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SECURITIES AND EXCHANGE COMMISSION
[Release No. 34-82875; File No. SR-CBOE-2018-022]

March 14, 2018

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rule 6.56, Compression Forums

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 March 8, 2018, 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 and II 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 Act³ 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

The Exchange proposes to amend Rule 6.56. The text of the proposed rule change is provided below.

(additions are italicized; deletions are [bracketed])

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Cboe Exchange, Inc.
Rules

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).

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Rule 6.56. Compression Forums

(a) Procedure.

(1) Prior to 4:30 p.m. Chicago time on the second to last business day of each calendar week; the second, third, and fourth to last business day of each calendar month; and the second, third, fourth, fifth, and sixth to last business day of each calendar quarter, in a manner and format determined by the Exchange, a Trading Permit Holder may provide the Exchange with a list of open SPX options positions that it would like to close through the compression forum for that calendar month ("compression-list positions"). Trading Permit Holders may also permit their Clearing Trading Permit Holders or the Clearing Corporation to submit a list of these positions to the Exchange on their behalf.

(2) Prior to the open of Regular Trading Hours on the last business day of each calendar week; each of the last three business days of each calendar month; and each of the last five business days of each calendar quarter, [second to last business day, and third to last business day of each calendar month,] the Exchange will make available to all Trading Permit Holders a list including the size of the offsetting compression-list positions (including all possible combinations of offsetting multi-leg positions) in each series (and multi-leg position) for which both long and short compression-list positions have been submitted to the Exchange ("compression-list positions file").

(3) – (5) No change.

(6) The Exchange will make available an open outcry "compression forum" in which all Trading Permit Holders may participate on the last business day of each calendar week, each of the last three business days of every calendar month, and each of the last five business days of every calendar quarter, at a location on the trading floor determined by the Exchange. The compression forum will be held for four (4) hours during Regular Trading Hours on the last business day of each calendar week, each of the last three business days of every calendar month, and each of the last five business days of every calendar quarter, unless [or three (3) hours if] any of those days is an abbreviated trading day, as[t times] determined by the Exchange, in which case the compression forum will be held for three (3) hours.

(b) – (c) (No change).

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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

The Exchange proposes to amend rule 6.56 (Compression Forums) to increase the number of compression forums that are held on the Exchange.

Currently, compression forums are held on each of the last three business days of every calendar month.⁵ In addition to holding compression forums on each of the last three business days of every calendar month, the Exchange seeks to hold compression forums on the last business day of every calendar week and each of the last five business days of every calendar quarter. In order to increase the frequency of compression forums the Exchange also proposes to increase the frequency with which TPHs submit compression-list positions to the Exchange and the frequency with which the Exchange generates the compression-list positions file. The Exchange notes that it is not proposing any modification to the type of information TPHs submit to the Exchange pursuant to Rule 6.56 nor modifying the manner by which the Exchange generates files and information pursuant to Rule 6.56. Rather, the Exchange is simply increasing the frequency with which TPHs may submit compression-list positions, the frequency with which the Exchange generates the

⁵ See Rule 6.56(a)(6).

compression-list positions file, and the number of compression forums that will be held on the Exchange. The Exchange believes that more frequent compression forums will further encourage the closing of positions, which, once closed, may serve to alleviate the capital requirement constraints on TPHs and improve overall market liquidity by freeing capital currently tied up in certain SPX positions.

The Exchange proposes to implement this rule change on March 22, 2018, in order to allow a compression forum to be held on March 23rd and each of the last five business days of March.

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

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

⁸ Id.

In particular, the proposed rule change will increase the number of compression forums that are held and thereby further encourage the closing of positions, which, in general, helps to protect investors and the public interest because closing positions via the compression process serves to alleviate the adverse impact of bank capital requirements.

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

Cboe Options 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 proposed change would encourage the closing of positions, which, once closed, may serve to alleviate the capital requirement constraints on TPHs and improve overall market liquidity by freeing capital currently tied up in certain SPX positions. The Exchange does not believe that the proposed rule changes will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed rule change applies only to the trading of SPX options, which are exclusively-listed on Cboe Options. To the extent that the proposed changes make the Exchange a more attractive marketplace for market participants at other exchanges, such market participants are eligible to participate through Cboe Options TPHs. Furthermore, participation in compression forums is completely voluntary and open to all TPHs.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act⁹ and Rule 19b-4(f)(6) thereunder.¹⁰ Because the proposed rule change does not: (i)

⁹ 15 U.S.C. 78s(b)(3)(A)(iii).

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, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(6)¹² thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)¹³ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹⁴ the Commission may 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 proposed rule change may become operative on March 22, 2018 to allow for the compression forum to be held on March 23, 2018, in addition to each of the last five business days of March as the calendar quarter ends. The Commission notes that the proposal is not modifying the information that TPHs submit or the information that the Exchange prepares, but rather adds a few additional days on which compression forums will be held and correspondingly increases as the number of opportunities for TPHs to submit positions and receive compression lists from the Exchange in connection with those compression forums. Therefore, the Commission believes that waiving the 30-day operative delay is consistent with

¹⁰ 17 CFR 240.19b-4(f)(6).

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 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.

¹³ 17 CFR 240.19b-4(f)(6).

¹⁴ 17 CFR 240.19b-4(f)(6)(iii).

the protection of investors and the public interest. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposal operative on March 22, 2018.¹⁵

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
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CBOE-2018-022 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-2018-022. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your

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

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-CBOE-2018-022 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.¹⁶

Eduardo A. Aleman,
Assistant

Secretary.

¹⁶ 17 CFR 200.30-3(a)(12).

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