

covered by units of the DIAMONDS Trust held in the same account.<sup>12</sup> CBOE notes, based on this previous guidance from the FRB and the Commission, and in conjunction with the Exchange's current rules, CBOE has applied this margin treatment to short index option positions where there are offsetting positions in an ETF that tracks the same underlying index held in the same margin account (which treatment the Exchange has announced in Regulatory Circulars).<sup>13</sup> CBOE believes the proposed rule change is consistent with these previous findings and applies this margin treatment generally to all ETFs and mutual funds that overly market indexes, in the same manner that the rules currently apply to underlying stock baskets. Given that the Exchange regularly lists new products, including index options, the Exchange believes it is appropriate to have a more general rule related to margin on these index option products that applies in the same manner rather than identifying this margin treatment in Regulatory Circulars.

### III. Discussion and Commission Findings

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>14</sup> Specifically, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,<sup>15</sup> which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and

manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest. Specifically, the Commission believes that providing for a specific margin treatment related to covered puts and calls to apply to all index options in the same manner will promote just and equitable principles of trade because stock baskets, ETFs and mutual funds that trade a reference index can generally provide the same economic function as a security underlying an option.

Finally, the Commission believes the non-substantive technical changes will benefit investors by offering more clarity with respect to the margin rules by providing for more consistent and plain English language in the rule.

### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>16</sup> that the proposed rule change (SR-CBOE-2015-077) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76468; SR-ISEGemini-2015-24]

### Self-Regulatory Organizations; ISE Gemini, LLC; Notice of Withdrawal of a Proposed Rule Change Relating to a Corporate Transaction Involving Its Indirect Parent

November 18, 2015.

On October 30, 2015, ISE Gemini, LLC (the "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend and restate certain corporate governance documents in connection with a proposal to remove Eurex Frankfurt AG as an indirect, non-U.S. upstream owner of the Exchange. The proposed rule change was published for

comment in the **Federal Register** on November 17, 2015.<sup>3</sup>

On November 13, 2015, the Exchange withdrew the proposed rule change (SR-ISEGemini-2015-24).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>4</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76466; File No. SR-C2-2015-031]

### Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Delivery of the Regulatory Element of C2's Continuing Education Program

November 18, 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 November 05, 2015, C2 Options Exchange, Incorporated (the "Exchange" or "C2") 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 the Substance of the Proposed Rule Change

The purpose of the proposed rule change is to expand on the Exchange's past representations made in SR-C2-2015-024<sup>3</sup> with respect to Continuing Education ("CE") Fees and Web-based delivery of the Regulatory Element of the Exchange's CE program. There are no proposed changes to the text of the Exchange's rules.

<sup>3</sup> See Securities Exchange Act Release No. 76416 (Nov. 10, 2015), 80 FR 71876.

<sup>4</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>3</sup> See Securities Exchange Act Release No. 76150 (October 14, 2015), 80 FR 63593 (October 20, 2015) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Fees Schedule) (SR-C2-2015-024).

<sup>12</sup> See Notice, *supra* note 3, at 60943. See Letter dated December 3, 1997 from James M. McNeil, Amex, to Scott Holz, FRB, and Letter dated January 8, 1998 from Scott Holz, FRB to James M. McNeil, Amex; see also Letter dated December 16, 1997 from Richard Lewandowski, CBOE, to Mr. Michael Walinskas, Commission. There was no objection from the FRB or the Commission to Amex's or CBOE's extension of the margin treatment previously provided to SPDRS to DIAMONDS.

<sup>13</sup> See Notice, *supra* note 3, at 60943. See also Regulatory Circulars RG99-09 (permitting SPDRS and DIAMONDS to cover short positions of options on the S&P 500 ("SPX options") and on the DJIA (DJX), respectively); RG00-171 (permitting units of iShares S&P 100 Index Fund to cover short positions of options on the S&P 100 Index (OEX)); RG01-119 (permitting Nasdaq-100 Index Tracking Shares to cover short positions of options on the Nasdaq-100 Shares (QQQ), the Nasdaq 100 Index (NDX) or the Mini-Nasdaq 100 Index (MNX)); RG02-110 (permitting units of the iShares S&P 500 Fund (IVV) to cover short SPX option positions); and RG07-126 (permitting units of the iShares Russell 2000 Index Fund (IWM) to cover short positions of options on the Russell 2000 index (RUT)).

<sup>14</sup> In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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

<sup>16</sup> 15 U.S.C. 78s(b)(2).

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

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

<sup>2</sup> 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 purpose of this filing is to correct certain statements in SR-C2-2015-024.<sup>4</sup> On October 2, 2015, the Exchange filed SR-C2-2015-024 to amend the Fees Schedule with respect to CE-related fees and, in particular, fees related to Web-based delivery of the Regulatory Element of the Exchange's CE program.<sup>5</sup> SR-C2-2015-024 was materially based upon changes to FINRA Rule 1250, which were approved by the Securities and Exchange Commission ("SEC" or "Commission") in SR-FINRA-2015-015.<sup>6</sup>

Notably, within the Purpose section of SR-C2-2015-024, the Exchange incorrectly stated that "[t]he Regulatory Element of these Continuing Education Programs [*i.e.* the S106 for Investment Company and Variable Contracts Representatives, the S201 for Registered Principals and Supervisors, and the S901 for Operations Professionals)] will continue to be offered at testing centers through January 4, 2016" and that "[p]ursuant to the Approval Order to SR-FINRA-2015-015, the fee for test-center delivery of the Regulatory Element of the S106, S201, and S901 Continuing Education Programs will continue to be \$100 per session through January 4, 2016 when the programs will no longer be offered at testing centers." According to SR-FINRA-2015-015, however, the Regulatory Element of the S106 for Investment Company and Variable Contracts Representatives, the

S201 for Registered Principals and Supervisors, and the S901 for Operations Professionals will continue to be offered at testing centers *until no later than six months after* January 4, 2016.<sup>7</sup> The Exchange therefore is submitting this filing for the purpose of correcting SR-C2-2015-024 and in an effort to avoid any confusion among Permit Holders as to how long the Regulatory Element of the S106 for Investment Company and Variable Contracts Representatives, the S201 for Registered Principals and Supervisors, and the S901 for Operations Professionals will continue to be offered at testing centers.

#### 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>8</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>9</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>10</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 that this filing will clarify its rules and help ensure that Permit Holders are not confused by discrepancies that existed between SR-C2-2015-024 and SR-FINRA-2015-015. The Exchange believes that clarity in the Rules is in the interests of Permit Holders and all investors and consistent with the Act.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not

necessary or appropriate in furtherance of the purposes of the Act. This filing relates generally to CE requirements required of all Permit Holders. In addition, the filing is merely a clarification of a previous filing already submitted by the Exchange. Accordingly, the Exchange does not believe that the proposed rule change will impose any burden on competition in the marketplace.

### 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 written 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, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>11</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>12</sup>

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing.<sup>13</sup> Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest.<sup>14</sup> The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange has stated that waiver of the operative delay is necessary in order to correct statements in a previous filing<sup>15</sup> and to avoid any potential confusion to investors. The Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest as it will allow C2 to update without delay its fee schedule to accurately reflect the timing by which FINRA will phase out offering the regulatory element of certain continuing education programs

<sup>4</sup> *Id.*

<sup>5</sup> *See id.*

<sup>6</sup> *See* Securities Exchange Act Release No. 75581 (July 31, 2015), 80 FR 47018 (August 6, 2015) (Order Approving a Proposed Rule Change to Provide a Web-based Delivery Method for Completing the Regulatory Element of the Continuing Education Requirements) (SR-FINRA-2015-015).

<sup>7</sup> According to SR-FINRA-2015-015, test-center delivery of the Regulatory Element will be phased out *by no later than six months after* January 4, 2016. *See id.*

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

<sup>9</sup> 15 U.S.C. 78f(b)(5).

<sup>10</sup> *Id.*

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>12</sup> 17 CFR 240.19b-4(f)(6).

<sup>13</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>14</sup> *Id.*

<sup>15</sup> *See* Securities Exchange Act Release No. 76150 (October 14, 2015), 80 FR 63593 (October 20, 2015) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Fees Schedule) (SR-C2-2015-024).

in person at testing centers. Since C2's proposed rule change is intended to correct an external reference that was the subject of a separate FINRA proposed rule change, the Commission believes it is in the public interest to correct and update the C2 fee schedule without delay. Accordingly, the Commission hereby waives the operative delay and designates the proposal operative upon filing.<sup>16</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

#### IV. 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-C2-2015-031 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-C2-2015-031. 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 such filing also will be available for inspection and copying at the principal offices 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-C2-2015-031, and should be submitted on or before December 15, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

**Robert W. Errett,**

*Deputy Secretary.*

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**BILLING CODE 8011-01-P**

#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76471; File No. SR-CBOE-2015-102]

#### **Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Administration of Livevol X License Agreements**

November 18, 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 November 13, 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, 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 the Substance of the Proposed Rule Change**

CBOE proposes to update the status of CBOE's administration of license agreements for Livevol X ("LVX").

#### **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**

On August 7, 2015, CBOE Livevol, LLC (formerly CBOE IV, LLC) ("CBOE Livevol") completed its acquisition of certain technology assets from the entity formerly known as Livevol, Inc. ("Livevol"), including LVX, a front-end order entry and management tool. CBOE had previously submitted a rule filing that, among other things, described the functionality of LVX and proposed applicable fees, which would become operative upon closing of the acquisition of assets from Livevol.<sup>3</sup> In that filing, CBOE stated that it expected CBOE Livevol to assume agreements between Livevol and its then-current LVX customers at the closing of the acquisitions. CBOE further stated that CBOE Livevol intended to prepare a form license agreement for LVX and, no later than three months following the closing of the acquisition,<sup>4</sup> ensure each customer executed the form agreement so that all LVX customers used the product pursuant to the same terms and conditions.<sup>5</sup>

CBOE has made significant progress over the last three months in the complicated process of integrating the acquired Livevol business into CBOE's business and is in the process of distributing its form license agreement to LVX users. However, as LVX has

<sup>16</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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

<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. 34-75302 (June 25, 2015), 80 FR 37685 (July 1, 2015) (SR-CBOE-2015-062).

<sup>4</sup> November 6, 2015 was the date three months following the closing of the acquisition.

<sup>5</sup> See *supra* note 3, at note 16.