

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="7"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2019"/> - * <input type="text" value="048"/> Amendment No. (req. for Amendments *) <input type="text" value="2"/>
--------------------------------------------	----------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------

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

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

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

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

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

**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 \*  Last Name \*   
 Title \*   
 E-mail \*   
 Telephone \*  Fax

**Signature**  
Pursuant to the requirements of the Securities Exchange Act of 1934,  
has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.  
(Title \*)

Date  Vice President, Associate General Counsel  
 By    
 (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.

PARTIAL AMENDMENT

Cboe Exchange, Inc. (“Cboe Options” or the “Exchange”) submits this Amendment, constituting Amendment No. 2, to rule filing SR-CBOE-2019-048 (the “Rule Filing”), in which the Exchange proposes to adopt Rule 6.49C.<sup>1</sup>

Amendment No. 2 proposes to delete the phrase “which transfer occurs at a price related to the net asset value of such ETF shares” from the end of the first sentence in the introductory paragraph of proposed Rule 6.49C on page 3 of the Form 19b-4 and pages 21 to 22 of the Exhibit 1, and replace it with the phrase “which transfer would occur at the price(s) used to calculate the net asset value of such ETF shares”. This adds detail to the proposed rule text, which detail is already included in the Rule Filing.<sup>2</sup> Additionally, it clarifies that, because there may be multiple option series that comprise the basket of securities used for the creation or redemption unit, the proposed off-floor transfers may be occurring at multiple prices.

Amendment No. 2 makes conforming changes throughout the rule filing as follows:

- Amendment No. 2 proposes to delete the phrase “transferred at a price related to the NAV of ETF shares” from the end of the second sentence of the carryover paragraph on pages 7 to 8 of the Form 19b-4 and pages 25 to 26 of the Exhibit 1 and replace it with the phrase “transferred at a price(s) used to calculate the NAV of such ETF shares”.
- Amendment No. 2 proposes to delete the phrase “such transfers would occur at a price related to the NAV of the applicable ETF shares (as discussed above) from

---

<sup>1</sup> The Exchange notes that it submitted and withdrew Amendment No. 1 to the SR-CBOE-2019-048 and this Amendment No. 2 amends the original rule filing SR-CBOE-2019-048 as submitted on September 6, 2019.

<sup>2</sup> See pages 6 and 24 of the Rule Filing.

the middle of the first full sentence on page 12 of the Form 19b-4 and the second full sentence on page 30 of the Exhibit 1 and replace it with the phrase “such transfers would occur at the price(s) used to calculate the NAV of such ETF shares”.

- Amendment No. 2 proposes to delete the phrase “the transfers covered by the proposed exception would occur at a price related to the NAV of the applicable ETF shares” from the middle of the third sentence of the first paragraph on page 16 of the Form 19b-4 and the third sentence of the first paragraph on page 34 of the Exhibit 1 and replace it with the phrase “the transfers covered by the proposed exception would occur at a price(s) used to calculate the NAV of the applicable ETF shares”.

Additionally, the proposed rule change amends the second full sentence on page 13 of the Form 19b-4 and page 31 of the Exhibit 1 to say:

However, the Exchange expects any transfers pursuant to the proposed rule will constitute a minimal percentage of the total average daily volume of the combined standardized and FLEXible EXchange Options (“FLEX Options”) with the same underlying security or index.<sup>3</sup>

The Exchange requests accelerated approval of Amendment No. 2. The Exchanges proposes to add detail to the proposed rule text regarding the price at which the proposed off-floor transfers would occur, which detail is already included in the Rule Filing, and makes conforming changes throughout the Rule Filing. In addition, the proposed change to add detail regarding the expected

---

<sup>3</sup> The Exchange notes that the price discovery process in standardized options contracts in a particular class of options generally provides meaningful guideposts for pricing FLEX Options with the same underlying security or index.

impact of the proposed off-floor transfers on the average daily volume of options adds support for an assertion the Exchange made in the Rule Filing. The Exchange continues to expect that any impact the proposed rule change could have on price transparency in the options market would be de minimis. Amendment No. 2 makes no material changes to substance or the framework of the proposed off-floor transfers, and merely adds detail the proposed rule text, makes conforming changes throughout the Rule Filing, and adds detail regarding certain reasoning in support of the proposed rule change. Therefore, the Exchange does not believe a full notice and comment period is necessary, and thus believes accelerated approval is appropriate.

#### EXHIBITS

- Exhibit 4. Marked copy of changes to the rule text proposed in an amendment compared against the version of the rule text that was initially filed.
- Exhibit 5. Proposed rule text.

## EXHIBIT 4

Additions set forth in the proposed rule text of original SR-CBOE-2019-048 are underlined. Additional changes being made pursuant to Amendment No. 2 to SR-CBOE-2019-048 are double-underlined; deletions being made pursuant to Amendment No. 2 to SR-CBOE-2019-048 are struck-through.

\* \* \* \* \*

**Rules of Cboe Exchange, Inc.  
(currently effective)**

\* \* \* \* \*

**Rule 6.49C. In-Kind Exchange of Options Positions and ETF Shares**

Notwithstanding the prohibition set forth in Rule 6.49, positions in options listed on the Exchange may be transferred off the Exchange by a Trading Permit Holder in connection with transactions to purchase or redeem creation units of ETF shares between an authorized participant and the issuer of such ETF shares, which transfer would occur at the price(s) used to calculate the net asset value of such ETF shares ~~which transfer occurs at a price related to the net asset value of such ETF shares.~~ For purposes of this Rule:

(a) an “authorized participant” is an entity that has a written agreement with the issuer of ETF shares or one of its service providers, which allows the authorized participant to place orders for the purchase and redemption of creation units (i.e., specified numbers of ETF shares); and

(b) an “issuer of ETF shares” is an entity registered with the Commission as an open-end management investment company under the Investment Company Act of 1940.

\* \* \* \* \*

EXHIBIT 5

(additions are underlined)

\* \* \* \* \*

**Rules of Cboe Exchange, Inc.  
(currently effective)**

\* \* \* \* \*

**Rule 6.49C. In-Kind Exchange of Options Positions and ETF Shares**

Notwithstanding the prohibition set forth in Rule 6.49, positions in options listed on the Exchange may be transferred off the Exchange by a Trading Permit Holder in connection with transactions to purchase or redeem creation units of ETF shares between an authorized participant and the issuer of such ETF shares, which transfer would occur at the price(s) used to calculate the net asset value of such ETF shares. For purposes of this Rule:

(a) an “authorized participant” is an entity that has a written agreement with the issuer of ETF shares or one of its service providers, which allows the authorized participant to place orders for the purchase and redemption of creation units (i.e., specified numbers of ETF shares); and

(b) an “issuer of ETF shares” is an entity registered with the Commission as an open-end management investment company under the Investment Company Act of 1940.

\* \* \* \* \*