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 - * 091
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)(2)
- 19b-4(f)(3)
- 19b-4(f)(4)
- 19b-4(f)(5)
- 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 amend Exchange Rules related to P.M.-settled options on the S&P 500 Index.

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 * Kyle   Last Name * Edwards

Title * Counsel

E-mail * edwards@cboe.com

Telephone * (312) 786-7304   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 12/16/2016

By Kyle Edwards

(Name *)

(Title *)

Counsel

edwards@cboe.com

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.

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. <u>Text of the Proposed Rule Change</u>

(a) Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") proposes to amend Exchange rules related to P.M.-settled options on the Standard & Poor's 500 Index. The text of the proposed rule change is provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

Item 2. <u>Procedures of the Self-Regulatory Organization</u>

(a) The Exchange's President (or designee) pursuant to delegated authority approved the proposed rule change on October, 11, 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 Kyle Edwards, (312) 786-7304, Chicago Board Options Exchange, Incorporated, 400 South LaSalle, Chicago, Illinois 60605.

Item 3. <u>Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change</u>

(a) <u>Purpose</u>

The Exchange seeks to amend Exchange rules related to P.M.-settled options on the Standard & Poor's 500 Index ("S&P 500 Index"). Specifically, the Exchange seeks to move third-Friday P.M.-settled options into the Hybrid 3.0 S&P 500 Index options class. This proposed rule change will facilitate a change to the trading symbol for P.M.-settled S&P 500 Index options that have standard third Friday-of-the-month ("third-Friday") expirations from "SPXPM" to "SPXW."

The Exchange lists A.M.-settled S&P 500 Index options that have standard third-Friday expirations.[1] The Exchange also lists P.M.-settled S&P 500 Index options that have standard third-Friday expirations.[2] Currently, third-Friday A.M.-settled S&P 500 Index options trading under the symbol "SPX" are included in the Hybrid 3.0 options class.[3] Also included in the Hybrid 3.0 options class are nonstandard P.M.-settled S&P 500 Index options trading under the symbol "SPXW," which may expire on Mondays, Wednesdays, Fridays (other than third-Friday-of-the-month), and the last trading day of the month.[4] While included in the Hybrid 3.0 class, the group of options trading under the symbol "SPXW" trade on the Hybrid Trading System.[5] Currently, third-Friday P.M.-settled S&P 500 Index options form a separate options class and trade under the symbol "SPXPM" on the Hybrid Trading System.[6]

The Exchange believes moving SPXPM into the SPX options class to trade under the SPXW symbol will have no adverse impact on the marketplace. In fact, the Exchange believes moving SPXPM into the SPX options class to trade under the SPXW symbol will have a positive impact on the marketplace and retail customers in particular. As previously noted, in addition to end-of-the-month expirations, SPXW options are P.M.-settled S&P 500 Index options that may expire on Mondays, Wednesdays, and Fridays (other than third-Friday-of-the-month) (i.e., nonstandard weekly expirations pursuant to Rule 24.9(e)). Trading P.M.-settled third-Friday expirations under the SPXW

---

1 See Rule 24.9(a)(4)(i) (identifying A.M.-settled S&P 500 Index options as being approved for trading on the Exchange).

2 See Rule 24.9.14 (authorizing the Exchange to list P.M.-settled S&P 500 options).

3 See Rule 8.3(c)(iii).

4 See Rule 24.9(e).

5 See Rule 8.14.01.

6 See Rule 8.3(c)(i) (identifying P.M.-settled third-Friday S&P options as a Tier AA Hybrid Options Class).

symbol will ensure market participants, particularly retail customers, have seamless access to P.M.-settled S&P 500 Index options expiring every Friday of the month. Currently, a user of SPXW options cannot roll an existing SPXW position that expires on a first or second Friday of a month into a SPXW position that expires on a third-Friday. Thus, for SPXW users, there is a gap in Friday expirations. Changing the SPXPM symbol to SPXW will remove the gap in Friday SPXW expirations and allow market participants, especially retail customers that are less likely to utilize both SPXPM and SPXW options to maintain exposure to Friday expirations, to have seamless access to P.M.-settled S&P 500 Index options expiring every Friday of the month.

In addition, offering seamless access to P.M.-settled S&P 500 Index options that expire every Friday of the month will allow market participants to submit complex orders with options series that expire on third-Fridays and other Friday expirations. Market participants may not submit complex orders that consist of SPXPM options series and SPXW options series because they are currently in separate classes.[7] Although market participants have the ability to submit separate orders to leg into a position with third-Friday and other Friday exposure, retail customers are less likely to leg into a position. Thus, changing the SPXPM symbol to SPXW will allow market participants, especially retail customers, to submit complex orders with options series that expire on third-Fridays and other Fridays.

As previously noted, the Exchange does not believe moving SPXPM into the SPX options class and changing the SPXPM symbol to SPXW will have any adverse impact

---

[7] The Exchange notes that Rule 24.19 provides a limited exception for the trading of Multi-Class Broad-Based Index Option Spread Orders in open outcry. See also Regulatory Circular RG15-152.

on market participants. Because SPXPM and SPXW options both trade on the Hybrid Trading System,[8] and Exchange Rules and systems treat SPXPM and SPXW the same in most respects, the Exchange expects a smooth transition of SPXPM series to the SPXW symbol. For example, the minimum increment applicable to both SPXPM and SPXW orders is the same.[9] Additionally, the allocation algorithm for both SPXPM and SPXW is currently price-time during Regular Trading Hours ("RTH"),[10] there is no Lead Market-Maker ("LMM")[11] appointed in SPXPM or SPXW during RTH, and the only firm appointed as the LMM in SPXPM during Extended Trading Hours ("ETH") is also an appointed LMM in SPXW (via the SPX options class appointment) during ETH.[12] The few differences between SPXPM and SPXW trading parameters are as follows:

- The allocation algorithm for opening rotations is pro-rata in SPXW and price-time in SPXPM;[13]
- The Exchange has activated the Automated Improvement Mechanism ("AIM") for SPXPM during RTH but not SPXW.[14] AIM is available for SPXPM and SPXW during ETH;[15]

---

8 See Rules 8.3(c)(i) (identifying P.M.-settled third-Friday S&P Index options as a Tier AA Hybrid Options Class) and 8.14.01 (allowing the Exchange to authorize a group of series of a class for trading on the Hybrid Trading System).

9 See Rule 6.42(1)-(4).

10 See Rule 6.45B(a)(i).

11 See Rule 8.15 (giving the Exchange the ability to appoint LMMs).

12 See CBOE Regulatory Circulars RG 14-134 and RG15-131.

13 See Rule 6.2B.04 (allowing the Exchange to determine the allocation algorithm for opening rotations on a class-by-class basis); see also Regulatory Circulars RG14-016 (setting forth the allocation method for SPXW, which, at the time, only applied to Regular Trading Hours as the Exchange did not yet offer Extended Trading Hours); RG13-012 (setting forth the allocation method for SPXPM, which, at the time, only applied to Regular Trading Hours as the Exchange did not yet offer Extended Trading Hours); RG15-029 (setting forth the allocation method for SPXW during Extended Trading Hours); and RG15-131 (setting forth the allocation method for SPXPM during Extended Trading Hours).

- During RTH the appointment cost for the SPXPM options class is .50, and the appointment cost for the SPX class is 1.0. However, all Market-Makers currently appointed in SPXPM during RTH are also appointed in SPX during RTH, which SPX appointment confers the right to trade A.M.-settled SPX options as well as P.M.-settled SPXW options.[16]
- During ETH the appointment cost for the SPXPM options class is .1, and the appointment cost for the SPX class is .4. However, all Market-Makers currently appointed in SPXPM during ETH are also appointed in SPX during ETH.
- Market-Makers are not allowed to enter orders to rest in the complex order book ("COB") for SPXW during RTH but are allowed during ETH whereas Market-Makers are allowed to enter orders to rest in the COB for SPXPM in both Regular and Extended Trading Hours.[17]

Position Limits/Reporting Requirements

---

14 See Rule 6.74A(a)(1) (providing that the Exchange determines the options classes that are eligible for AIM); see also Regulatory Circular sRG16-024 (providing that AIM will not be available in SPXW options during Regular Trading Hours) and RG13-012 (providing that AIM will be available for SPXPM, which, at the time, only applied to Regular Trading Hours as the Exchange did not yet offer Extended Trading Hours).

15 See Regulatory Circular RG16-049 (providing that AIM will be available in Extended Trading Hours for SPXW and SPXPM).

16 See Rule 8.3(c)(iii).

17 See Rule 6.53C(c)(i) (providing the Exchange with authority to determine which origin codes are eligible to be entered into the COB); see also Regulatory Circulars RG15-195 (identifying origin codes that are not allowed to rest in the SPXW COB during Regular and Extended Trading Hours); RG13-012 (identifying origin codes that are allowed for SPXPM, which, at the time, only applied to Regular Trading Hours as the Exchange did not yet offer Extended Trading Hours); and RG15-131 (identifying origin codes that are allowed to rest in the SPXPM COB during Extended Trading Hours).

In addition, since third-Friday P.M.-settled options trading under the SPXW symbol will be a new type of series under the SPX options class and not a new options class, all third-Friday P.M.-settled SPXW options will be aggregated together with all other standard expirations for applicable reporting and other requirements.[18]

Pilot Reports

Third-Friday P.M.-Settled S&P 500 Index options are listed on a pilot basis.[19] The pilot will continue under the same terms that established the pilot. As part of the pilot, the Exchange submits quarterly reports and annual reports that analyze the market impact and trading patterns of third-Friday P.M.-settled S&P 500 options. The reports will be modified to provide the same data and analysis for third-Friday P.M.-settled S&P 500 Index options trading under symbol SPXW that is currently submitted for third-Friday P.M.-settled S&P 500 Index options trading under symbol SPXPM.

2013 SPXPM Approval Order

The Exchange also proposes to correct the record with respect to the original approval to list SPXPM options on CBOE.[20] The Exchange's initial filing to list SPXPM on CBOE proposed "to move all P.M.-settled S&P 500 Index options series that are part of the SPXPM [*sic*] options class and that have an expiration on any day other than the third Friday of every month (e.g., Quarterly Index Options ("QIX"), End-of-Week

---

18 See e.g., Rule 4.13, Reports Related to Position Limits, and Interpretation and Policy .03 to Rule 24.4, which sets forth the reporting requirements for certain broad-based indexes that do not have position limits.

19 See Rule 24.9.14 and Securities Exchange Act Release No. 68457 (December 18, 2012), 77 FR 76135 (December 26, 2012) (SR-CBOE-2012-120).

20 See Securities Exchange Act Release No. 68888 (February 8, 2013), 78 FR 10668 (February 14, 2013) (SR-CBOE-2012-120) (Order approving SPXPM for trading on CBOE) ("Approval Order").

("EOW") series, etc.) to the SPXPM class."[21] First, noted in the previous sentence, the initial filing mistakenly proposed to move options series that were part of the SPXPM options class to the SPXPM options class, which has no meaning because if series are part of an options class they can't be moved to the same options class. Second, the Exchange's Amendment No. 3 to the rule filing sought to replace the above-quoted sentence with the following sentence:

> The Exchange does <u>not</u> propose to move any P.M.-settled S&P 500 Index options series that are part of the SPX options class and that have an expiration on any day other than the third Friday of every month (e.g., Quarterly Index Options ("QIX"), End-of-Week ("EOW") series, etc.) to the SPXPM class.

However, Footnote 5 of the Approval Order mistakenly indicated that pursuant to the Exchange's Amendment No. 3, any P.M.-settled S&P 500 Index options series that are part of the SPX options class and that have an expiration on any day other than the third Friday of every month will remain under the SPXPM class to avoid investor confusion. The Approval Order should have indicated that P.M.-settled S&P 500 Index options series that are part of the SPX options class and that have an expiration on any day other than the third Friday of every month will remain under the <u>SPX</u> class, not the SPXPM class. Notwithstanding the mistake in the Approval Order P.M.-settled S&P 500 Index options series that have an expiration on any day other than the third Friday of every month have been included in the SPX class; thus, this proposal simply corrects the record.

<u>Conforming Changes</u>

---

[21] <u>See</u> Securities Exchange Act Release No. 68457 (December 18, 2012), 77 FR 76135 (December 26, 2012) (SR-CBOE-2012-120).

In order to move the SPXPM class into the SPX class the Exchange is making conforming changes to CBOE Rules 6.1A, 6.42, 8.3, 24.4, 24.5, 24.6, 24.9, 24A.7, 24A.8, 24B.7, and 24B.8.

Implementation Date

The Exchange intends to change the SPXPM symbol to SPXW at some point in February 2017.[22] However, in the event that the Exchange determines to implement the change at a later date, the proposed rule text provides that current rule text provisions will remain in effect until a date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017, and on the date specified by the Exchange in a Regulatory Circular, the rule text provisions amended by this filing will be in effect.

(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.[23] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[24] 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

---

22 See RG16-132.
23 15 U.S.C. 78f(b).
24 15 U.S.C. 78f(b)(5).

the Section 6(b)(5)[25] 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 trading P.M.-settled third-Friday expirations under the SPXW symbol rather than the separate SPXPM symbol will ensure market participants, particularly retail customers, have seamless access to P.M.-settled S&P 500 Index options expiring every Friday of the month, which helps to remove impediments to and perfect the mechanism of a free and open market. The Exchange believes the proposed rule change will help to protect investors and the public interest by allowing market participants to enter options positions with the same underlying in one symbol that spans every Friday expiration in a month, thus providing a more efficient way to gain exposure and hedge risk.

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

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. The Exchange does not believe the rule change will impose a burden on intramarket competition because all market participants will continue to have access to P.M.-settled S&P 500 Index options expiring every Friday of the month and will be able to trade them under the SPXW symbol. The proposal will not impose a burden on intermarket competition because the options effected by this proposal are exclusive to CBOE. Additionally, the Exchange does not believe the proposal will impose any burden on intermarket competition as market participants on other exchanges are welcome to become Trading Permit Holders and trade at CBOE if they determine that this proposed rule change has made CBOE more attractive or favorable.

---

[25] <u>Id.</u>

Item 5. <u>Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others</u>

The Exchange neither solicited nor received comments on the proposed rule change.

Item 6. <u>Extension of Time Period for Commission Action</u>

CBOE does not consent to an extension of the time period for Securities and Exchange Commission (the "Commission") action on the proposed rule change specified in Section 19(b)(2) of the Act.[26]

Item 7. <u>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)</u>

Not applicable.

Item 8. <u>Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission</u>

The proposed rule change is not based on a rule either of another self-regulatory organization or of the Commission.

Item 9. <u>Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act</u>

Not applicable.

Item 10. <u>Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act</u>

Not applicable.

Item 11. <u>Exhibits</u>

<u>Exhibit 1</u>. Completed Notice of Proposed Rule Change for publication in the <u>Federal Register</u>.

<u>Exhibit 5</u>. Proposed rule text.

---

[26] 15 U.S.C. 78s(b)(2).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-CBOE-2016-091]

[Insert date]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing of a Proposed Rule Change Related to P.M.-Settled Options on the Standard & Poor's 500 Index

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 [insert date], 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 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 seeks to amend Exchange rules related to P.M.-settled options on the Standard & Poor's 500 Index.

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's Public Reference Room.

---

1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

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 seeks to amend Exchange rules related to P.M.-settled options on the Standard & Poor's 500 Index ("S&P 500 Index"). Specifically, the Exchange seeks to move third-Friday P.M.-settled options into the Hybrid 3.0 S&P 500 Index options class. This proposed rule change will facilitate a change to the trading symbol for P.M.-settled S&P 500 Index options that have standard third Friday-of-the-month ("third-Friday") expirations from "SPXPM" to "SPXW."

The Exchange lists A.M.-settled S&P 500 Index options that have standard third-Friday expirations.[3] The Exchange also lists P.M.-settled S&P 500 Index options that have standard third-Friday expirations.[4] Currently, third-Friday A.M.-settled S&P 500 Index options trading under the symbol "SPX" are included in the Hybrid 3.0 options class.[5] Also included in the Hybrid 3.0 options class are nonstandard P.M.-settled S&P 500 Index options trading under the symbol "SPXW," which may expire on Mondays, Wednesdays, Fridays (other than third-Friday-of-the-month), and the last trading day of

---

[3] See Rule 24.9(a)(4)(i) (identifying A.M.-settled S&P 500 Index options as being approved for trading on the Exchange).

[4] See Rule 24.9.14 (authorizing the Exchange to list P.M.-settled S&P 500 options).

[5] See Rule 8.3(c)(iii).

the month.[6] While included in the Hybrid 3.0 class, the group of options trading under the symbol "SPXW" trade on the Hybrid Trading System.[7] Currently, third-Friday P.M.-settled S&P 500 Index options form a separate options class and trade under the symbol "SPXPM" on the Hybrid Trading System.[8]

The Exchange believes moving SPXPM into the SPX options class to trade under the SPXW symbol will have no adverse impact on the marketplace. In fact, the Exchange believes moving SPXPM into the SPX options class to trade under the SPXW symbol will have a positive impact on the marketplace and retail customers in particular. As previously noted, in addition to end-of-the-month expirations, SPXW options are P.M.-settled S&P 500 Index options that may expire on Mondays, Wednesdays, and Fridays (other than third-Friday-of-the-month) (i.e., nonstandard weekly expirations pursuant to Rule 24.9(e)). Trading P.M.-settled third-Friday expirations under the SPXW symbol will ensure market participants, particularly retail customers, have seamless access to P.M.-settled S&P 500 Index options expiring every Friday of the month. Currently, a user of SPXW options cannot roll an existing SPXW position that expires on a first or second Friday of a month into a SPXW position that expires on a third-Friday. Thus, for SPXW users, there is a gap in Friday expirations. Changing the SPXPM symbol to SPXW will remove the gap in Friday SPXW expirations and allow market participants, especially retail customers that are less likely to utilize both SPXPM and SPXW options to maintain exposure to Friday expirations, to have seamless access to P.M.-settled S&P 500 Index options expiring every Friday of the month.

---

6 See Rule 24.9(e).

7 See Rule 8.14.01.

8 See Rule 8.3(c)(i) (identifying P.M.-settled third-Friday S&P options as a Tier AA Hybrid Options Class).

In addition, offering seamless access to P.M.-settled S&P 500 Index options that expire every Friday of the month will allow market participants to submit complex orders with options series that expire on third-Fridays and other Friday expirations. Market participants may not submit complex orders that consist of SPXPM options series and SPXW options series because they are currently in separate classes.[9] Although market participants have the ability to submit separate orders to leg into a position with third-Friday and other Friday exposure, retail customers are less likely to leg into a position. Thus, changing the SPXPM symbol to SPXW will allow market participants, especially retail customers, to submit complex orders with options series that expire on third-Fridays and other Fridays.

As previously noted, the Exchange does not believe moving SPXPM into the SPX options class and changing the SPXPM symbol to SPXW will have any adverse impact on market participants. Because SPXPM and SPXW options both trade on the Hybrid Trading System,[10] and Exchange Rules and systems treat SPXPM and SPXW the same in most respects, the Exchange expects a smooth transition of SPXPM series to the SPXW symbol. For example, the minimum increment applicable to both SPXPM and SPXW orders is the same.[11] Additionally, the allocation algorithm for both SPXPM and SPXW is currently price-time during Regular Trading Hours ("RTH"),[12] there is no Lead

---

9 The Exchange notes that Rule 24.19 provides a limited exception for the trading of Multi-Class Broad-Based Index Option Spread Orders in open outcry. See also Regulatory Circular RG15-152.

10 See Rules 8.3(c)(i) (identifying P.M.-settled third-Friday S&P Index options as a Tier AA Hybrid Options Class) and 8.14.01 (allowing the Exchange to authorize a group of series of a class for trading on the Hybrid Trading System).

11 See Rule 6.42(1)-(4).

12 See Rule 6.45B(a)(i).

Market-Maker ("LMM")[13] appointed in SPXPM or SPXW during RTH, and the only firm appointed as the LMM in SPXPM during Extended Trading Hours ("ETH") is also an appointed LMM in SPXW (via the SPX options class appointment) during ETH.[14] The few differences between SPXPM and SPXW trading parameters are as follows:

- The allocation algorithm for opening rotations is pro-rata in SPXW and price-time in SPXPM;[15]
- The Exchange has activated the Automated Improvement Mechanism ("AIM") for SPXPM during RTH but not SPXW.[16] AIM is available for SPXPM and SPXW during ETH;[17]
- During RTH the appointment cost for the SPXPM options class is .50, and the appointment cost for the SPX class is 1.0. However, all Market-Makers currently appointed in SPXPM during RTH are also appointed in SPX during

---

[13] See Rule 8.15 (giving the Exchange the ability to appoint LMMs).

[14] See CBOE Regulatory Circulars RG 14-134 and RG15-131.

[15] See Rule 6.2B.04 (allowing the Exchange to determine the allocation algorithm for opening rotations on a class-by-class basis); see also Regulatory Circulars RG14-016 (setting forth the allocation method for SPXW, which, at the time, only applied to Regular Trading Hours as the Exchange did not yet offer Extended Trading Hours); RG13-012 (setting forth the allocation method for SPXPM, which, at the time, only applied to Regular Trading Hours as the Exchange did not yet offer Extended Trading Hours); RG15-029 (setting forth the allocation method for SPXW during Extended Trading Hours); and RG15-131 (setting forth the allocation method for SPXPM during Extended Trading Hours).

[16] See Rule 6.74A(a)(1) (providing that the Exchange determines the options classes that are eligible for AIM); see also Regulatory Circular sRG16-024 (providing that AIM will not be available in SPXW options during Regular Trading Hours) and RG13-012 (providing that AIM will be available for SPXPM, which, at the time, only applied to Regular Trading Hours as the Exchange did not yet offer Extended Trading Hours).

[17] See Regulatory Circular RG16-049 (providing that AIM will be available in Extended Trading Hours for SPXW and SPXPM).

RTH, which SPX appointment confers the right to trade A.M.-settled SPX options as well as P.M.-settled SPXW options.[18]

- During ETH the appointment cost for the SPXPM options class is .1, and the appointment cost for the SPX class is .4. However, all Market-Makers currently appointed in SPXPM during ETH are also appointed in SPX during ETH.
- Market-Makers are not allowed to enter orders to rest in the complex order book ("COB") for SPXW during RTH but are allowed during ETH whereas Market-Makers are allowed to enter orders to rest in the COB for SPXPM in both Regular and Extended Trading Hours.[19]

Position Limits/Reporting Requirements

In addition, since third-Friday P.M.-settled options trading under the SPXW symbol will be a new type of series under the SPX options class and not a new options class, all third-Friday P.M.-settled SPXW options will be aggregated together with all other standard expirations for applicable reporting and other requirements.[20]

Pilot Reports

---

[18] See Rule 8.3(c)(iii).

[19] See Rule 6.53C(c)(i) (providing the Exchange with authority to determine which origin codes are eligible to be entered into the COB); see also Regulatory Circulars RG15-195 (identifying origin codes that are not allowed to rest in the SPXW COB during Regular and Extended Trading Hours); RG13-012 (identifying origin codes that are allowed for SPXPM, which, at the time, only applied to Regular Trading Hours as the Exchange did not yet offer Extended Trading Hours); and RG15-131 (identifying origin codes that are allowed to rest in the SPXPM COB during Extended Trading Hours).

[20] See e.g., Rule 4.13, Reports Related to Position Limits, and Interpretation and Policy .03 to Rule 24.4, which sets forth the reporting requirements for certain broad-based indexes that do not have position limits.

Third-Friday P.M.-Settled S&P 500 Index options are listed on a pilot basis.[21] The pilot will continue under the same terms that established the pilot. As part of the pilot, the Exchange submits quarterly reports and annual reports that analyze the market impact and trading patterns of third-Friday P.M.-settled S&P 500 options. The reports will be modified to provide the same data and analysis for third-Friday P.M.-settled S&P 500 Index options trading under symbol SPXW that is currently submitted for third-Friday P.M.-settled S&P 500 Index options trading under symbol SPXPM.

2013 SPXPM Approval Order

The Exchange also proposes to correct the record with respect to the original approval to list SPXPM options on CBOE.[22] The Exchange's initial filing to list SPXPM on CBOE proposed "to move all P.M.-settled S&P 500 Index options series that are part of the SPXPM [*sic*] options class and that have an expiration on any day other than the third Friday of every month (e.g., Quarterly Index Options ("QIX"), End-of-Week ("EOW") series, etc.) to the SPXPM class."[23] First, noted in the previous sentence, the initial filing mistakenly proposed to move options series that were part of the SPXPM options class to the SPXPM options class, which has no meaning because if series are part of an options class they can't be moved to the same options class. Second, the Exchange's Amendment No. 3 to the rule filing sought to replace the above-quoted sentence with the following sentence:

---

21 See Rule 24.9.14 and Securities Exchange Act Release No. 68457 (December 18, 2012), 77 FR 76135 (December 26, 2012) (SR-CBOE-2012-120).

22 See Securities Exchange Act Release No. 68888 (February 8, 2013), 78 FR 10668 (February 14, 2013) (SR-CBOE-2012-120) (Order approving SPXPM for trading on CBOE) ("Approval Order").

23 See Securities Exchange Act Release No. 68457 (December 18, 2012), 77 FR 76135 (December 26, 2012) (SR-CBOE-2012-120).

> The Exchange does <u>not</u> propose to move any P.M.-settled S&P 500 Index options series that are part of the SPX options class and that have an expiration on any day other than the third Friday of every month (e.g., Quarterly Index Options ("QIX"), End-of-Week ("EOW") series, etc.) to the SPXPM class.

However, Footnote 5 of the Approval Order mistakenly indicated that pursuant to the Exchange's Amendment No. 3, any P.M.-settled S&P 500 Index options series that are part of the SPX options class and that have an expiration on any day other than the third Friday of every month will remain under the SPXPM class to avoid investor confusion. The Approval Order should have indicated that P.M.-settled S&P 500 Index options series that are part of the SPX options class and that have an expiration on any day other than the third Friday of every month will remain under the <u>SPX</u> class, not the SPXPM class. Notwithstanding the mistake in the Approval Order P.M.-settled S&P 500 Index options series that have an expiration on any day other than the third Friday of every month have been included in the SPX class; thus, this proposal simply corrects the record.

<u>Conforming Changes</u>

In order to move the SPXPM class into the SPX class the Exchange is making conforming changes to CBOE Rules 6.1A, 6.42, 8.3, 24.4, 24.5, 24.6, 24.9, 24A.7, 24A.8, 24B.7, and 24B.8.

<u>Implementation Date</u>

The Exchange intends to change the SPXPM symbol to SPXW at some point in February 2017.[24] However, in the event that the Exchange determines to implement the

---

[24] <u>See</u> RG16-132.

change at a later date, the proposed rule text provides that current rule text provisions will remain in effect until a date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017, and on the date specified by the Exchange in a Regulatory Circular, the rule text provisions amended by this filing will be in effect.

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.[25] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[26] 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)[27] 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 trading P.M.-settled third-Friday expirations under the SPXW symbol rather than the separate SPXPM symbol will ensure market participants, particularly retail customers, have seamless access to P.M.-settled S&P 500 Index options expiring every Friday of the month, which helps to remove impediments to

[25] 15 U.S.C. 78f(b).
[26] 15 U.S.C. 78f(b)(5).
[27] Id.

and perfect the mechanism of a free and open market. The Exchange believes the proposed rule change will help to protect investors and the public interest by allowing market participants to enter options positions with the same underlying in one symbol that spans every Friday expiration in a month, thus providing a more efficient way to gain exposure and hedge risk.

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. The Exchange does not believe the rule change will impose a burden on intramarket competition because all market participants will continue to have access to P.M.-settled S&P 500 Index options expiring every Friday of the month and will be able to trade them under the SPXW symbol. The proposal will not impose a burden on intermarket competition because the options effected by this proposal are exclusive to CBOE. Additionally, the Exchange does not believe the proposal will impose any burden on intermarket competition as market participants on other exchanges are welcome to become Trading Permit Holders and trade at CBOE if they determine that this proposed rule change has made CBOE more attractive or favorable.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

A. by order approve or disapprove such proposed rule change, or

B. institute proceedings to determine whether the proposed rule change should be 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-2016-091 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-2016-091. 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-2016-091 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.[28]

Secretary

[28] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

(additions are underlined; 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:

The below provisions will remain in effect until a date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017:

(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)

On the date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017, the following provisions shall be in effect:

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

(ii) CBOE Volatility Index® (VIX®)

(iii) 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:

The below provisions will remain in effect until a date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017:

Tier	**Classes**	**Appointment Cost**
Extended Trading Hours	• Options on the CBOE Volatility Index (VIX)	.4
	• Options on the Standard & Poor's 500 (SPX)	.4
	• Options on the Standard & Poor's 500 Stock Index (P.M.-Settled) (SPXPM)	.1
	• Options on the Mini-SPX Index (XSP)	.1

On the date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017, the following provisions shall be in effect:

Tier	**Classes**	**Appointment Cost**
Extended Trading Hours	• Options on the CBOE Volatility Index (VIX)	.4
	• Options on the Standard & Poor's 500 (SPX)	.4

• Options on the Mini-SPX Index (XSP)	.1

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.

* * * * *

Rule 6.42. Minimum Increments for Bids and Offers

The Board of Directors may establish minimum increments for options traded on the Exchange. When the Board of Directors determines to change the minimum increments, the Exchange will designate such change as a stated policy, practice, or interpretation with respect to the administration of Rule 6.42 within the meaning of subparagraph (3)(A) of subsection 19(b) of the Exchange Act and will file a rule change for effectiveness upon filing with the Commission. Until such time as the Board of Directors makes a change to the minimum increments, the following minimum increments shall apply to options traded on the Exchange:

(1) – (3) No change.

(4) The below provisions will remain in effect until a date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017:

Except as provided in Rule 6.53C, bids and offers on complex orders, as defined in Interpretation and Policy .01 below, may be expressed in any net price increment (that may not be less than $0.01) that may be determined by the Exchange on a class-by-class basis and announced to the Trading Permit Holders via Regulatory Circular, regardless of the minimum increments otherwise appropriate to the individual legs of the order. Notwithstanding the foregoing sentence, bids and offers on complex orders in options on the S&P 500 Index (SPX), p.m.-settled S&P 500 Index (SPXPM) or on the S&P 100 Index (OEX and XEO), except for box/roll spreads, shall be expressed in decimal increments no smaller than $0.05 or in any increment, as determined by the Exchange on a class-by-class basis and announced to the Trading Permit Holders via Regulatory Circular. In addition:

On the date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017, the following provisions shall be in effect:

Except as provided in Rule 6.53C, bids and offers on complex orders, as defined in Interpretation and Policy .01 below, may be expressed in any net price increment (that may not be less than $0.01) that may be determined by the Exchange on a class-by-class basis and announced to the Trading Permit Holders via Regulatory Circular, regardless of the minimum increments otherwise appropriate to the individual legs of the order. Notwithstanding the foregoing sentence, bids and offers on complex orders in options on the S&P 500 Index (SPX) or on the S&P 100 Index (OEX and XEO), except for box/roll spreads, shall be expressed in decimal increments no smaller than $0.05 or in any increment, as determined by the Exchange on a class-by-class basis and announced to the Trading Permit Holders via Regulatory Circular. In addition:

(a) – (b) No change.

* * * * *

Rule 8.3. Appointment of Market-Makers
(a) – (b) No change.

(c) Market-Maker Appointments. Absent an exemption by the Exchange, an appointment of a Market-Maker confers the right to quote electronically and in open outcry in the Market-Maker's appointed classes during Regular Trading Hours as described below. Subject to paragraph (e) below, a Market-Maker may change its appointed classes upon advance notification to the Exchange in a form and manner prescribed by the Exchange.

(i) Hybrid Classes. Subject to paragraphs (c)(iv) and (e) below, a Market-Maker can create a Virtual Trading Crowd ("VTC") appointment, which confers the right to quote electronically during Regular Trading Hours in an appropriate number of Hybrid classes (as defined in Rule 1.1(aaa)) selected from "tiers" that have been structured according to trading volume statistics, except for the AA tier. All classes within a specific tier will be assigned an "appointment cost" depending upon its tier location. The following table sets forth the tiers and related appointment costs.

The below provisions will remain in effect until a date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017:

Tier	Hybrid Option Classes	Appointment Cost
AA	• Options on the CBOE Volatility Index (VIX)	.499
	• Options on the iShares Russell 2000 Index Fund (IWM)	.25
	• Options on the NASDAQ 100 Index (NDX)	.50
	• Options on the S&P 100 (OEX)	.40
	• Options on Standard & Poor's Depositary Receipts (SPY)	.25
	• Options on the Russell 2000 Index (RUT)	.50
	• Options on the S&P 100 (XEO)	.10
	• Morgan Stanley Retail Index Options (MVR)	.25
	• Options on the iPath S&P 500 VIX Short-Term Futures Index ETN	.10

	(VXX) • P.M.-Settled options on the Standard & Poor's 500 (SPXPM)	.50
A*	Hybrid Classes 1 - 60	.10
B*	Hybrid Classes 61 - 120	.05
C*	Hybrid Classes 121 - 345	.04
D*	Hybrid Classes 346 - 570	.02
E*	Hybrid Classes 571 - 999	.01
F*	All Remaining Hybrid Classes	.001

* Excludes Tier AA.

On the date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017, the following provisions shall be in effect:

Tier	**Hybrid Option Classes**	**Appointment Cost**
AA	• Options on the CBOE Volatility Index (VIX) • Options on the iShares Russell 2000 Index Fund (IWM) • Options on the NASDAQ 100 Index (NDX) • Options on the S&P 100 (OEX) • Options on Standard & Poor's Depositary Receipts (SPY) • Options on the Russell 2000 Index (RUT) • Options on the S&P 100 (XEO) • Morgan Stanley Retail Index Options (MVR) • Options on the iPath S&P 500 VIX Short-Term Futures Index ETN (VXX)	.499 .25 .50 .40 .25 .50 .10 .25 .10
A*	Hybrid Classes 1 - 60	.10
B*	Hybrid Classes 61 - 120	.05

C*	Hybrid Classes 121 - 345	.04
D*	Hybrid Classes 346 - 570	.02
E*	Hybrid Classes 571 - 999	.01
F*	All Remaining Hybrid Classes	.001

* Excludes Tier AA.

(ii) – (vi) No change.

(d) – (e) No change.

* * * * *

Rule 24.4. Position Limits for Broad-Based Index Options

(a) The below provisions will remain in effect until a date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017:

In determining compliance with Rule 4.11, there shall be no position limits for broad-based index option contracts (including reduced-value option contracts) on CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance, CBOE S&P 500 Three-Month Realized Volatility and on the BXM (1/10th value), DJX, OEX, XEO, NDX, RUT, VIX, VXN, VXD, VXST, S&P 500 Dividend Index, SPX and SPXPM classes. All other broad-based index option contracts shall be subject to a contract limitation fixed by the Exchange, which shall not be larger than the limits provided in the chart below.

On the date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017, the following provisions shall be in effect:

In determining compliance with Rule 4.11, there shall be no position limits for broad-based index option contracts (including reduced-value option contracts) on CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance, CBOE S&P 500 Three-Month Realized Volatility and on the BXM (1/10th value), DJX, OEX, XEO, NDX, RUT, VIX, VXN, VXD, VXST, S&P 500 Dividend Index, and SPX classes. All other broad-based index option contracts shall be subject to a contract limitation fixed by the Exchange, which shall not be larger than the limits provided in the chart below.

BROAD-BASED INDEX OPTION TYPE	STANDARD LIMIT (on the same side of the market)	RESTRICTIONS
Dow Jones Equity REIT Index	250,000 contracts	None
Lipper Analytical/Salomon Bros. Growth Fund Index Lipper Analytical/Salomon Bros. Growth and Income Fund Index	75,000 contracts	no more than 50,000 near-term
S&P 500/Barra Growth or Value	36,000 contracts in the aggregate	no more than 21,500 near-term
S&P SmallCap 600 GSTI Composite	100,000 contracts	no more than 60,000 near-term
Russell 1000 Russell 1000 Growth Russell 1000 Value Russell 2000 Growth Russell 2000 Value Russell 3000 Russell 3000 Growth Russell 3000 Value Russell Midcap Russell Midcap Growth Russell Midcap Value Russell Top 200 Index Russell Top 200 Growth Index Russell Top 200 Value Index Mexico 30 Index Germany 25 Morgan Stanley Multinational Company Index CBOE Euro 25 Index CBOE Asian 25 Index	50,000 contracts	no more than 30,000 near-term
Reduced Value NYSE Composite	45,000 contracts	no more than 25,000 near-term

CBOE Russell 2000 Volatility Index SM ("RVX SM")	50,000 contracts	no more than 30,000 near term
Other broad-based index	25,000 contracts	no more than 15,000 near-term

(b) – (e) No change.

. . . *Interpretations and Policies:*

.01 - .02 No change.

.03 Reporting Requirement

The below provisions will remain in effect until a date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017:

Each Trading Permit Holder (other than CBOE Market-Makers) or TPH organization that maintains a broad-based index option position on the same side of the market in excess of 100,000 contracts for OEX, XEO, NDX, RUT, VIX, VXN, VXD, VXST, S&P 500 Dividend Index, SPX, SPXPM, CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance or CBOE S&P 500 Three-Month Realized Volatility and 1 million contracts for BXM (1/10th value) and DJX, for its own account or for the account of a customer, shall report information as to whether the positions are hedged and provide documentation as to how such contracts are hedged, in the manner and form required by the Department of Market Regulation. In calculating the applicable contract-reporting amount, reduced-value contracts will be aggregated with full-value contracts and counted by the amount by which they equal a full-value contract (e.g., 10 XSP options equal 1 SPX full-value contract). The Exchange may specify other reporting requirements of this interpretation as well as the limit at which the reporting requirement may be triggered.

On the date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017, the following provisions shall be in effect:

Each Trading Permit Holder (other than CBOE Market-Makers) or TPH organization that maintains a broad-based index option position on the same side of the market in excess of 100,000 contracts for OEX, XEO, NDX, RUT, VIX, VXN, VXD, VXST, S&P 500 Dividend Index, SPX, CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance or CBOE S&P 500 Three-Month Realized Volatility and 1 million contracts for BXM (1/10th value) and DJX, for its own account or for the account of a customer, shall report information as to whether the positions are hedged and provide documentation as to how such contracts are hedged, in the manner and form required by the Department of Market Regulation. In calculating the applicable contract-reporting amount, reduced-value contracts will be aggregated with full-value contracts and counted by the amount by which they equal a full-value contract (e.g., 10 XSP options equal 1 SPX full-value contract). The Exchange may specify other reporting requirements of this interpretation as well as the limit at which the reporting requirement may be triggered.

.04 Margin and Clearing Firm Requirements

The below provisions will remain in effect until a date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017:

Whenever the Exchange determines, based on a report by the Department of Market Regulation or otherwise, that additional margin is warranted in light of the risks associated with an under-hedged BXM (1/10th value), SPX, SPXPM, OEX, XEO, NDX, RUT, DJX, VIX, VXN, VXD, VXST, S&P 500 Dividend Index, CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance or CBOE S&P 500 Three-Month Realized Volatility option position, the Exchange may consider imposing additional margin upon the account maintaining such under-hedged position pursuant to its authority under Exchange Rule 12.10. Additionally, it should be noted that the clearing firm carrying the account will be subject to capital charges under SEC Rule 15c3-1 to the extent of any margin deficiency resulting from the higher margin requirements.

On the date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017, the following provisions shall be in effect:

Whenever the Exchange determines, based on a report by the Department of Market Regulation or otherwise, that additional margin is warranted in light of the risks associated with an under-hedged BXM (1/10th value), SPX, OEX, XEO, NDX, RUT, DJX, VIX, VXN, VXD, VXST, S&P 500 Dividend Index, CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance or CBOE S&P 500 Three-Month Realized Volatility option position, the Exchange may consider imposing additional margin upon the account maintaining such under-hedged position pursuant to its authority under Exchange Rule 12.10. Additionally, it should be noted that the clearing firm carrying the account will be subject to capital charges under SEC Rule 15c3-1 to the extent of any margin deficiency resulting from the higher margin requirements.

.05 No change.

* * * * *

Rule 24.5. Exercise Limits

The below provisions will remain in effect until a date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017:

In determining compliance with Rule 4.12, exercise limits for index option contracts shall be equivalent to the position limits prescribed for option contracts with the nearest expiration date in Rule 24.4, 24.4A, or 24.4C. There shall be no exercise limits for broad-based index options (including reduced-value option contracts) on CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance, CBOE S&P 500 Three-Month Realized

Volatility and on the BXM (1/10th value), DJX, OEX, XEO, NDX, RUT, VIX, VXN, VXD, VXST, S&P 500 Dividend Index, SPX, or SPXPM.

On the date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017, the following provisions shall be in effect:

In determining compliance with Rule 4.12, exercise limits for index option contracts shall be equivalent to the position limits prescribed for option contracts with the nearest expiration date in Rule 24.4, 24.4A, or 24.4C. There shall be no exercise limits for broad-based index options (including reduced-value option contracts) on CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance, CBOE S&P 500 Three-Month Realized Volatility and on the BXM (1/10th value), DJX, OEX, XEO, NDX, RUT, VIX, VXN, VXD, VXST, S&P 500 Dividend Index, or SPX.

* * * * *

Rule 24.6. Days and Hours of Business
(a) – (b) No change.

. . . Interpretations and Policies:

.01 - .03 No change.

.04 The below provisions will remain in effect until a date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017:

On their last trading day, transactions in expiring PM-settled S&P 500 Index options (SPXPM) and P.M.-settled XSP options may be effected on the Exchange between the hours of 8:30 a.m. (Chicago time) and 3:00 pm (Chicago time).

On the date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017, the following provisions shall be in effect:

On their last trading day, transactions in expiring P.M.-settled S&P 500 Index options (P.M.-settled third Friday-of-the-month SPX options series) and P.M.-settled XSP options may be effected on the Exchange between the hours of 8:30 a.m. (Chicago time) and 3:00 pm (Chicago time).

* * * * *

Rule 24.9. Terms of Index Option Contracts
(a) General

(1) – (2) No change.

(3) *"European-Style Exercise"*. The following European-style index options, some of which are A.M.-settled as provided in paragraph (a)(4), are approved for trading on the Exchange:

The below provisions will remain in effect until a date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017:

(i) – (cv) No change.
(cvi) Standard & Poor's 500 Stock Index (P.M.-settled)
(cvii) – (cxiii) No change.

On the date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017, the following provisions shall be in effect:

(i) – (cv) No change.
(cvi) Reserved.
(cvii) – (cxiii) No change.

(4) – (6) No change.

(b) – (e) No change.

. . . Interpretations and Policies:

.01 - .13 No change.

.14 The below provisions will remain in effect until a date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017:

In addition to A.M.-settled Standard & Poor's 500 Stock Index options approved for trading on the Exchange pursuant to Rule 24.9, the Exchange may also list options on the S&P 500 Index whose exercise settlement value is derived from closing prices on the last trading day prior to expiration ("SPXPM "). The Exchange may also list options on the Mini-SPX Index ("XSP") whose exercise settlement value is derived from closing prices on the last trading day prior to expiration ("P.M.-settled"). SPXPM options and P.M.-settled XSP options will be listed for trading for a pilot period ending May 3, 2017.

On the date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017, the following provisions shall be in effect:

In addition to A.M.-settled Standard & Poor's 500 Stock Index options approved for trading on the Exchange pursuant to Rule 24.9, the Exchange may also list options on the S&P 500 Index whose exercise settlement value is derived from closing prices on the last trading day prior to expiration (P.M.-settled third Friday-of-the-month SPX options series). The Exchange may also list options on the Mini-SPX Index ("XSP") whose exercise settlement value is derived from closing prices on the last trading day prior to expiration ("P.M.-

settled"). P.M.-settled third Friday-of-the-month SPX options series and P.M.-settled XSP options will be listed for trading for a pilot period ending May 3, 2017.

* * * * *

Rule 24A.7. Position Limits and Reporting Requirements
(a) No change.

(b) The below provisions will remain in effect until a date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017:

Certain Broad-Based FLEX Index Options. There shall be no position limits for FLEX BXM (1/10th value), DJX, OEX, XEO, NDX, RUT, VIX, VXN, VXD, CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance, CBOE S&P 500 Three-Month Realized Volatility, S&P 500 Dividend Index, SPX or SPXPM option contracts (including reduced-value option contracts). However, each Trading Permit Holder or TPH organization (other than CBOE Market-Makers) that maintains a FLEX broad-based index option position on the same side of the market in excess of 100,000 contracts for OEX, XEO, NDX, RUT, S&P 500 Dividend Index, CBOE S&P 500 AM/PM Basis, SPX or SPXPM and 1 million contracts for BXM (1/10th value) and DJX, for its own account or for the account of a customer, shall report information as to whether the positions are hedged and provide documentation as to how such contracts are hedged, in the manner and form prescribed by the Exchange. In calculating the applicable contract-reporting amount, reduced-value contracts will be aggregated with full-value contracts and counted by the amount by which they equal a full- value contract (e.g., 10 XSP options equal 1 SPX full-value contract). The Exchange may specify other reporting requirements of this interpretation as well as the limit at which the reporting requirement may be triggered. In addition, whenever the Exchange determines that a higher margin is warranted in light of the risks associated with an under-hedged FLEX BXM (1/10th value), DJX, OEX, XEO, NDX, RUT, VIX, VXN, VXD, CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance, CBOE S&P 500 Three-Month Realized Volatility, S&P 500 Dividend Index, SPX or SPXPM option position, the Exchange may consider imposing additional margin upon the account maintaining such under-hedged position, pursuant to its authority under Exchange Rule 12.10. Additionally, it should be noted that the clearing firm carrying the account will be subject to capital charges under 15c3-1 under the Exchange Act to the extent of any margin deficiency resulting from the higher margin requirements.

On the date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017, the following provisions shall be in effect:

Certain Broad-Based FLEX Index Options. There shall be no position limits for FLEX BXM (1/10th value), DJX, OEX, XEO, NDX, RUT, VIX, VXN, VXD, CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance, CBOE S&P 500 Three-Month Realized Volatility, S&P 500 Dividend Index, or SPX option contracts (including reduced-value option contracts). However, each Trading Permit Holder or TPH organization (other than CBOE Market-Makers) that maintains a FLEX broad-based index option position on the same side of the market in excess of 100,000 contracts for OEX, XEO, NDX, RUT, S&P 500 Dividend Index, CBOE S&P 500 AM/PM Basis, or SPX and 1 million contracts for BXM (1/10th value) and DJX, for its own account or for the account of a customer, shall report information as to whether the positions are hedged and provide documentation as to how such contracts are hedged, in the manner and form prescribed by the Exchange. In calculating the applicable contract-reporting amount, reduced-value contracts will be aggregated with full-value contracts and counted by the amount by which they equal a full- value contract (e.g., 10 XSP options equal 1 SPX full-value contract). The Exchange may specify other reporting requirements of this interpretation as well as the limit at which the reporting requirement may be triggered. In addition, whenever the Exchange determines that a higher margin is warranted in light of the risks associated with an under-hedged FLEX BXM (1/10th value), DJX, OEX, XEO, NDX, RUT, VIX, VXN, VXD, CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance, CBOE S&P 500 Three-Month Realized Volatility, S&P 500 Dividend Index, or SPX option position, the Exchange may consider imposing additional margin upon the account maintaining such under-hedged position, pursuant to its authority under Exchange Rule 12.10. Additionally, it should be noted that the clearing firm carrying the account will be subject to capital charges under 15c3-1 under the Exchange Act to the extent of any margin deficiency resulting from the higher margin requirements.

(c) – (d) No change.

* * * * *

Rule 24A.8. Exercise Limits

(a) The below provisions will remain in effect until a date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017:

In determining compliance with Rules 4.12 and 24.5, exercise limits for FLEX Index and FLEX Individual Stock or ETF Based Volatility Index Options shall be equivalent to the FLEX position limits prescribed in Rule 24A.7. There shall be no exercise limits for broad-based FLEX Index Options (including reduced-value option contracts) on BXM (1/10th value), DJX, NDX, OEX, RUT, S&P 500 Dividend Index, SPX, SPXPM, VIX, VXN, VXD, CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance, CBOE S&P 500 Three-Month Realized Volatility and XEO.

On the date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017, the following provisions shall be in effect:

In determining compliance with Rules 4.12 and 24.5, exercise limits for FLEX Index and FLEX Individual Stock or ETF Based Volatility Index Options shall be equivalent to the FLEX position limits prescribed in Rule 24A.7. There shall be no exercise limits for broad-based FLEX Index Options (including reduced-value option contracts) on BXM (1/10th value), DJX, NDX, OEX, RUT, S&P 500 Dividend Index, SPX, VIX, VXN, VXD, CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance, CBOE S&P 500 Three-Month Realized Volatility and XEO.

(b) – (d) No change.

* * * * *

Rule 24B.7. Position Limits and Reporting Requirements
(a) No change.

(b) <u>The below provisions will remain in effect until a date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017:</u>

Certain Broad-Based FLEX Index Options. There shall be no position limits for FLEX BXM (1/10th value), DJX, NDX, OEX, RUT, S&P 500 Dividend Index, SPX, SPXPM, VIX, VXN, VXD, CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance, CBOE S&P 500 Three-Month Realized Volatility or XEO option contracts (including reduced-value option contracts). However, each Trading Permit Holder or TPH organization (other than a FLEX Market-Maker) that maintains a FLEX broad-based index option position on the same side of the market in excess of 100,000 contracts for NDX, OEX, RUT, S&P 500 Dividend Index, SPX, SPXPM, VIX, VXN, VXD, CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance, CBOE S&P 500 Three-Month Realized Volatility or XEO and 1 million contracts for BXM (1/10th value) and DJX, for its own account or for the account of a customer, shall report information as to whether the positions are hedged and provide documentation as to how such contracts are hedged, in the manner and form prescribed by the Exchange. In calculating the applicable contract-reporting amount, reduced-value contracts will be aggregated with full-value contracts and counted by the amount by which they equal a full-value contract (e.g ., 10 XSP options equal 1 SPX full-value contract). The Exchange may specify other reporting requirements of this interpretation as well as the limit at which the reporting requirement may be triggered. In addition, whenever the Exchange determines that a higher margin is warranted in light of the risks associated with an under-hedged FLEX BXM (1/10th value), DJX, NDX, OEX, RUT, S&P 500 Dividend Index, SPX, SPXPM, VIX, VXN, VXD, CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance, CBOE S&P 500 Three-Month Realized Volatility or XEO option &Pposition, the Exchange may consider imposing additional margin upon the account maintaining such under-hedged position, pursuant to its authority under Exchange Rule 12.10. Additionally, it should be noted that the clearing firm carrying the account will be subject to capital charges under Rule 15c3-1 under the Exchange Act to the extent of any margin deficiency resulting from the higher margin requirements.

<u>On the date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017, the following provisions shall be in effect:</u>

<u>Certain Broad-Based FLEX Index Options. There shall be no position limits for FLEX BXM (1/10th value), DJX, NDX, OEX, RUT, S&P 500 Dividend Index, SPX, VIX, VXN, VXD, CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance, CBOE S&P 500 Three-Month Realized Volatility or XEO option contracts (including reduced-value option contracts). However, each Trading Permit Holder or TPH organization</u>

(other than a FLEX Market-Maker) that maintains a FLEX broad-based index option position on the same side of the market in excess of 100,000 contracts for NDX, OEX, RUT, S&P 500 Dividend Index, SPX, VIX, VXN, VXD, CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance, CBOE S&P 500 Three-Month Realized Volatility or XEO and 1 million contracts for BXM (1/10th value) and DJX, for its own account or for the account of a customer, shall report information as to whether the positions are hedged and provide documentation as to how such contracts are hedged, in the manner and form prescribed by the Exchange. In calculating the applicable contract-reporting amount, reduced-value contracts will be aggregated with full-value contracts and counted by the amount by which they equal a full-value contract (e.g ., 10 XSP options equal 1 SPX full-value contract). The Exchange may specify other reporting requirements of this interpretation as well as the limit at which the reporting requirement may be triggered. In addition, whenever the Exchange determines that a higher margin is warranted in light of the risks associated with an under-hedged FLEX BXM (1/10th value), DJX, NDX, OEX, RUT, S&P 500 Dividend Index, SPX, VIX, VXN, VXD, CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance, CBOE S&P 500 Three-Month Realized Volatility or XEO option &Pposition, the Exchange may consider imposing additional margin upon the account maintaining such under-hedged position, pursuant to its authority under Exchange Rule 12.10. Additionally, it should be noted that the clearing firm carrying the account will be subject to capital charges under Rule 15c3-1 under the Exchange Act to the extent of any margin deficiency resulting from the higher margin requirements.

(c) – (d). No change.

* * * * *

Rule 24B.8. Exercise Limits

(a) The below provisions will remain in effect until a date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017:

In determining compliance with Rules 4.12 and 24.5, exercise limits for FLEX Index and FLEX Individual Stock or ETF Based Volatility Index Options shall be equivalent to the FLEX position limits prescribed in Rule 24B.7. There shall be no exercise limits for broad-based FLEX Index Options (including reduced-value option contracts) on BXM (1/10th value), DJX, NDX, OEX, RUT, S&P 500 Dividend Index, SPX, SPXPM, VIX, VXN, VXD, CBOE S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance, CBOE S&P 500 Three-Month Realized Volatility and XEO.

On the date specified by the Exchange in a Regulatory Circular, which date shall be no later than July 31, 2017, the following provisions shall be in effect:

In determining compliance with Rules 4.12 and 24.5, exercise limits for FLEX Index and FLEX Individual Stock or ETF Based Volatility Index Options shall be equivalent to the FLEX position limits prescribed in Rule 24B.7. There shall be no exercise limits for broad-based FLEX Index Options (including reduced-value option contracts) on BXM (1/10th value), DJX, NDX, OEX, RUT, S&P 500 Dividend Index, SPX, VIX, VXN, VXD, CBOE

<u>S&P 500 AM/PM Basis, CBOE S&P 500 Three-Month Realized Variance, CBOE S&P 500 Three-Month Realized Volatility and XEO.</u>

(b) – (d) No change.

* * * * *