

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 23	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2019 - * 070 Amendment No. (req. for Amendments *)
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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"/>
Pilot <input type="checkbox"/>			Rule		
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"/>
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**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  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 \***

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

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

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

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

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

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

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Exhibit Sent As Paper Document

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

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

**Exhibit 4 - Marked Copies**

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

**Exhibit 5 - Proposed Rule Text**

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

**Partial Amendment**

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

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

(a) Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to amend certain rules in connection with Market-Makers in 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 18, 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 6, 2019, the Exchange filed a rule filing, SR-CBOE-2019-059,<sup>1</sup> operative upon the October 7, 2019 technology migration.<sup>2</sup> This rule filing amended the

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<sup>1</sup> See Securities Exchange Act Release No. 87024 (September 19, 2019) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Certain Rules Relating To Market-Makers Upon Migration to the Trading System Used by Cboe Affiliated Exchanges) (SR-CBOE-2019-059).

<sup>2</sup> 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

Exchange rules related to its Market-Maker program, including Market-Maker registration, appointments, and obligations. Pursuant to SR-CBOE-2019-059, the updated Market-Maker rules reside in the Exchange's shell Rulebook, and, upon migration, the rules in shell Rulebook will take effect and the Market-Maker rules in the currently effective Rulebook will be deleted.<sup>3</sup> Specifically, under SR-CBOE-2019-059, Rule 5.50 will govern appointment costs (or "weights", as amended by SR-CBOE-2019-059) and Rule 7.6 will govern the identification of securities accounts of Market-Makers. In SR-CBOE-2019-059, the Exchange inadvertently neglected to update the Global Trading Hours ("GTH") appointment weights in light of the amended rules which will apply a Market-Maker's selected class appointments across the entire trading day (i.e., both GTH and Regular Trading Hours ("RTH")), and inadvertently neglected to update some instances in which the rules refer to appointment costs. It also inadvertently did not include language specific to Cboe Options when conforming Rule 7.6 to the corresponding rules of its affiliated exchanges, C2, EDGX Options, and BZX Options (collectively, the "Affiliated Options Exchanges"). The proposed changes intended to remedy the aforementioned are described in greater detail below. In order to coincide with the effective date of SR-CBOE-2019-059 and the migration of the Exchange's trading platform to the same system used by the Cboe Affiliated Exchanges,<sup>4</sup> the Exchange also intends to implement this proposed rule change on October 7, 2019.

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shell Rulebook will contain the Rules that will be in place upon completion of the Cboe Options technology migration.

<sup>3</sup> See id.

<sup>4</sup> Id.

In particular, SR-CBOE-2019-059 updated Rule 5.50(g) in the shell Rulebook to reflect the manner in which appointment weights will function upon migration. SR-CBOE-2019-059 also updated the rules to allow a Market-Maker to select class appointments that will apply to classes during all trading sessions beginning October 7, 2019.<sup>5</sup> In removing separate class appointments between the two trading sessions, the Exchange inadvertently failed to remove the separate appointment weights for options classes during GTH. Therefore, the Exchange now proposes to remove separate appointment weights for the GTH trading session from the appointment weight table under Rule 5.50(g). In addition to this, SR-CBOE-2019-059 updated the term appointment costs to appointment weights, but inadvertently failed to update all such references throughout updated Rule 5.50(g). The Exchange now proposes to update the remaining references to appointment costs in Rule 5.50(g) to appointment weights.

SR-CBOE-2019-059 also conformed Rule 7.6 in the shell Rulebook to the corresponding rules of the Affiliated Options Exchanges. Rule 7.6 governs the identification of a Market-Maker's securities accounts. In conforming this rule to the Affiliated Options Exchanges' corresponding rules, the Exchange inadvertently did not maintain the language which provides that, in a manner prescribed by the Exchange, "upon request" each Market-Maker must file with the Exchange a list identifying all accounts enumerated in the same provision. This specification is not currently in the corresponding rules of the Affiliated Options Exchanges, but the Exchange intends to maintain this provision for post-migration. Therefore, the Exchange now proposes to include the existing language in currently effective Rule 8.9 into shell Rule 7.6(a) in order to continue this account identification

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<sup>5</sup> See Rule 5.50(a) in the shell Rulebook.

process for Market-Makers post-migration. The proposed change to include the Exchange request provision will simply allow Market-Makers to continue to identify accounts in the manner to which they are accustomed and currently adhere, instead of taking on a potential additional compliance burden in identifying all accounts to the Exchange notwithstanding an Exchange request.

(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.<sup>6</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>7</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>8</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The proposed rule change to remove separate appointment weights for the GTH trading session under Rule 5.50(g) will foster cooperation and coordination with persons

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<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

<sup>8</sup> Id.

facilitating transactions in securities and remove impediments to and perfect the mechanism of a free and open market and a national market system because it will mitigate any potential confusion for Market-Makers upon migration when they will be able to select class appointments that apply to classes across all trading sessions. The proposed change protects investors by aligning the term appointment weight and the appointment weight table with the correct term that will be used, and the class appointment process that will be in place, post-migration. Additionally, the proposed change to incorporate the Cboe Options-specific request language into the rule governing identification of Market-Maker accounts is substantively the same as the manner in which the current account identification process works today. The proposed change is intended to correct an inadvertent omission from Rule 7.6(a) in the shell Rulebook that currently applies to Market-Makers and does not alter the manner in which the current rule functions. Instead, it will remove impediments to and protect the mechanism of a free and open market and national market system by allowing Market-Makers to continue to identify accounts upon the request of the Exchange, without taking on any potential additional compliance burden notwithstanding an Exchange request.

**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 change is not intended as a competitive filing, but merely aligns the appointment weight table with the appointment process that will be in effect upon the October 7, 2019 migration. Additionally, the proposed change amends the rules to continue to allow for Market-Makers to identify accounts upon Exchange request post-migration, consistent with the process currently in place. The Exchange also notes that, as

stated above, the proposed change is intended mitigate any potential compliance burden on Market-Makers by continuing to allow for account identification upon Exchange request. The Exchange notes that neither the GTH appointment weights (because they will not be relevant to the post-migration class appointment structure and just provides Market-Makers with uniform quoting ability per appointment across the trading day<sup>9</sup>) nor the account identification procedures have any impact on trading on 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 Act<sup>10</sup> and Rule 19b-4(f)(6)<sup>11</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

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<sup>9</sup> See supra note 5.

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4(f)(6).

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 to remove separate appointment weights for the GTH trading session will not significantly affect the protection of investors and the public interest, but instead protect investors and the public interest by mitigating any potential confusion for Market-Makers upon migration when they will be able to select class appointments that apply to classes across all trading session. Likewise, the proposed change to update the remaining appointment cost references to appointment weights will mitigate any potential confusion for Market-Makers by accurately reflecting the appropriate term throughout the rules upon migration. The proposed rule change to continue to allow for Market-Makers to identify accounts upon Exchange request will not significantly affect the protection of investors and the public interest because it is substantively the same as the manner in which this process works today. The proposed change will benefit investors and the public interest by continuing to allow Market-Makers to adhere to the same identification process that they currently do today and will protect investors by removing any potential additional compliance burden in identifying accounts notwithstanding an Exchange request.

The Exchange does not believe that the proposed change will impose any significant burden on competition because the proposed amendment merely aligns the appointment weight table with the manner in which Market-Maker class appointments will function, and allows for Market-Makers to continue to identify accounts upon

Exchange request, the process currently in place, after October 7, 2019. As stated, the proposed changes are not intended as a competitive filing and will not impact trading on 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 5.50(g) and 7.6(a) under SR-CBOE-2019-059, 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 the proposed change 1) merely aligns the appointment weight table with the way in which Market-Maker class appointments will apply after October 7, 2019, and 2) is substantively the same as the current account identification rule and is merely intended to continue to permit Market-Makers to identify accounts upon the request of the Exchange after October 7, 2019. As described above, the proposed change will ensure the protection of investors by maintaining the account identification process that Market-Makers currently follow, without creating a potential

additional compliance burden, and by providing appointment weights that accurately reflect the class appointment process to be implemented on October 7, 2019. The Exchange believes that the waiver of the operative delay is consistent with the protection of investors as it will allow the proposed changes herein and the proposed amendments adopted pursuant to SR-CBOE-2019-059 to be effective on the same date, October 7, 2019, thereby ensuring that all proposed provisions in connection with the Exchange's Market-Maker program 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 waives 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 5. Proposed rule text.

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34- ; File No. SR-CBOE-2019-070]

[Insert date]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Amend Certain Rules in Connection with Market-Makers in the Shell Rulebook

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 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 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 Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to amend certain rules in connection with Market-Makers in 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.

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<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).

## **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 6, 2019, the Exchange filed a rule filing, SR-CBOE-2019-059,<sup>5</sup> operative upon the October 7, 2019 technology migration.<sup>6</sup> This rule filing amended the Exchange rules related to its Market-Maker program, including Market-Maker registration, appointments, and obligations. Pursuant to SR-CBOE-2019-059, the updated Market-Maker rules reside in the Exchange’s shell Rulebook, and, upon migration, the rules in shell Rulebook will take effect and the Market-Maker rules in the currently effective Rulebook

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<sup>5</sup> See Securities Exchange Act Release No. 87024 (September 19, 2019) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Certain Rules Relating To Market-Makers Upon Migration to the Trading System Used by Cboe Affiliated Exchanges) (SR-CBOE-2019-059).

<sup>6</sup> 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.

will be deleted.<sup>7</sup> Specifically, under SR-CBOE-2019-059, Rule 5.50 will govern appointment costs (or “weights”, as amended by SR-CBOE-2019-059) and Rule 7.6 will govern the identification of securities accounts of Market-Makers. In SR-CBOE-2019-059, the Exchange inadvertently neglected to update the Global Trading Hours (“GTH”) appointment weights in light of the amended rules which will apply a Market-Maker’s selected class appointments across the entire trading day (i.e., both GTH and Regular Trading Hours (“RTH”)), and inadvertently neglected to update some instances in which the rules refer to appointment costs. It also inadvertently did not include language specific to Cboe Options when conforming Rule 7.6 to the corresponding rules of its affiliated exchanges, C2, EDGX Options, and BZX Options (collectively, the “Affiliated Options Exchanges”). The proposed changes intended to remedy the aforementioned are described in greater detail below. In order to coincide with the effective date of SR-CBOE-2019-059 and the migration of the Exchange’s trading platform to the same system used by the Cboe Affiliated Exchanges,<sup>8</sup> the Exchange also intends to implement this proposed rule change on October 7, 2019.

In particular, SR-CBOE-2019-059 updated Rule 5.50(g) in the shell Rulebook to reflect the manner in which appointment weights will function upon migration. SR-CBOE-2019-059 also updated the rules to allow a Market-Maker to select class appointments that will apply to classes during all trading sessions beginning October 7, 2019.<sup>9</sup> In removing separate class appointments between the two trading sessions, the Exchange inadvertently failed to remove the separate appointment weights for options classes during GTH.

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<sup>7</sup> See id.

<sup>8</sup> Id.

<sup>9</sup> See Rule 5.50(a) in the shell Rulebook.

Therefore, the Exchange now proposes to remove separate appointment weights for the GTH trading session from the appointment weight table under Rule 5.50(g). In addition to this, SR-CBOE-2019-059 updated the term appointment costs to appointment weights, but inadvertently failed to update all such references throughout updated Rule 5.50(g). The Exchange now proposes to update the remaining references to appointment costs in Rule 5.50(g) to appointment weights.

SR-CBOE-2019-059 also conformed Rule 7.6 in the shell Rulebook to the corresponding rules of the Affiliated Options Exchanges. Rule 7.6 governs the identification of a Market-Maker's securities accounts. In conforming this rule to the Affiliated Options Exchanges' corresponding rules, the Exchange inadvertently did not maintain the language which provides that, in a manner prescribed by the Exchange, "upon request" each Market-Maker must file with the Exchange a list identifying all accounts enumerated in the same provision. This specification is not currently in the corresponding rules of the Affiliated Options Exchanges, but the Exchange intends to maintain this provision for post-migration. Therefore, the Exchange now proposes to include the existing language in currently effective Rule 8.9 into shell Rule 7.6(a) in order to continue this account identification process for Market-Makers post-migration. The proposed change to include the Exchange request provision will simply allow Market-Makers to continue to identify accounts in the manner to which they are accustomed and currently adhere, instead of taking on a potential additional compliance burden in identifying all accounts to the Exchange notwithstanding an Exchange request.

## 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>10</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>11</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>12</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The proposed rule change to remove separate appointment weights for the GTH trading session under Rule 5.50(g) will foster cooperation and coordination with persons facilitating transactions in securities and remove impediments to and perfect the mechanism of a free and open market and a national market system because it will mitigate any potential confusion for Market-Makers upon migration when they will be able to select class appointments that apply to classes across all trading sessions. The proposed change protects investors by aligning the term appointment weight and the

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<sup>10</sup> 15 U.S.C. 78f(b).

<sup>11</sup> 15 U.S.C. 78f(b)(5).

<sup>12</sup> Id.

appointment weight table with the correct term that will be used, and the class appointment process that will be in place, post-migration. Additionally, the proposed change to incorporate the Cboe Options-specific request language into the rule governing identification of Market-Maker accounts is substantively the same as the manner in which the current account identification process works today. The proposed change is intended to correct an inadvertent omission from Rule 7.6(a) in the shell Rulebook that currently applies to Market-Makers and does not alter the manner in which the current rule functions. Instead, it will remove impediments to and protect the mechanism of a free and open market and national market system by allowing Market-Makers to continue to identify accounts upon the request of the Exchange, without taking on any potential additional compliance burden notwithstanding an Exchange request.

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 change is not intended as a competitive filing, but merely aligns the appointment weight table with the appointment process that will be in effect upon the October 7, 2019 migration. Additionally, the proposed change amends the rules to continue to allow for Market-Makers to identify accounts upon Exchange request post-migration, consistent with the process currently in place. The Exchange also notes that, as stated above, the proposed change is intended mitigate any potential compliance burden on Market-Makers by continuing to allow for account identification upon Exchange request. The Exchange notes that neither the GTH appointment weights (because they will not be relevant to the post-migration class appointment structure and just provides

Market-Makers with uniform quoting ability per appointment across the trading day<sup>13</sup>) nor the account identification procedures have any impact on trading on 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 Act<sup>14</sup> and Rule 19b-4(f)(6)<sup>15</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

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<sup>13</sup> See supra note 9.

<sup>14</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>15</sup> 17 CFR 240.19b-4(f)(6).

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-CBOE-2019-070 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-CBOE-2019-070. 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-2019-070 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>16</sup>

Secretary

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<sup>16</sup> 17 CFR 200.30-3(a)(12).

## EXHIBIT 5

(additions are underlined; deletions are [bracketed])

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Rules of Cboe Exchange, Inc.

(Effective October 7, 2019)

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## Rule 5.50. Market-Maker Appointments

(a)-(f) No change.

(g) *Appointment [Costs]Weights*. A Market-Maker may select for each of its Trading Permits any combination of class appointments. All classes are placed within a specific tier according to trading volume statistics (except for the AA tier) and assigned an “appointment [cost]weight” depending upon its tier location as follows:

Appointment Unit Tier	Option Classes	Appointment Weight
AA	Options on the Cboe Volatility Index (VIX)	.500**
	Options on the Standard & Poor’s 500 Index (SPX)	1.00**
	Options on the iShares Russell 2000 Index Fund (IWM)	.500
	Options on the NASDAQ 100 Index (NDX)	.500
	Options on the S&P 100 (OEX)	.400
	Options on Standard & Poor’s Depository Receipts (SPY)	.500
	Options on the Russell 2000 Index (RUT)	.500
	Options on the S&P 100 (XEO)	.100
	Morgan Stanley Retail Index Options (MVR)	.25
	Options on the iPath S&P 500 VIX Short-Term Futures	.100
	Index ETN (VXX)	.001

	Options on the S&P Energy Select Sector Index (SIXE)	.001
	Options on the S&P Technology Select Sector Index (SIXT)	.001
	Options on the S&P Health Care Select Sector Index (SIXV)	.001
	Options on the S&P Utilities Select Sector Index (SIXU)	.001
	Options on the S&P Consumer Staples Select Sector Index (SIXR)	.001
	Options on the S&P Industrials Select Sector Index (SIXI)	.001
	Options on the S&P Consumer Discretionary Select Sector Index (SIXY)	.001
	Options on the S&P Materials Select Sector Index (SIXB)	.001
	Options on the S&P Real Estate Select Sector Index (SIXRE)	.001
	Options on the S&P Communication Services Select Sector Index (SIXC)	.001
A*	Classes 1 - 60	.100
B*	Classes 61 - 120	.060
C*	Classes 121 - 345	.040
D*	Classes 346 - 570	.025
E*	Classes 571 - 999	.015
F*	All Remaining Classes	.001
[Global Trading Hours]	[Options on the Cboe Volatility Index (VIX)]	[.4]
	[Options on the Standard & Poor's 500 (SPX)]	[.4]
	[Options on the Mini-SPX Index (XSP)]	[.1]

\* Excludes Tier AA.

\*\* If the Exchange determines to list SPX or VIX on a group basis pursuant to Rule 4.14, the SPX or VIX appointment [cost]weight, as applicable, confers the right to trade in all SPX or VIX groups.

\* \* \* \* \*

Rule 7.6. Securities Accounts and Orders of Market-Makers

(a) *Identification of Accounts.* In a manner prescribed by the Exchange, each Market-Maker must, upon the request of the Exchange, file with the Exchange and keep current a list identifying all accounts for stock, options, and related securities trading in which the Market-Maker may, directly or indirectly, engage in trading activities or over which it exercises investment discretion. No Market-Maker may engage in stock, options, or related securities trading in an account that has not been reported pursuant to this Rule.

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