

SBS Entity to make an application to the Commission to allow an associated person who is subject to a statutory disqualification to effect or be involved in effecting security-based swaps on the SBS Entity's behalf. Accordingly, the Commission is extending the temporary and limited exception from the requirements of Section 15F(b)(6) until the Registration Compliance Date.

As discussed in the Temporary Exemptions Order, the Commission does not believe that Section 29(b) of the Exchange Act would apply to the provisions of Title VII for which the Commission has taken the view that compliance will either be triggered by registration of a person or by adoption of final rules by the Commission, or for which the Commission has provided an exception or exemption in that order. For the avoidance of doubt and to avoid possible legal uncertainty or market disruption, the Temporary Exemptions Order granted a temporary exemption from Section 29(b) until such date as the Commission specifies.<sup>26</sup> The Commission believes that the exemption from Section 29(b) provided under the Temporary Exemptions Order with respect to Sections 3E(f) and 15F(b)(6) of the Exchange Act will continue to apply during the period of time covered by the extensions in this Order. However, to avoid any doubt or possible legal uncertainty regarding the continuing availability of the temporary exemption from Section 29(b) with respect to Sections 3E(f) and 15(b)(6), the Commission is exercising its authority under Section 36 of the Exchange Act to continue the exemption from Section 29(b) with respect to Sections 3E(f) and 15(b)(6) until the Registration Compliance Date.

#### IV. Conclusion

*It is hereby ordered*, pursuant to Section 36 of the Exchange Act, that SBS Entities are exempt from the requirements of Section 3E(f) of the Exchange Act until the Registration Compliance Date.

*It is hereby further ordered*, pursuant to Section 15F(b)(6) of the Exchange Act, that SBS Entities are temporarily excepted from the prohibition of Section 15F(b)(6) with respect to persons subject

to a statutory disqualification who were associated with an SBS Entity as of July 16, 2011, and who effect or are involved in effecting SB swaps on behalf of such SBS Entity until the Registration Compliance Date.

*It is hereby further ordered*, pursuant to Section 36 of the Exchange Act, that no SB swap contract entered into on or after July 16, 2011 shall be void or considered voidable by reason of Section 29(b) of the Exchange Act because any person that is a party to the contract violated Section 3E(f) of the Exchange Act prior to the Registration Compliance Date.

*It is hereby further ordered*, pursuant to Section 36 of the Exchange Act, that no SB swap contract entered into on or after July 16, 2011 shall be void or considered voidable by reason of Section 29(b) of the Exchange Act because any person that is a party to the contract violated Section 15F(b)(6) of the Exchange Act prior to the Registration Compliance.

By the Commission.

**Brent J. Fields,**  
*Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75914; File No. SR-CBOE-2015-079]

### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To List Two Additional Products During Extended Trading Hours

September 14, 2015.

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 September 10, 2015, 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 and II below, which Items have been prepared

by the Exchange. 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 list two additional products during extended trading hours ("ETH"). The text of the proposed rule change is provided below.

(additions are *italicized*; deletions are [bracketed])

\* \* \* \* \*

Chicago Board Options Exchange,  
Incorporated

Rules

\* \* \* \* \*

#### Rule 6.1A. Extended Trading Hours

(a)-(b) No change.

(c) *Eligibility.* The Exchange may designate as eligible for trading during Extended Trading Hours any exclusively listed index option designated for trading under Rules 24.2 and 24.9. The following options are approved for trading on the Exchange during Extended Trading Hours:

(i) Standard & Poor's 500 Stock Index (SPX)

(ii) CBOE Volatility Index® (VIX®)

(iii) *Standard & Poor's 500 Stock Index (P.M.-Settled) (SPXPM)*

(iv) *Mini-SPX Index (XSP)*

Any series in these classes that are expected to be open for trading during Regular Trading Hours will be open for trading during Extended Trading Hours on that same trading day (subject to Rules 6.2B and 24.13, Interpretation and Policy .03). FLEX options (pursuant to Chapters XXIVA and XXIVB) will not be eligible for trading during Extended Trading Hours.

(d) No change.

(e) *Market-Makers.*

(i) *Appointments.* A Market-Maker's appointment to a class during Regular Trading Hours does not apply during Extended Trading Hours. Market-Makers may request appointments for Extended Trading Hours in accordance with Rule 8.3 and this subparagraph (i). Notwithstanding Rule 8.3(c), a Market-Maker can create a Virtual Trading Crowd ("VTC") appointment, which confers the right to quote electronically during Extended Trading Hours in the appropriate number of classes selected from the Extended Trading Hours tier and related appointment costs as follows:

Tier	Classes	Appointment cost
Extended Trading Hours .....	<ul style="list-style-type: none"> <li>Options on the CBOE Volatility Index (VIX) .....</li> <li>Options on the Standard &amp; Poor's 500 (SPX) .....</li> <li><i>Options on the Standard &amp; Poor's 500 Stock Index (P.M.-Settled) (SPXPM) .....</i></li> <li><i>Options on the Mini-SPX Index (XSP) .....</i></li> </ul>	<ul style="list-style-type: none"> <li>[.5].4</li> <li>[.5].4</li> <li>.1</li> <li>.1</li> </ul>

<sup>26</sup> See Temporary Exemptions Order at 36305-06.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

Each Extended Trading Hours Trading Permit held by a Market-Maker has an appointment credit of 1.0. A Market-Maker may select for each Extended Trading Hours Trading Permit the Market-Maker holds any combination of Extended Trading Hours classes, whose aggregate appointment cost does not exceed 1.0.

(ii)–(iv) No change.

(f)–(k) No change.

\* \* \* \* \*

The text of the proposed rule change is also available on the Exchange's Web site (<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 March 2015, the Exchange launched Extended Trading Hours ("ETH") for options on the S&P 500 Index ("SPX") and CBOE Volatility Index® ("VIX"), two of the Exchange's exclusively listed options,<sup>3</sup> as alternatives for hedging and other investment purposes, particularly as a complementary investment tool to VIX futures.<sup>4</sup> Rule 6.1A(c) provides that the Exchange may designate as eligible for trading during ETH any exclusively listed index option designated for trading under Rules 24.2 and 24.9. In

response to customer demand for additional options to trade during ETH for similar purposes, the Exchange has designated Mini-SPX Index Options ("XSP") and p.m.-settled options on the Standard & Poor's 500 Stock Index ("SPXpm") to be eligible for trading during ETH. The proposed rule change amends Rule 6.1A(c) to add these two products to the list of products the Exchange has approved for trading on the Exchange during ETH. CBOE currently lists XSP and SPXpm options during Regular Trading Hours ("RTH"); the proposed rule change merely extends the hours during which these options will trade on the Exchange. The Exchange notes that the S&P 500 Stock Index underlies both of these options, as it does for SPX options, which currently trade during ETH. During ETH, XSP and SPXpm options would trade in accordance with Rule 6.1A as VIX and SPX options currently do.<sup>5</sup> The proposed rule change makes no changes to the trading rules applicable to ETH.

The Exchange lists SPXpm options and p.m.-settled XSP options pursuant to a pilot program.<sup>6</sup> Pursuant to the pilot program, CBOE submits annual reports to the Commission that contain analyses of volume, open interest and trading patterns, as well as interim reports that contain some of the information that is included in the annual reports. The Exchange will include in those annual and interim reports the applicable information regarding SPXpm and p.m.-settled XSP options that trade during ETH.

The Exchange also proposes to amend Rule 6.1A(e)(i) to change the current appointment cost for each of SPX and VIX from .5 to .4 and add an appointment cost of .1 for each of XSP and SPXpm. The Exchange believes these appointment costs are consistent with an analysis of various factors based on which the Exchange determines appointment costs, including competitive forces and trading volume. Because each ETH Trading Permit has an appointment credit of 1.0, a Market-Maker will continue to need to hold only one ETH Trading Permit if it wants to quote in all four products approved for trading during ETH.

<sup>5</sup> Rule 6.1A(a) states that all CBOE Rules apply to trading during ETH except as set forth in Rule 6.1A and for Rules that by their terms are inapplicable during ETH or where the context otherwise requires.

<sup>6</sup> See Securities Exchange Act Release No. 34–73338 (October 10, 2014), 79 FR 62502 (October 17, 2014) (SR–CBOE–2014–076) (notice of filing and immediate effectiveness of extension of pilot program to May 3, 2016).

#### 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.<sup>7</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>8</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>9</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes the proposed rule change will further improve the Exchange's marketplace for the benefit of investors. The listing of two additional products for trading during ETH will provide more hedging and other investment opportunities within the options trading industry that is consistent with the continued globalization of the securities markets. The proposed rule change also allows the Exchange to more effectively compete with exchanges located outside of the United States. The Exchange proposes to make two more products available during ETH in response to demand by investors to have access to these products outside of RTH. During ETH, XSP and SPXpm options would trade in accordance with Rule 6.1A as VIX and SPX options currently do. The proposed rule change makes no changes to the trading rules applicable to ETH; it merely approves for trading during ETH two products that already trade on the Exchange during RTH. Additionally, the S&P 500 index underlies both of these options, as it does for SPX options, which are currently approved for trading during ETH.

The Exchange believes the appointment costs for the four classes approved for trading during ETH are appropriate given various factors considered by the Exchange, including competitive forces and trading volume.

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

<sup>8</sup> 15 U.S.C. 78f(b)(5).

<sup>9</sup> *Id.*

<sup>3</sup> An "exclusively listed option" is an option that trades exclusively on an exchange because the exchange has an exclusive license to list and trade the option or has the proprietary rights in the interest underlying the option. An exclusively listed option is different than a "singly listed option," which is an option that is not an "exclusively listed option" but that is listed by one exchange and not by any other national securities exchange.

<sup>4</sup> See Securities Exchange Act Release No. 34–73704 (November 28, 2014), 79 FR 72044 (December 4, 2014) (SR–CBOE–2014–062) (order granting accelerated approval of proposed rule change to adopt Extended Trading Hours for SPX and VIX).

The Exchange believes that allowing ETH Market-Makers to trade all four available products during ETH while holding only one ETH Trading Permit may encourage Trading Permit Holders to become ETH Market-Makers, as they can quote in more classes for the same cost. Additionally, current ETH Market-Makers can obtain appointments in these two additional classes without having to obtain an additional ETH Trading Permit. This may increase liquidity and result in more competitive pricing in these products during ETH, which will promote just and equitable principles of trade and ultimately benefit investors. The proposed rule change does not result in unfair discrimination, as the appointment costs for these products during ETH will apply to all ETH Market-Makers.

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

CBOE 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. If CBOE lists XSP and SPXpm options for trading during ETH, all ETH Trading Permit Holders may trade these options during ETH. Additionally, non-ETH Trading Permit Holders may trade these options during ETH through a broker that is an ETH Trading Permit Holder. The proposed rule change is merely extending the trading hours of two products that currently trade on CBOE. The appointment costs for the four products approved for trading during ETH will apply to all ETH Market-Makers. Additionally, ETH Market-Makers will not need to obtain additional ETH Trading Permits to have appointments in the two additional products.

CBOE does not believe the proposed rule change will detriment market participants on other exchanges, as it relates to options listed solely on CBOE and to trading hours during which no other U.S. options exchange is currently open for trading. Market participants on other exchanges are welcome to become ETH Trading Permit Holders, or engage a broker that is an ETH Trading Permit Holder, and trade at CBOE if they determine that this proposed rule change has made CBOE more attractive or favorable.

CBOE believes that the proposed rule change will relieve any burden on, or otherwise promote, competition. As discussed above, listing two additional products for trading during ETH will provide more hedging and other investment opportunities within the options trading industry. The Exchange

also believes the proposed rule change could increase its competitive position outside of the United States by providing investors with an additional investment vehicles with respect to their global trading strategies during times that correspond with RTH outside of the United States. The Exchange proposes to make two more products available during ETH in response to demand by investors to have access to these products outside of RTH. Additionally, the Exchange believes the appointment costs for the four products available for trading during ETH, which allow ETH Market-Makers to have appointments in all four products with only one ETH Trading Permit, may increase liquidity and enhance competition in those products during those hours.

#### *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: (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, 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 Act<sup>10</sup> and Rule 19b-4(f)(6) thereunder.<sup>11</sup>

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative for 30 days after the date of filing. However, Rule 19b-4(f)(6)(iii) permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay to allow the proposed rule change to become effective immediately. In its proposal, the Exchange stated that its

proposal does not raise any new or unique issues, and only makes available for trading during ETH two additional exclusively-listed products that the Exchange currently lists and trades during RTH. In addition, the Exchange stated that the proposed changes to the appointment costs for these products is intended to allow Market-Makers to have appointments in all four ETH products without having to obtain an additional ETH Trading Permit. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest.<sup>12</sup> Among other things, the proposed rule change makes no changes to the trading rules applicable to ETH, and the Exchange states that XSP and SPXpm will trade during ETH in the same manner as VIX and SPX currently do during ETH. The Commission notes that the Exchange will include in its annual and interim reports to the Commission the applicable information regarding SPXpm and p.m.-settled XSP options that trade during ETH. Because the proposed rule change involves two exclusively-listed products that already trade during RTH, does not alter the trading rules applicable to ETH, and does not raise any novel or unique regulatory issues, the Commission designates the proposed rule change as operative upon filing.

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.

### **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 email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2015-079 on the subject line.

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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.

<sup>12</sup> 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).

*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-2015-079. This file number should be included on the subject line if email 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 Web site (<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 Web site 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; 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-2015-079 and should be submitted on or before October 9, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

**Brent J. Fields,**  
*Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-75908; File No. SR-CBOE-2015-026]

**Self-Regulatory Organizations;  
Chicago Board Options Exchange,  
Incorporated; Notice of Designation of  
a Longer Period for Commission  
Action on Proceedings To Determine  
Whether To Approve or Disapprove a  
Proposed Rule Change Relating to  
Rules 6.74A and 6.74B**

September 14, 2015.

On March 6, 2015, Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") filed with the Securities and Exchange Commission (the "Commission"), 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> a proposed rule change to amend its rules regarding the solicitation of Market-Makers as the contra party to an agency order entered into the Exchange's Automated Improvement Mechanism ("AIM") and Solicitation Auction Mechanism ("SAM") auctions. The proposed rule change was published for comment in the **Federal Register** on March 23, 2015.<sup>3</sup> On May 4, 2015, the Commission extended the time period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change, to June 21, 2015.<sup>4</sup> On June 18, 2015, the Commission instituted proceedings to determine whether to approve or disapprove the proposed rule change.<sup>5</sup> On July 21, 2015, the Commission received a letter from the Exchange responding to the Order Instituting Proceedings.<sup>6</sup> Subsequently, the Commission received one other comment letter on the proposed rule change.<sup>7</sup>

Section 19(b)(2) of the Act<sup>8</sup> provides that, after initiating disapproval proceedings, the Commission shall issue an order approving or disapproving the

proposed rule change not later than 180 days after the date of publication of notice of filing of the proposed rule change. The Commission may extend the period for issuing an order approving or disapproving the proposed rule change, however, by not more than 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination. In this case, the proposed rule change was published for notice and comment in the **Federal Register** on March 23, 2015.<sup>9</sup> September 19, 2015, is 180 days from that date, and November 18, 2015, is 240 days from that date.

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change so that it has sufficient time to consider the proposed rule change and the comment letters submitted in response to the Order Instituting Proceedings.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>10</sup> designates November 18, 2015 as the date by which the Commission shall either approve or disapprove the proposed rule change (File No. SR-CBOE-2015-026).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

**Brent J. Fields,**  
*Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-75913; File No. SR-CBOE-2015-076]

**Self-Regulatory Organizations;  
Chicago Board Options Exchange,  
Incorporated; Notice of Filing and  
Immediate Effectiveness of a Proposed  
Rule Change To Amend the Fees  
Schedule**

September 14, 2015.

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 September 1, 2015, Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") filed with the Securities and Exchange Commission (the "Commission") the proposed rule

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 74519 (March 17, 2015), 80 FR 15264 ("Notice").

<sup>4</sup> See Securities Exchange Act Release No. 74862 (May 4, 2015), 80 FR 26599 (May 8, 2015).

<sup>5</sup> See Securities Exchange Act Release No. 75245 (June 18, 2015), 80 FR 36386 (June 24, 2015) ("Order Instituting Proceedings").

<sup>6</sup> See Letter to Brent J. Fields, Secretary, Commission, from Kyle Edwards, Attorney, CBOE, dated July 21, 2015 ("CBOE Letter").

<sup>7</sup> See Letter to Brent J. Fields, Secretary, Commission, from Gavin Rowe, Senior Director, Dash Financial LLC, dated August 11, 2015 ("Dash Financial Letter").

<sup>8</sup> 15 U.S.C. 78s(b)(2).

<sup>9</sup> See *supra* note 3.

<sup>10</sup> 15 U.S.C. 78s(b)(2).

<sup>11</sup> 17 CFR 200.30-3(a)(57).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>13</sup> 17 CFR 200.30-3(a)(12).