

OMB APPROVAL

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Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 24

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

File No.* SR - 2019 - * 062

Amendment No. (req. for Amendments *)

Filing by Cboe 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) *

☐

Section 806(e)(2) *

☐

Section 3C(b)(2) *

☐

Exhibit 2 Sent As Paper Document



Exhibit 3 Sent As Paper Document



Description

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

The Exchange proposes to amend certain Clearing Editor functionality in Rule 6.6 of the shell Rulebook.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Rebecca Last Name * Tenuta
 Title * Counsel
 E-mail * rtenuta@cboe.com
 Telephone * (312) 786-7068 Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date 09/18/2019

By Rebecca Tenuta

(Name *)

Counsel

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

rtenuta@cboe.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFT 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 *

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

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

Add Remove View

Exhibit Sent As Paper Document

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

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

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

Partial Amendment

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 Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to amend certain Clearing Editor functionality in Rule 6.6 of the shell Rulebook.

(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 September 10, 2019. The Exchange intends to implement this proposed rule change on October 7, 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

On September 5, 2019, the Exchange filed a rule filing, SR-CBOE-2019-056, which, amended Exchange Rules in connection with the Cboe Trading Match System (“CTM”).¹ Pursuant to SR-CBOE-2019-056, which will be effective on October 7, 2019, the Exchange proposed to harmonize current Rule 6.67, in connection with the CTM, with C2 Rule 6.31, which provides for the “Clearing Editor” and is functionally equivalent to the Exchange’s current CTM. Under SR-CBOE-2019-056, Rule 6.6 in the shell Rulebook will govern the

¹ See Securities Exchange Act Release No. 86920 (September 10, 2019) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Cboe Trade Match System) (SR-CBOE-2019-056).

Exchange's Clearing Editor and Rule 6.67 will be deleted from the current Rulebook, upon migration.² SR-CBOE-2019-056 intended to amend the rule to conform to the Clearing Editor functionality and rule language of that of C2 to the extent necessary to retain intended differences unique to Cboe Options market-model, functionality, and/or rule text. However, the Exchange now proposes to update Rule 6.6 in the shell Rulebook to describe additional functionality that is unique to the Exchange that was inadvertently not included in that previously filing. In order to coincide with the effective date of SR-CBOE-2019-056 and the migration of the Exchange's trading platform to the same system used by the Cboe Affiliated Exchanges,³ the Exchange also intends to implement this proposed rule change on October 7, 2019.

In particular, the Exchange inadvertently removed paragraph (b) under current Rule 6.67, which currently applies to both trades executed electronically and in open outcry, which is unique to Cboe Options, and will continue to apply to trades executed in open outcry upon migration. Specifically, current Rule 6.67(b) permits Trading Permit Holders ("TPHs") to change certain fields in CTM (Clearing Editor, as proposed), including series, quantity, buy or sell, and premium price, only if they provide notice to the Exchange. While the Exchange notes the removal this provision as it relates to trades executed electronically and in conformity with C2 Rule 6.31 is accurate, it will continue to apply to open outcry

² Cboe Options intends to migrate its trading platform to the same system used by the Cboe Affiliated Exchanges (i.e., together with Cboe Options, C2 Exchange, Inc. ("C2"), 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")) which the Exchange expects to complete on October 7, 2019. In connection with this technology migration, the Exchange has a shell Rulebook that resides alongside its current Rulebook, which shell Rulebook will contain the Rules that will be in place upon completion of the Cboe Options technology migration.

³ See id.

trades post-migration. Therefore, the Exchange now proposes to amend Rule 6.6 in the shell Rulebook and add Rule 6.6(d), which is substantively the same as current Rule 6.67(b) that was inadvertently removed under SR-CBOE-2019-056. Specifically, proposed Rule 6.6(d) states that, in addition to the fields listed in paragraph (b), Trading Permit Holders may change the following fields through the Clearing Editor for trades executed in open outcry: (1) Series, (2) Quantity, (3) Buy or Sell; or (4) Price. Each of these changes must be accompanied by a Reason Code. Notification of changes made pursuant to this paragraph (d) will automatically be sent to the Exchange with the submission of the changes through the Clearing Editor. The proposed rule change updates the language to make it explicit that proposed Rule 6.6(d) applies only to trades executed in open outcry. It also updates the term premium price to price and Customer ID (in Rule 6.6(a)) to Client Order ID, as these terms more accurately reflect the names of the fields that are displayed on an order⁴ and in the Clearing Editor, as well as the term origin code to Capacity code, which is in line with the language in Rule 6.6 and definition currently in the shell Rulebook.⁵ The current rule provides that notification of the change shall be made as soon as practicable, but no later than 15 minutes after the change has been made. The proposed rule change does not incorporate this language because, upon migration, the Exchange will automatically receive notification of changes to the fields listed under proposed Rule 6.6(d) when a TPH submits changes through use of the Clearing Editor. The automatic notification will include a Reason Code associated with each change in which a TPH will be prompted to provide in

⁴ See Cboe Options FIX Specifications, available at: https://cdn.cboe.com/resources/membership/US_Options_FIX_Specification.pdf.

⁵ See Rule 1.1 in the shell Rulebook.

the Clearing Editor when making changes pursuant to proposed Rule 6.6(d).⁶ Therefore, the Exchange notes that the proposed rule does not substantively alter the notification requirement attached to proposed Rule 6.6(d), but only updates it to accurately reflect the manner in which notice will automatically be submitted to the Exchange through use of the Clearing Editor.

In addition, the proposed rule change adds certain Cboe Options-specific fields to the list of fields that do not require a reason code under proposed Rule 6.6(b). The Exchange now proposes to incorporate Strategy ID,⁷ Frequent Trader ID,⁸ Compression Trade ID,⁹ and ORS ID¹⁰ to the list of fields that a TPH may change through the Clearing Editor (for both trades executed electronically and in open outcry) without notice to the Exchange. These fields are unique to orders executed on Cboe Options¹¹ and TPHs currently submit all updates to such fields to the Exchange populated via a form post-execution today.¹² Upon

⁶ Example Reason Codes include: Input Error; Unmatched Trade; Unknown; Manual Add; Other Text Required; Trade Nullification; Trade Adjustment; Error Account; and System Issue.

⁷ Strategy ID indicates whether an order qualifies for certain treatment for various strategies provided under the Exchange's Fees Schedule. See Cboe Exchange, Inc. Fees Schedule (for example, footnote 13).

⁸ Frequent Trader ID is a unique identification number which can be appended by executing agents to orders submitted to the Exchange on behalf of those customers registered for the Frequent Trader Program. See Cboe Exchange, Inc. Fees Schedule, "Frequent Trader Program" Table.

⁹ Compression Trader ID indicates whether an order qualifies for certain treatment in connection with facilitating a compression of options positions. See Cboe Exchange, Inc. Fees Schedule, footnote 41.

¹⁰ ORS ID indicates whether an order qualifies for certain treatment under the ORS Program. See Cboe Options Exchange, Inc. Fees Schedule, "Order Router Subsidy Program" Table.

¹¹ See supra note 4.

¹² The Exchange notes that TPHs may currently update Frequent Trader ID via CTM. See Securities Exchange Act Release No. 86617 (August 9, 2019), 84 FR

migration, the Exchange functionality will allow for automated entry for these fields, just like all other order fields. Therefore, the proposed amendment merely intends to make it explicit that TPHs may continue to submit updates to these fields post-execution. The Exchange also proposes to clarify that a TPH may make a change from a Capacity code (C) to any other Capacity code only if the change is accompanied by a Reason Code and, like proposed paragraph (d), makes it explicit that notice of such change will automatically be sent to the Exchange with the submission of the change through the Clearing Editor. This is substantially the same manner in which current Rule 6.67 functions, where both Rule 6.67(a) and (b) are applicable to trades executed electronically and on open outcry (therefore, changing a customer Capacity code is permissible under current Rule 6.67 for all trades executed if notification is provided to the Exchange). The Exchange proposes to maintain that a TPH may change the Capacity code from a customer Capacity code to any other Capacity code for trades executed electronically or in open outcry, however, it still must provide notification to the Exchange via a prompted Reason Code and, like changes made pursuant to proposed paragraph (d), will automatically provide such notification to the Exchange when the change is submitted through the Clearing Editor.

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.¹³ Specifically, the Exchange believes the proposed rule change is consistent with the

41776 (August 15, 2019) Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Ability To Submit Frequent Trader Forms (SR-CBOE-2019-043).

¹³ 15 U.S.C. 78f(b).

Section 6(b)(5)¹⁴ 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)¹⁵ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The proposed rule change is substantively the same as the manner in which the CTM rules and post-execution functionality and/or processes work today. The proposed change merely amends the rule proposed under SR-CBOE-2019-056 to permit changes in certain fields that TPHs are already permitted to change through the Clearing Editor or other post-execution forms. The proposed change is intended to correct an inadvertent omission from Rule 6.6 in the shell Rulebook of a provision from Rule 6.67 in the current Rulebook that currently applies to open outcry executions, and will continue to apply to open outcry executions upon migration. Likewise, the Exchange notes that TPHs may currently update fields that require notification for trades executed in open outcry and make changes made from customer Capacity code (C), with the same requisite notice. Therefore, the proposed change does not alter the manner in which the current rule functions but instead removes impediments to and perfects the mechanism of a free and open market and national market system by continuing to allow for these functions, along

¹⁴ 15 U.S.C. 78f(b)(5).

¹⁵ Id.

with automatic notification containing reason codes transmitted to the Exchange through submission of the changes in the Clearing Editor, upon migration. Additionally, the Exchange notes that the proposed amendment to add certain fields for which updates do not require notification to the rule will remove impediments to and perfect the mechanism of a free and open market and national market system because TPHs may already submit updates to these fields (in paper form) post-execution and the rule is designed to continue to allow TPHs to make such updates post-execution in electronic form upon migration.

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

The Exchange does not believe that the proposed change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed amendment merely updates Rule 6.6 in the shell Rulebook to continue to allow for certain post-execution changes, which are currently permitted on the Exchange, through the use of the Clearing Editor after October 7, 2019. The Exchange notes that all proposed changes and current changes made pursuant to Rule 6.6 occur post-execution, therefore will not have any impact on trading. As the same post-execution changes are already permitted and made via processes and functionality currently in place on the Exchange, the Exchange believes this proposed filing to allow for the continuation of the same post-execution changes through use of the Clearing Editor will have no impact on competition. The Exchange also notes that the proposed change is intended to reduce the compliance burden on TPHs by providing them with functionality that allows for automatic input and notification to the Exchange.

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 Act¹⁶ and Rule 19b-4(f)(6)¹⁷ 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 substantively the same as the manner in which the CTM rules and post-execution processes and functionality work today. The proposed

¹⁶ 15 U.S.C. 78s(b)(3)(A).

¹⁷ 17 CFR 240.19b-4(f)(6).

change will benefit investors and the public interest by adding to Rule 6.6 in the shell Rulebook a provision from current Rule 6.67 (which was inadvertently omitted in SR-CBOE-2019-056) that currently applies to open outcry executions, and will continue to apply to open outcry executions upon migration. It will also benefit investors and the public interest by making explicit in the rules certain fields that may already be changed through the Clearing Editor or another post-execution process. The Exchange also notes that the proposed change will protect investors because the Exchange will continue to receive notification for certain field changes, which will be automatically transmitted to the Exchange through the use of the Clearing Editor. As stated, the Exchange believes that the proposed change will not significantly affect the protection of investors and the public interest because it does not alter the manner in which the current rule functions, and will add transparency to the rules regarding post-execution changes that are currently permitted and will continue to be permitted through the Clearing Editor upon migration.

The Exchange does not believe that the proposed change will impose any significant burden on competition because the proposed amendment merely permits certain post-execution changes, which are currently permitted, to be made through Clearing Editor after October 7, 2019. The Exchange notes that changes made pursuant to Rule 6.6 occur post-execution, therefore will not have any impact on trading. Because the same post-execution changes are already permitted via processes and/or functionality currently in place on the Exchange, the Exchange believes this proposed filing to allow for the continuation of the same post-execution changes through use of the Clearing Editor will have no impact on competition. The proposed change, instead, will reduce the

compliance burden on TPHs by providing them with functionality that allows for automatic input and notification to the Exchange.

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. As described above, the proposed rule change amends proposed Rule 6.6 under SR-CBOE-2019-056, which will be effective upon migration on October 7, 2019. The Exchange believes that the waiver of the operative delay is consistent with the protection of investors because it is substantively the same as the current rule and is merely intended to continue to permit TPHs to make certain post-execution changes after October 7, 2019 through the use of the Clearing Editor. As described above, the proposed change will ensure the protection of investors by maintaining the Exchange’s receipt of notice for certain changed fields. The Exchange believes that the waiver of the operative delay is consistent with the protection of investors as it will allow the proposed amendments to Rule 6.6 that will be adopted pursuant to SR-CBOE-2019-056 to be effective on the same date, October 7, 2019, thereby ensuring that all proposed provision in connection with the

Clearing Editor functionality will align at the same point in time, in turn, mitigating any potential investor confusion. For these reasons, and the reasons described above, the Exchange respectfully requests that the Commission waive the 30-day operative delay.

(c) Not applicable.

(d) Not applicable.

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

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

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

Not applicable.

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

Not applicable.

Item 11. Exhibits

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

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34- ; File No. SR-CBOE-2019-062]

[Insert date]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Amend Certain Clearing Editor Functionality in Rule 6.6 of the Shell Rulebook

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on [insert date], Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to amend certain Clearing Editor functionality in Rule 6.6 of the shell Rulebook.

The text of the proposed rule change is also available on the Exchange’s website (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange’s Office of the Secretary, and at the Commission’s Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

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

On September 5, 2019, the Exchange filed a rule filing, SR-CBOE-2019-056, which, amended Exchange Rules in connection with the Cboe Trading Match System ("CTM").⁵ Pursuant to SR-CBOE-2019-056, which will be effective on October 7, 2019, the Exchange proposed to harmonize current Rule 6.67, in connection with the CTM, with C2 Rule 6.31, which provides for the "Clearing Editor" and is functionally equivalent to the Exchange's current CTM. Under SR-CBOE-2019-056, Rule 6.6 in the shell Rulebook will govern the Exchange's Clearing Editor and Rule 6.67 will be deleted from the current Rulebook, upon migration.⁶ SR-CBOE-2019-056 intended to amend the rule to conform to the Clearing

⁵ See Securities Exchange Act Release No. 86920 (September 10, 2019) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Cboe Trade Match System) (SR-CBOE-2019-056).

⁶ Cboe Options intends to migrate its trading platform to the same system used by the Cboe Affiliated Exchanges (i.e., together with Cboe Options, C2 Exchange, Inc. ("C2"), 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")) which the Exchange expects to complete on October 7, 2019. In connection with this technology migration, the Exchange has a shell Rulebook that resides alongside its current Rulebook, which shell Rulebook will contain the Rules that will be in place upon completion of the

Editor functionality and rule language of that of C2 to the extent necessary to retain intended differences unique to Cboe Options market-model, functionality, and/or rule text. However, the Exchange now proposes to update Rule 6.6 in the shell Rulebook to describe additional functionality that is unique to the Exchange that was inadvertently not included in that previously filing. In order to coincide with the effective date of SR-CBOE-2019-056 and the migration of the Exchange's trading platform to the same system used by the Cboe Affiliated Exchanges,⁷ the Exchange also intends to implement this proposed rule change on October 7, 2019.

In particular, the Exchange inadvertently removed paragraph (b) under current Rule 6.67, which currently applies to both trades executed electronically and in open outcry, which is unique to Cboe Options, and will continue to apply to trades executed in open outcry upon migration. Specifically, current Rule 6.67(b) permits Trading Permit Holders ("TPHs") to change certain fields in CTM (Clearing Editor, as proposed), including series, quantity, buy or sell, and premium price, only if they provide notice to the Exchange. While the Exchange notes the removal this provision as it relates to trades executed electronically and in conformity with C2 Rule 6.31 is accurate, it will continue to apply to open outcry trades post-migration. Therefore, the Exchange now proposes to amend Rule 6.6 in the shell Rulebook and add Rule 6.6(d), which is substantively the same as current Rule 6.67(b) that was inadvertently removed under SR-CBOE-2019-056. Specifically, proposed Rule 6.6(d) states that, in addition to the fields listed in paragraph (b), Trading Permit Holders may change the following fields through the Clearing Editor for trades executed in open outcry: (1) Series, (2) Quantity, (3) Buy or Sell; or (4) Price. Each of these changes must be

Cboe Options technology migration.

⁷ See id.

accompanied by a Reason Code. Notification of changes made pursuant to this paragraph (d) will automatically be sent to the Exchange with the submission of the changes through the Clearing Editor. The proposed rule change updates the language to make it explicit that proposed Rule 6.6(d) applies only to trades executed in open outcry. It also updates the term premium price to price and Customer ID (in Rule 6.6(a)) to Client Order ID, as these terms more accurately reflect the names of the fields that are displayed on an order⁸ and in the Clearing Editor, as well as the term origin code to Capacity code, which is in line with the language in Rule 6.6 and definition currently in the shell Rulebook.⁹ The current rule provides that notification of the change shall be made as soon as practicable, but no later than 15 minutes after the change has been made. The proposed rule change does not incorporate this language because, upon migration, the Exchange will automatically receive notification of changes to the fields listed under proposed Rule 6.6(d) when a TPH submits changes through use of the Clearing Editor. The automatic notification will include a Reason Code associated with each change in which a TPH will be prompted to provide in the Clearing Editor when making changes pursuant to proposed Rule 6.6(d).¹⁰ Therefore, the Exchange notes that the proposed rule does not substantively alter the notification requirement attached to proposed Rule 6.6(d), but only updates it to accurately reflect the manner in which notice will automatically be submitted to the Exchange through use of the Clearing Editor.

⁸ See Cboe Options FIX Specifications, available at: https://cdn.cboe.com/resources/membership/US_Options_FIX_Specification.pdf.

⁹ See Rule 1.1 in the shell Rulebook.

¹⁰ Example Reason Codes include: Input Error; Unmatched Trade; Unknown; Manual Add; Other Text Required; Trade Nullification; Trade Adjustment; Error Account; and System Issue.

In addition, the proposed rule change adds certain Cboe Options-specific fields to the list of fields that do not require a reason code under proposed Rule 6.6(b). The Exchange now proposes to incorporate Strategy ID,¹¹ Frequent Trader ID,¹² Compression Trade ID,¹³ and ORS ID¹⁴ to the list of fields that a TPH may change through the Clearing Editor (for both trades executed electronically and in open outcry) without notice to the Exchange. These fields are unique to orders executed on Cboe Options¹⁵ and TPHs currently submit all updates to such fields to the Exchange populated via a form post-execution today.¹⁶ Upon migration, the Exchange functionality will allow for automated entry for these fields, just like all other order fields. Therefore, the proposed amendment merely intends to make it explicit that TPHs may continue to submit updates to these fields post-execution. The Exchange also proposes to clarify that a TPH may make a change from a Capacity code (C) to any other Capacity code only if the change is

¹¹ Strategy ID indicates whether an order qualifies for certain treatment for various strategies provided under the Exchange's Fees Schedule. See Cboe Exchange, Inc. Fees Schedule (for example, footnote 13).

¹² Frequent Trader ID is a unique identification number which can be appended by executing agents to orders submitted to the Exchange on behalf of those customers registered for the Frequent Trader Program. See Cboe Exchange, Inc. Fees Schedule, "Frequent Trader Program" Table.

¹³ Compression Trader ID indicates whether an order qualifies for certain treatment in connection with facilitating a compression of options positions. See Cboe Exchange, Inc. Fees Schedule, footnote 41.

¹⁴ ORS ID indicates whether an order qualifies for certain treatment under the ORS Program. See Cboe Options Exchange, Inc. Fees Schedule, "Order Router Subsidy Program" Table.

¹⁵ See supra note 8.

¹⁶ The Exchange notes that TPHs may currently update Frequent Trader ID via CTM. See Securities Exchange Act Release No. 86617 (August 9, 2019), 84 FR 41776 (August 15, 2019) Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Ability To Submit Frequent Trader Forms (SR-CBOE-2019-043).

accompanied by a Reason Code and, like proposed paragraph (d), makes it explicit that notice of such change will automatically be sent to the Exchange with the submission of the change through the Clearing Editor. This is substantially the same manner in which current Rule 6.67 functions, where both Rule 6.67(a) and (b) are applicable to trades executed electronically and on open outcry (therefore, changing a customer Capacity code is permissible under current Rule 6.67 for all trades executed if notification is provided to the Exchange). The Exchange proposes to maintain that a TPH may change the Capacity code from a customer Capacity code to any other Capacity code for trades executed electronically or in open outcry, however, it still must provide notification to the Exchange via a prompted Reason Code and, like changes made pursuant to proposed paragraph (d), will automatically provide such notification to the Exchange when the change is submitted through the Clearing Editor.

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.¹⁷ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁸ 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

¹⁷ 15 U.S.C. 78f(b).

¹⁸ 15 U.S.C. 78f(b)(5).

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)¹⁹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The proposed rule change is substantively the same as the manner in which the CTM rules and post-execution functionality and/or processes work today. The proposed change merely amends the rule proposed under SR-CBOE-2019-056 to permit changes in certain fields that TPHs are already permitted to change through the Clearing Editor or other post-execution forms. The proposed change is intended to correct an inadvertent omission from Rule 6.6 in the shell Rulebook of a provision from Rule 6.67 in the current Rulebook that currently applies to open outcry executions, and will continue to apply to open outcry executions upon migration. Likewise, the Exchange notes that TPHs may currently update fields that require notification for trades executed in open outcry and make changes made from customer Capacity code (C), with the same requisite notice. Therefore, the proposed change does not alter the manner in which the current rule functions but instead removes impediments to and perfects the mechanism of a free and open market and national market system by continuing to allow for these functions, along with automatic notification containing reason codes transmitted to the Exchange through submission of the changes in the Clearing Editor, upon migration. Additionally, the Exchange notes that the proposed amendment to add certain fields for which updates do not require notification to the rule will remove impediments to and perfect the mechanism of a free and open market and national market system because TPHs may

¹⁹ Id.

already submit updates to these fields (in paper form) post-execution and the rule is designed to continue to allow TPHs to make such updates post-execution in electronic form upon migration.

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

The Exchange does not believe that the proposed change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed amendment merely updates Rule 6.6 in the shell Rulebook to continue to allow for certain post-execution changes, which are currently permitted on the Exchange, through the use of the Clearing Editor after October 7, 2019. The Exchange notes that all proposed changes and current changes made pursuant to Rule 6.6 occur post-execution, therefore will not have any impact on trading. As the same post-execution changes are already permitted and made via processes and functionality currently in place on the Exchange, the Exchange believes this proposed filing to allow for the continuation of the same post-execution changes through use of the Clearing Editor will have no impact on competition. The Exchange also notes that the proposed change is intended to reduce the compliance burden on TPHs by providing them with functionality that allows for automatic input and notification to the Exchange.

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 Act²⁰ and Rule 19b-4(f)(6)²¹ 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. Please include File Number SR-CBOE-2019-062 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.

²⁰ 15 U.S.C. 78s(b)(3)(A).

²¹ 17 CFR 240.19b-4(f)(6).

All submissions should refer to File Number SR-CBOE-2019-062. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, D.C. 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2019-062 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.²²

Secretary

²² 17 CFR 200.30-3(a)(12).

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

* * * * *

Rules of Cboe Exchange, Inc.

(Effective October 7, 2019)

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Rule 6.6. Clearing Editor

(a) No change.

(b) Trading Permit Holders may change the following fields through the Clearing Editor: (1) Executing Firm and Contra Firm; (2) Executing Broker and Contra Broker; (3) CMTA; (4) Account and Sub Account; (5) [Customer]Client Order ID; (6) Position Effect (open/close); [or](7) Capacity ([provided the change is not]if the change is from a customer [c]Capacity code of (C) to any other [c]Capacity code, it must be accompanied by a Reason Code and notice of such change will automatically be sent to the Exchange with the submission of the change through the Clearing Editor); (8) Strategy ID; (9) Frequent Trader ID; (10) Compression Trade ID; or (11) ORS ID.

(c) No change.

(d) In addition to the fields listed in paragraph (b), Trading Permit Holders may change the following fields through the Clearing Editor for trades executed in open outcry: (1) Series, (2) Quantity, (3) Buy or Sell; or (4) Price. Each of these changes must be accompanied by a Reason Code. Notification of changes made pursuant to this paragraph (d) will automatically be sent to the Exchange with the submission of the changes through the Clearing Editor.

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