

## OMB APPROVAL

OMB Number: 3235-0045  
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Required fields are shown with yellow backgrounds and asterisks.

Page 1 of \* 25

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

File No.\* SR - 2019 - \* 085

Amendment No. (req. for Amendments \*)

Filing by Cboe Exchange, Inc.

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

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<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 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 move certain Rules in Chapter XXVIII of the currently effective Rulebook, which governs Corporate Debit Security options, to proposed Section D of Chapter 4 of the shell structure for the Exchange's Rulebook that will become effective upon migration.

### 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 10/03/2019

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**

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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**

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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 move certain Rules in Chapter XXVIII of the currently effective Rulebook (“current Rulebook”), which governs Corporate Debit Security options, to proposed Section D of Chapter 4 of the shell structure for the Exchange’s Rulebook that will become effective upon the migration of the Exchange’s trading platform to the same system used by the Cboe Affiliated Exchanges (as defined below) (“shell Rulebook”). The text of the proposed rule change is provided in Exhibit 5.

(b)        Not applicable.

(c)        Not applicable.

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

(a)        The Exchange’s President (or designee) pursuant to delegated authority approved the proposed rule change on October 1, 2019. The proposed rule change would become operative on the date on which Cboe Options completes the migration of its trading platform to the same system used by the Cboe Affiliated Exchanges (as defined below), which is expected to occur 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

In 2016, the Exchange's parent company, Cboe Global Markets, Inc. (formerly named CBOE Holdings, Inc.) ("Cboe Global"), which is also the parent company of Cboe C2 Exchange, Inc. ("C2"), acquired Cboe EDGA Exchange, Inc. ("EDGA"), Cboe EDGX Exchange, Inc. ("EDGX" or "EDGX Options"), Cboe BZX Exchange, Inc. ("BZX" or "BZX Options"), and Cboe BYX Exchange, Inc. ("BYX" and, together with Cboe Options, C2, EDGX, EDGA, and BZX, the "Cboe Affiliated Exchanges"). The Cboe Affiliated Exchanges are working to align certain system functionality, retaining only intended differences, between the Cboe Affiliated Exchanges, in the context of a technology migration. Cboe Options intends to migrate its trading platform to the same system used by the Cboe Affiliated Exchanges, 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.

The Exchange proposes to relocate certain rules in Chapter XXVIII, which govern Corporate Debt Security options, to proposed Section D of Chapter 4 in the shell Rulebook. The Exchange notes that in addition to relocating certain rules regarding Corporate Debt Security options to proposed Section D of Chapter 4 in the shell Rulebook, the proposed rule change deletes the rules from the current Rulebook. The proposed rule change relocates the rules as follows:

Current Rule	Proposed Rule
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Introduction	Introductory paragraph under Section D heading.
Rule 28.1 Definitions	Rule 4.30 Definitions
Rule 28.5 Designation of Corporate Debt Security Options	Rule 4.31 Designation of Corporate Debt Security Options
Rule 28.6 Approval of Underlying Corporate Debt Securities	Rule 4.32 Approval of Underlying Corporate Debt Securities
Rule 28.7 Terms of Corporate Debt Security Options	Rule 4.33 Terms of Corporate Debt Security Options
Rule 28.8 Series of Corporate Debt Security Options Open for Trading	Rule 4.34 Series of Corporate Debt Security Options Open for Trading
Rule 28.17. FLEX Trading	Rule 4.35. FLEX Trading

The proposed changes are of a non-substantive nature and will not amend the relocated rules other than to update their rule numbers, conform paragraph structure<sup>1</sup> and number/lettering format to that of the shell Rulebook, and make cross-reference changes to shell rules.

(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>2</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>3</sup>

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<sup>1</sup> The Exchange notes that the paragraph structure for definitions listed under rules in the shell Rulebook is in alphabetized format. Therefore, the same structure is used under proposed Rule 4.30.

<sup>2</sup> 15 U.S.C. 78f(b).

<sup>3</sup> 15 U.S.C. 78f(b)(5).

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>4</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

As stated, the proposed rule change makes no substantive changes to the rules. The proposed rule change is merely intended to relocate the Exchange's rules to the shell Rulebook and update their numbers, paragraph structure, including number and lettering format, and cross-references to conform to the shell Rulebook as a whole in anticipation of the technology migration on October 7, 2019. As such, the proposed rule change is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest, by improving the way the Exchange's Rulebook is organized, making it easier to read, and, particularly, helping market participants better understand the rules of the Exchange, which will also result in less burdensome and more efficient regulatory compliance.

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<sup>4</sup>Id.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not intended as a competitive change, but rather, seeks to make non-substantive rule changes in relocating the rules and updating cross-references to shell rules in anticipation of the October 7, 2019 technology migration. The Exchange also does not believe that the proposed rule change will impose any undue burden on competition because the relocated rule text is exactly the same as the Exchange's current rules, all of which have all been previously filed with the Commission.

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

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

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

Not applicable.

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

(a) The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of Act<sup>5</sup> and Rule 19b-4(f)(6)<sup>6</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

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<sup>5</sup> 15 U.S.C. 78s(b)(3)(A).

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

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 does not make any substantive changes to the Exchange Rules, but merely relocates rules regarding Corporate Debt Security options to the shell Rulebook and updates update their numbers, paragraph structure, including number and lettering format, and cross-references to conform to the shell Rulebook as a whole upon the October 7, 2019 technology migration. The proposed non-substantive changes will make the Exchange Rules easier to read and understand for all investors, benefiting investors and the public interest by resulting in less burdensome and more efficient regulatory compliance upon migration. The proposed rule change will not impose any significant burden on competition because it is merely relocating the current Exchange Rules, all of which have been previously filed with the Commission, and makes no substantive changes to the current rules. As stated, the proposed rule change is not intended as a competitive filing but is instead intended to provide an organized and uniform shell Rulebook to the benefit of all market participants upon migration.

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 five-day pre-filing requirement and the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective so that the Exchange can restructure its Rulebook as already approved by the Commission. As described above, the proposed rule change merely relocates current rules into Section D of Chapter 4 of the shell Rulebook, which will be effective upon migration on October 7, 2019. The proposed rule change makes no substantive changes to any of the rules, thus, the proposed rule changes will have no impact on trading on the Exchange, the operation of the Exchange, or any participant requirements. The Exchange also notes that its participants have been notified of and preparing for the October 7, 2019 migration, and resulting Rulebook restructuring, since April 5, 2018.<sup>7</sup> Finally, the Exchange notes that other Exchanges have relocated their rules in a similar manner.<sup>8</sup> The Exchange believes that relocating the rules regarding Corporate

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<sup>7</sup> See Cboe Global Markets News Release (April 5, 2018), available at <http://ir.cboe.com/~media/Files/C/CBOE-IR-V2/press-release/2018/pr-04-05-2018.pdf>; see also Securities Exchange Act Release No. 84739 (December 6, 2018), 83 FR 63952 (December 12, 2018) (SR-CBOE-2018-074) (which rule filing adopted the shell Rulebook and indicated that rules would be relocated in connection with the migration).

<sup>8</sup> See, e.g., Securities and Exchange Act Release Nos. 82505 (January 16, 2018), 83 FR 3037 (January 22, 2018) (Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Relocate Price Improvement XL Rule) (SR-Phlx-2018-06); and 84659 (November 27, 2018), 83 FR 62391 (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Relocate the Exchange's Options Exercise and Delivery Rules) (SR-BX-2018-056).

Debt Security options, which currently remain in Chapter XXVIII of the current Rulebook, to proposed Section D of Chapter 4 of the shell Rulebook, as well as updating their numbers, paragraph structure, including number and lettering format, and cross-references to conform to the shell Rulebook will provide investors with a holistic Exchange Rulebook upon migration. Therefore, the Exchange respectfully requests that the Commission waive the five-day pre-filing requirement and the 30-day operative delay so that the proposed rule change promptly becomes effective October 7, 2019 and avoids any potential confusion by providing investors with a complete Exchange Rulebook upon the completion of migration.

(c) Not applicable.

(d) Not applicable.

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

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

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

Not applicable.

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

Not applicable.

**Item 11. Exhibits**

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

Exhibit 5A. Proposed rule text – current Rulebook.

Exhibit 5B. Proposed rule text – shell Rulebook.

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-       ; File No. SR-CBOE-2019-085]

[Insert date]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Move Certain Rules in Chapter XXVIII of the Currently Effective Rulebook (“Current Rulebook”), which Governs Corporate Debit Security Options, to Proposed Section D of Chapter 4 of the Shell Structure for the Exchange’s Rulebook that will Become Effective Upon the Migration of the Exchange’s Trading Platform to the Same System Used by the Cboe Affiliated Exchanges (as Defined Below) (“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 move certain Rules in Chapter XXVIII of the currently effective Rulebook (“current Rulebook”), which governs Corporate Debit Security options, to proposed Section D of

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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).

Chapter 4 of the shell structure for the Exchange's Rulebook that will become effective upon the migration of the Exchange's trading platform to the same system used by the Cboe Affiliated Exchanges (as defined below) ("shell Rulebook"). The text of the proposed rule change is provided in Exhibit 5.

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

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

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

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

#### **1. Purpose**

In 2016, the Exchange's parent company, Cboe Global Markets, Inc. (formerly named CBOE Holdings, Inc.) ("Cboe Global"), which is also the parent company of Cboe C2 Exchange, Inc. ("C2"), acquired Cboe EDGA Exchange, Inc. ("EDGA"), Cboe EDGX Exchange, Inc. ("EDGX" or "EDGX Options"), Cboe BZX Exchange, Inc. ("BZX" or "BZX Options"), and Cboe BYX Exchange, Inc. ("BYX" and, together with Cboe Options, C2, EDGX, EDGA, and BZX, the "Cboe Affiliated Exchanges"). The Cboe Affiliated Exchanges are working to align certain system functionality, retaining

only intended differences, between the Cboe Affiliated Exchanges, in the context of a technology migration. Cboe Options intends to migrate its trading platform to the same system used by the Cboe Affiliated Exchanges, 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.

The Exchange proposes to relocate certain rules in Chapter XXVIII, which govern Corporate Debt Security options, to proposed Section D of Chapter 4 in the shell Rulebook. The Exchange notes that in addition to relocating certain rules regarding Corporate Debt Security options to proposed Section D of Chapter 4 in the shell Rulebook, the proposed rule change deletes the rules from the current Rulebook. The proposed rule change relocates the rules as follows:

<b>Current Rule</b>	<b>Proposed Rule</b>
Introduction	Introductory paragraph under Section D heading.
Rule 28.1 Definitions	Rule 4.30 Definitions
Rule 28.5 Designation of Corporate Debt Security Options	Rule 4.31 Designation of Corporate Debt Security Options
Rule 28.6 Approval of Underlying Corporate Debt Securities	Rule 4.32 Approval of Underlying Corporate Debt Securities
Rule 28.7 Terms of Corporate Debt Security Options	Rule 4.33 Terms of Corporate Debt Security Options
Rule 28.8 Series of Corporate Debt Security Options Open for Trading	Rule 4.34 Series of Corporate Debt Security Options Open for Trading
Rule 28.17. FLEX Trading	Rule 4.35. FLEX Trading

The proposed changes are of a non-substantive nature and will not amend the relocated rules other than to update their rule numbers, conform paragraph structure<sup>5</sup> and number/lettering format to that of the shell Rulebook, and make cross-reference changes to shell rules.

## 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>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.

As stated, the proposed rule change makes no substantive changes to the rules. The proposed rule change is merely intended to relocate the Exchange’s rules to the shell

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<sup>5</sup> The Exchange notes that the paragraph structure for definitions listed under rules in the shell Rulebook is in alphabetized format. Therefore, the same structure is used under proposed Rule 4.30.

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

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

<sup>8</sup> Id.

Rulebook and update their numbers, paragraph structure, including number and lettering format, and cross-references to conform to the shell Rulebook as a whole in anticipation of the technology migration on October 7, 2019. As such, the proposed rule change is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest, by improving the way the Exchange's Rulebook is organized, making it easier to read, and, particularly, helping market participants better understand the rules of the Exchange, which will also result in less burdensome and more efficient regulatory compliance.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not intended as a competitive change, but rather, seeks to make non-substantive rule changes in relocating the rules and updating cross-references to shell rules in anticipation of the October 7, 2019 technology migration. The Exchange also does not believe that the proposed rule change will impose any undue burden on competition because the relocated rule text is exactly the same as the Exchange's current rules, all of which have all been previously filed with the Commission.

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

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

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

Because the foregoing proposed rule change does not:

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

shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>9</sup> and Rule 19b-4(f)(6)<sup>10</sup> thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

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

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

#### **Electronic comments:**

- Use the Commission's Internet comment form

(<http://www.sec.gov/rules/sro.shtml>); or

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<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f)(6).



- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2019-085 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-2019-085. 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-2019-085 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>11</sup>

Secretary

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<sup>11</sup> 17 CFR 200.30-3(a)(12).

## EXHIBIT 5A

(additions are underlined; deletions are [bracketed])

\* \* \* \* \*

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

\* \* \* \* \*

**[CHAPTER XXVIII. CORPORATE DEBT SECURITY OPTIONS**

Introduction

The rules in this Chapter are applicable only to options where the underlying security is a Corporate Debt Security (as defined below). In addition, the rules in Chapters I through XIX are also applicable to options where the underlying security is a Corporate Debt Security, in some cases supplemented by rules in this Chapter, except for rules that have been replaced in respect of Corporate Debt Security options by rules in this Chapter and except where the context otherwise requires. Whenever a rule in this Chapter supplements or, for purposes of this Chapter, replaces rules in Chapters I-XIX, that fact is indicated following the rule in this Chapter.

Rule 28.1. Definitions

Corporate Debt Security

(a) The term “Corporate Debt Security” means a bond or other evidence of indebtedness that is a direct obligation of any corporate entity, including, but not limited to any corporation, partnership, limited liability company, or limited liability partnership and which is either a TRACE-eligible security or is listed on or traded through the facilities of a national securities exchange registered under Section 6 of the Exchange Act.

Put

(b) The term “put” means an option under which the holder of the option has the right, in accordance with the terms and provisions of the option, to sell to the Clearing Corporation the principal amount of the underlying Corporate Debt Security covered by the option.

Call

(c) The term “call” means an option under which the holder of the option has the right, in accordance with the terms of the option, to purchase from the Clearing Corporation the principal amount of the underlying Corporate Debt Security covered by the option.

Exercise Price

(d) The term “exercise price” means the specified percentage of the principal amount at which the underlying Corporate Debt Security may be purchased or sold upon the exercise of the option contract.

#### TRACE

(e) The term “TRACE” means the NASD’s reporting vehicle for over-the-counter secondary market transactions in eligible fixed income securities, otherwise known as the Trade Reporting and Compliance Engine.

#### TRACE-Eligible Security

(f) The term “TRACE-eligible security” means any Corporate Debt Security that is required to be reported to TRACE.

#### TRACE System Hours

(g) The term “TRACE system hours” means those hours TRACE is open, as set forth in the NASD rules.]

\* \* \* \* \*

#### [Rule 28.5. Designation of Corporate Debt Security Options

Corporate Debt Security options dealt in on the Exchange are designated by reference to the issuer of the underlying Corporate Debt Security, principal amount, expiration month and year, exercise price or nominal exercise price, type (put or call), stated or nominal rate of interest and stated date of maturity or nominal term to maturity.

Rule 28.5 replaces, for purposes of Chapter XVIII, Rule 5.1.

#### Rule 28.6. Approval of Underlying Corporate Debt Securities

Approval of Corporate Debt Security options shall be determined in accordance with the provisions set forth in Rule 5.3.10. Withdrawal of approval of Corporate Debt Security options shall be determined in accordance with the provisions set forth in Rule 5.4.14.

#### Rule 28.7. Terms of Corporate Debt Security Options

(a) General. A single Corporate Debt Security option covers \$100,000 principal amount of the underlying security. The expiration month and exercise price of Corporate Debt Security options of each series shall be determined by the Exchange at the time each series of options is first opened for trading.

(b) Expiration Months. Unless the Exchange otherwise provides, Corporate Debt Security options may expire at two-month intervals or in sequential monthly expiration. There may be up to five expiration months (with up to 10 initial strikes per month), none further out than fifteen months;

provided that additional expiration months further out than fifteen months may be listed where a reasonably active secondary market exists.

(c) Exercise Price. The exercise price intervals of each series of Corporate Debt Security options shall be fixed at a percentage of principal amount (based on a par quote basis of \$100) as follows:

(i) 0.5% (\$0.50) or greater, provided that the series to be listed is no more than five percent above or below the current market price of the Corporate Debt Security as determined by the transaction prices reported on TRACE during TRACE system hours or effected on or through the facilities of a national securities exchange registered under Section 6 of the Exchange Act;

(ii) 1.0% (\$1.00) or greater, provided that the series to be listed is no more than ten percent above or below the current market price of the Corporate Debt Security as determined by the transaction prices reported on TRACE during TRACE system hours or effected on or through the facilities of a national securities exchange registered under Section 6 of the Exchange Act; and

(iii) 2.5% (\$2.00) or greater, provided that the series to be listed is greater than ten percent above or below the current market price of the Corporate Debt Security as determined by the transaction prices reported on TRACE during TRACE system hours or effected on or through the facilities of a national securities exchange registered under Section 6 of the Exchange Act.

The Exchange will notify its Trading Permit Holders of any additional series opened for trading in a regulatory circular. Rule 28.7 supplements Rule 5.5.

#### Rule 28.8. Series of Corporate Debt Security Options Open for Trading

(a) Initial Series of Corporate Debt Security Options. The Exchange may open for trading Corporate Debt Security options at any time following the issuance of the underlying Corporate Debt Security, subject to the satisfaction of the initial listing standards set forth in Exchange Rule 5.3.10.

(b) Additional Series of Options to Reflect Price Changes. After a class of Corporate Debt Security options has been opened for trading in accordance with paragraph (a) of this Rule, additional series of options of the same class may be opened to reflect substantial changes in prices of the Corporate Debt Securities.]

\* \* \* \* \*

#### [Rule 28.17. FLEX Trading

Corporate Debt Security Options shall be eligible for trading as Flexible Exchange Options, even if the Exchange does not list and trade Non-FLEX options on Corporate Debt Securities. For purposes of Chapter XXIVA, references to the term “FLEX Equity Options” shall include a Corporate Debt Security Option and references to the “underlying security” or “underlying equity security” in respect of a Credit Option shall mean “Corporate Debt Security” as defined in Rule 28.1. FLEX Options on Corporate Debt Securities shall be physically-settled.]

## EXHIBIT 5B

(additions are underlined; deletions are [bracketed])

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**Rules of Cboe Exchange, Inc.  
(Effective October 7, 2019)**

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**CHAPTER 4. OPTIONS LISTING**

\* \* \* \* \*

**SECTION D. CORPORATE DEBT SECURITY OPTIONS**

The rules in this Chapter 4, Section D are applicable only to options where the underlying security is a Corporate Debt Security (as defined below). In addition, the rules in Chapters 1 through 15 are also applicable to options where the underlying security is a Corporate Debt Security, in some cases supplemented by rules in this Chapter 4, Section D, except for rules that have been replaced in respect of Corporate Debt Security options by rules in this Chapter 4, Section D and except where the context otherwise requires. Whenever a rule in this Chapter 4, Section D supplements or, for purposes of this Chapter 4, Section D, replaces rules in Chapters 1 through 15, that fact is indicated following the rule in this Chapter 4, Section D.

**Rule 4.30. Definitions**

**Call**

The term “call” means an option under which the holder of the option has the right, in accordance with the terms of the option, to purchase from the Clearing Corporation the principal amount of the underlying Corporate Debt Security covered by the option.

**Corporate Debt Security**

The term “Corporate Debt Security” means a bond or other evidence of indebtedness that is a direct obligation of any corporate entity, including, but not limited to any corporation, partnership, limited liability company, or limited liability partnership and which is either a TRACE-eligible security or is listed on or traded through the facilities of a national securities exchange registered under Section 6 of the Exchange Act.

**Exercise Price**

The term “exercise price” means the specified percentage of the principal amount at which the underlying Corporate Debt Security may be purchased or sold upon the exercise of the option contract.

**Put**

The term “put” means an option under which the holder of the option has the right, in accordance with the terms and provisions of the option, to sell to the Clearing Corporation the principal amount of the underlying Corporate Debt Security covered by the option.

**TRACE**

The term “TRACE” means the NASD’s reporting vehicle for over-the-counter secondary market transactions in eligible fixed income securities, otherwise known as the Trade Reporting and Compliance Engine.

**TRACE-Eligible Security**

The term “TRACE-eligible security” means any Corporate Debt Security that is required to be reported to TRACE.

**TRACE System Hours**

The term “TRACE system hours” means those hours TRACE is open, as set forth in the NASD rules.

**Rule 4.31. Designation of Corporate Debt Security Options**

Corporate Debt Security options dealt in on the Exchange are designated by reference to the issuer of the underlying Corporate Debt Security, principal amount, expiration month and year, exercise price or nominal exercise price, type (put or call), stated or nominal rate of interest and stated date of maturity or nominal term to maturity.

This Rule 4.31 replaces, for purposes of this Chapter 4, Section D, Rule 4.1.

**Rule 4.32. Approval of Underlying Corporate Debt Securities**

Approval of Corporate Debt Security options shall be determined in accordance with the provisions set forth in Rule 4.3.12. Withdrawal of approval of Corporate Debt Security options shall be determined in accordance with the provisions set forth in Rule 4.4.12.

**Rule 4.33. Terms of Corporate Debt Security Options**

(a) *General.* A single Corporate Debt Security option covers \$100,000 principal amount of the underlying security. The expiration month and exercise price of Corporate Debt Security options of each series shall be determined by the Exchange at the time each series of options is first opened for trading.

(b) *Expiration Months.* Unless the Exchange otherwise provides, Corporate Debt Security options may expire at two-month intervals or in sequential monthly expiration. There may be up to five expiration months (with up to ten initial strikes per month), none further out than 15 months;

provided that additional expiration months further out than fifteen months may be listed where a reasonably active secondary market exists.

(c) *Exercise Price.* The exercise price intervals of each series of Corporate Debt Security options shall be fixed at a percentage of principal amount (based on a par quote basis of \$100) as follows:

(1) 0.5% (\$0.50) or greater, provided that the series to be listed is no more than five percent above or below the current market price of the Corporate Debt Security as determined by the transaction prices reported on TRACE during TRACE system hours or effected on or through the facilities of a national securities exchange registered under Section 6 of the Exchange Act;

(2) 1.0% (\$1.00) or greater, provided that the series to be listed is no more than ten percent above or below the current market price of the Corporate Debt Security as determined by the transaction prices reported on TRACE during TRACE system hours or effected on or through the facilities of a national securities exchange registered under Section 6 of the Exchange Act; and

(3) 2.5% (\$2.00) or greater, provided that the series to be listed is greater than ten percent above or below the current market price of the Corporate Debt Security as determined by the transaction prices reported on TRACE during TRACE system hours or effected on or through the facilities of a national securities exchange registered under Section 6 of the Exchange Act.

The Exchange will notify its Trading Permit Holders of any additional series opened for trading in a regulatory circular. This Rule 4.33 supplements Rule 4.5.

#### **Rule 4.34. Series of Corporate Debt Security Options Open for Trading**

(a) *Initial Series of Corporate Debt Security Options.* The Exchange may open for trading Corporate Debt Security options at any time following the issuance of the underlying Corporate Debt Security, subject to the satisfaction of the initial listing standards set forth in Rule 4.3.12.

(b) *Additional Series of Options to Reflect Price Changes.* After a class of Corporate Debt Security options has been opened for trading in accordance with paragraph (a) of this Rule, additional series of options of the same class may be opened to reflect substantial changes in prices of the Corporate Debt Securities.

#### **Rule 4.35. FLEX Trading**

Corporate Debt Security Options shall be eligible for trading as Flexible Exchange Options, even if the Exchange does not list and trade Non-FLEX options on Corporate Debt Securities. For purposes of Chapter 4, Section C, references to the term “FLEX Equity Options” shall include a Corporate Debt Security Option and references to the “underlying security” or “underlying equity security” in respect of a Credit Option shall mean “Corporate Debt Security” as defined in Rule 4.30. FLEX Options on Corporate Debt Securities shall be physically settled.



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