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SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-79216; File No. SR-CHX-2016-16)

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change to Adopt the CHX Liquidity Taking Access Delay

November 1, 2016

On September 6, 2016, the Chicago Stock Exchange, Inc. (“CHX”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to adopt the CHX Liquidity Taking Access Delay. The proposed rule change was published for comment in the Federal Register on September 22, 2016.³ The Commission received thirteen comment letters on the proposed rule change⁴ and a response letter from the Exchange.⁵

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 78860 (September 16, 2016), 81 FR 65442.

⁴ See letters from: Douglas A. Cifu, Chief Executive Officer, Virtu Financial, dated September 21, 2016; R.T. Leuchtkafer, dated September 29, 2016; Adam Nunes, Head of Business Development, Hudson River Trading LLC, dated October 6, 2016; Beste Bidd, Trader, dated October 9, 2016; Joanna Mallers, Secretary, FIA Principal Traders Group, dated October 13, 2016; John L. Thornton, Co-Chair, Hal S. Scott, Director, and R. Glenn Hubbard, Co-Chair, Committee on Capital Markets Regulation, dated October 13, 2016; Adam C. Cooper, Senior Managing Director and Chief Legal Officer, Citadel Securities, dated October 13, 2016; Tyler Gellasch, Executive Director, Healthy Markets Association, dated October 13, 2016; Eric Budish, Professor of Economics, University of Chicago Booth School of Business, dated October 13, 2016; Elizabeth K. King, General Counsel and Corporate Secretary, New York Stock Exchange, dated October 14, 2016; James J. Angel, Associate Professor, McDonough School of Business, Georgetown University, dated October 16, 2016; Eric Swanson, EVP, General Counsel, and Secretary, Bats Global Markets, Inc., dated October 25, 2016; and Eric Pritchett, Chief Executive Officer, Potamus Trading LLC, dated October 26, 2016. All of the comment letters are available at: <https://www.sec.gov/comments/sr-chx-2016-16/chx201616.shtml>.

⁵ See letter from James Ongena, Executive Vice President and General Counsel, Chicago Stock Exchange, dated October 28, 2016.

Section 19(b)(2) of the Act⁶ provides that, within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is November 6, 2016. The Commission is extending this 45-day time period.

The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change and the comment letters. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,⁷ designates December 21, 2016, as the date by which the Commission shall

⁶ 15 U.S.C. 78s(b)(2).

⁷ Id.

either approve or disapprove or institute proceedings to determine whether to disapprove the proposed rule change (File Number SR-CHX-2016-16).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁸

Brent J. Fields
Secretary

⁸ 17 CFR 200.30-3(a)(31).

