safety to investors, creditors, other Trading Permit Holders, or the Exchange, may be summarily suspended by the [Chairman of the Board] Chief Executive Officer or the President. In addition, the [Chairman of the Board] Chief Executive Officer or the President may limit or prohibit any person with respect to access to services offered by the Exchange if any of the criteria or the foregoing sentence is applicable to such person or, in the case of a person who is not a Trading Permit Holder, if the [Chairman of the Board] Chief Executive Officer or the President determines that such person does not meet the qualification requirements or other prerequisites for such access with safety to investors, creditors, Trading Permit Holders, or the Exchange. In the event a determination is made to take summary action, as described above, notice thereof will be sent to the Securities and Exchange Commission. Any person aggrieved by any summary action taken under this Rule shall be promptly afforded an opportunity for a hearing by the Exchange in accordance with the provisions of Chapter XIX. In addition,

the Securities and Exchange Commission may on its own motion order or such a person may apply to the Securities and Exchange Commission for a stay of such summary action pending the results of a hearing pursuant to Chapter XIX.

* * * * *

Rule 18.31. Awards

* * * * *

(g) All monetary awards shall be paid within thirty (30) days of receipt unless a motion to vacate has been filed with a court of competent jurisdiction. If such a motion has been filed, either party may request the [Office of the Chairman] Chief Executive Officer or President to direct that the award be paid to an escrow account maintained by the Exchange. Such request shall be filed with the Secretary of the Exchange within thirty-five days of receipt of such award.

* * * * *

(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 May 19, 2016. CBOE's Board of Directors approved the amendments to the CBOE Bylaws set forth in this proposed rule change at its meeting on May 19, 2016.

(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 Corinne Klott, (312) 786-7793, Chicago Board 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

The Exchange proposes to amend its Bylaws and Rules as it relates to references to senior management. The Exchange notes that historically, the CBOE Chairman of the

Board also held the title of Chief Executive Officer (“CEO”). Currently, however, the roles of Chairman of the Board, CEO, and President are now occupied by three different individuals. As such, the Exchange has conducted a review of its rules relating to the authorities delegated to senior management and seeks to make conforming changes to its rules to more accurately reflect its senior management structure.

First, the Exchange proposes to amend Rule 2.15 (Divisions of Exchange), Rule 4.10 (Other Restrictions on Trading Permit Holders), Rule 6.17 (Authority to Take Action Under Emergency Conditions), Rule 10.2 (Contracts of Suspended Trading Permit Holders) and Rule 16.1 (Imposition of Suspension) to eliminate references to “Chairman of the Board” and replace those references with “Chief Executive Officer.” By way of background, Rule 2.15 currently provides that the Chairman of the Board, with the approval of the Board, may establish divisions of the Exchange and shall appoint a head of every division, provided that the Chairman of the Board is to be the head of the Executive Division. Additionally, Rule 2.15 provides that any official action taken by the Chairman of the Board or the President shall, for purposes of the hearing and review provided for in Chapter XIX, be deemed to be action of the Executive Division. Rule 4.10 currently provides that the Chairman of the Board or President may summarily suspend a Trading Permit Holder (“TPH”) or impose conditions and restrictions upon a TPH being a TPH if the Chairman of the Board or President considers it reasonably necessary for the protection of the Exchange and the customers of the TPH based upon certain findings made by the Department of Compliance. Rule 6.17 currently provides that the Chairman of the Board, the President or such other person or persons as may be designated by the Board shall have the power to halt or suspend trading in some or all

securities traded on the Exchange, to close some or all Exchange facilities, to determine the duration of any such halt, suspension or closing, to take one or more of the actions permitted to be taken by any person or body of the Exchange under Exchange rules, or to take any other action deemed to be necessary or appropriate for the maintenance of a fair and orderly market or the protection of investors, or otherwise in the public interest, due to emergency conditions or extraordinary circumstances. Rule 10.2 provides the Chairman of the Board or President may waive the requirement that a TPH Organization that carries short positions for the account of a TPH that is subject to a summary suspension close those positions. Finally Rule 16.1 provides that the Chairman of the Board or President may summarily suspend a TPH and limit or prohibit any person with respect to access to services offered by the Exchange.

The Exchange notes that the CEO's responsibility is that of general charge and supervision of the business of the Corporation¹, whereas the Chairman of the Board's responsibility is that of the presiding officer at all meetings of the Board and stockholders, as well as of other powers and duties as are delegated to him or her by the Board.² The Exchange believes the responsibilities currently delegated to the Chairman of the Board under Rules 2.15, 4.10, 6.17, 10.2 and 16.1 pertain to the general charge and supervision of the Exchange's business and therefor fall within the scope of the CEO's stated responsibilities, instead of the Chairman's. Accordingly, the Exchange proposes to eliminate the references to "Chairman of the Board" in the abovementioned rules and replace those references with "Chief Executive Officer."

¹ See Section 5.2 of the Bylaws.

² See Section 3.6 of the Bylaws.

Next, the Exchange proposes to eliminate the terms “Office of the Chairman” “(OOC”) in Rule 4.10 (Other Restrictions on Trading Permit Holders) and Rule 18.31 (Awards) and replace these references with “Chief Executive Officer or President.” Under Rule 4.10, the OOC (i.e., Office of the Chairman) is delegated certain authority relating to proposed Significant Business Transactions (“SBTs”) including, among other things, approving or disapproving a SBT. Under Rule 18.31, a party to an Arbitration may request the OOC to direct that an award be paid into an escrow account maintained by the Exchange in the event a motion to vacate has been filed. The Exchange notes that historically, the OOC was considered to be the management committee of the Exchange and consisted of the Chairman (who at the time was also the CEO), the Vice-Chairman (which role no longer exists) and the President. Given the Exchange’s current management structure, the Exchange believes the term is antiquated and seeks to eliminate the reference to it in its rules. In its place, the Exchange seeks to provide that the powers and responsibilities delegated to the OOC as a whole, now be delegated to either the CEO or President. Although the Chairman will no longer possess the authorities delineated in Rules 4.10 and 18.31, the Exchange believes those authorities fall more squarely within the scope of the CEO’s or President’s roles and responsibilities.³ The Exchange believes the proposed rule change will also provide clarity as to who going forward has certain authority under the rules.

Similarly, the Exchange proposes to eliminate the reference to the Office of the Chairman in Section 6.1. (Advisory Board), of the Exchange’s Bylaws. Section 6.1 currently provides that the Board will establish an Advisory Board which shall advise the

³ See Sections 5.2 and 5.3 of the Bylaws, respectively.

Board and the Office of the Chairman regarding matters of interest to TPHs. The Exchange notes that the Advisory Board's Charter however, provides that the Advisory board shall advise the Board and "management" regarding matters of interest to TPHs. As the term Office of the Chairman is outdated, as described above, and in order to conform the language in Section 6.1 to the Advisory Board Charter, the Exchange proposes to replace the reference to "Office of the Chairman" with "management." The Exchange also notes that the proposed change would alleviate confusion and maintain consistency between the Exchange's governance documents. Additionally, the title of the Bylaws would be changed to Seventh Amended and Restated Bylaws of CBOE.

The Exchange lastly proposes to amend Rules 4.14 (Liquidation of Positions) and 6.20 (Admission to and Conduct on the Trading Floor; Trading Permit Holder Education) to provide that in addition to the President, a designee of the President may act in accordance with the authority delegated by the Rule. Rule 4.14 provides authority to the President to order the liquidation of positions and Rule 6.20 allows the President to permit admission to the floor of persons other than those expressly allowed by rule. Providing that such authorities may also be delegated to a designee provides the President and the Exchange additional flexibility (e.g., if the President were unavailable, the authorities provided by rule could still be carried out, need be, by an alternative Exchange official). The proposed change is consistent with other Exchange rules and policies that permit the President to delegate certain authority upon a designee.⁴

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act") and the rules and regulations thereunder applicable to

⁴ See e.g., CBOE Rules 4.11, 4.12, 4.16.

the Exchange and, in particular, the requirements of Section 6(b) of the Act.⁵ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁶ requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

In particular, the proposed rule changes will more accurately reflect the current management structure and ensure that rules relating to senior management authority are clear and transparent, which reduces confusion, thereby removing impediments to, and perfecting the mechanism for a free and open market and a national market system, and, in general, protecting investors and the public interest of market participants.

More specifically, the Exchange believes the authorities being transferred from the Chairman of the Board to the CEO are appropriate as they relate to the general charge and supervision of the Exchange business, which responsibility is currently delegated to the CEO.

The Exchange believes the proposal to transfer the powers and responsibilities currently delegated to the Office of the Chairman as a whole to the CEO or President is appropriate as it is more aligned with the scope of the CEO's and President's roles than the Chairman's. The Exchange believes it also reduces confusion as the term "Office of

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

the Chairman” (and “OOC”) incorporate a no-longer valid role (“Vice-Chairman”) and is not widely used anymore. The proposed change also clarifies which officers are being referenced, which is not currently clear or explicit. Additionally, the Exchange notes that while delegation of authority is being modified, the substantive practices of the Exchange will remain the same. Similarly, the Exchange believes the proposed change to Section 6.1 of CBOE’s Bylaws also eliminates an outdated and potentially confusing term (i.e., Office of the Chairman) and also conforms the language to the CBOE Advisory Board Charter.

Lastly, the Exchange believes allowing the President to delegate the authorities under Rules 4.14 and 6.20 upon a designee protects investors and public interest by providing additional flexibility to the President and Exchange (e.g., if the President were unavailable, the authorities provided by rule could still be carried out, need be, by an alternative Exchange official). Additionally, the proposed change is consistent with other Exchange rules and policies that permit the President to delegate certain authority upon a designee.⁷

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

CBOE 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 does not believe that the proposed rule change imposes any burden on intramarket competition because it applies to all TPHs and is not designed to address any competitive issue. Additionally, as noted above, while certain delegation of authority is being modified, the substantive practices of the Exchange will remain the same. CBOE does not believe that the proposed rule change will impose any burden on intermarket

⁷ See e.g., CBOE Rules 4.11, 4.12, 4.16.

competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed rule change merely relates to the delegation of authorities to senior management and only affects CBOE.

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)

Not applicable.

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

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

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

Not applicable.

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

Not applicable.

Item 11. Exhibits

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

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-CBOE-2016-047]

[Insert date]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing of a Proposed Rule Change Relating to Senior Management Authority

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], Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) 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 seeks to amend its Bylaws and Rules with respect to delegations of certain authorities to senior management. The text of the proposed rule change is provided below.

(additions are underlined; deletions are [bracketed])

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**[SIXTH] SEVENTH AMENDED AND RESTATED
BYLAWS OF
CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED**

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¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

ARTICLE VI Advisory Board

Section 6.1. Advisory Board.

The Board will establish an Advisory Board which shall advise the Board and [the Office of the Chairman] management regarding matters of interest to Trading Permit Holders. It shall consist of such number of members as set by the Board from time to time, including at least two members who are Trading Permit Holders or persons associated with Trading Permit Holders. The Chief Executive Officer, or his or her designee, shall be the Chairman of the Advisory Board. The members of the Advisory Board shall be recommended by the Nominating and Governance Committee for approval by the Board. There shall be a Trading Permit Holders Subcommittee of the Advisory Board consisting of all members of the Advisory Board who are Trading Permit Holders or persons associated with Trading Permit Holders, which shall act as the Representative Director Nominating Body if and to the extent required by these Bylaws.

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Chicago Board Options Exchange, Incorporated Rules

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Rule 2.15. Divisions of Exchange

The divisions of the Exchange shall include any such divisions as the [Chairman of the Board] Chief Executive Officer, with the approval of the Board, may establish. The [Chairman of the Board] Chief Executive Officer shall appoint a head of every division, provided that the [Chairman of the Board] Chief Executive Officer shall be the head of the Executive Division. Any official action taken by the [Chairman of the Board] Chief Executive Officer or the President shall, for purposes of the hearing and review provided for in Chapter XIX, be deemed to be action of the Executive Division.

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Rule 4.10. Other Restrictions on Trading Permit Holders

(a) In General. Whenever the [Chairman] Chief Executive Officer or President shall find, on the basis of a report of the Department of Compliance or otherwise, that a Trading Permit Holder has failed to perform his contracts or is insolvent or is in such financial or operational condition or is otherwise conducting his business in such a manner that he cannot be permitted to continue in business with safety to his customers or creditors or the Exchange, the [Chairman] Chief Executive Officer or the President may summarily suspend the Trading Permit Holder in accordance with Chapter XVI or may impose such conditions and restrictions upon his being a Trading Permit Holder as he considers

reasonably necessary for the protection of the Exchange and the customers of such Trading Permit Holder.

(b) Firms Clearing Market-Maker Trades.

* * * * *

(2) A proposed SBT of a Trading Permit Holder as enumerated in subsection (b)(1)(i) through (iii) is subject to the prior approval of the [Exchange's Office of the Chairman ("OOC")] Chief Executive Officer or President, when the Trading Permit Holder's Market-Maker clearance activities exceed, or would exceed as a result of the proposed SBT, any of the following parameters:

- (i) 15% of cleared Exchange Market-Maker contract volume for the most recent three (3) months;
- (ii) an average of 15% of the number of Exchange registered Market-Makers as of each month and for the most recent three (3) months, or
- (iii) 25% of Market-Maker gross deductions (haircuts) defined by SEC Rule 15c3-1 (a)(6) or (c)(2)(x) carried by the Clearing Trading Permit Holder(s) in relation to the aggregate of such haircuts carried by all other Market-Maker clearing organizations for any month end within the most recent three (3) months.

The Exchange shall notify in writing each Trading Permit Holder that clears Market-Maker trades within ten (10) business days from the close of each month of that Trading Permit Holder's proportion of the market making clearing business, whether or not such business exceeds the parameters described in (i), (ii), and (iii) of this subsection (b)(2). Trading Permit Holders subject to this subsection (b)(2) must provide thirty (30) calendar days notice of the proposed SBT, as enumerated in subsection (b)(1)(i) through (iii), to the President or his designee. The [OOC] Chief Executive Officer or President may disapprove a Trading Permit Holder's proposed SBT, or approve such SBT subject to certain conditions, within the thirty (30) day period. The [OOC] Chief Executive Officer or President may disapprove or condition a Trading Permit Holder's SBT within the thirty (30) day period if the [OOC] Chief Executive Officer or President determines that such SBT has the potential to threaten the financial or operational integrity of Exchange Market-Maker transactions.

(3) In addition, at any time, the [OOC] Chief Executive Officer or President may impose additional financial and/or operational requirements on a Trading Permit Holder that clears Market-Maker trades when the [OOC] Chief Executive Officer or President determines that the Trading Permit Holder's continuance in business without such requirements has the potential to threaten the financial or operational integrity of Exchange Market-Maker transactions.

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(6) In considering a proposed SBT, the [OOC] Chief Executive Officer or President may consider, among other relevant matters, the following criteria:

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(7) In the event the [OOC] Chief Executive Officer or President determines, prior to the expiration of the thirty (30) day period set forth in subsection (1) hereof, that a proposed SBT may be approved without conditions, the [OOC] Chief Executive Officer or President shall promptly so advise the Trading Permit Holder. All [OOC] Chief Executive Officer or President decisions to disapprove or condition a proposed SBT pursuant to subsection (b)(2) hereof or to impose extraordinary requirements pursuant to subsection (b)(3) hereof shall be in writing, shall include a statement setting forth the grounds for the [OOC's] Chief Executive Officer or President's decision, and shall be served on the Trading Permit Holder. Notwithstanding any other provisions of the Rules of the Exchange, the Trading Permit Holder may appeal such decision directly to the Board of Directors of the Exchange by filing an application for review with the Secretary of the Exchange within fifteen (15) days of the date of service of the decision. The application for review shall be in the form prescribed by Rule 19.5(a), and the Board's review shall be conducted in the manner prescribed by Rule 19.5(b), except that the Trading Permit Holder may waive the making of a record. Review by the Board shall be the exclusive method of reviewing a decision of the [OOC] Chief Executive Officer or President pursuant to this subsection (b). The appeal to the Board of a decision of the [OOC] Chief Executive Officer or President shall not operate as a stay of that decision during the pendency of the appeal. The Exchange shall file notice with the SEC in accordance with the provisions of Section 19(d)(1) of the Securities Exchange Act of all final decisions to disapprove or condition a proposed SBT pursuant to subsection (b)(2) hereof, or to impose extraordinary requirements pursuant to subsection (b)(3) hereof.

* * * * *

(9) The [OOC] Chief Executive Officer or President may exempt a Trading Permit Holder from the requirements of subsection (b)(1) hereof, either generally or in respect of specific types of transactions, based on the limited proportion of Market-Maker trades on the Exchange that are cleared by the Trading Permit Holder or on the limited importance that the clearing of Market-Maker trades bears to the total business of the Trading Permit Holder.

* * * * *

Rule 4.14. Liquidation of Positions

Whenever the President or his designee shall find, on the basis of a report of the Department of Market Regulation or otherwise, that a person or group of persons acting in concert holds or controls, or is obligated in respect of, an aggregate position (whether long or short) in all option contracts of one or more classes or series dealt in on the Exchange in excess of the applicable position limit established pursuant to Rule 4.11, he or his designee may order all Trading Permit Holders carrying a position in option contracts of such classes or series for such person or persons to liquidate such position as expeditiously as possible consistent with the maintenance of an orderly market. Whenever such an order is given by the President or his designee, no Trading Permit

Holder shall accept any order to purchase, sell or exercise any option contract for the account of the person or persons named in the order, unless and until the President or his designee expressly approves such person or persons for options transactions.

* * * * *

Rule 6.17. Authority to Take Action Under Emergency Conditions

The [Chairman of the Board] Chief Executive Officer, the President or such other person or persons as may be designated by the Board shall have the power to halt or suspend trading in some or all securities traded on the Exchange, to close some or all Exchange facilities, to determine the duration of any such halt, suspension or closing, to take one or more of the actions permitted to be taken by any person or body of the Exchange under Exchange rules, or to take any other action deemed to be necessary or appropriate for the maintenance of a fair and orderly market or the protection of investors, or otherwise in the public interest, due to emergency conditions or extraordinary circumstances, such as (1) actual or threatened physical danger, severe climatic conditions, natural disaster, civil unrest, terrorism, acts of war, or loss or interruption of facilities utilized by the Exchange, or (2) a request by a governmental agency or official, or (3) a period of mourning or recognition for a person or event. The person taking the action shall notify the Board of actions taken pursuant to this Rule, except for a period of mourning or recognition for a person or event, as soon thereafter as is feasible.

* * * * *

Rule 6.20. Admission to and Conduct on the Trading Floor; Trading Permit Holder Education

(a) *Admission to Trading Floor.* Unless otherwise provided in the Rules, no one but a Trading Permit Holder, an Order Book Official designated by the Exchange pursuant to Rule 7.3, or PAR Official designated by the Exchange pursuant to Rule 7.12 shall make any transaction on the floor of the Exchange. Admission to the floor shall be limited to Trading Permit Holders, employees of the Exchange, clerks employed by Trading Permit Holders and registered with the Exchange, service personnel and Exchange visitors authorized admission to the floor pursuant to Exchange policy, and such other persons permitted admission to the floor by the President of the Exchange or his designee.

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Rule 10.2. Contracts of Suspended Trading Permit Holders

When a Trading Permit Holder, other than a Clearing Trading Permit Holder, is suspended pursuant to Chapter XVI of these Rules, all open short positions of the suspended Trading Permit Holder in option contracts and all open positions resulting from exercise of option contracts, other than positions that are secured in full by a specific deposit or escrow deposit in accordance with the Rules of the Clearing

Corporation, shall be closed without unnecessary delay by all TPH organizations carrying such positions for the account of the suspended Trading Permit Holder; provided that the [Chairman] Chief Executive Officer or President may cause the foregoing requirement to be temporarily waived for such period as he may determine if he shall deem such temporary waiver to be in the interest of the public or the other Trading Permit Holder. No temporary waiver hereunder by the [Chairman] Chief Executive Officer or President shall relieve the suspended Trading Permit Holder of its obligations or of damages, nor shall it waive the close out requirements of any other Rule. When a Clearing Trading Permit Holder is suspended pursuant to Chapter XVI of these Rules, the positions of such Clearing Trading Permit Holder shall be closed out in accordance with the Rules of the Clearing Corporation.

* * * * *

Rule 16.1. Imposition of Suspension

A Trading Permit Holder or person associated with a Trading Permit Holder who has been and is expelled or suspended from any self-regulatory organization or barred or suspended from being associated with a Trading Permit Holder of any self-regulatory organization, or a Trading Permit Holder which is in such financial or operating difficulty that the [Chairman of the Board] Chief Executive Officer or the President determines that the Trading Permit Holder cannot be permitted to continue to do business as a Trading Permit Holder with safety to investors, creditors, other Trading Permit Holders, or the Exchange, may be summarily suspended by the [Chairman of the Board] Chief Executive Officer or the President. In addition, the [Chairman of the Board] Chief Executive Officer or the President may limit or prohibit any person with respect to access to services offered by the Exchange if any of the criteria or the foregoing sentence is applicable to such person or, in the case of a person who is not a Trading Permit Holder, if the [Chairman of the Board] Chief Executive Officer or the President determines that such person does not meet the qualification requirements or other prerequisites for such access with safety to investors, creditors, Trading Permit Holders, or the Exchange. In the event a determination is made to take summary action, as described above, notice thereof will be sent to the Securities and Exchange Commission. Any person aggrieved by any summary action taken under this Rule shall be promptly afforded an opportunity for a hearing by the Exchange in accordance with the provisions of Chapter XIX. In addition, the Securities and Exchange Commission may on its own motion order or such a person may apply to the Securities and Exchange Commission for a stay of such summary action pending the results of a hearing pursuant to Chapter XIX.

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Rule 18.31. Awards

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(g) All monetary awards shall be paid within thirty (30) days of receipt unless a motion to vacate has been filed with a court of competent jurisdiction. If such a motion has been filed, either party may request the [Office of the Chairman] Chief Executive Officer or President to direct that the award be paid to an escrow account maintained by the Exchange. Such

request shall be filed with the Secretary of the Exchange within thirty-five days of receipt of such award.

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The text of the proposed rule change is also 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 on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend its Bylaws and Rules as it relates to references to senior management. The Exchange notes that historically, the CBOE Chairman of the Board also held the title of Chief Executive Officer ("CEO"). Currently, however, the roles of Chairman of the Board, CEO, and President are now occupied by three different individuals. As such, the Exchange has conducted a review of its rules relating to the authorities delegated to senior management and seeks to make conforming changes to its rules to more accurately reflect its senior management structure.

First, the Exchange proposes to amend Rule 2.15 (Divisions of Exchange), Rule 4.10 (Other Restrictions on Trading Permit Holders), Rule 6.17 (Authority to Take

Action Under Emergency Conditions), Rule 10.2 (Contracts of Suspended Trading Permit Holders) and Rule 16.1 (Imposition of Suspension) to eliminate references to “Chairman of the Board” and replace those references with “Chief Executive Officer.”

By way of background, Rule 2.15 currently provides that the Chairman of the Board, with the approval of the Board, may establish divisions of the Exchange and shall appoint a head of every division, provided that the Chairman of the Board is to be the head of the Executive Division. Additionally, Rule 2.15 provides that any official action taken by the Chairman of the Board or the President shall, for purposes of the hearing and review provided for in Chapter XIX, be deemed to be action of the Executive Division. Rule 4.10 currently provides that the Chairman of the Board or President may summarily suspend a Trading Permit Holder (“TPH”) or impose conditions and restrictions upon a TPH being a TPH if the Chairman of the Board or President considers it reasonably necessary for the protection of the Exchange and the customers of the TPH based upon certain findings made by the Department of Compliance. Rule 6.17 currently provides that the Chairman of the Board, the President or such other person or persons as may be designated by the Board shall have the power to halt or suspend trading in some or all securities traded on the Exchange, to close some or all Exchange facilities, to determine the duration of any such halt, suspension or closing, to take one or more of the actions permitted to be taken by any person or body of the Exchange under Exchange rules, or to take any other action deemed to be necessary or appropriate for the maintenance of a fair and orderly market or the protection of investors, or otherwise in the public interest, due to emergency conditions or extraordinary circumstances. Rule 10.2 provides the Chairman of the Board or President may waive the requirement that a TPH Organization

that carries short positions for the account of a TPH that is subject to a summary suspension close those positions. Finally Rule 16.1 provides that the Chairman of the Board or President may summarily suspend a TPH and limit or prohibit any person with respect to access to services offered by the Exchange.

The Exchange notes that the CEO's responsibility is that of general charge and supervision of the business of the Corporation³, whereas the Chairman of the Board's responsibility is that of the presiding officer at all meetings of the Board and stockholders, as well as of other powers and duties as are delegated to him or her by the Board.⁴ The Exchange believes the responsibilities currently delegated to the Chairman of the Board under Rules 2.15, 4.10, 6.17, 10.2 and 16.1 pertain to the general charge and supervision of the Exchange's business and therefor fall within the scope of the CEO's stated responsibilities, instead of the Chairman's. Accordingly, the Exchange proposes to eliminate the references to "Chairman of the Board" in the abovementioned rules and replace those references with "Chief Executive Officer."

Next, the Exchange proposes to eliminate the terms "Office of the Chairman" "(OOC)" in Rule 4.10 (Other Restrictions on Trading Permit Holders) and Rule 18.31 (Awards) and replace these references with "Chief Executive Officer or President." Under Rule 4.10, the OOC (i.e., Office of the Chairman) is delegated certain authority relating to proposed Significant Business Transactions ("SBTs") including, among other things, approving or disapproving a SBT. Under Rule 18.31, a party to an Arbitration may request the OOC to direct that an award be paid into an escrow account maintained by the Exchange in the event a motion to vacate has been filed. The Exchange notes that

³ See Section 5.2 of the Bylaws.

⁴ See Section 3.6 of the Bylaws.

historically, the OOC was considered to be the management committee of the Exchange and consisted of the Chairman (who at the time was also the CEO), the Vice-Chairman (which role no longer exists) and the President. Given the Exchange's current management structure, the Exchange believes the term is antiquated and seeks to eliminate the reference to it in its rules. In its place, the Exchange seeks to provide that the powers and responsibilities delegated to the OOC as a whole, now be delegated to either the CEO or President. Although the Chairman will no longer possess the authorities delineated in Rules 4.10 and 18.31, the Exchange believes those authorities fall more squarely within the scope of the CEO's or President's roles and responsibilities.⁵ The Exchange believes the proposed rule change will also provide clarity as to who going forward has certain authority under the rules.

Similarly, the Exchange proposes to eliminate the reference to the Office of the Chairman in Section 6.1. (Advisory Board), of the Exchange's Bylaws. Section 6.1 currently provides that the Board will establish an Advisory Board which shall advise the Board and the Office of the Chairman regarding matters of interest to TPHs. The Exchange notes that the Advisory Board's Charter however, provides that the Advisory board shall advise the Board and "management" regarding matters of interest to TPHs. As the term Office of the Chairman is outdated, as described above, and in order to conform the language in Section 6.1 to the Advisory Board Charter, the Exchange proposes to replace the reference to "Office of the Chairman" with "management." The Exchange also notes that the proposed change would alleviate confusion and maintain

⁵ See Sections 5.2 and 5.3 of the Bylaws, respectively.

consistency between the Exchange's governance documents. Additionally, the title of the Bylaws would be changed to Seventh Amended and Restated Bylaws of CBOE.

The Exchange lastly proposes to amend Rules 4.14 (Liquidation of Positions) and 6.20 (Admission to and Conduct on the Trading Floor; Trading Permit Holder Education) to provide that in addition to the President, a designee of the President may act in accordance with the authority delegated by the Rule. Rule 4.14 provides authority to the President to order the liquidation of positions and Rule 6.20 allows the President to permit admission to the floor of persons other than those expressly allowed by rule. Providing that such authorities may also be delegated to a designee provides the President and the Exchange additional flexibility (e.g., if the President were unavailable, the authorities provided by rule could still be carried out, need be, by an alternative Exchange official). The proposed change is consistent with other Exchange rules and policies that permit the President to delegate certain authority upon a designee.⁶

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

⁶ See e.g., CBOE Rules 4.11, 4.12, 4.16.

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

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.

In particular, the proposed rule changes will more accurately reflect the current management structure and ensure that rules relating to senior management authority are clear and transparent, which reduces confusion, thereby removing impediments to, and perfecting the mechanism for a free and open market and a national market system, and, in general, protecting investors and the public interest of market participants.

More specifically, the Exchange believes the authorities being transferred from the Chairman of the Board to the CEO are appropriate as they relate to the general charge and supervision of the Exchange business, which responsibility is currently delegated to the CEO.

The Exchange believes the proposal to transfer the powers and responsibilities currently delegated to the Office of the Chairman as a whole to the CEO or President is appropriate as it is more aligned with the scope of the CEO's and President's roles than the Chairman's. The Exchange believes it also reduces confusion as the term "Office of the Chairman" (and "OOC") incorporate a no-longer valid role ("Vice-Chairman") and is not widely used anymore. The proposed change also clarifies which officers are being referenced, which is not currently clear or explicit. Additionally, the Exchange notes that while delegation of authority is being modified, the substantive practices of the Exchange will remain the same. Similarly, the Exchange believes the proposed change to Section 6.1 of CBOE's Bylaws also eliminates an outdated and potentially confusing term (i.e.,

Office of the Chairman) and also conforms the language to the CBOE Advisory Board Charter.

Lastly, the Exchange believes allowing the President to delegate the authorities under Rules 4.14 and 6.20 upon a designee protects investors and public interest by providing additional flexibility to the President and Exchange (e.g., if the President were unavailable, the authorities provided by rule could still be carried out, need be, by an alternative Exchange official). Additionally, the proposed change is consistent with other Exchange rules and policies that permit the President to delegate certain authority upon a designee.⁹

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

CBOE 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 does not believe that the proposed rule change imposes any burden on intramarket competition because it applies to all TPHs and is not designed to address any competitive issue. Additionally, as noted above, while certain delegation of authority is being modified, the substantive practices of the Exchange will remain the same. CBOE 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 change merely relates to the delegation of authorities to senior management and only affects CBOE.

⁹ See e.g., CBOE Rules 4.11, 4.12, 4.16.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

- A. by order approve or disapprove such proposed rule change, or
- B. institute proceedings to determine whether the proposed rule change should be 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-CBOE-2016-047 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-CBOE-2016-047. 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-CBOE-2016-047 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.¹⁰

Secretary

¹⁰ 17 CFR 200.30-3(a)(12).