OMB APPROVAL
OMB Number: 3235-0045 Estimated average burden hours per response............38

Required fields are shown with yellow backgrounds and asterisks.

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

File No.* SR - 2016 - * 062

Amendment No. (req. for Amendments *)

Filing by Chicago Board Options Exchange

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) *
☑	☐	☐	☐	☑	☐

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Rule

☐ 19b-4(f)(1)	☐ 19b-4(f)(4)
☐ 19b-4(f)(2)	☐ 19b-4(f)(5)
☐ 19b-4(f)(3)	☑ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐

Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

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 *).

Proposal to expand the Short Term Option Series Program.

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 * Jenny | Last Name * Golding

Title * Assistant General Counsel

E-mail * golding@cboe.com

Telephone * (312) 786-7466 | 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.

Date 08/24/2016

By Kyle Edwards

(Name *)

(Title *) 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.

Persona Not Validated - 1470688165287,

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information * Add Remove View	The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.
Exhibit 1 - Notice of Proposed Rule Change * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO] -xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO] -xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications Add Remove View Exhibit Sent As Paper Document ☐	Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.
Exhibit 3 - Form, Report, or Questionnaire Add Remove View Exhibit Sent As Paper Document ☐	Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.
Exhibit 4 - Marked Copies Add Remove View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add Remove View	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Item 1. Text of the Proposed Rule Change

(a) Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") proposes to expand the Short Term Option Series Program to allow Wednesday expirations for SPDR S&P 500 ETF Trust ("SPY") options. 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 July 14, 2016.

(b) Please refer questions and comments on the proposed rule change to Joanne Moffic-Silver, Executive Vice President, General Counsel, and Corporate Secretary, (312) 786-7462, or Jenny L. Golding, (312) 786-7466, Chicago Board Options Exchange, Incorporated, 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

The Exchange proposes to expand the Short Term Option Series Program outlined in Rule 5.5(d) to allow the listing and trading of SPY options with Wednesday expirations. This is a competitive filing based on a filing submitted by the BOX Options Exchange, LLC ("BOX"), which the Commission recently approved.[1]

---

[1] See Securities Exchange Act Release No. 78668 (August 24, 2016) (order approving SR-BOX-2016-028).

Currently, under the Short Term Option Series Program, which was made permanent in 2009,[2] the Exchange may open for trading on any Thursday or Friday that is a business day series of options on that class that expire on each of the next five Fridays, provided that such Friday is not a Friday in which monthly options series or Quarterly Options Series expire ("Short Term Option Series"). The Exchange is now proposing to amend Rule 5.5(d) to permit the listing of SPY options expiring on Wednesdays. Specifically, CBOE is proposing that it may open for trading on any Tuesday or Wednesday that is a business day, series of SPY options that expire on any Wednesday of the month that is a business day and is not a Wednesday on which Quarterly Options Series expire ("Wednesday SPY Expirations").[3] The proposed Wednesday SPY Expiration series would be similar to the current Short Term Option Series, with certain exceptions, as explained in greater detailed below. The Exchange notes that Wednesday expirations are not a novel proposal. Specifically, the U.S. Securities and Exchange Commission ("Commission") approved a CBOE proposal to list Wednesday expirations for broad-based indexes.[4] Additionally, BOX recently received approval to list Wednesday SPY Expirations.[5]

In regards to Wednesday SPY Expirations, the Exchange is proposing to remove the current restriction preventing CBOE from listing Short Term Option Series that expire in the same week in which monthly option series in the same class expire. Specifically, the Exchange would be allowed to list Wednesday SPY Expirations in the same week in which monthly option series in SPY expire. The current restriction to prohibit the expiration of

---

2 See Securities Exchange Act Release No. 59824 (April 27, 2009), 74 FR 20518 (May 4, 2009) (SR-CBOE-2009-018).

3 See proposed amendment to Rule 5.5(d).

4 See Securities Exchange Act Release No. 76909 (January 14, 2016), 81 FR 3512 (January 21, 2016) (Order approving SR-CBOE-2015-106).

5 See supra note 1.

monthly and Short Term Option Series from expiring on the same trading day is reasonable to avoid investor confusion. This confusion would not apply with Wednesday SPY Expirations and standard monthly options because they would not expire on the same trading day, as standard monthly options do not expire on Wednesdays. Additionally, it would lead to investor confusion if Wednesday SPY Expirations were not listed for one week every month because there was a monthly SPY expiration on the Friday of that week. The existing restriction that a Short Term Option Series may not expire on the same day that a Quarterly Option Series expires would apply to Wednesday SPY Expirations.

Under the proposal, CBOE may open for trading on any Tuesday or Wednesday that is a business day, series of SPY options that expire at the close of business on each of the next five Wednesdays that are business days and are not Wednesdays on which Quarterly Options Series expire. The Exchange may have no more than a total of five Wednesday SPY Expirations listed. This is similar to the listing procedures for Short Term Option Series that expire on Fridays. If the Exchange is not open for business on the respective Tuesday or Wednesday, the Wednesday SPY Expiration Opening Date will be the first business day immediately prior to that respective Tuesday or Wednesday. Similarly, if the Exchange is not open for business on a Wednesday, the expiration date for a Wednesday SPY Expiration will be the first business day immediately prior to that Wednesday. This is also similar to the procedures for Short Term Option Series that expire on Fridays.

The Exchange is also proposing to clarify that the five expirations limit in the current Short Term Option Series Program Rule would not include any Wednesday SPY Expirations and vice versa.[6] This means, under the proposal, the Exchange would be

---

6 Specifically, the Exchange proposes to add the following new text to Rule 5.5(d) in relevant places, "Wednesday SPY Expirations (described in the paragraph below) are not included as part

allowed to list five Short Term Option Series expirations for SPY expiring on Friday under the current rule and five Wednesday SPY Expirations. The interval between strike prices for the proposed Wednesday SPY Expirations would be the same as those for the current Short Term Option Series. Specifically, the Wednesday SPY Expirations would have $0.50 strike intervals.[7]

Currently, for each Short Term Option Expiration Date,[8] the Exchange is limited to opening thirty (30) series for each expiration date for the specific class. The thirty (30) series restriction does not include series that are opened by other securities exchanges under their respective short term option rules; CBOE may list these additional series that are listed by other exchanges.[9] The thirty (30) series restriction would apply to Wednesday SPY Expiration series as well. In addition, the Exchange would be able to list series that are listed by other exchanges, assuming they file similar rules with the Commission to list SPY options expiring on Wednesdays.

As is the case with current Short Term Option Series, the Wednesday SPY Expiration series would be P.M.-settled. The Exchange does not believe that any market disruptions would be encountered with the introduction of P.M.-settled Wednesday SPY Expirations. The Exchange currently trades P.M.-settled Short Term Option Series that expire almost every Friday, which provide market participants a tool to hedge special events

---

of this count [ ]" and "Non-Wednesday SPY Expirations (described in the paragraph above) are not included as part of this count."

7 This is because SPY options have $1 strike price intervals for non-Short Term Option series. See Rule 5.5.08(b). Pursuant to Rule 5.5(d)(5)(ii), strike price intervals for Short Term Option Series may be $0.50 or greater for classes that trade in $1 strike price intervals for non-Short Term Option series. The Exchange is taking this opportunity to harmonize Rule 5.5(d)(5)(ii) with Rule 5.5(d)(5)(i) and (iii) by adding the phrase "or greater." This proposed change is non-substantive.

8 CBOE may open for trading on any Thursday or Friday that is a business day series of options on that class that expire at the close of business on each of the next five Fridays that are business days and are not Fridays in which monthly options series or Quarterly Options Series expire ("Short Term Option Expiration Dates"). See Rule 5.5(d).

9 See Rule 5.5(d)(1).

and to reduce the premium cost of buying protection. The Exchange seeks to introduce Wednesday SPY Expirations to, among other things, expand hedging tools available to market participants and to continue the reduction of the premium cost of buying protection. The Exchange believes that Wednesday expirations, similar to Friday expirations, would allow market participants to purchase an option based on their timing as needed and allow them to tailor their investment and hedging needs more effectively.

The Exchange is also proposing to amend Rule 1.1(bbb), which sets forth the definition of Short Term Option Series. The definition set forth in Rule 1.1(bbb) is redundant to the terms for Short Term Option Series set forth in Rule 5.5. As a result, the Exchange believes that amending Rule 1.1(bbb) by including an internal cross reference to Rule 5.5(d) and by deleting redundant language would result in a less bulky definition and would make the Rulebook more user friendly.

The Exchange is taking this opportunity to amend Rule 5.5(d) with respect to Exchange closures on Fridays that would otherwise be eligible as Short Term Option Expiration Dates. Specifically, the Exchange is cleaning up outdated language that previously tied listings to Fridays in the following business week, i.e., "if the Exchange is not open for business on the Friday of the following business week…." Since Short Term Option Series may be listed out over five consecutive Fridays, the existing language is unnecessarily restrictive. Also, this proposed change harmonizes the Exchange's rule text with existing BOX rule text, i.e., "if the [Exchange] is not open for business on a Friday…"

The Exchange proposes to add the new rule text language regarding Wednesday SPY Expirations at the beginning of Rule 5.5(d), before the provisions governing classes, expiration, initial series, additional series, strike interval and delisting. The Exchange believes that placement of Wednesday SPY Expirations at the start of Rule 5.5(d) would make it apparent that the rest of Rule 5.5(d) applies to Wednesday SPY Expirations. To make this point clear, the Exchange proposes to add the sentence, "References to 'Short Term Option Series' below shall be read to include 'Wednesday SPY Expirations,' except where indicated otherwise[ ]" before the Arabic numbered paragraphs set forth in Rule 5.5(d).

The Exchange believes that the introduction of Wednesday SPY Expirations would provide investors with a flexible and valuable tool to manage risk exposure, minimize capital outlays, and be more responsive to the timing of events affecting the industry.

(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.[10] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[11] 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.

---

[10] 15 U.S.C. 78f(b).
[11] 15 U.S.C. 78f(b)(5).

In particular, the Exchange believes the Short Term Option Series Program has been successful to date and that Wednesday SPY Expirations simply expand the ability of investors to hedge risk against market movements stemming from economic releases or market events that occur throughout the month in the same way that the Short Term Option Series Program has expanded the landscape of hedging. Similarly, the Exchange believes Wednesday SPY Expirations should create greater trading and hedging opportunities and flexibility, and provide customers with the ability to more closely tailor their investment objectives. The Exchange believes that allowing Wednesday SPY Expirations and monthly SPY expirations in the same week would benefit investors and minimize investor confusion by providing Wednesday SPY Expirations in a continuous and uniform manner.

In addition to the substantive proposal to permit Wednesday SPY Expirations, the Exchange is proposing to make two technical changes to the text of Rule 5.5(d). One proposed change is grammatical and the other is a cleanup change that would benefit investors because CBOE's Rulebook would have parallel structure and would be more user friendly.

The Exchange represents that it has an adequate surveillance program in place to detect manipulative trading in Wednesday SPY Expirations in the same way it monitors trading in the current Short Term Option Series. Finally, the Exchange also represents that it has the necessary systems capacity to support the new options series.

Item 4. <u>Self-Regulatory Organization's Statement on Burden on Competition</u>

CBOE does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that it currently trades Wednesday expirations for certain broad-based index options. As a result, having Wednesday expirations is not a novel proposal. Additionally, the current rule change is being proposed as a competitive response to a recently approved BOX filing. CBOE believes this proposed rule change is necessary to ensure fair competition among the options exchanges. Also, the Exchange does not believe the proposal would impose any burden on intramarket competition, as all market participants would be treated in the same manner as they are with respect to existing Short Term Option Series. Additionally, the Exchange does not believe the proposal would impose any burden on intermarket competition, as nothing prevents the other options exchanges from proposing similar rules to those that the Exchange is currently proposing.

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[12] and Rule 19b-4(f)(6)[13] 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

---

[12] 15 U.S.C. 78s(b)(3)(A).
[13] 17 CFR 240.19b-4(f)(6).

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 is substantially similar in all material respects to a recently approved BOX filing.[14] As a result, the Exchange believes that this current filing does not raise any new or novel issues.[15] Additionally, the Exchange believes this proposed rule change is necessary to permit fair competition among the options exchanges.

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. Because the Exchange is seeking to amend its rules to list and trade

---

14 See supra note 1.

15 Also, the technical changes are non-controversial because they are not novel and present no new issues.

the exact same Wednesday SPY Expirations as approved in the BOX filing, waiver of the operative delay is consistent with the protection of investors and the public interest. This is because it would encourage fair competition among exchanges by allowing CBOE to compete effectively with BOX by having the ability to list and trade the same Wednesday SPY Expirations that BOX is able to list and trade.

(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 substantially similar to in all material respects to the recently approved BOX filing, SR-BOX-2016-028.[16]

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. Form of Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 5. Proposed Rule Text.

---

[16] See supra note 1.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-   ; File No. SR-CBOE-2016-062)

Dated: ________________

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Expand the Short Term Option Series Program to Allow Wednesday Expirations for SPY Options

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 ___________________, 2016, Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") 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[3] 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 proposes to expand the Short Term Option Series Program to allow Wednesday expirations for SPDR S&P 500 ETF Trust ("SPY") options. The text of the proposed rule change is 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.

---

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

The Exchange proposes to expand the Short Term Option Series Program outlined in Rule 5.5(d) to allow the listing and trading of SPY options with Wednesday expirations. This is a competitive filing based on a filing submitted by the BOX Options Exchange, LLC ("BOX"), which the Commission recently approved.[5]

Currently, under the Short Term Option Series Program, which was made permanent in 2009,[6] the Exchange may open for trading on any Thursday or Friday that is a business day series of options on that class that expire on each of the next five Fridays, provided that such Friday is not a Friday in which monthly options series or Quarterly Options Series expire ("Short Term Option Series"). The Exchange is now proposing to amend Rule 5.5(d) to permit the listing of SPY options expiring on Wednesdays. Specifically, CBOE is proposing that it may open for trading on any Tuesday or Wednesday that is a business day, series of SPY options that expire on any Wednesday of the month that is a business day and is not a Wednesday on which Quarterly Options Series expire ("Wednesday SPY

---

5 See Securities Exchange Act Release No. 78668 (August 24, 2016) (order approving SR-BOX-2016-028).

6 See Securities Exchange Act Release No. 59824 (April 27, 2009), 74 FR 20518 (May 4, 2009) (SR-CBOE-2009-018).

Expirations").[7] The proposed Wednesday SPY Expiration series would be similar to the current Short Term Option Series, with certain exceptions, as explained in greater detailed below. The Exchange notes that Wednesday expirations are not a novel proposal. Specifically, the U.S. Securities and Exchange Commission ("Commission") approved a CBOE proposal to list Wednesday expirations for broad-based indexes.[8] Additionally, BOX recently received approval to list Wednesday SPY Expirations.[9]

In regards to Wednesday SPY Expirations, the Exchange is proposing to remove the current restriction preventing CBOE from listing Short Term Option Series that expire in the same week in which monthly option series in the same class expire. Specifically, the Exchange would be allowed to list Wednesday SPY Expirations in the same week in which monthly option series in SPY expire. The current restriction to prohibit the expiration of monthly and Short Term Option Series from expiring on the same trading day is reasonable to avoid investor confusion. This confusion would not apply with Wednesday SPY Expirations and standard monthly options because they would not expire on the same trading day, as standard monthly options do not expire on Wednesdays. Additionally, it would lead to investor confusion if Wednesday SPY Expirations were not listed for one week every month because there was a monthly SPY expiration on the Friday of that week. The existing restriction that a Short Term Option Series may not expire on the same day that a Quarterly Option Series expires would apply to Wednesday SPY Expirations.

Under the proposal, CBOE may open for trading on any Tuesday or Wednesday that is a business day, series of SPY options that expire at the close of business on each of the

---

7 See proposed amendment to Rule 5.5(d).

8 See Securities Exchange Act Release No. 76909 (January 14, 2016), 81 FR 3512 (January 21, 2016) (Order approving SR-CBOE-2015-106).

9 See supra note 5.

next five Wednesdays that are business days and are not Wednesdays on which Quarterly Options Series expire. The Exchange may have no more than a total of five Wednesday SPY Expirations listed. This is similar to the listing procedures for Short Term Option Series that expire on Fridays. If the Exchange is not open for business on the respective Tuesday or Wednesday, the Wednesday SPY Expiration Opening Date will be the first business day immediately prior to that respective Tuesday or Wednesday. Similarly, if the Exchange is not open for business on a Wednesday, the expiration date for a Wednesday SPY Expiration will be the first business day immediately prior to that Wednesday. This is also similar to the procedures for Short Term Option Series that expire on Fridays.

The Exchange is also proposing to clarify that the five expirations limit in the current Short Term Option Series Program Rule would not include any Wednesday SPY Expirations and vice versa.[10] This means, under the proposal, the Exchange would be allowed to list five Short Term Option Series expirations for SPY expiring on Friday under the current rule and five Wednesday SPY Expirations. The interval between strike prices for the proposed Wednesday SPY Expirations would be the same as those for the current Short Term Option Series. Specifically, the Wednesday SPY Expirations would have $0.50 strike intervals.[11]

---

10 Specifically, the Exchange proposes to add the following new text to Rule 5.5(d) in relevant places, "Wednesday SPY Expirations (described in the paragraph below) are not included as part of this count [ ]" and "Non-Wednesday SPY Expirations (described in the paragraph above) are not included as part of this count."

11 This is because SPY options have $1 strike price intervals for non-Short Term Option series. See Rule 5.5.08(b). Pursuant to Rule 5.5(d)(5)(ii), strike price intervals for Short Term Option Series may be $0.50 or greater for classes that trade in $1 strike price intervals for non-Short Term Option series. The Exchange is taking this opportunity to harmonize Rule 5.5(d)(5)(ii) with Rule 5.5(d)(5)(i) and (iii) by adding the phrase "or greater." This proposed change is non-substantive.

Currently, for each Short Term Option Expiration Date,[12] the Exchange is limited to opening thirty (30) series for each expiration date for the specific class. The thirty (30) series restriction does not include series that are opened by other securities exchanges under their respective short term option rules; CBOE may list these additional series that are listed by other exchanges.[13] The thirty (30) series restriction would apply to Wednesday SPY Expiration series as well. In addition, the Exchange would be able to list series that are listed by other exchanges, assuming they file similar rules with the Commission to list SPY options expiring on Wednesdays.

As is the case with current Short Term Option Series, the Wednesday SPY Expiration series would be P.M.-settled. The Exchange does not believe that any market disruptions would be encountered with the introduction of P.M.-settled Wednesday SPY Expirations. The Exchange currently trades P.M.-settled Short Term Option Series that expire almost every Friday, which provide market participants a tool to hedge special events and to reduce the premium cost of buying protection. The Exchange seeks to introduce Wednesday SPY Expirations to, among other things, expand hedging tools available to market participants and to continue the reduction of the premium cost of buying protection. The Exchange believes that Wednesday expirations, similar to Friday expirations, would allow market participants to purchase an option based on their timing as needed and allow them to tailor their investment and hedging needs more effectively.

The Exchange is also proposing to amend Rule 1.1(bbb), which sets forth the definition of Short Term Option Series. The definition set forth in Rule 1.1(bbb) is

---

[12] CBOE may open for trading on any Thursday or Friday that is a business day series of options on that class that expire at the close of business on each of the next five Fridays that are business days and are not Fridays in which monthly options series or Quarterly Options Series expire ("Short Term Option Expiration Dates"). See Rule 5.5(d).

[13] See Rule 5.5(d)(1).

redundant to the terms for Short Term Option Series set forth in Rule 5.5. As a result, the Exchange believes that amending Rule 1.1(bbb) by including an internal cross reference to Rule 5.5(d) and by deleting redundant language would result in a less bulky definition and would make the Rulebook more user friendly.

The Exchange is taking this opportunity to amend Rule 5.5(d) with respect to Exchange closures on Fridays that would otherwise be eligible as Short Term Option Expiration Dates. Specifically, the Exchange is cleaning up outdated language that previously tied listings to Fridays in the following business week, i.e., "if the Exchange is not open for business on the Friday of the following business week…." Since Short Term Option Series may be listed out over five consecutive Fridays, the existing language is unnecessarily restrictive. Also, this proposed change harmonizes the Exchange's rule text with existing BOX rule text, i.e., "if the [Exchange] is not open for business on a Friday…"

The Exchange proposes to add the new rule text language regarding Wednesday SPY Expirations at the beginning of Rule 5.5(d), before the provisions governing classes, expiration, initial series, additional series, strike interval and delisting. The Exchange believes that placement of Wednesday SPY Expirations at the start of Rule 5.5(d) would make it apparent that the rest of Rule 5.5(d) applies to Wednesday SPY Expirations. To make this point clear, the Exchange proposes to add the sentence, "References to 'Short Term Option Series' below shall be read to include 'Wednesday SPY Expirations,' except where indicated otherwise[ ]" before the Arabic numbered paragraphs set forth in Rule 5.5(d).

The Exchange believes that the introduction of Wednesday SPY Expirations would provide investors with a flexible and valuable tool to manage risk exposure, minimize capital outlays, and be more responsive to the timing of events affecting the industry.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[14] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[15] 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.

In particular, the Exchange believes the Short Term Option Series Program has been successful to date and that Wednesday SPY Expirations simply expand the ability of investors to hedge risk against market movements stemming from economic releases or market events that occur throughout the month in the same way that the Short Term Option Series Program has expanded the landscape of hedging. Similarly, the Exchange believes Wednesday SPY Expirations should create greater trading and hedging opportunities and flexibility, and provide customers with the ability to more closely tailor their investment objectives. The Exchange believes that allowing Wednesday SPY Expirations and monthly SPY expirations in the same week would benefit investors and

---

[14] 15 U.S.C. 78f(b).

[15] 15 U.S.C. 78f(b)(5).

minimize investor confusion by providing Wednesday SPY Expirations in a continuous and uniform manner.

In addition to the substantive proposal to permit Wednesday SPY Expirations, the Exchange is proposing to make two technical changes to the text of Rule 5.5(d). One proposed change is grammatical and the other is a cleanup change that would benefit investors because CBOE's Rulebook would have parallel structure and would be more user friendly.

The Exchange represents that it has an adequate surveillance program in place to detect manipulative trading in Wednesday SPY Expirations in the same way it monitors trading in the current Short Term Option Series. Finally, the Exchange also represents that it has the necessary systems capacity to support the new options series.

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

CBOE does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that it currently trades Wednesday expirations for certain broad-based index options. As a result, having Wednesday expirations is not a novel proposal. Additionally, the current rule change is being proposed as a competitive response to a recently approved BOX filing. CBOE believes this proposed rule change is necessary to ensure fair competition among the options exchanges. Also, the Exchange does not believe the proposal would impose any burden on intramarket competition, as all market participants would be treated in the same manner as they are with respect to existing Short Term Option Series. Additionally, the Exchange does not believe the proposal would impose any burden on intermarket competition, as nothing prevents the other options exchanges from proposing similar rules to those that the Exchange is currently proposing.

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[16] and Rule 19b-4(f)(6)[17] 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

---

16 15 U.S.C. 78s(b)(3)(A).

17 17 CFR 240.19b-4(f)(6).

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-2016-062 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.

All submissions should refer to File Number SR-CBOE-2016-062. 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-2016-062 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.[18]

Secretary

18 17 CFR 200.30-3(a)(12).

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

* * * * *

Chicago Board Options Exchange, Incorporated
Rules

* * * * *

Rule 1.1. Definitions

When used in these Rules, unless the context otherwise requires:

(a) Any term defined in the Bylaws and not otherwise defined in this Chapter shall have the meaning assigned to such term in the Bylaws.

(b) – (aaa) No changes.

Short Term Option

(bbb) Short Term Option Series. A Short Term Option Series is a series in an option class that is approved for listing and trading on the Exchange in which the series is opened for trading pursuant to the Short Term Option Series Program provisions of Rule 5.5(d). [on any Friday that is a business day and that expires on the next Friday that is a business day. If a Friday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Friday.]

Remainder of Rule 1.1 – No changes

* * * * *

Rule 5.5. Series of Option Contracts Open for Trading

(a) – (c) No change.

(d) Short Term Option Series Program. After an option class has been approved for listing and trading on the Exchange, the Exchange may open for trading on any Thursday or Friday that is a business day ("Short Term Option Opening Date") series of options on that class that expire at the close of business on each of the next five Fridays that are business days and are not Fridays [i]on which monthly options series or Quarterly Options Series expire ("Short Term Option Expiration Dates"). The Exchange may have no more than a total of five Short Term Option Expiration Dates. Wednesday SPY Expirations (described in the paragraph below) are not included as part of this count. If the Exchange is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if the Exchange is not open for business on [the] a Friday [of the following business week], the Short Term Option Expiration Date will be the first business day immediately prior to that Friday.

Wednesday SPY Expirations. The Exchange may open for trading on any Tuesday or Wednesday that is a business day ("Wednesday SPY Expiration Opening Date") series of options on the SPDR S&P 500 ETF Trust ("SPY") that expire at the close of business on each of the next five Wednesdays that are business days and are not Wednesdays on which Quarterly Options Series expire ("Wednesday SPY Expirations"). The Exchange may have no more than a total of five Wednesday SPY Expirations. Non-Wednesday SPY Expirations (described in the paragraph above) are not included as part of this count. If the Exchange is not open for business on the respective Tuesday or Wednesday, the Wednesday SPY Expiration Opening Date will be the first business day immediately prior to that respective Tuesday or Wednesday. Similarly, if the Exchange is not open for business on a Wednesday, the expiration date for a Wednesday SPY Expiration will be the first business day immediately prior to that Wednesday.

References to "Short Term Option Series" below shall be read to include "Wednesday SPY Expirations," except where indicated otherwise.

Regarding Short Term Option Series:

(1) Classes. The Exchange may select up to fifty currently listed option classes on which Short Term Option Series may be opened on any Short Term Option Opening Date. In addition to the fifty-option class restriction, the Exchange also may list Short Term Option Series on any option classes that are selected by other securities exchanges that employ a similar program under their respective rules. For each option class eligible for participation in the Short Term Option Series Program, the Exchange may open up to 30 Short Term Option Series for each expiration date in that class. The Exchange may also open Short Term Option Series that are opened by other securities exchanges in option classes selected by such exchanges under their respective short term option rules.

(2) Expiration. No Short Term Option Series (excluding Wednesday SPY Expirations) may expire in the same week in which monthly option series on the same class expire [or,] and, in the case of Quarterly Options Series, no Short Term Option Series may expire on an expiration that coincides with an expiration of Quarterly Option Series on the same class.

(3) Initial Series. The Exchange may open up to 20 initial series for each option class that participates in the Short Term Option Series Program. The strike price of each Short Term Option Series will be fixed at a price per share, with approximately the same number of strike prices being opened above and below the value of the underlying security at about the time that the Short Term Option Series are initially opened for trading on the Exchange (e.g., if seven series are initially opened, there will be at least three strike prices above and three strike prices below the value of the underlying security). Any strike prices listed by the Exchange shall

be reasonably close to the price of the underlying equity security (which underlying security price shall be determined in accordance with subparagraph (a)(i) of Rule 5.5A) and within the following parameters: (i) if the price of the underlying is less than or equal to $20, strike prices shall be not more than one hundred percent (100%) above or below the price of the underlying security; and (ii) if the price of the underlying security is greater than $20, strike prices shall be not more than fifty percent (50%) above or below the price of the underlying security.

(4) Additional Series. The Exchange may open up to 10 additional series for each option class that participates in the Short Term Option Series Program when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying security moves substantially from the exercise price or prices of the series already opened. Any additional strike prices listed by the Exchange shall be reasonably close to the price of the underlying equity security (which underlying security price shall be determined in accordance with subparagraph (a)(i) of Rule 5.5A) and within the following parameters: (i) if the price of the underlying is less than or equal to $20, additional strike prices shall be not more than one hundred percent (100%) above or below the price of the underlying security; and (ii) if the price of the underlying security is greater than $20, additional strike prices shall be not more than fifty percent (50%) above or below the price of the underlying security. The Exchange may also open additional strike prices of Short Term Option Series that are more than 50% above or below the current price of the underlying security (if the price is greater than $20); provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate or individual customers or their brokers. Market-Makers trading for their own account shall not be considered when determining customer interest under this provision. In the event that the underlying security has moved such that there are no series that are at least 10% above or below the current price of the underlying security and all existing series have open interest, the Exchange may list additional series, in excess of the thirty series per class limit set forth in Rule 5.5(d)(1), that are between 10% and 30% above or below the price of the underlying security. The opening of the new Short Term Option Series shall not affect the series of options of the same class previously opened. Notwithstanding any other provisions in this Rule 5.5, Short Term Option Series may be added up to and including on the Short Term Option Expiration Date for that options series.

(5) Strike Interval. The interval between strike prices on Short Term Option Series may be: (i) $0.50 or greater where the strike price is less than $100, and $1 or greater where the strike price is between $100 and $150 for all classes that participate in the Short Term Option Series Program; (ii) $0.50 or greater for classes that trade in one dollar increments in non-Short Term Options and that participate in the Short Term Option Series Program; or (iii) $2.50 or greater where the strike price is above $150. A non-Short Term Option that is on a class that has been selected to participate in the Short Term Option Series Program is referred to as a “Related non-Short Term Option.”

(6) Delisting. In the event that the underlying security has moved such that there are no series that are at least 10% above or below the current price of the underlying security, the Exchange will delist any series with no open interest in both the call and the put series having a: (i) strike higher than the highest price with open interest in the put and/or call series for a given expiration week; and (ii) strike lower than the lowest strike price with open interest in the put and/or the call series for a given expiration week.

Related non-Short Term Option series shall be opened during the month prior to expiration in the same manner as permitted in Rule 5.5(d) and in the same strike price intervals that are permitted in this Rule 5.5(d)(5).

Remainder of Rule 5.5 – No changes

* * * * *