



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82614; File No. SR-CboeBZX-2018-006]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rule 21.1, Definitions, to Adopt a New Time in Force and to Modify an Existing Time in Force Applicable to the Exchange's Equity Options Platform

February 1, 2018

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 January 25, 2018, Cboe BZX Exchange, Inc. (the "Exchange" or "BZX") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6)(iii) thereunder,⁴ which renders it effective upon filing with the Commission. 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6)(iii).

The Exchange filed a proposal to amend Rule 21.1 to adopt a new Time in Force and to modify an existing Time in Force applicable to the Exchange's equity options platform ("BZX Options").

The text of the proposed rule change is available at the Exchange's website at www.markets.cboe.com, at the principal office of the Exchange, 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 parts 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 propose to adopt a new Time in Force under Rule 21.1, Definitions. Specifically, the Exchange proposes to adopt the Time in Force of "Good Til Cancelled", or "GTC", which, as proposed shall mean, for an order so designated, that if after entry into the System, the order is not fully executed, the order (or the unexecuted portion thereof) shall remain available for potential display and/or execution unless cancelled by the entering party, or until the option expires, whichever comes first. The Exchange proposes to adopt the Time in Force of GTC in sub-paragraph (f)(4) of Rule 21.1, which is currently reserved. The proposed definition of GTC is based on and identical to Rule 21.1(f)(4) of the Exchange's affiliate, EDGX.

The Exchange also proposes to amend sub-paragraph (f)(1) of Exchange Rule 21.1, to modify the Good Til Day (or “GTD”) Time in Force. Currently, GTD orders are limited to the specific trading day on which they are entered, as the Exchange does not currently offer any orders that continue to remain on the Exchange for more than a single trading day (i.e., does not carry any orders overnight). Specifically, in connection with the adoption of the Time in Force of GTC, the Exchange proposes to modify the GTD Time in Force to also allow GTD orders to remain in effect past the day on which they were entered, and therefore proposes to remove language that refers to the time of expiration as needing to be “during such trading day”. In addition, to avoid confusion, the Exchange proposes to modify the name of the GTD Time in Force to “Good Til Date”, which is more reflective of a Time in Force that can last for more than one trading day.

The Exchange does not believe that offering GTD functionality that allows orders to remain with the Exchange for more than one trading day raises any issues that are not already present with GTC orders. In turn, GTC is a common time in force and is typically implemented to allow orders to remain for more than one trading day.⁵ The Exchange simply has not offered such functionality previously and therefore has had specific language reflecting that an expiration time must be during the trading day. The Exchange notes that EDGX recently filed to make the same change to its definition and functionality related to GTD.⁶ The Exchange also notes that a GTD modifier providing a Time in Force that could last more than one day has been

⁵ See, e.g., C2 Rule 6.10(d)(2).

⁶ See SR-CboeEDGX-2018-003, filed January 25, 2018, *available at*: https://markets.cboe.com/us/options/regulation/rule_filings/edgx/.

previously offered by at least one equities exchange not affiliated with the Exchange.⁷

⁷ See Securities Exchange Act Release No. 75497 (July 21, 2015), 80 FR 45022 (July 28, 2015) (SR-NYSEArca-2015-56) (notice of filing by NYSE Arca describing proposed changes in connection with migration of technology to new platform, including retirement of GTD modifier).

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act⁹ in particular, in that it 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.

The Exchange believes the proposed amendment will provide additional flexibility to Users that wish to enter an order that will last past the trading day on which it is entered by allowing such Users to either enter an order with the GTC Time in Force, without a specific expiration time, or to use the GTD Time in Force to set a specific expiration time on an order. As noted above, the Exchange proposes to adopt the GTC Time in Force in the near future, which will persist over multiple trading days unless cancelled, and believes that the Time in Force of GTD should similarly be able to persist over multiple trading days. The Exchange believes it could be confusing and inconsistent to offer a GTC Time in Force that can persist for longer than a single trading day and a GTD Time in Force, which commonly means “Good Til Date”, but that would have to expire no later than the end of the trading day on which it was entered. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

(B) Self-Regulatory Organization’s Statement on Burden on Competition

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that the proposal will promote consistency between the Exchange and its affiliated exchange, EDGX Options, by offering the GTC Time in Force. The proposed change to GTD is a minor update to an existing Time in Force, given the update to the Exchange's technology that will allow orders to persist for more than one trading day. The Exchange does not believe that the proposed changes will have any direct impact on competition. Thus, the Exchange does not believe that the proposal creates any significant impact on competition.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

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

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) 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)(iii) of the Act¹⁰ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹¹

¹⁰ 15 U.S.C. 78s(b)(3)(A)(iii).

¹¹ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's 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 Exchange has satisfied this requirement.

A proposed rule change filed under Rule 19b-4(f)(6)¹² normally does not become operative prior to 30 days after the date of the filing. However, Rule 19b-4(f)(6)(iii)¹³ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the Exchange may, as soon as possible, implement the proposed rule change. The Exchange notes that the proposal will promote consistency between the Exchange and its affiliated exchange, EDGX Options. The Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the operative delay and designates the proposed rule change as operative upon filing.¹⁴

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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV.

¹² 17 CFR 240.19b-4(f)(6).

¹³ 17 CFR 240.19b-4(f)(6)(iii).

¹⁴ For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act.

Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>);
or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CboeBZX-2018-006 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-CboeBZX-2018-006. 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, DC 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.

Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CboeBZX-2018-006 and should be submitted on or before **[INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

Eduardo A. Aleman,

Assistant Secretary.

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¹⁵ 17 CFR 200.30-3(a)(12).

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