

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="60"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2019"/> - * <input type="text" value="025"/>	Amendment No. (req. for Amendments *) <input type="text"/>
---	--	---	--

Filing by Cboe C2 Exchange, Inc.  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
---	---

**Description**

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

The Exchange proposes to update various C2 Rules and Chapters to reflect changes to the Cboe Options rulebook that became effective upon the October 7, 2019 migration across the Cboe Affiliated Exchanges.

**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 * <input type="text" value="Rebecca"/>	Last Name * <input type="text" value="Tenuta"/>
Title * <input type="text" value="Counsel"/>	
E-mail * <input type="text" value="rtenuta@cboe.com"/>	
Telephone * <input type="text" value="(312) 786-7068"/>	Fax <input type="text"/>

**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 <input type="text" value="11/20/2019"/>	Counsel <input type="text"/>
By <input type="text" value="Rebecca Tenuta"/>	<input type="text"/>
(Name *)	

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

**Form 19b-4 Information \***

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

Add Remove View

Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

Add Remove View

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

**Item 1. Text of the Proposed Rule Change**

(a) Cboe C2 Exchange, Inc. (the “Exchange” or “C2”) proposes to update various C2 Rules and Chapters to reflect changes to the Cboe Options rulebook that became effective upon the October 7, 2019 migration of the Cboe Options’ trading platform to the same system used by the Cboe Affiliated Exchanges (as defined below), including C2. The text of the proposed rule change is provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

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

(a) The Exchange’s President (or designee) pursuant to delegated authority approved the proposed rule change on November 6, 2019.

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

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

(a) Purpose

In 2016, the Exchange’s parent company, Cboe Global Markets, Inc. (formerly named CBOE Holdings, Inc.) (“Cboe Global”), which is also the parent company of Cboe C2 Exchange, Inc. (“C2”), acquired Cboe EDGA Exchange, Inc. (“EDGA”), Cboe EDGX Exchange, Inc. (“EDGX” or “EDGX Options”), Cboe BZX Exchange, Inc. (“BZX” or “BZX Options”), and Cboe BYX Exchange, Inc. (“BYX” and, together with Cboe Options, C2, EDGX, EDGA, and BZX, the “Cboe Affiliated Exchanges”). On October 7, 2019, Cboe

Options migrated its trading platform to the same system used by the Cboe Affiliated Exchanges. In connection with this technology migration, Cboe Options updated and reorganized its rulebook, which became effective upon the technology migration.

The Exchange now proposes to reorganize various Chapters in its Rulebook that incorporate Cboe Options chapters by reference in order to correspond to the post-migration structure of the Cboe Options rulebook. The proposed rule change also updates cross-references to Cboe Options rules and chapters that have been relocated in the Cboe Options post-migration rulebook. It also proposes to delete certain Chapters that incorporate by reference Cboe Option's chapters that are no longer holistically in the Cboe Options rulebook as a result of the reorganization of the rules under such chapters to various other Cboe Options rules and chapters. The proposed rule change moves and, where applicable, removes the rules as follows:

<b>Proposed Chapter</b>	<b>Current Rule/Chapter</b>
<p><b>Chapter 3, Section B TPH Registration<sup>1</sup></b></p> <p>Incorporates by reference certain Cboe Options rules under Cboe Options Chapter 3, Section B (rules formerly under Cboe Options Chapter 9).<sup>2</sup></p> <p>Rule 3.30</p>	<p><b>Chapter 9 Doing Business with the Public</b></p> <p>Incorporates by reference certain rules under former Cboe Options Chapter 9 (former Cboe Options Rules 9.1, 9.2, 9.3, 9.3A, 9.4, 9.5, 9.6).</p> <p>Rule 3.4</p>
<b>Chapter 4, Section A Equity and ETP Options</b>	<b>Chapter 5 Securities Dealt In</b>

<sup>1</sup> The proposed rule change also adds a Section A (TPH Qualifications) heading to C2 Rules currently in Chapter 3, which is consistent with the section structure in Cboe Options Chapter 3.

<sup>2</sup> The filing to reorganize Cboe Options Chapter 9 and move rules to Cboe Options Chapter 3, Section B did not make any substantive changes to the rules. See Securities and Exchange Act Release No. 87229 (October 4, 2019), 84 FR 54704 (October 10, 2019) (SR-CBOE-2019-088).

<p>Incorporates by reference Cboe Options Chapter 4, Section A (former Cboe Options Chapter 5);<sup>3</sup> and</p> <p><b>Chapter 4, Section B Index Options</b></p> <p>Incorporates by reference Cboe Options Chapter 4, Section B (rules regarding index options listing under former Cboe Options Chapter 24).<sup>4</sup></p>	<p>Incorporates by reference former Cboe Options Chapter 5; and</p> <p><b>Chapter 24 Index Options</b></p> <p>Incorporates by reference former Cboe Options Chapter 24 (except for former Rules 24.6, 24.7, 24.13, 24.15, 24.19, 24.20, and 24.21).</p>
<p><b>Chapter 5 Business Conduct<sup>5</sup></b></p> <p>Incorporates by reference Cboe Options Chapter 8 (comprised of former Cboe Options Chapter 4, as well as rules regarding position limits and exercise limits for index options under former Cboe Chapter 24).<sup>6</sup></p>	<p><b>Chapter 4 Business Conduct</b></p> <p>Incorporates by reference former Cboe Options Chapter 4; and</p> <p><b>Chapter 24 Index Options</b></p> <p>Incorporates by reference former Cboe Options Chapter 24.</p>
<p><b>Chapter 6, Section F Exercises and Deliveries</b></p> <p>Incorporates by reference Cboe Options Chapter 6, Section B (former Cboe Options Chapter 11, as well as former Cboe Options Rule 24.18).</p>	<p><b>Chapter 11 Exercises and Deliveries</b></p> <p>Incorporates by reference former Cboe Options Chapter 11</p> <p><b>Chapter 24 Index Options</b></p>

<sup>3</sup> The filing to relocate former Cboe Options Chapter 5 to Cboe Options Chapter 4, Section A did not make any substantive changes to the rules. See Securities and Exchange Act Release No. 87272 (October 10, 2019) (SR-CBOE-2019-090).

<sup>4</sup> The filing to relocate rules regarding the listing of index options under former Cboe Options Chapter 24 to Cboe Options Chapter 4, Section B did not make any substantive changes to the rules. See Securities Exchange Act Release No. 87337 (October 17, 2019), 84 FR 56879 (October 23, 2019) (SR-CBOE-2019-092).

<sup>5</sup> The Exchange notes that proposed C2 Chapter 5 incorporates by reference Cboe Options Chapter 8, as current C2 Chapter 8 is already comprised of C2 Market-Maker Rules.

<sup>6</sup> The filing to relocate former Cboe Options Chapter 4, as well as rules regarding position limits and exercise limits for index options under former Cboe Chapter 24, to Cboe Options Chapter 8 did not make any substantive changes to the rules. See Securities Exchange Act Release No. 87224 (October 4, 2019), 84 FR 54652 (October 10, 2019) (SR-CBOE-2019-081).

	Incorporates by reference former Cboe Options Chapter 24.
<p><b>Chapter 7, Section A General</b></p> <p>Incorporates by reference Cboe Options Chapter 7, Section A (former Cboe Options Chapter 15); and</p> <p><b>Chapter 7, Section B Consolidated Audit Trail (CAT)</b></p> <p>Incorporates by reference Cboe Options Chapter 7, Section B (which was former Cboe Options Chapter 6, Section F (Consolidated Audit Trail (CAT))).<sup>7</sup></p>	<p><b>Chapter 15 Records, Reports, and Audits</b></p> <p>Incorporates by reference former Cboe Options Chapter 15.</p> <p><b>Chapter 6, Section F Consolidated Audit Trail (CAT)</b></p> <p>Incorporates by reference former Cboe Options Chapter 6, Section F.</p>
<p><b>Chapter 9 Doing Business with the Public</b></p> <p>Removes Rule 3.19, which is identical to Cboe Options Rule 9.20, and incorporates by reference Cboe Options Rule 9.20 (which becomes incorporated by reference under the umbrella of the overall incorporation by reference of Cboe Options Chapter 9).<sup>8</sup></p>	<p><b>Chapter 9 Doing Business with the Public</b></p> <p>Incorporates by reference certain rules under Cboe Options Chapter 9 (Rules 9.7 through 9.25).</p>
<p><b>Chapter 10 Margin Requirements</b></p> <p>Incorporates by reference Cboe Options Chapter 10 (former Cboe Options Chapter 12).<sup>9</sup></p>	<p><b>Chapter 12 Margins</b></p> <p>Incorporates by reference former Cboe Options Chapter 12.</p>
<p><b>Chapter 11 Net Capital Requirements</b></p>	<p><b>Chapter 13 Net Capital Requirements</b></p>

<sup>7</sup> The filing to relocate former Cboe Options Chapter 15, as well as former Cboe Options Chapter 6, Section F, to Cboe Options Chapter 7, Sections A and B, did not make any substantive changes to the rules. See Securities Exchange Act Release No. 87216 (October 3, 2019), 84 FR 54231 (October 9, 2019) (SR-CBOE-2019-073).

<sup>8</sup> See supra note 1.

<sup>9</sup> The filing to relocate former Cboe Options Chapter 12 to Cboe Options Chapter 10 did not make any substantive changes to the rules. See Securities Exchange Act Release No. 87189 (October 1, 2019), 84 FR 53520 (October 7, 2019) (SR-CBOE-2019-069).

Incorporates by reference Cboe Options Chapter 11 (former Cboe Options Chapter 13). <sup>10</sup>	Incorporates by reference former Cboe Options Chapter 13.
<b>Chapter 12 Summary Suspension</b>  Incorporates by reference Cboe Options Chapter 12 (former Cboe Options Chapter 16), and as a result deletes current C2 Chapter 16. <sup>11</sup>	<b>Chapter 16 Summary Suspension</b>  Incorporates by reference former Cboe Options Chapter 16.
<b>Chapter 13 Discipline</b>  Incorporates by reference Cboe Options Chapter 13 (former Cboe Options Chapter 17), and as a result deletes current C2 Chapter 17. <sup>12</sup>	<b>Chapter 17 Discipline</b>  Incorporates by reference former Cboe Options Chapter 17.
<b>Chapter 14 Arbitration</b>  Incorporates by reference Cboe Options Chapter 14 (former Cboe Options Chapter 18), and as a result deletes current C2 Chapter 18. <sup>13</sup>	<b>Chapter 18 Arbitration</b>  Incorporates by reference former Cboe Options Chapter 18.
<b>Chapter 15 Hearings and Review</b>	<b>Chapter 19 Hearings and Review</b>  Incorporates by reference former Cboe Options Chapter 19.

<sup>10</sup> The filing to relocate former Cboe Options Chapter 13 to Cboe Options Chapter 11 did not make any substantive changes to the rules. See Securities Exchange Act Release No. 87188 (October 1, 2019), 84 FR 53480 (October 7, 2019) (SR-CBOE-2019-066).

<sup>11</sup> The filing to relocate former Cboe Options Chapter 16 to Cboe Options Chapter 12 did not make any substantive changes to the rules. See Securities Exchange Act Release No. 87227 (October 4, 2019), 84 FR 54700 (October 10, 2019) (SR-CBOE-2019-067).

<sup>12</sup> The filing to relocate former Cboe Options Chapter 17 to Cboe Options Chapter 13 did not make any substantive changes to the rules. See Securities Exchange Act Release No. 87210 (October 3, 2019), 84 FR 54190 (October 9, 2019) (SR-CBOE-2019-068).

<sup>13</sup> The filing to relocate former Cboe Options Chapter 18 to Cboe Options Chapter 14 did not make any substantive changes to the rules. See Securities Exchange Act Release No. 87183 (October 1, 2019), 84 FR 53548 (October 7, 2019) (SR-CBOE-2019-065).

Incorporates by reference Cboe Options Chapter 15 (former Cboe Options Chapter 19), and as a result deletes current C2 Chapter 19. <sup>14</sup>	
<i>To be deleted</i>	<b>Chapter 10 Closing Transactions</b>
<i>To be deleted</i>	<b>Chapter 24 Index Options</b>

The majority of the proposed changes are of a non-substantive nature and will not amend the relocated rules other than to update their Chapter numbers, make cross-reference changes, update or remove references to certain terms that have been updated or removed within the Cboe Options rules (e.g. “Department of Compliance”, “Department of Financial and Sales Practice Compliance”, and “Department of Member Firm Regulation” were all updated to the “Exchange” in Cboe Options rules, reference to the Floor is not found in any Cboe Options rules that remain in Cboe Options Chapter 9, and the terms “Constitution” and “membership are not found in Cboe Options Chapter 15 (Hearing and Review)) and update headings in order to correspond to the structure of the Cboe Options post-migration Rulebook. The Exchange notes it also updates cross-references to Cboe Options rules in C2 Rule 6.1 and in C2 Chapter 6, Section E, and removes the language under C2 Rule 1.3 that makes an exception for the applicability of Eastern Time in Cboe Options rules because the Cboe Options post-migration Rulebook was amended to also state all times in Eastern Time.<sup>15</sup>

---

<sup>14</sup> The filing to relocate former Cboe Options Chapter 19 to Cboe Options Chapter 15 did not make any substantive changes to the rules. See Securities Exchange Act Release No. 87187 (October 1, 2019), 84 FR 53487 (October 7, 2019) (SR-CBOE-2019-072).

<sup>15</sup> See Cboe Options Rule 1.6.

As stated in the table above, the proposed rule change also incorporates Cboe Options Rule 9.20, which governs customer disclosures during Global Trading Hours, into C2 Chapter 9 by reference to Cboe Options Chapter 9. Current Rule 3.19 is identical to Cboe Options Rule 9.20. Therefore, the proposed rule change essentially just relocates current Rule 3.19 to Rule 9.20 in order to include Cboe Options Rule 9.20 in C2 Chapter 9's incorporation of Cboe Options Chapter 9 by reference, as it is within the same category of exchange rules otherwise incorporated into C2 Chapter 9 by reference to Cboe Options Chapter 9 (*i.e.* rule related to doing business with the public).

The proposed changes to remove certain C2 Chapters are of a non-substantive nature because they delete C2 Chapters that incorporate by reference certain Cboe Options chapters that are no longer applicable as a result of the reorganization of the Cboe Options rulebook. The proposed rule change removes current C2 Chapter 10 which incorporates (former) Cboe Options Chapter 10 by reference. The Exchange notes that prior to reorganization, Cboe Options Chapter 10 contained only three rules (Cboe Options Rules 10.1, 10.2, and 10.3). As a result of Cboe Option's reorganization, Cboe Options Rule 10.1 was relocated to Cboe Options Rule 6.3(g), Cboe Options Rule 10.2 was relocated to Cboe Options Rule 12.6, and Cboe Options Rule 10.3 was relocated to Cboe Options Rule 8.18. The Exchange notes that proposed C2 Chapter 12 incorporates Cboe Options Chapter 12 by reference, which now contains former Cboe Options Rule 10.2, and proposed C2 Chapter 5 incorporates Cboe Options Chapter 8 by reference, which now contains former Cboe Options Rule 10.3. Because the current C2 Rules do not incorporate Cboe Options Chapter 6 by reference, the proposed rule change simply adds the language, verbatim, from current Cboe Options Rule 6.3(g)

(former Cboe Options Rule 10.1) to C2 Rule 6.27(b) (and updates the current rule text paragraph formatting and headings accordingly).

Likewise, the proposed change removes current C2 Chapter 24 which incorporates (former) Cboe Options Chapter 24 by reference. As indicated in the table above, a majority of the Cboe Options rules under former Cboe Options Chapter 24 were relocated to Cboe Options Chapter 4, Section B and Chapter 8, and thus covered under proposed C2 Chapters 4 and 5. The Exchange notes that former Cboe Options Rule 24.8 (governing the meaning of premium bids and offers for index options) and former Cboe Options Rule 24.14 (governing limitation of liability of Reporting Authority for indexes underlying options) were not relocated into either of these Chapters, and instead incorporated into Cboe Options Rules 5.3(a) and 1.12, respectively. Because the current C2 Rules do not incorporate post-migration Cboe Options Chapter 5 or Chapter 1 by reference, like the proposed rule change described above, the proposed rule change simply updates the language under current C2 Rule 6.3(a) to be consistent with the rule text under corresponding Cboe Options Rule 5.3(a), which now accounts for index options (from former Cboe Options Rule 24.8), and adds Rule 6.45, which is identical to the rule text under Cboe Options Rule 1.12 (former Cboe Options Rule 24.14). The proposed rule change does not incorporate former Cboe Options Rule 24.8.01 (current Cboe Options Rule 5.85(e)) nor former Cboe Options Rule 24.22 (current Cboe Options Rule 5.92) because both rules are specific to trading on open outcry which is not applicable to C2. The proposed change also removes the language under current C2 Chapter 24 which provides that Cboe Options Rules 24.6 (Days and Hours of Business); 24.7 (Trading Halts, Suspensions, or Primary Market Closure); 24.13 (Trading Rotations); 24.15 (Automatic Execution of Index Options); 24.19 (Multi-Class Broad-Based Index Option Spread Orders);

24.20 (SPX Combination Orders); and 24.21 (Index Crowd Space Dispute Resolution Procedures) do not apply to C2, because, as a result of the reorganization of the Cboe Options rulebook, each of these rules has either been deleted from the Cboe Options rulebook or relocated into another Cboe Options chapter that C2 does not incorporate by reference. The Exchange notes that the proposed rule changes described above do not make any substantive changes to the manner in which Cboe Options rules apply to C2.

Additionally, as a result of the reorganization of the Cboe Options rulebook, rules in certain former chapters that the Exchange does not currently incorporate by reference, such as chapters that had governed types of options specific to trading on Cboe Options (i.e. Range, Binary, Corporate Debt Security, Government security, Credit, and interest rate options), and other specific Cboe Options rules that do not apply to C2 (i.e. former Cboe Options Rules 6.2.06, 8.9, 8.6, 6.55, and 6.22)<sup>16</sup>, were relocated to various Cboe Options chapters that C2 currently does incorporate by reference. For example, former Cboe Options Rules 28.16, 21.30, and 23.15 (none of which does C2 currently incorporate by reference) regarding record maintenance, retention, and furnishing for Market-Makers in Corporate Debt Security Options, Government security options, and interest rate options, respectively, were relocated into certain provisions in Cboe Options Chapter 7 (former Cboe Options Chapter 15, which C2 does incorporate by reference). Therefore, the proposed rule change makes explicit, where applicable, that Cboe Options rules regarding such options specific to trading on Cboe

---

<sup>16</sup> Relocated to Cboe Options Rules 4.17, 7.6, 8.20, 8.21, and 8.22, respectively. The Exchange also notes that proposed Chapter 5 (current Chapter 4) updates the cross-reference from Cboe Options Rule 4.11, Interpretation and Policy .06, in the exclusion provision, to Cboe Options Rule 8.30.06.

Options, as well as other specific Cboe Options rules not currently incorporated by reference into C2 Rules, continue to be inapplicable to C2.

The proposed rule change also updates certain rules under current C2 Rule 17.50 (proposed C2 Rule 13.15) to reflect recent changes to the corresponding Cboe Options rules.<sup>17</sup> Rule filing SR-CBOE-2019-025 amended Cboe Options Rule 13.15(g)(14) and (g)(19)<sup>18</sup> under its Minor Rule Violation Plan (“MRVP”) by removing referrals to the Business Conduct Committee (“BCC”), and incorporating “subsequent” offenses under the fine schedules corresponding to the last monetary range listed under these rules. For example, instead of providing that subsequent offenses may result in referral to the BCC, Cboe Options Rule 13.15(g)(14) now provides that a first offense may result in a fine of \$2,000 to \$4,000, and subsequent offenses may result in a fine ranging from \$4,000 to \$5,000. The Exchange notes that it does not incorporate Cboe Options Rules 13.15(g)(14) or (g)(19) (i.e., current C2 Rules 17.50(g)(14) and (g)(19)) by reference, therefore, it now proposes to update these MRVP rules to be consistent with Cboe Options in its schedule of fines under proposed C2 Rules 13.15(g)(14) and (g)(19) (current C2 Rules 17.50(g)(14) and (g)(19)).

(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

---

<sup>17</sup> See Securities Exchange Act Release No. 85727 (April 26, 2019), 84 FR 18878 (May 02, 2019) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Chapter 17 of the Cboe Options Rules) (SR-CBOE-2019-025).

<sup>18</sup> The Exchange notes that at the time of this filing these rules were under Chapter 17 in the Cboe Options Rulebook, and have since been relocated to Chapter 13 as a result of the migration.

the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>19</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>20</sup> requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>21</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

As stated, the proposed rule change generally makes no substantive changes to the rules. The proposed rule change is merely intended to reorganize C2 Chapters and update their numbers, cross-references, and headings, as well as remove C2 Chapters which reference Cboe Options chapters that are no longer applicable and/or are covered under other proposed C2 Chapters as a result of the Cboe Options rulebook restructuring, in order to correspond to the Cboe Options rulebook that was reorganized for the October 7, 2019 technology migration. The proposed change also updates language in certain C2 Chapters that incorporate Cboe Options chapters by reference to exclude Cboe Options rules regarding specific types of options and other specific Cboe Options rules that are not

---

<sup>19</sup> 15 U.S.C. 78f(b).

<sup>20</sup> 15 U.S.C. 78f(b)(5).

<sup>21</sup> Id.

applicable to trading on C2, but, as a result of the Cboe Options rulebook reorganization, had been relocated into Cboe Options chapters that C2 currently does incorporate by reference. Additionally, the proposed change adds rule text to the C2 Rules that is identical to certain Cboe Options rules formerly in Cboe Options Chapter 24, which the Exchange currently incorporates by reference, which were relocated to Cboe Options chapters not incorporated by reference. Therefore, the proposed rule change does not alter any of the current rules incorporated by reference, and the same rules currently applicable to Trading Permit Holders will apply to Trading Permit Holders upon effectiveness of this rule filing in the same manner, whether those rules are incorporated by reference to Cboe Options rules or included in C2's Rules. Instead, it is designed 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, by updating the organization and structure of the C2 Rulebook in order to align with the recently reorganized and restructured Cboe Options rulebook, making it easier to read and follow, thus allowing market participants better understand the rules of the Exchange, which will also result in less burdensome and more efficient regulatory compliance for market participants that are Trading Permit Holders of both Cboe Options and C2.

Additionally, the Exchange notes that the removal of a referral to the BCC for subsequent offenses under the proposed MRVP Rules 13.15(g)(14) and (g)(19) is substantively identical to the corresponding rules of Cboe Options, which have previously been filed with the Commission. As a result, the Exchange believes that the proposed change provides consistency between the rules and disciplinary process of the Exchange and its affiliate exchange, Cboe Options, which removes impediments to and perfects the

mechanism of a free and open market and a national market system by making it easier for participants across the affiliated exchanges to understand and adhere to the disciplinary rules.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange reiterates that the proposed rule change is being proposed as a result of the recent technology migration and the related reorganization of the Cboe Options rulebook, and not as a competitive filing. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition because it merely reorganizes and updates its Chapters and Rules that incorporate Cboe Options chapters and rules by reference to align with the reorganized, post-migration Cboe Options rulebook that became effective October 7, 2019. The same rules that apply to C2 Trading Permit Holders today will apply to C2 Trading Permit Holders in the same manner upon effectiveness of this rule filing. Likewise, the proposed rule change to the C2 MRVP is also not intended to address competitive issues and will not impose any burden on intramarket competition because it does not impact trading on the Exchange but, rather, is concerned only with facilitating easier understanding of and adherence to the disciplinary rules for participants across the Exchange and Cboe Options. The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition because the proposed rules are substantively the same as the Exchange's current rules, and the proposed change to the MRVP is substantively the same as the Cboe Options MRVP, all of which have been previously filed with the Commission.

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

The Exchange neither solicited nor received comments on the proposed rule change.

**Item 6. Extension of Time Period for Commission Action**

Not applicable.

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

(a) The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of Act<sup>22</sup> and Rule 19b-4(f)(6)<sup>23</sup> thereunder.

(b) The Exchange designates that the proposed rule change effects a change that (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. Additionally, the Exchange has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

The proposed rule change will not significantly affect the protection of investors and the public interest because it is intended to realign the Exchange Rules with that of the Cboe Options rules which were reorganized as a result of the October 7, 2019 technology migration. The proposed rule change does not make any substantive changes to the

---

<sup>22</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>23</sup> 17 CFR 240.19b-4(f)(6).

Exchange rules or Exchange functionality. The proposed non-substantive changes, which include reorganizing C2 Chapters, updating their numbers, cross-references, and certain terms and headings, removing C2 Chapters which reference Cboe Options chapters that are no longer applicable and/or are covered under other proposed C2 Chapters, making explicit in certain C2 Chapters that certain Cboe Options rules not currently incorporated in C2 Chapters by references will continue to be inapplicable to C2, and adding rule text identical to certain Cboe Options rules formerly in Cboe Options chapters incorporated by reference but relocated to chapters not incorporated by reference, will benefit investors and the public interest by reorganizing and updating the C2 Rulebook in order to align with the post-migration structure of the Cboe Options rulebook, thereby making the C2 Rules easier to follow and understand for all investors. This, too, will benefit investors and the public interest by resulting in less burdensome and more efficient regulatory compliance post-migration. Additionally, the proposed change to remove references to referral to the BCC under its minor rule violation schedule does not affect the protection of investors or the public interest as it is substantively identical to Cboe Options Rule 17.50(g)(14) and (g)(19),<sup>24</sup> previously filed with the Commission.

The proposed rule change will not impose any significant burden on competition because it is merely reorganizing and updating the current C2 Chapters and Rules, including certain MRVP rules, to be consistent with Cboe Options chapters and rules, all of which have been previously filed with the Commission. The proposed changes generally make only non-substantive changes by updating cross-references to Cboe Options rules

---

<sup>24</sup> As well as the MRVP under Rule 8.15 of Cboe BZX, Cboe BYX, Cboe EDGA, and Cboe EDGX.

and chapters, as well as removing chapters that contain Cboe Options references that are no longer applicable and adding rule text identical to Cboe Options rules already incorporated by reference. As stated, the proposed rule change is not intended as a competitive filing but is instead intended to provide an organized and updated Rulebook that aligns with the post-migration structure of the Cboe Options rulebook to the benefit of all market participants post-migration. The proposed rule change will have no impact on trading on the Exchange or on Trading Permit Holders, as the same rules currently applicable to Trading Permit Holders will apply to Trading Permit Holders upon effectiveness of this rule filing in the same manner, whether those rules are incorporated by reference to Cboe Options rules or included in C2's Rules.

For the foregoing reasons, this rule filing qualifies as a "non-controversial" rule change under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with the Commission. At any time within 60 days of the filing of this proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective so that the Exchange can restructure and update its Rulebook to align with the Cboe Options rulebook that became effective on October 7, 2019. As described above, the proposed rule change merely makes minor updates to the current C2 Rules and Chapters

to reflect the post-migration structure of the Cboe Options rulebook, as well as removes C2 Chapters that reference Cboe Options chapters no longer applicable as a result of the restructured Cboe Options rulebook and adds rule text identical to Cboe Options rules already incorporated by reference. The proposed rule change generally makes no substantive changes to any of the rules, and the proposed change to the C2 MRVP Rules is substantively identical to the Cboe Options MRVP rules, previously filed with the Commission. Thus, the proposed rule changes will have no impact on trading on the Exchange, the operation of the Exchange, or any participant requirements. The same rules currently applicable to Trading Permit Holders will apply to Trading Permit Holders upon effectiveness of this rule filing in the same manner, whether those rules are incorporated by reference to Cboe Options rules or included in C2's Rules. The Exchange also notes that its participants have been notified of and preparing for the October 7, 2019 migration, and resulting restructuring of the rulebooks, since April 5, 2018.<sup>25</sup> Finally, the Exchange notes that other Exchanges have restructured their rules in a similar manner.<sup>26</sup> The Exchange believes that relocating and updating, where applicable, the C2 Chapters will

---

<sup>25</sup> See Cboe Global Markets News Release (April 5, 2018), available at <http://ir.cboe.com/~media/Files/C/CBOE-IR-V2/press-release/2018/pr-04-05-2018.pdf>; see also Securities Exchange Act Release No. 84739 (December 6, 2018), 83 FR 63952 (December 12, 2018) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating To Adopt a Shell Structure for the Cboe Options Rulebook in Connection With the Migration of the Exchange to Bats Technology) (SR-CBOE-2018-074).

<sup>26</sup> See e.g. Securities and Exchange Act Release No. 82505 (January 16, 2018), 83 FR 3037 (January 22, 2018) (Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Relocate Price Improvement XL Rule) (SR-Phlx-2018-06); and Securities and Exchange Act Release No. 84659 (November 27, 2018), 83 FR 62391 (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Relocate the Exchange's Options Exercise and Delivery Rules) (SR-BX-2018-056).

align the C2 Rulebook with the restructured, post-migration Cboe Options rulebook, thereby avoiding any potential confusion by providing investors with a C2 Rulebook that accurately incorporates Cboe Options rules and chapters by reference. Therefore, the Exchange respectfully requests that the Commission waive the 30-day operative delay so that the proposed rule change promptly becomes effective as soon as practicable after October 7, 2019, the date on which the Cboe Options post-migration rulebook became effective.

(c) Not applicable.

(d) Not applicable.

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

The proposed rule change is not based on a rule either of another self-regulatory organization 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 5. Proposed rule text.

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34- ; File No. SR-C2-2019-025]

[Insert date]

Self-Regulatory Organizations; Cboe C2 Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Update Various C2 Rules and Chapters to Reflect Changes to the Cboe Options Rulebook that Became Effective Upon the October 7, 2019 Migration of the Cboe Options' Trading Platform to the Same System Used by the Cboe Affiliated Exchanges (As Defined Below), Including C2

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on [insert date], Cboe C2 Exchange, Inc. (the "Exchange" or "C2") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

Cboe C2 Exchange, Inc. (the "Exchange" or "C2") proposes to update various C2 Rules and Chapters to reflect changes to the Cboe Options rulebook that became effective upon the October 7, 2019 migration of the Cboe Options' trading platform to the same

---

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

system used by the Cboe Affiliated Exchanges (as defined below), including C2. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange's website ([http://markets.cboe.com/us/options/regulation/rule\\_filings/ctwo/](http://markets.cboe.com/us/options/regulation/rule_filings/ctwo/)), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

#### **1. Purpose**

In 2016, the Exchange's parent company, Cboe Global Markets, Inc. (formerly named CBOE Holdings, Inc.) ("Cboe Global"), which is also the parent company of Cboe C2 Exchange, Inc. ("C2"), acquired Cboe EDGA Exchange, Inc. ("EDGA"), Cboe EDGX Exchange, Inc. ("EDGX" or "EDGX Options"), Cboe BZX Exchange, Inc. ("BZX" or "BZX Options"), and Cboe BYX Exchange, Inc. ("BYX" and, together with Cboe Options, C2, EDGX, EDGA, and BZX, the "Cboe Affiliated Exchanges"). On October 7, 2019, Cboe Options migrated its trading platform to the same system used by the Cboe Affiliated Exchanges. In connection with this technology migration, Cboe Options updated and reorganized its rulebook, which became effective upon the technology migration.

The Exchange now proposes to reorganize various Chapters in its Rulebook that incorporate Cboe Options chapters by reference in order to correspond to the post-migration structure of the Cboe Options rulebook. The proposed rule change also updates cross-references to Cboe Options rules and chapters that have been relocated in the Cboe Options post-migration rulebook. It also proposes to delete certain Chapters that incorporate by reference Cboe Option's chapters that are no longer holistically in the Cboe Options rulebook as a result of the reorganization of the rules under such chapters to various other Cboe Options rules and chapters. The proposed rule change moves and, where applicable, removes the rules as follows:

Proposed Chapter	Current Rule/Chapter
<p><b>Chapter 3, Section B TPH Registration<sup>5</sup></b></p> <p>Incorporates by reference certain Cboe Options rules under Cboe Options Chapter 3, Section B (rules formerly under Cboe Options Chapter 9).<sup>6</sup></p> <p>Rule 3.30</p>	<p><b>Chapter 9 Doing Business with the Public</b></p> <p>Incorporates by reference certain rules under former Cboe Options Chapter 9 (former Cboe Options Rules 9.1, 9.2, 9.3, 9.3A, 9.4, 9.5, 9.6).</p> <p>Rule 3.4</p>
<p><b>Chapter 4, Section A Equity and ETP Options</b></p> <p>Incorporates by reference Cboe Options Chapter 4, Section A (former Cboe Options Chapter 5);<sup>7</sup> and</p>	<p><b>Chapter 5 Securities Dealt In</b></p> <p>Incorporates by reference former Cboe Options Chapter 5; and</p>

<sup>5</sup> The proposed rule change also adds a Section A (TPH Qualifications) heading to C2 Rules currently in Chapter 3, which is consistent with the section structure in Cboe Options Chapter 3.

<sup>6</sup> The filing to reorganize Cboe Options Chapter 9 and move rules to Cboe Options Chapter 3, Section B did not make any substantive changes to the rules. See Securities and Exchange Act Release No. 87229 (October 4, 2019), 84 FR 54704 (October 10, 2019) (SR-CBOE-2019-088).

<sup>7</sup> The filing to relocate former Cboe Options Chapter 5 to Cboe Options Chapter 4, Section A did not make any substantive changes to the rules. See Securities and Exchange Act Release No. 87272 (October 10, 2019) (SR-CBOE-2019-090).

<p><b>Chapter 4, Section B Index Options</b></p> <p>Incorporates by reference Cboe Options Chapter 4, Section B (rules regarding index options listing under former Cboe Options Chapter 24).<sup>8</sup></p>	<p><b>Chapter 24 Index Options</b></p> <p>Incorporates by reference former Cboe Options Chapter 24 (except for former Rules 24.6, 24.7, 24.13, 24.15, 24.19, 24.20, and 24.21).</p>
<p><b>Chapter 5 Business Conduct<sup>9</sup></b></p> <p>Incorporates by reference Cboe Options Chapter 8 (comprised of former Cboe Options Chapter 4, as well as rules regarding position limits and exercise limits for index options under former Cboe Chapter 24).<sup>10</sup></p>	<p><b>Chapter 4 Business Conduct</b></p> <p>Incorporates by reference former Cboe Options Chapter 4; and</p> <p><b>Chapter 24 Index Options</b></p> <p>Incorporates by reference former Cboe Options Chapter 24.</p>
<p><b>Chapter 6, Section F Exercises and Deliveries</b></p> <p>Incorporates by reference Cboe Options Chapter 6, Section B (former Cboe Options Chapter 11, as well as former Cboe Options Rule 24.18).</p>	<p><b>Chapter 11 Exercises and Deliveries</b></p> <p>Incorporates by reference former Cboe Options Chapter 11</p> <p><b>Chapter 24 Index Options</b></p> <p>Incorporates by reference former Cboe Options Chapter 24.</p>
<p><b>Chapter 7, Section A General</b></p> <p>Incorporates by reference Cboe Options Chapter 7, Section A (former Cboe Options Chapter 15);</p>	<p><b>Chapter 15 Records, Reports, and Audits</b></p> <p>Incorporates by reference former Cboe Options Chapter 15.</p>

<sup>8</sup> The filing to relocate rules regarding the listing of index options under former Cboe Options Chapter 24 to Cboe Options Chapter 4, Section B did not make any substantive changes to the rules. See Securities Exchange Act Release No. 87337 (October 17, 2019), 84 FR 56879 (October 23, 2019) (SR-CBOE-2019-092).

<sup>9</sup> The Exchange notes that proposed C2 Chapter 5 incorporates by reference Cboe Options Chapter 8, as current C2 Chapter 8 is already comprised of C2 Market-Maker Rules.

<sup>10</sup> The filing to relocate former Cboe Options Chapter 4, as well as rules regarding position limits and exercise limits for index options under former Cboe Chapter 24, to Cboe Options Chapter 8 did not make any substantive changes to the rules. See Securities Exchange Act Release No. 87224 (October 4, 2019), 84 FR 54652 (October 10, 2019) (SR-CBOE-2019-081).

and  <b>Chapter 7, Section B Consolidated Audit Trail (CAT)</b>  Incorporates by reference Cboe Options Chapter 7, Section B (which was former Cboe Options Chapter 6, Section F (Consolidated Audit Trail (CAT))). <sup>11</sup>	<b>Chapter 6, Section F Consolidated Audit Trail (CAT)</b>  Incorporates by reference former Cboe Options Chapter 6, Section F.
<b>Chapter 9 Doing Business with the Public</b>  Removes Rule 3.19, which is identical to Cboe Options Rule 9.20, and incorporates by reference Cboe Options Rule 9.20 (which becomes incorporated by reference under the umbrella of the overall incorporation by reference of Cboe Options Chapter 9). <sup>12</sup>	<b>Chapter 9 Doing Business with the Public</b>  Incorporates by reference certain rules under Cboe Options Chapter 9 (Rules 9.7 through 9.25).
<b>Chapter 10 Margin Requirements</b>  Incorporates by reference Cboe Options Chapter 10 (former Cboe Options Chapter 12). <sup>13</sup>	<b>Chapter 12 Margins</b>  Incorporates by reference former Cboe Options Chapter 12.
<b>Chapter 11 Net Capital Requirements</b>  Incorporates by reference Cboe Options Chapter 11 (former Cboe Options Chapter 13). <sup>14</sup>	<b>Chapter 13 Net Capital Requirements</b>  Incorporates by reference former Cboe Options Chapter 13.
<b>Chapter 12 Summary Suspension</b>	<b>Chapter 16 Summary Suspension</b>

<sup>11</sup> The filing to relocate former Cboe Options Chapter 15, as well as former Cboe Options Chapter 6, Section F, to Cboe Options Chapter 7, Sections A and B, did not make any substantive changes to the rules. See Securities Exchange Act Release No. 87216 (October 3, 2019), 84 FR 54231 (October 9, 2019) (SR-CBOE-2019-073).

<sup>12</sup> See supra note 5.

<sup>13</sup> The filing to relocate former Cboe Options Chapter 12 to Cboe Options Chapter 10 did not make any substantive changes to the rules. See Securities Exchange Act Release No. 87189 (October 1, 2019), 84 FR 53520 (October 7, 2019) (SR-CBOE-2019-069).

<sup>14</sup> The filing to relocate former Cboe Options Chapter 13 to Cboe Options Chapter 11 did not make any substantive changes to the rules. See Securities Exchange Act Release No. 87188 (October 1, 2019), 84 FR 53480 (October 7, 2019) (SR-CBOE-2019-066).

Incorporates by reference Cboe Options Chapter 12 (former Cboe Options Chapter 16), and as a result deletes current C2 Chapter 16. <sup>15</sup>	Incorporates by reference former Cboe Options Chapter 16.
<b>Chapter 13 Discipline</b>  Incorporates by reference Cboe Options Chapter 13 (former Cboe Options Chapter 17), and as a result deletes current C2 Chapter 17. <sup>16</sup>	<b>Chapter 17 Discipline</b>  Incorporates by reference former Cboe Options Chapter 17.
<b>Chapter 14 Arbitration</b>  Incorporates by reference Cboe Options Chapter 14 (former Cboe Options Chapter 18), and as a result deletes current C2 Chapter 18. <sup>17</sup>	<b>Chapter 18 Arbitration</b>  Incorporates by reference former Cboe Options Chapter 18.
<b>Chapter 15 Hearings and Review</b>  Incorporates by reference Cboe Options Chapter 15 (former Cboe Options Chapter 19), and as a result deletes current C2 Chapter 19. <sup>18</sup>	<b>Chapter 19 Hearings and Review</b>  Incorporates by reference former Cboe Options Chapter 19.
<i>To be deleted</i>	<b>Chapter 10 Closing Transactions</b>
<i>To be deleted</i>	<b>Chapter 24 Index Options</b>

<sup>15</sup> The filing to relocate former Cboe Options Chapter 16 to Cboe Options Chapter 12 did not make any substantive changes to the rules. See Securities Exchange Act Release No. 87227 (October 4, 2019), 84 FR 54700 (October 10, 2019) (SR-CBOE-2019-067).

<sup>16</sup> The filing to relocate former Cboe Options Chapter 17 to Cboe Options Chapter 13 did not make any substantive changes to the rules. See Securities Exchange Act Release No. 87210 (October 3, 2019), 84 FR 54190 (October 9, 2019) (SR-CBOE-2019-068).

<sup>17</sup> The filing to relocate former Cboe Options Chapter 18 to Cboe Options Chapter 14 did not make any substantive changes to the rules. See Securities Exchange Act Release No. 87183 (October 1, 2019), 84 FR 53548 (October 7, 2019) (SR-CBOE-2019-065).

<sup>18</sup> The filing to relocate former Cboe Options Chapter 19 to Cboe Options Chapter 15 did not make any substantive changes to the rules. See Securities Exchange Act Release No. 87187 (October 1, 2019), 84 FR 53487 (October 7, 2019) (SR-CBOE-2019-072).

The majority of the proposed changes are of a non-substantive nature and will not amend the relocated rules other than to update their Chapter numbers, make cross-reference changes, update or remove references to certain terms that have been updated or removed within the Cboe Options rules (e.g. “Department of Compliance”, “Department of Financial and Sales Practice Compliance”, and “Department of Member Firm Regulation” were all updated to the “Exchange” in Cboe Options rules, reference to the Floor is not found in any Cboe Options rules that remain in Cboe Options Chapter 9, and the terms “Constitution” and “membership are not found in Cboe Options Chapter 15 (Hearing and Review)) and update headings in order to correspond to the structure of the Cboe Options post-migration Rulebook. The Exchange notes it also updates cross-references to Cboe Options rules in C2 Rule 6.1 and in C2 Chapter 6, Section E, and removes the language under C2 Rule 1.3 that makes an exception for the applicability of Eastern Time in Cboe Options rules because the Cboe Options post-migration Rulebook was amended to also state all times in Eastern Time.<sup>19</sup>

As stated in the table above, the proposed rule change also incorporates Cboe Options Rule 9.20, which governs customer disclosures during Global Trading Hours, into C2 Chapter 9 by reference to Cboe Options Chapter 9. Current Rule 3.19 is identical to Cboe Options Rule 9.20. Therefore, the proposed rule change essentially just relocates current Rule 3.19 to Rule 9.20 in order to include Cboe Options Rule 9.20 in C2 Chapter 9’s incorporation of Cboe Options Chapter 9 by reference, as it is within the same category of exchange rules otherwise incorporated into C2 Chapter 9 by reference to Cboe Options Chapter 9 (*i.e.* rule related to doing business with the public).

---

<sup>19</sup> See Cboe Options Rule 1.6.

The proposed changes to remove certain C2 Chapters are of a non-substantive nature because they delete C2 Chapters that incorporate by reference certain Cboe Options chapters that are no longer applicable as a result of the reorganization of the Cboe Options rulebook. The proposed rule change removes current C2 Chapter 10 which incorporates (former) Cboe Options Chapter 10 by reference. The Exchange notes that prior to reorganization, Cboe Options Chapter 10 contained only three rules (Cboe Options Rules 10.1, 10.2, and 10.3). As a result of Cboe Option's reorganization, Cboe Options Rule 10.1 was relocated to Cboe Options Rule 6.3(g), Cboe Options Rule 10.2 was relocated to Cboe Options Rule 12.6, and Cboe Options Rule 10.3 was relocated to Cboe Options Rule 8.18. The Exchange notes that proposed C2 Chapter 12 incorporates Cboe Options Chapter 12 by reference, which now contains former Cboe Options Rule 10.2, and proposed C2 Chapter 5 incorporates Cboe Options Chapter 8 by reference, which now contains former Cboe Options Rule 10.3. Because the current C2 Rules do not incorporate Cboe Options Chapter 6 by reference, the proposed rule change simply adds the language, verbatim, from current Cboe Options Rule 6.3(g) (former Cboe Options Rule 10.1) to C2 Rule 6.27(b) (and updates the current rule text paragraph formatting and headings accordingly).

Likewise, the proposed change removes current C2 Chapter 24 which incorporates (former) Cboe Options Chapter 24 by reference. As indicated in the table above, a majority of the Cboe Options rules under former Cboe Options Chapter 24 were relocated to Cboe Options Chapter 4, Section B and Chapter 8, and thus covered under proposed C2 Chapters 4 and 5. The Exchange notes that former Cboe Options Rule 24.8 (governing the meaning of premium bids and offers for index options) and former Cboe Options Rule 24.14 (governing limitation of liability of Reporting Authority for indexes underlying options) were not

relocated into either of these Chapters, and instead incorporated into Cboe Options Rules 5.3(a) and 1.12, respectively. Because the current C2 Rules do not incorporate post-migration Cboe Options Chapter 5 or Chapter 1 by reference, like the proposed rule change described above, the proposed rule change simply updates the language under current C2 Rule 6.3(a) to be consistent with the rule text under corresponding Cboe Options Rule 5.3(a), which now accounts for index options (from former Cboe Options Rule 24.8), and adds Rule 6.45, which is identical to the rule text under Cboe Options Rule 1.12 (former Cboe Options Rule 24.14). The proposed rule change does not incorporate former Cboe Options Rule 24.8.01 (current Cboe Options Rule 5.85(e)) nor former Cboe Options Rule 24.22 (current Cboe Options Rule 5.92) because both rules are specific to trading on open outcry which is not applicable to C2. The proposed change also removes the language under current C2 Chapter 24 which provides that Cboe Options Rules 24.6 (Days and Hours of Business); 24.7 (Trading Halts, Suspensions, or Primary Market Closure); 24.13 (Trading Rotations); 24.15 (Automatic Execution of Index Options); 24.19 (Multi-Class Broad-Based Index Option Spread Orders); 24.20 (SPX Combination Orders); and 24.21 (Index Crowd Space Dispute Resolution Procedures) do not apply to C2, because, as a result of the reorganization of the Cboe Options rulebook, each of these rules has either been deleted from the Cboe Options rulebook or relocated into another Cboe Options chapter that C2 does not incorporate by reference. The Exchange notes that the proposed rule changes described above do not make any substantive changes to the manner in which Cboe Options rules apply to C2.

Additionally, as a result of the reorganization of the Cboe Options rulebook, rules in certain former chapters that the Exchange does not currently incorporate by reference, such

as chapters that had governed types of options specific to trading on Cboe Options (i.e. Range, Binary, Corporate Debt Security, Government security, Credit, and interest rate options), and other specific Cboe Options rules that do not apply to C2 (i.e. former Cboe Options Rules 6.2.06, 8.9, 8.6, 6.55, and 6.22)<sup>20</sup>, were relocated to various Cboe Options chapters that C2 currently does incorporate by reference. For example, former Cboe Options Rules 28.16, 21.30, and 23.15 (none of which does C2 currently incorporate by reference) regarding record maintenance, retention, and furnishing for Market-Makers in Corporate Debt Security Options, Government security options, and interest rate options, respectively, were relocated into certain provisions in Cboe Options Chapter 7 (former Cboe Options Chapter 15, which C2 does incorporate by reference). Therefore, the proposed rule change makes explicit, where applicable, that Cboe Options rules regarding such options specific to trading on Cboe Options, as well as other specific Cboe Options rules not currently incorporated by reference into C2 Rules, continue to be inapplicable to C2.

The proposed rule change also updates certain rules under current C2 Rule 17.50 (proposed C2 Rule 13.15) to reflect recent changes to the corresponding Cboe Options rules.<sup>21</sup> Rule filing SR-CBOE-2019-025 amended Cboe Options Rule 13.15(g)(14) and (g)(19)<sup>22</sup> under its Minor Rule Violation Plan (“MRVP”) by removing

---

<sup>20</sup> Relocated to Cboe Options Rules 4.17, 7.6, 8.20, 8.21, and 8.22, respectively. The Exchange also notes that proposed Chapter 5 (current Chapter 4) updates the cross-reference from Cboe Options Rule 4.11, Interpretation and Policy .06, in the exclusion provision, to Cboe Options Rule 8.30.06.

<sup>21</sup> See Securities Exchange Act Release No. 85727 (April 26, 2019), 84 FR 18878 (May 02, 2019) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Chapter 17 of the Cboe Options Rules) (SR-CBOE-2019-025).

<sup>22</sup> The Exchange notes that at the time of this filing these rules were under Chapter 17 in the Cboe Options Rulebook, and have since been relocated to Chapter 13 as a result of the migration.

referrals to the Business Conduct Committee (“BCC”), and incorporating “subsequent” offenses under the fine schedules corresponding to the last monetary range listed under these rules. For example, instead of providing that subsequent offenses may result in referral to the BCC, Cboe Options Rule 13.15(g)(14) now provides that a first offense may result in a fine of \$2,000 to \$4,000, and subsequent offenses may result in a fine ranging from \$4,000 to \$5,000. The Exchange notes that it does not incorporate Cboe Options Rules 13.15(g)(14) or (g)(19) (i.e., current C2 Rules 17.50(g)(14) and (g)(19)) by reference, therefore, it now proposes to update these MRVP rules to be consistent with Cboe Options in its schedule of fines under proposed C2 Rules 13.15(g)(14) and (g)(19) (current C2 Rules 17.50(g)(14) and (g)(19)).

## 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.<sup>23</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>24</sup> requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with

---

<sup>23</sup> 15 U.S.C. 78f(b).

<sup>24</sup> 15 U.S.C. 78f(b)(5).

the Section 6(b)(5)<sup>25</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

As stated, the proposed rule change generally makes no substantive changes to the rules. The proposed rule change is merely intended to reorganize C2 Chapters and update their numbers, cross-references, and headings, as well as remove C2 Chapters which reference Cboe Options chapters that are no longer applicable and/or are covered under other proposed C2 Chapters as a result of the Cboe Options rulebook restructuring, in order to correspond to the Cboe Options rulebook that was reorganized for the October 7, 2019 technology migration. The proposed change also updates language in certain C2 Chapters that incorporate Cboe Options chapters by reference to exclude Cboe Options rules regarding specific types of options and other specific Cboe Options rules that are not applicable to trading on C2, but, as a result of the Cboe Options rulebook reorganization, had been relocated into Cboe Options chapters that C2 currently does incorporate by reference. Additionally, the proposed change adds rule text to the C2 Rules that is identical to certain Cboe Options rules formerly in Cboe Options Chapter 24, which the Exchange currently incorporates by reference, which were relocated to Cboe Options chapters not incorporated by reference. Therefore, the proposed rule change does not alter any of the current rules incorporated by reference, and the same rules currently applicable to Trading Permit Holders will apply to Trading Permit Holders upon effectiveness of this rule filing in the same manner, whether those rules are incorporated by reference to Cboe Options rules or included in C2's Rules. Instead, it is designed to remove impediments to and perfect the mechanism of a free and open market

---

<sup>25</sup> Id.

and a national market system, and, in general to protect investors and the public interest, by updating the organization and structure of the C2 Rulebook in order to align with the recently reorganized and restructured Cboe Options rulebook, making it easier to read and follow, thus allowing market participants better understand the rules of the Exchange, which will also result in less burdensome and more efficient regulatory compliance for market participants that are Trading Permit Holders of both Cboe Options and C2.

Additionally, the Exchange notes that the removal of a referral to the BCC for subsequent offenses under the proposed MRVP Rules 13.15(g)(14) and (g)(19) is substantively identical to the corresponding rules of Cboe Options, which have previously been filed with the Commission. As a result, the Exchange believes that the proposed change provides consistency between the rules and disciplinary process of the Exchange and its affiliate exchange, Cboe Options, which removes impediments to and perfects the mechanism of a free and open market and a national market system by making it easier for participants across the affiliated exchanges to understand and adhere to the disciplinary rules.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange reiterates that the proposed rule change is being proposed as a result of the recent technology migration and the related reorganization of the Cboe Options rulebook, and not as a competitive filing. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition because it merely reorganizes and updates its Chapters and Rules that incorporate Cboe Options chapters and rules by reference to align with the reorganized, post-migration Cboe

Options rulebook that became effective October 7, 2019. The same rules that apply to C2 Trading Permit Holders today will apply to C2 Trading Permit Holders in the same manner upon effectiveness of this rule filing. Likewise, the proposed rule change to the C2 MRVP is also not intended to address competitive issues and will not impose any burden on intramarket competition because it does not impact trading on the Exchange but, rather, is concerned only with facilitating easier understanding of and adherence to the disciplinary rules for participants across the Exchange and Cboe Options. The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition because the proposed rules are substantively the same as the Exchange's current rules, and the proposed change to the MRVP is substantively the same as the Cboe Options MRVP, all of which have been previously filed with the Commission.

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

The Exchange neither solicited nor received comments on the proposed rule change.

**III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

Because the foregoing proposed rule change does not:

- A. significantly affect the protection of investors or the public interest;
- B. impose any significant burden on competition; and
- C. become operative for 30 days from the date on which it was filed, or such

shorter time as the Commission may designate,

it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>26</sup> and Rule 19b-4(f)(6)<sup>27</sup> thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

#### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-C2-2019-025 on the subject line.

##### Paper comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-C2-2019-025. 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

---

<sup>26</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>27</sup> 17 CFR 240.19b-4(f)(6).

will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, D.C. 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-C2-2019-025 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.<sup>28</sup>

Secretary

---

<sup>28</sup> 17 CFR 200.30-3(a)(12).

## EXHIBIT 5

(additions are underlined; deletions are [bracketed])

\* \* \* \* \*

**Rules of Cboe C2 Exchange, Inc.**

\* \* \* \* \*

**Rule 1.3. Time**

Unless otherwise specified, all times in the Rules are Eastern time[, except for times in Rules incorporated by reference to Cboe Options rules, which are times as set forth in the applicable Cboe Options rules].

\* \* \* \* \*

**CHAPTER 3****Trading Permit Holders****Section A. TPH Qualifications**

**Rules 3.1 – 3.3.** No change.

**Rule 3.4. Reserved[Qualification and Registration**

(a) *Registration of Trading Permit Holders and Associated Persons Engaged in Securities Business.*

(1) Trading Permit Holders that are individuals and associated persons of Trading Permit Holders engaged or to be engaged in the securities business of a Trading Permit Holder must register with the Exchange in the category of registration appropriate to the function to be performed in a form and manner prescribed by the Exchange. Before the registration can become effective, the individual Trading Permit Holder (associated person) must pass a qualification examination appropriate to the category of registration in a form and manner prescribed by the Exchange and submit any required registration and examination fees. A Trading Permit Holder may not maintain a registration with the Exchange for any person (A) who is no longer active in the Trading Permit Holder's securities business; (B) who is no longer functioning in the registered capacity; or (C) where the sole purpose is to avoid an examination requirement. A Trading Permit Holder may not apply for the registration of any person where there is no intent to employ that person in the Trading Permit Holder's securities business. A Trading Permit Holder may, however, maintain or apply for the registration of an individual who performs legal, compliance, internal audit, back-office operations, or similar responsibilities for the Trading Permit Holder, or a person who performs administrative support functions for registered personnel, or a person engaged in the securities business of a foreign securities affiliate or subsidiary of the Trading Permit Holder.

(2) *Persons Exempt from Registration.* The following individual Trading Permit Holders (associated persons) are exempt from the registration requirements set forth in subparagraph (1) above:

(A) individual associated persons whose functions are solely and exclusively clerical or ministerial;

(B) individual Trading Permit Holders (associated persons) who are not actively engaged in the securities business;

(C) individual associated persons whose functions are related solely and exclusively to the Trading Permit Holder's need for nominal corporate officers or for capital participation;

(D) individual associated persons that are restricted from accessing the Exchange and that do not engage in the securities business of the Trading Permit Holder relating to activity that occurs on the Exchange; or

(E) individual associated persons whose functions are related solely and exclusively to:

(i) transactions in commodities;

(ii) transactions in security futures; and/or

(iii) effecting transactions on the floor of another national securities exchange and who are registered as floor members with such exchange.

(b) *Financial/Operations Principal.* Each Trading Permit Holder subject to Exchange Act Rule 15c3-1 must designate a Financial/Operations Principal. The duties of a Financial/Operations Principal include taking appropriate actions to assure that the Trading Permit Holder complies with applicable financial and operational requirements under the Rules and the Exchange Act, including but not limited to those requirements relating to the submission of financial reports and the maintenance of books and records. Each Financial/Operations Principal is required to have successfully completed the Financial and Operations Principal Examination (Series 27 Exam). Each Financial/Operations Principal designated by a Trading Permit Holder must register in that capacity with the Exchange in a form and manner prescribed by the Exchange. A Financial/Operations Principal of a Trading Permit Holder may be a full-time employee, a part-time employee or independent contractor of the Trading Permit Holder. Trading Permit Holders for which the Exchange is the Designated Examining Authority ("DEA") must provide prompt written notice to the Exchange for each person designated as a Financial/Operations Principal reporting whether such person is a full-time employee, part-time employee, independent contractor or has any outside business affiliations.

(c) *Chief Compliance Officer.* Each Trading Permit Holder must designate a Chief Compliance Officer on Schedule A of Form BD. An individual designated as a Chief Compliance Officer is required to register with the Exchange and pass the appropriate heightened qualification

examination(s) as prescribed by the Exchange. A person who has been designated as a Chief Compliance Officer on Schedule A of Form BD for at least two years immediately prior to January 1, 2002, and who has not been subject within the last ten years to any statutory disqualification as defined in Section 3(a)(39) of the Exchange Act; a suspension; or the imposition of a fine of \$5,000 or more for a violation of any provision of any securities law or regulation, or any agreement with, rule, or standard of conduct of any securities governmental agency, securities self-regulatory organization, or as imposed by any such regulatory or self-regulatory organization in connection with a disciplinary proceeding must register in the category of registration appropriate to the function to be performed as prescribed by the Exchange, but will be exempt from the requirement to pass the heightened qualification examination as prescribed by the Exchange.

(d) *Registration Required Under Chapter 9.* Individual associated persons of a Trading Permit Holder that conducts a public customer business must also comply with the registration requirements set forth in Chapter 9. These additional registration categories include: (1) Registered Options Principal; and (2) Registered Representative.

(e) *Requirement for Examination on Lapse of Registration.* Any person whose registration has been revoked by the Exchange as a disciplinary sanction or whose most recent registration has been terminated for two or more years immediately preceding the date of receipt of the Exchange of a new application must pass a qualification examination appropriate to the category of registration as prescribed by the Exchange. Any person who last passed the Securities Industry Essentials Examination (“SIE”) or who was last registered as a representative, whichever occurred last, four or more years immediately preceding the date of receipt by the Exchange of a new application for registration as a representative shall be required to pass the SIE in addition to a representative qualification examination appropriate to his or her category of registration.

**... Interpretations and Policies:**

**.01** Each individual required to register under this rule must electronically submit to FINRA’s Web Central Registration Depository (“CRD”) System a Uniform Application for Securities Industry Registration (“Form U4”) and any required amendments to Form U-4.

**.02** Any Trading Permit Holder that discharges or terminates the employment or retention of an individual required to register under this Rule must comply with the termination filing requirements set forth in Rule 9.3(b) and (c).

**.03** Each individual required to register under this Rule is required to satisfy the continuing education requirements set forth in Rule 9.3A and any other applicable continuing education requirements the Exchange prescribes.

**.04** The Exchange may, in exceptional cases and where good cause is shown, waive the applicable qualification examination and accept other standards as evidence of an Applicant’s qualifications for registration. Advanced age or physical infirmity will not individually of themselves constitute sufficient grounds to waive a qualification examination. Experience in fields ancillary to the securities business may constitute sufficient grounds to waive a qualification examination.

**.05** For purposes of subparagraph (a)(1) of Rule 3.4, the Exchange will consider an individual Trading Permit Holder or an individual associated person to be engaged in the securities business of a Trading Permit Holder if:

(a) the individual Trading Permit Holder or individual associated person engages in one or more of the following activities in the capacity of a Trading Permit Holder or on behalf of the associated Trading Permit Holder:

- (1) proprietary trading;
- (2) market-making;
- (3) effecting transactions on behalf of a broker-dealer;
- (4) supervision or monitoring of proprietary trading, market-making, or brokerage activities;
- (5) supervision or training of those engaged in proprietary trading, market-making, or brokerage activities with respect to those activities; or

(b) the individual Trading Permit Holder or individual associated person engages in the management of one or more of the activities enumerated in subparagraphs (1) through (5) above as an officer, partner, or a director.

**.06** Each Trading Permit Holder must register with the Exchange in a heightened capacity each individual acting in any of the following capacities: (a) officer; (b) partner; (c) director; (d) supervisor of proprietary trading, market-making, or brokerage activities; and/or (e) supervisor of those engaged in proprietary trading, market-making, or brokerage activities with respect to those activities. Each Trading Permit Holder must register with the Exchange at least two individuals acting in one or more of the capacities described in (a) through (e) above. The Exchange may waive this requirement if a Trading Permit Holder demonstrates conclusively that only one individual acting in one or more of the capacities described in (a) through (e) above should be required to register. In addition, a Trading Permit Holder that conducts proprietary trading only and has 25 or fewer registered persons must instead have a minimum of one officer or partner who is registered in this capacity.

For purposes of this Interpretation and Policy .06 to Rule 3.4, a Trading Permit Holder will be considered to conduct only proprietary trading if the Trading Permit Holder has the following characteristics:

(a) The Trading Permit Holder is not required by Section 15(b)(8) of the Exchange Act to become a FINRA member but is a member of another registered securities exchange not registered solely under Section 6(g) of the Exchange Act;

(b) All funds used or proposed to be used by the Trading Permit Holder are the Trading Permit Holder's own capital, traded through the Trading Permit Holder's own accounts;

(c) The Trading Permit Holder does not, and will not, have customers; and

(d) All persons registered on behalf of the Trading Permit Holder acting or to be acting in the capacity of a trader must be owners of, employees of, or contractors to the Trading Permit Holder.

.07 (a) An individual Trading Permit Holder or individual associated person who:

(1) is engaged in proprietary trading, market-making, and/or effecting transactions on behalf of a broker-dealer is required to register and qualify as a Securities Trader (TD) in WebCRD and pass the SIE;

(2) (A) supervises or monitors proprietary trading, market-making, and/or brokerage activities for broker-dealers; (B) supervises or trains those engaged in proprietary trading, market-making, and/or effecting transactions on behalf of a broker-dealer, with respect to those activities; and/or (C) is an officer, partner, or director of a Trading Permit Holder is required to register and qualify as a Securities Trader Principal (TP) in WebCRD and satisfy the prerequisite registration and qualification requirements; and

(3) is a Chief Compliance Officer (or performs similar functions) for a Trading Permit Holder that engages in proprietary trading, market-making or effecting transactions on behalf of a broker-dealer is required to register and qualify as a Securities Trader Compliance Officer (CT) in WebCRD and satisfy the prerequisite registration and qualification requirements.

(b) The following sets forth the qualification requirements for each of the required registration categories described in paragraph (a) to Interpretation and Policy .07:

CATEGORY OF REGISTRATION	QUALIFICATION EXAMINATION(S)	ALTERNATIVE ACCEPTABLE QUALIFICATIONS
Securities Trader (TD)	Series 57 and SIE	
Securities Trader Principal (TP)**	Series 24	General Securities Sales Supervisor Registration and General Securities Principal - Sales Supervisor Module Registration (Series 9/10 and Series 23)*
Securities Trader Compliance Officer (CT)	Series 14	General Securities Principal Registration (GP) or Securities Trader Principal (TP) (Series 24)

\* Because the Series 23 is not available in WebCRD, each applicant must provide documentation of a valid Series 23 license upon request for the Series 24 registration in WebCRD.

\*\* Securities Trader Principals' (TP) supervisory authority is limited to supervision of the securities trading functions of TPHs, as described in subparagraph (a)(2) of Interpretation and Policy .07 to Rule 3.4 and officers, partners, and directors of a Trading Permit Holder.

**.08** Any person who is in good standing as a representative with the Financial Conduct Authority in the United Kingdom or with a Canadian stock exchange or securities regulator shall be exempt from the requirement to pass the SIE.

**.09** An individual Trading Permit Holder or individual associated person who is required to register pursuant to Rule 3.4 must satisfy all registration and qualification requirements in WebCRD prior to acting in such registered capacity on behalf of a Trading Permit Holder.]

**Rules 3.5 – 3.18.** No change.

**Rule 3.19.     Reserved[GTH Customer Disclosure**

No Trading Permit Holder may accept an order from a customer for execution during Global Trading Hours without disclosing to that customer that trading during Global Trading Hours involves material trading risks, including the possibility of lower liquidity, high volatility, changing prices, an exaggerated effect from news announcements, wider spreads, the absence of an updated underlying index or portfolio value or intraday indicative value and lack of regular trading in the securities underlying the index or portfolio and any other relevant risk. The disclosures required pursuant to this Rule may take the following form or such other form as provides substantially similar information:

(a) Risk of Lower Liquidity. Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders and quotes that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity during Global Trading Hours as compared to Regular Trading Hours, including fewer Market-Makers quoting during Global Trading Hours. As a result, your order may only be partially executed, or not at all.

(b) Risk of Higher Volatility. Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility during Global Trading Hours as compared to Regular Trading Hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price during Global Trading Hours as compared to Regular Trading Hours.

(c) Risk of Changing Prices. The prices of securities traded during Global Trading Hours may not reflect the prices either at the end of Regular Trading Hours, or upon the opening of Regular Trading Hours the next business day. As a result, you may receive an inferior price during Global Trading Hours as compared to Regular Trading Hours.

(d) Risk of News Announcements. Normally, issuers make news announcements that may affect the price of their securities after Regular Trading Hours. Similarly, important financial information is frequently announced outside of Regular Trading Hours. These announcements may occur during Global Trading Hours, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

(e) Risk of Wider Spreads. The spread refers to the difference between the price for which you can buy a security and the price for which you can sell it. Lower liquidity and higher volatility during Global Trading Hours may result in wider than normal spreads for a particular security.

(f) Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value (“IIV”) and Lack of Regular Trading in Securities Underlying Indexes. For certain products, an updated underlying index or portfolio value or IIV will not be calculated or publicly disseminated during Global Trading Hours. Since the underlying index or portfolio value and IIV are not calculated or widely disseminated during Global Trading Hours, an investor who is unable to calculate implied values for certain products during Global Trading Hours may be at a disadvantage to market professionals. Additionally, securities underlying the indexes or portfolios will not be regularly trading as they are during Regular Trading Hours, or may not be trading at all. This may cause prices during Global Trading Hours to not reflect the prices of those securities when they open for trading.]

## **Section B. TPH Registration**

### **Rule 3.30. Qualification and Registration**

#### **(a) Registration of Trading Permit Holders and Associated Persons Engaged in Securities Business.**

(1) Trading Permit Holders that are individuals and associated persons of Trading Permit Holders engaged or to be engaged in the securities business of a Trading Permit Holder must register with the Exchange in the category of registration appropriate to the function to be performed in a form and manner prescribed by the Exchange. Before the registration can become effective, the individual Trading Permit Holder (associated person) must pass a qualification examination appropriate to the category of registration in a form and manner prescribed by the Exchange and submit any required registration and examination fees. A Trading Permit Holder may not maintain a registration with the Exchange for any person (A) who is no longer active in the Trading Permit Holder’s securities business; (B) who is no longer functioning in the registered capacity; or (C) where the sole purpose is to avoid an examination requirement. A Trading Permit Holder may not apply for the registration of any person where there is no intent to employ that person in the Trading Permit Holder’s securities business. A Trading Permit Holder may, however, maintain or apply for the registration of an individual who performs legal, compliance, internal audit, back-office operations, or similar responsibilities for the Trading Permit Holder, or a person who performs administrative support functions for registered personnel, or a person engaged in the securities business of a foreign securities affiliate or subsidiary of the Trading Permit Holder.

(2) Persons Exempt from Registration. The following individual Trading Permit Holders (associated persons) are exempt from the registration requirements set forth in subparagraph (1) above:

(A) individual associated persons whose functions are solely and exclusively clerical or ministerial;

(B) individual Trading Permit Holders (associated persons) who are not actively engaged in the securities business;

(C) individual associated persons whose functions are related solely and exclusively to the Trading Permit Holder's need for nominal corporate officers or for capital participation;

(D) individual associated persons that are restricted from accessing the Exchange and that do not engage in the securities business of the Trading Permit Holder relating to activity that occurs on the Exchange; or

(E) individual associated persons whose functions are related solely and exclusively to:

(i) transactions in commodities;

(ii) transactions in security futures; and/or

(iii) effecting transactions on the floor of another national securities exchange and who are registered as floor members with such exchange.

(b) *Financial/Operations Principal.* Each Trading Permit Holder subject to Exchange Act Rule 15c3-1 must designate a Financial/Operations Principal. The duties of a Financial/Operations Principal include taking appropriate actions to assure that the Trading Permit Holder complies with applicable financial and operational requirements under the Rules and the Exchange Act, including but not limited to those requirements relating to the submission of financial reports and the maintenance of books and records. Each Financial/Operations Principal is required to have successfully completed the Financial and Operations Principal Examination (Series 27 Exam). Each Financial/Operations Principal designated by a Trading Permit Holder must register in that capacity with the Exchange in a form and manner prescribed by the Exchange. A Financial/Operations Principal of a Trading Permit Holder may be a full-time employee, a part-time employee or independent contractor of the Trading Permit Holder. Trading Permit Holders for which the Exchange is the Designated Examining Authority ("DEA") must provide prompt written notice to the Exchange for each person designated as a Financial/Operations Principal reporting whether such person is a full-time employee, part-time employee, independent contractor or has any outside business affiliations.

(c) *Chief Compliance Officer.* Each Trading Permit Holder must designate a Chief Compliance Officer on Schedule A of Form BD. An individual designated as a Chief Compliance Officer is required to register with the Exchange and pass the appropriate heightened qualification examination(s) as prescribed by the Exchange. A person who has been designated as a Chief Compliance Officer on Schedule A of Form BD for at least two years immediately prior to January 1, 2002, and who has not been subject within the last ten years to any statutory disqualification as defined in Section 3(a)(39) of the Exchange Act; a suspension; or the imposition of a fine of \$5,000 or more for a violation of any provision of any securities law or regulation, or any agreement with, rule, or standard of conduct of any securities governmental agency, securities self-regulatory organization, or as imposed by any such regulatory or self-regulatory organization in connection

with a disciplinary proceeding must register in the category of registration appropriate to the function to be performed as prescribed by the Exchange, but will be exempt from the requirement to pass the heightened qualification examination as prescribed by the Exchange.

(d) *Registration Required Under Chapter 9.* Individual associated persons of a Trading Permit Holder that conducts a public customer business must also comply with the registration requirements set forth in Chapter 9. These additional registration categories include: (1) Registered Options Principal; and (2) Registered Representative.

(e) *Requirement for Examination on Lapse of Registration.* Any person whose registration has been revoked by the Exchange as a disciplinary sanction or whose most recent registration has been terminated for two or more years immediately preceding the date of receipt of the Exchange of a new application must pass a qualification examination appropriate to the category of registration as prescribed by the Exchange. Any person who last passed the Securities Industry Essentials Examination (“SIE”) or who was last registered as a representative, whichever occurred last, four or more years immediately preceding the date of receipt by the Exchange of a new application for registration as a representative shall be required to pass the SIE in addition to a representative qualification examination appropriate to his or her category of registration.

**... Interpretations and Policies:**

.01 Each individual required to register under this rule must electronically submit to FINRA’s Web Central Registration Depository (“CRD”) System a Uniform Application for Securities Industry Registration (“Form U4”) and any required amendments to Form U-4.

.02 Any Trading Permit Holder that discharges or terminates the employment or retention of an individual required to register under this Rule must comply with the termination filing requirements set forth in Rule 3.37(b) and (c).

.03 Each individual required to register under this Rule is required to satisfy the continuing education requirements set forth in Rule 3.33 and any other applicable continuing education requirements the Exchange prescribes.

.04 The Exchange may, in exceptional cases and where good cause is shown, waive the applicable qualification examination and accept other standards as evidence of an Applicant’s qualifications for registration. Advanced age or physical infirmity will not individually of themselves constitute sufficient grounds to waive a qualification examination. Experience in fields ancillary to the securities business may constitute sufficient grounds to waive a qualification examination.

.05 For purposes of subparagraph (a)(1) of Rule 3.30, the Exchange will consider an individual Trading Permit Holder or an individual associated person to be engaged in the securities business of a Trading Permit Holder if:

(a) the individual Trading Permit Holder or individual associated person engages in one or more of the following activities in the capacity of a Trading Permit Holder or on behalf of the associated Trading Permit Holder:

- (1) proprietary trading;
- (2) market-making;
- (3) effecting transactions on behalf of a broker-dealer;
- (4) supervision or monitoring of proprietary trading, market-making, or brokerage activities;
- (5) supervision or training of those engaged in proprietary trading, market-making, or brokerage activities with respect to those activities; or

(b) the individual Trading Permit Holder or individual associated person engages in the management of one or more of the activities enumerated in subparagraphs (1) through (5) above as an officer, partner, or a director.

.06 Each Trading Permit Holder must register with the Exchange in a heightened capacity each individual acting in any of the following capacities: (a) officer; (b) partner; (c) director; (d) supervisor of proprietary trading, market-making, or brokerage activities; and/or (e) supervisor of those engaged in proprietary trading, market-making, or brokerage activities with respect to those activities. Each Trading Permit Holder must register with the Exchange at least two individuals acting in one or more of the capacities described in (a) through (e) above. The Exchange may waive this requirement if a Trading Permit Holder demonstrates conclusively that only one individual acting in one or more of the capacities described in (a) through (e) above should be required to register. In addition, a Trading Permit Holder that conducts proprietary trading only and has 25 or fewer registered persons must instead have a minimum of one officer or partner who is registered in this capacity.

For purposes of this Interpretation and Policy .06 to Rule 3.30, a Trading Permit Holder will be considered to conduct only proprietary trading if the Trading Permit Holder has the following characteristics:

(a) The Trading Permit Holder is not required by Section 15(b)(8) of the Exchange Act to become a FINRA member but is a member of another registered securities exchange not registered solely under Section 6(g) of the Exchange Act;

(b) All funds used or proposed to be used by the Trading Permit Holder are the Trading Permit Holder's own capital, traded through the Trading Permit Holder's own accounts;

(c) The Trading Permit Holder does not, and will not, have customers; and

(d) All persons registered on behalf of the Trading Permit Holder acting or to be acting in the capacity of a trader must be owners of, employees of, or contractors to the Trading Permit Holder.

.07 (a) An individual Trading Permit Holder or individual associated person who:

- (1) is engaged in proprietary trading, market-making, and/or effecting transactions on behalf of a broker-dealer is required to register and qualify as a Securities Trader (TD) in WebCRD and pass the SIE;

(2) (A) supervises or monitors proprietary trading, market-making, and/or brokerage activities for broker-dealers; (B) supervises or trains those engaged in proprietary trading, market-making, and/or effecting transactions on behalf of a broker-dealer, with respect to those activities; and/or (C) is an officer, partner, or director of a Trading Permit Holder is required to register and qualify as a Securities Trader Principal (TP) in WebCRD and satisfy the prerequisite registration and qualification requirements; and

(3) is a Chief Compliance Officer (or performs similar functions) for a Trading Permit Holder that engages in proprietary trading, market-making or effecting transactions on behalf of a broker-dealer is required to register and qualify as a Securities Trader Compliance Officer (CT) in WebCRD and satisfy the prerequisite registration and qualification requirements.

(b) The following sets forth the qualification requirements for each of the required registration categories described in paragraph (a) to Interpretation and Policy .07:

<u>CATEGORY OF REGISTRATION</u>	<u>QUALIFICATION EXAMINATION(S)</u>	<u>ALTERNATIVE ACCEPTABLE QUALIFICATIONS</u>
<u>Securities Trader (TD)</u>	<u>Series 57 and SIE</u>	
<u>Securities Trader Principal (TP)**</u>	<u>Series 24</u>	<u>General Securities Sales Supervisor Registration and General Securities Principal - Sales Supervisor Module Registration (Series 9/10 and Series 23)*</u>
<u>Securities Trader Compliance Officer (CT)</u>	<u>Series 14</u>	<u>General Securities Principal Registration (GP) or Securities Trader Principal (TP) (Series 24)</u>

\* Because the Series 23 is not available in WebCRD, each applicant must provide documentation of a valid Series 23 license upon request for the Series 24 registration in WebCRD.

\*\* Securities Trader Principals' (TP) supervisory authority is limited to supervision of the securities trading functions of TPHs, as described in subparagraph (a)(2) of Interpretation and Policy .07 to Rule 3.30 and officers, partners, and directors of a Trading Permit Holder.

.08 Any person who is in good standing as a representative with the Financial Conduct Authority in the United Kingdom or with a Canadian stock exchange or securities regulator shall be exempt from the requirement to pass the SIE.

.09 An individual Trading Permit Holder or individual associated person who is required to register pursuant to Rule 3.30 must satisfy all registration and qualification requirements in WebCRD prior to acting in such registered capacity on behalf of a Trading Permit Holder.

The rules contained in Cboe Options Chapter 3, Section B, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Section. C2 Trading Permit Holders must comply with Cboe Options Chapter 3, Section B as if such rules were part of the Rules. Unless

the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter 3, Section B have the following meanings for purposes of this Section: “Exchange” and “Cboe Options” mean “C2”; “Floor” means “System”; and “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder).

Notwithstanding the above paragraph, Cboe Options Rule 3.30 does not apply to C2.

## **CHAPTER 4** **[Business Conduct**

The rules contained in Cboe Options Chapter IV, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. Trading Permit Holders must comply with Cboe Options Chapter IV as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter IV have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); “trading crowd” means “Exchange”; and “Clearing Firms” means “Clearing Trading Permit Holders.”

Notwithstanding the above paragraph, Cboe Options Rule 4.11, Interpretation and Policy .06 does not apply to C2.]

### **Options Listing**

#### **Section A. Equity and ETP Options**

The rules contained in Cboe Options Chapter 4, Section A, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Section. Trading Permit Holders must comply with Cboe Options Chapter 4, Section A as if those rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter 4, Section A have the following meanings for purposes of this Section: “Exchange” and “Cboe Options” mean “C2”; and “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder (i.e., C2 Trading Permit Holder).”

#### **Section B. Index Options**

The rules contained in Cboe Options Chapter 4, Section B, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Section. Trading Permit Holders must comply with Cboe Options Chapter 4, Section B as if those rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter 4, Section B have the following meanings for purposes of this Section: “Exchange” and “Cboe Options” mean “C2”; and “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder).

Notwithstanding the above paragraph, Cboe Options Rules 4.15 (Range Options), 4.16 (Binary Options) and 4.17 (End-of-Day Indicative Values) do not apply to C2.

## CHAPTER 5 [Securities Dealt In

The rules contained in Cboe Options Chapter V, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. Trading Permit Holders must comply with Cboe Options Chapter V as if those rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter V have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean C2; and “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder (i.e., C2 Trading Permit Holder).”]

### Business Conduct

The rules contained in Cboe Options Chapter 8, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. Trading Permit Holders must comply with Cboe Options Chapter 8 as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter 8 have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); “trading crowd” means “Exchange”; and “Clearing Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Clearing Trading Permit Holders” (i.e., C2 Clearing Trading Permit Holder).

Notwithstanding the above paragraph, the rules contained in Cboe Options Chapter 8 regarding FLEX Options, Corporate Debt Security options, Credit Options, Government security options, Binary Options, interest rate options and Cboe Options Rules 8.20 (Prohibition Against Customers Functioning as Market-Makers), 8.21 (Multiple Representations Prohibited), 8.22 (Trading by Trading Permit Holders on the Floor) and 8.30.06 (Position Limits Firm Facilitation Exception) do not apply to C2.

## CHAPTER 6 Trading on the Exchange

\* \* \* \* \*

### **Rule 6.1. Days and Hours of Business**

(a)-(b) No change.

(c) *Global Trading Hours*. Except under unusual conditions as may be determined by the Exchange, Global Trading Hours are from 8:30 a.m. to 9:15 a.m. on Monday through Friday.

(1) *Classes*. The Exchange may designate as eligible for trading during Global Trading Hours any exclusively listed index option designated for trading under Cboe Options Rule 4.10[24.2]. Currently, options on the Dow Jones Industrial Average (DJX) are approved for trading during Global Trading Hours.

(2) *Series*. The Exchange may list for trading during Global Trading Hours any series in eligible classes that it may list pursuant to Cboe Options Rule 4.13[24.9]. Any series in eligible classes that are expected to be open for trading during Regular Trading Hours will be open for trading during Global Trading Hours on that same trading day (subject to Rule 6.11 [and Cboe Options Rule 24.13]).

\* \* \* \* \*

### **Rule 6.3. Meaning of Premium Bids and Offers**

(a) General. Except as provided in paragraph (b), bids and offers must be expressed in terms of dollars per unit of the underlying security or index. For example, a bid of “7” represents a bid of \$700 for an option contract having a unit of trading consisting of 100 shares of an underlying security, or a bid of \$770 for an option contract having a unit of trading consisting of 110 shares of an underlying security.

\* \* \* \* \*

### **Rule 6.27. Reporting of Matched Trades to Clearing Corporation**

(a) Reporting of Matched Trades. On each business day at or prior to a time prescribed by the Clearing Corporation, the Exchange submits to the Clearing Corporation a report of each Clearing Trading Permit Holder’s trades matched in accordance with the Rules. The Exchange assumes no responsibility with respect to any unmatched trade nor for any delays or errors in the reporting to it of trade information. The Exchange may delegate its responsibility in respect of trade matching to the Clearing Corporation or other facility, in which case Clearing Trading Permit Holders must abide by the procedures established by the Clearing Corporation or other facility in the filing of trade information, the reconciliation of unmatched trades, and other actions pertinent to trade comparison.

(b) Disagreement on Unmatched Trades. When an unmatched Exchange transaction cannot be resolved under paragraph (a) above, the transaction shall be promptly closed out by the parties in the following manner. The Trading Permit Holder representing the purchaser in the unmatched Exchange transaction shall promptly enter into a new purchase transaction on the floor of the Exchange to purchase the option contract that was the subject of the unmatched Exchange transaction, and the Trading Permit Holder representing the writer in the unmatched Exchange transaction shall promptly enter into a new writing transaction on the floor of the Exchange to write the option contract that was the subject of the unmatched Exchange transaction. Any money difference resulting from such transactions shall be settled between the Trading Permit Holders involved, either by mutual agreement or by arbitration pursuant to these Rules, for their own accounts and not for the accounts of their respective customers. Notwithstanding the foregoing, if either Trading Permit Holder is acting for a firm account in the unmatched Exchange transaction, and not for the account of a customer, such Trading Permit Holder need not enter into a new transaction, in which event money differences will be based solely on the closing transaction of the other party to the unmatched transaction.

\* \* \* \* \*

**Rule 6.45. Limitation on Liability of Reporting Authorities for Indexes Underlying Options**

No Reporting Authority, and no other entity identified in this Rule makes any warranty, express or implied, as to the results to be obtained by any person or entity from the use of such index, any opening, intraday or closing value therefor, or any data included therein or relating thereto, in connection with the trading of any option contract based thereon or for any other purpose. The Reporting Authority or any other entity identified in this Rule shall obtain information for inclusion in, or for use in the calculation of, such index from sources it believes to be reliable, but the Reporting Authority or any other entity identified in this Rule does not guarantee the accuracy or completeness of such index, any opening, intra-day or closing value therefor, or any data included therein or related thereto. The Reporting Authority and any other entity identified in this Rule hereby disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to such index, any opening, intra-day, or closing value therefor, any data included therein or relating thereto, or any option contract based thereon. The Reporting Authority and any other entity identified in this Rule shall have no liability for any damages, claims, losses (including any indirect or consequential losses), expenses, or delays, whether direct or indirect, foreseen or unforeseen, suffered by any person arising out of any circumstance or occurrence relating to the person's use of such index, any opening, intraday or closing value therefor, any data included therein or relating thereto, or any option contract based thereon, or arising out of any errors or delays in calculating or disseminating such index. The foregoing disclaimers shall apply to Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") in respect to the S&P Indexes, Frank Russell Company in respect to the Russell Indexes, The NASDAQ Stock Market, Inc. in respect to the Nasdaq Indexes, Morgan Stanley Dean Witter & Co. Incorporated in respect of the Morgan Stanley Indexes, Dow Jones and Company, Inc. in respect to the Dow Jones Averages and any other Dow Jones Indexes, Goldman, Sachs & Co. in respect to the Goldman Sachs Indexes; to the foregoing Reporting Authorities in respect to any other indexes for which they act as the designated Reporting Authority; to the Exchange in respect to the indexes for which it is the designated Reporting Authority; and to any other Reporting Authority in respect to any index for which it acts as such.

\* \* \* \* \*

**Section E. Intermarket Linkage**

The rules contained in [Section E of ]Cboe Options Chapter [VI]5, Section E relating to the Options Order Protection and Locked/Crossed Market Plan, as such rules may be in effect from time to time, apply to C2 and are incorporated into this [Chapter]Section. The terms "Exchange" and "Cboe Options" in [Section E of ]Cboe Options Chapter [VI]5, Section E mean "C2" for purposes of this Section.

\* \* \* \* \*

**Section F. [Consolidated Audit Trail (CAT) Compliance Rule]Exercises and Deliveries**

[The rules contained in Section F of Cboe Options Chapter VI relating to the Consolidated Audit Trail (CAT) Compliance Rule, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. The terms “Exchange” and “Cboe Options” in Section F of Cboe Options Chapter VI mean “C2” for purposes of this Section.]

The rules contained in Cboe Options Chapter 6, Section B, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Section. C2 Trading Permit Holders must comply with Cboe Options Chapter 6, Section B as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter 6, Section B have the following meanings for purposes of this Section: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); and “Clearing Trading Permit Holder” (i.e., Cboe Options Clearing Trading Permit Holder) means “Clearing Trading Permit Holder” (i.e., C2 Clearing Trading Permit Holder).

Notwithstanding the above paragraph, the rules contained in Cboe Options Chapter 6, Section B regarding Range Options, Binary Options, Corporate Debt Security options, Credit Options, Government Security options, and interest rate options do not apply to C2.

## CHAPTER 7

### **Regulatory Records, Reports, and Audits**

#### **Section A. General**

The rules contained in Cboe Options Chapter 7, Section A, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Section. C2 Trading Permit Holders must comply with Cboe Options Chapter 7, Section B as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter 7, Section A have the following meanings for purposes of this Section: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); “Clearing Trading Permit Holder” (i.e., Cboe Options Clearing Trading Permit Holder) means “Clearing Trading Permit Holder” (i.e., C2 Clearing Trading Permit Holder).

Notwithstanding the above paragraph, the rules contained in Cboe Options Chapter 7, Section A regarding Corporate Debt Security options, Government security options, and interest rate options and Cboe Options Rule 7.6 (Securities Accounts and Orders of Market-Makers) do not apply to C2.

#### **Section B. Consolidated Audit Trail (CAT)**

The rules contained in Cboe Options Chapter 7, Section B, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Section. C2 Trading Permit Holders must comply with Cboe Options Chapter 7, Section B as if such rules were part of the Rules. The

terms “Exchange” and “Cboe Options” in Section F of Cboe Options Chapter VI mean “C2” for purposes of this Section.

\* \* \* \* \*

## **CHAPTER 9 Doing Business with the Public**

The rules contained in Cboe Options Chapter 9[IX], as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. C2 Trading Permit Holders must comply with Cboe Options Chapter 9[IX] as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter 9[IX] have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; [“Floor” means “System”]; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); and “Clearing Trading Permit Holder” (i.e., Cboe Options Clearing Trading Permit Holder) means “Clearing Trading Permit Holder” (i.e., C2 Clearing Trading Permit Holder).

Notwithstanding the above paragraph, the rules contained in Cboe Options Chapter 9 regarding Government security options do not apply to C2.

## **CHAPTER 10 [Closing Transactions**

The rules contained in Cboe Options Chapter X, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. C2 Trading Permit Holders must comply with Cboe Options Chapter X as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter X have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); “Clearing Trading Permit Holder” (i.e., Cboe Options Clearing Trading Permit Holder) means “Clearing Trading Permit Holder” (i.e., C2 Clearing Trading Permit Holder); and “floor of the Exchange” means “System.” Notwithstanding the above paragraph, Cboe Options Chapter X Part B – Stocks Warrants, and Other Securities (Rules 10.10 – 10.22) does not apply to C2.]

### **Margin Requirements**

The rules contained in Cboe Options Chapter 10, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. C2 Trading Permit Holders must comply with Cboe Options Chapter 10 as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter 10 have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); and “Clearing Trading Permit

Holder” (i.e., Cboe Options Clearing Trading Permit Holder) means “Clearing Trading Permit Holder” (i.e., C2 Clearing Trading Permit Holder).

Notwithstanding the above paragraph, Cboe Options Rule 10.12 (Government Security Options Margin Requirements) does not apply to C2.

## **CHAPTER 11**

### **[Exercises and Deliveries**

The rules contained in Cboe Options Chapter XI, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. C2 Trading Permit Holders must comply with Cboe Options Chapter XI as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter XI have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); and “Clearing Trading Permit Holder” (i.e., Cboe Options Clearing Trading Permit Holder) means “Clearing Trading Permit Holder” (i.e., C2 Clearing Trading Permit Holder).]

### **Net Capital Requirements**

The rules contained in Cboe Options Chapter 11, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. C2 Trading Permit Holders must comply with Cboe Options Chapter 11 as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter 11 have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); and “Clearing Trading Permit Holder” means “Clearing Trading Permit Holder” (i.e., C2 Clearing Trading Permit Holder).

## **CHAPTER 12**

### **[Margins**

The rules contained in Cboe Options Chapter XII, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. C2 Trading Permit Holders must comply with Cboe Options Chapter XII as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter XII have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); and “Clearing Trading Permit Holder” (i.e., Cboe Options Clearing Trading Permit Holder) means “Clearing Trading Permit Holder” (i.e., C2 Clearing Trading Permit Holder).]

### **Summary Suspension**

The rules contained in Cboe Options Chapter 12, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. C2 Trading Permit Holders must comply with Cboe Options Chapter 12 as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter 12 have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); and “Trading Permit” (i.e., Cboe Options Trading Permit) means “Trading Permit” (i.e., C2 Trading Permit).

### **CHAPTER 13**

#### **[Net Capital Requirements**

The rules contained in Cboe Options Chapter XIII, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. C2 Trading Permit Holders must comply with Cboe Options Chapter XIII as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter XIII have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); and “Clearing Trading Permit Holder” means “Clearing Trading Permit Holder” (i.e., C2 Clearing Trading Permit Holder).]

#### **Discipline**

The rules contained in Cboe Options Chapter 13, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. C2 Trading Permit Holders must comply with Cboe Options Chapter 13 as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter 13 have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); and “Clearing Trading Permit Holder” (i.e., Cboe Options Clearing Trading Permit Holder) means “Clearing Trading Permit Holder” (i.e., C2 Clearing Trading Permit Holder). Any references in Cboe Options Rule 13.15 to Rule 2.3 are deemed to refer to C2 Rule 3.9.

Notwithstanding the above paragraph, Cboe Options Rules 13.15(g)(4), 13.15(g)(5) and 13.15(g)(7) do not apply to C2.

Notwithstanding the above paragraphs, with respect to C2, the following replaces Cboe Options Rule 13.15(g)(6) – Violations of Trading Conduct and Decorum Policies in its entirety:

#### **(6) Failure to Attend Exchange-Mandated Educational Training**

A fine may be imposed upon a Trading Permit Holder or persons associated with Trading Permit Holders in accordance with the fine schedule set forth below for failure to attend Exchange-mandated educational training (per Rule 3.13).

<u><i>Number of Offenses in Any Rolling Twenty-Four Month Period</i></u>	<u><i>Fine Amount</i></u>
<u>1st Offense</u>	<u>\$1,000</u>
<u>2nd Offense</u>	<u>\$2,500</u>
<u>Subsequent Offenses</u>	<u>\$5,000</u>

Notwithstanding the above paragraph, with respect to C2, the following replaces Cboe Options Rule 13.15(g)(14) and (19) in their entirety:

**(14) Failure to Meet C2 Quoting Obligations**

A fine will be imposed upon a Market-Maker in accordance with the fine schedule set forth below for failure to meet its continuous quoting obligations (Rule 8.6(d)).

<u><i>Number of Offenses in Any Rolling Twenty-Four Month Period</i></u>	<u><i>Fine Amount</i></u>
<u>1st Offense</u>	<u>\$2,000 to \$4,000</u>
<u>Subsequent Offenses</u>	<u>\$4,000 to \$5,000</u>

**(19) Failure to Conduct or Participate in Mandatory Systems Testing (Rule 6.34(b))**

A fine will be imposed upon a Trading Permit Holder who fails to conduct or participate in mandatory systems testing (Rule 6.34(b)). Such fines are imposed on the basis of the following schedule:

<u><i>Number of Offenses in One Calendar Year</i></u>	<u><i>Fine Amount</i></u>
<u>1st Offense</u>	<u>\$250</u>
<u>2nd Offense</u>	<u>\$500</u>
<u>3rd Offense</u>	<u>\$1,000</u>
<u>Subsequent Offenses</u>	<u>\$2,000</u>

**CHAPTER 14**  
**[[Reserved]]**  
**Arbitration**

The rules contained in Cboe Options Chapter 14, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. C2 Trading Permit Holders must comply with Cboe Options Chapter 14 as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter 14 have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; “Constitution” means “Bylaws”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit

Holder); and “Clearing Trading Permit Holder” (i.e., Cboe Options Clearing Trading Permit Holder) means “Clearing Trading Permit Holder” (i.e., C2 Clearing Trading Permit Holder).

## **CHAPTER 15**

### **[Records, Reports, and Audits**

[The rules contained in Cboe Options Chapter XV, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. C2 Trading Permit Holders must comply with Cboe Options Chapter XV as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter XV have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); “Clearing Trading Permit Holder” (i.e., Cboe Options Clearing Trading Permit Holder) means “Clearing Trading Permit Holder” (i.e., C2 Clearing Trading Permit Holder); “Department of Compliance” means “Exchange”; “Department of Financial and Sales Practice Compliance” means “Exchange”; “Department of Member Firm Regulation” means “Exchange”; and “trading floor” means “System.”]

### **Hearings and Review**

The rules contained in Cboe Options Chapter 15, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. C2 must comply with Cboe Options Chapter 15 as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter 15 have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; and “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder).

## **[CHAPTER 16**

### **Summary Suspension**

The rules contained in Cboe Options Chapter XVI, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. C2 Trading Permit Holders must comply with Cboe Options Chapter XVI as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter XVI have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder; and “Trading Permit” (i.e., Cboe Options Trading Permit) means “Trading Permit” (i.e., C2 Trading Permit).

## **CHAPTER 17**

### **Discipline**

The rules contained in Cboe Options Chapter XVII, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. C2 Trading Permit Holders must comply with Cboe Options Chapter XVII as if such rules were part of the Rules. Unless the

context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter XVII have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); and “Clearing Trading Permit Holder” (i.e., Cboe Options Clearing Trading Permit Holder) means “Clearing Trading Permit Holder” (i.e., C2 Clearing Trading Permit Holder). Any references in Cboe Options Rule 17.50 to Rule 3.23 are deemed to refer to C2 Rule 3.9.

Notwithstanding the above paragraph, Cboe Options Rules 17.50(g)(4), 17.50(g)(5) and 17.50(g)(7) do not apply to C2.

Notwithstanding the above paragraphs, with respect to C2, the following replaces Cboe Options Rule 17.50(g)(6) – Violations of Trading Conduct and Decorum Policies in its entirety:

**(6) Failure to Attend Exchange-Mandated Educational Training**

A fine may be imposed upon a Trading Permit Holder or persons associated with Trading Permit Holders in accordance with the fine schedule set forth below for failure to attend Exchange-mandated educational training (per Rule 3.13).

<i>Number of Offenses in Any Rolling Twenty-Four Month Period</i>	<i>Fine Amount</i>
1st Offense	\$1,000
2nd Offense	\$2,500
Subsequent Offenses	\$5,000

Notwithstanding the above paragraph, with respect to C2, the following replaces Cboe Options Rule 17.50(g)(14) and (19) in their entirety:

**(14) Failure to Meet C2 Quoting Obligations**

A fine will be imposed upon a Market-Maker in accordance with the fine schedule set forth below for failure to meet its continuous quoting obligations (Rule 8.6(d)).

<i>Number of Offenses in Any Rolling Twenty-Four Month Period</i>	<i>Fine Amount</i>
1st Offense	\$2,000 to \$4,000
2nd Offense	\$4,000 to \$5,000
Subsequent Offenses	\$5,000 or Referral to Business Conduct Committee

**(19) Failure to Conduct or Participate in Mandatory Systems Testing (Rule 6.34(b))**

A fine will be imposed upon a Trading Permit Holder who fails to conduct or participate in mandatory systems testing (Rule 6.34(b)). Such fines are imposed on the basis of the following schedule:

<i>Number of Offenses in One Calendar Year</i>	<i>Fine Amount</i>
1st Offense	\$250
2nd Offense	\$500
3rd Offense	\$1,000
4th Offense	\$2,000
Subsequent Offenses	Referral to Business Conduct Committee

## **CHAPTER 18 Arbitration**

The rules contained in Cboe Options Chapter XVIII, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. C2 Trading Permit Holders must comply with Cboe Options Chapter XVIII as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter XVIII have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); and “Clearing Trading Permit Holder” (i.e., Cboe Options Clearing Trading Permit Holder) means “Clearing Trading Permit Holder” (i.e., C2 Clearing Trading Permit Holder).

## **CHAPTER 19 Hearings and Review**

The rules contained in Cboe Options Chapter XIX, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. C2 must comply with Cboe Options Chapter XIX as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter XIX have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; “Constitution” means “Bylaws”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); and “membership” means “access”.

## **CHAPTERS 20-23 [Reserved]**

## **CHAPTER 24 Index Options**

The rules contained in Cboe Options Chapter XXIV, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. C2 Trading Permit Holders must comply with Cboe Options Chapter XXIV as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter XXIV have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); “Clearing Trading Permit Holder” (i.e., Cboe Options Clearing Trading Permit Holder) means “Clearing Trading Permit Holder” (i.e., C2 Clearing Trading Permit Holder); “trading crowd” means “Exchange”; and “floor of the Exchange” means “System.”

Notwithstanding the above paragraph, the following rules from Cboe Options Chapter XXIV do not apply to C2: Rules 24.6 (Days and Hours of Business); 24.7 (Trading Halts, Suspensions, or Primary Market Closure); 24.13 (Trading Rotations); 24.15 (Automatic Execution of Index Options); 24.19 (Multi-Class Broad-Based Index Option Spread Orders); 24.20 (SPX Combination Orders); and 24.21 (Index Crowd Space Dispute Resolution Procedures).]

\* \* \* \* \*