SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–70091; File No. SR–CBOE–2013–073]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Change the Expiration Date For Most Option Contracts to the Third Friday of the Expiration Month Instead of the Saturday Following the Third Friday

August 1, 2013.

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 July 19, 2013, the Chicago Board Options Exchange, Incorporated (''Exchange'' or ''CBOE'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Exchange rules to change the expiration date for most option contracts to the third Friday of the expiration month instead of the Saturday following the third Friday. The text of the proposed rule change is available on the Exchange's Web site (*http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx*), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

[2] 17 CFR 240.19b–4.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange is proposing to change the expiration date for most option contracts to the third Friday of the expiration month instead of the Saturday following the third Friday. More specifically, the Exchange is proposing to amend rule text referencing Saturday expirations. The Exchange notes, however, that this change will apply to all standard expiration contracts including those in which the rules are silent on the expiration date. The Exchange is making this filing to harmonize its rules in connection with a recently approved rule filing made by The Options Clearing Corporation (''OCC'') which made substantially similar changes.[3] The Exchange believes that the industry must remain consistent in expiration dates, and, thus, is proposing to update its rules to remain consistent with those of OCC. In addition, the Exchange understands that other exchanges will be filing similar rules to effect this industry-wide initiative.

Most option contracts (''standard expiration contracts'') currently expire at the ''expiration time'' (11:59 p.m. Eastern Time) on the *Saturday* following the third Friday of the specified expiration month (the ''expiration date'').[4] With this filing, the Exchange is proposing to give advance notice to its Trading Permit Holders (''TPHs'') that the expiration date for standard expiration contracts is changing to the third *Friday* of the expiration month.[5] (The expiration time would continue to be 11:59 p.m. Eastern Time on the expiration date.) The change would apply only to standard expiration contracts expiring after February 1, 2015, and the Exchange, similar to OCC, does not propose to change the expiration date for any outstanding option contracts. The change will apply only to series of option contracts opened for trading after the effective date of the OCC rule change and having expiration dates later than February 1, 2015. Option contracts having non-standard expiration dates (''non-standard expiration contracts'') will be unaffected by this proposed rule change, except that FLEX options having expiration dates later than February 1, 2015 cannot expire on a Saturday unless they are specified by OCC as grandfathered.[6]

In order to provide a smooth transition to the Friday expiration OCC has begun to move the expiration exercise procedures to Friday for all standard expiration contracts even though the contracts would continue to expire on Saturday.[7] After February 1, 2015, virtually all standard expiration contracts will actually expire on Friday. The only standard expiration contracts that will expire on a Saturday after February 1, 2015 are certain options that were listed prior to the effectiveness of the OCC rule change, and a limited number of options that may be listed prior to necessary systems changes of the options exchanges, which are expected to be completed in August 2013. After these systems changes are made, CBOE will not list any additional options with Saturday expiration dates falling after February 1, 2015. CBOE understands that the other exchanges are committed to the same listing schedule.

The Exchange notes that OCC, industry groups, clearing members and the other exchanges have been active participants in planning for the transition to the Friday expiration.[8] In March, 2012, OCC began to discuss moving standard contract expirations to Friday expiration dates with industry groups, including two Securities Industry and Financial Markets Association (''SIFMA'') committees, the Operations and Technology Steering Committee and the Options Committee, and at two major industry conferences, the SIFMA Operations Conference and the Options Industry Conference.[9] OCC also discussed the project with the Intermarket Surveillance Group and at an OCC Operations Roundtable. In each case, there was broad support for the initiative.[10]

Certain option contracts have already been listed with Saturday expiration dates as distant as December 2016 (which is the furthest out expiration as of the date of this filing). Additionally, until CBOE completes certain systems enhancements in August 2013, it

[3] See Securities Exchange Act Release No. 34–69772 (June 17, 2013), 78 FR 37645 (June 21, 2013) (order approving SR–OCC–2013–004).

[4] Examples of options with non-standard expiration contracts include: Volatility Index options (Rule 24.9(a)(5)), FLEX options (Rules 24A.4(a)(2)(iv) and 24B.4(a)(iv)), Quarterly Index expirations (Rule 24.9(c)), End of Week and End of Month expirations (Rule 24.9(e)), Quarterly Option Series (Rules 5.5(e) and 24.9(a)(2)(B)) and Short Term Option Series (Rules 5.5(d) and 24.9(a)(2)(A)).

[5] The Exchange has already given notice to TPHs regarding the anticipated change. *See* Exchange Regulatory Circular RG12–135 released on October 5, 2012.

[6] *See* note 4 *supra.*

[7] *See* SR–OCC–2013–04.

[8] *Id.*

[9] *Id.*

[10] *Id.*

remains possible that additional option contracts may be listed with Saturday expiration dates beyond February 1, 2015. For these contracts, transitioning to a Friday expiration for newly listed option contracts expiring after February 1, 2015 would create a situation under which certain options with open interest would expire on a Saturday while other options with open interest would expire on a Friday in the same expiration month.

Clearing members have expressed a clear preference to not have a mix of options with open interest that expire on different days in a single month.[11] Accordingly, OCC represented in its recently approved filing that it will not issue and clear any new option contract with a Friday expiration if existing option contracts of the same options class expire on the Saturday following the third Friday of the same month. However, Friday expiration processing will be in effect for these Saturday expiration contracts. As with standard expiration options during the transition period, exercise requests received after Friday expiration processing is complete but before the Saturday contract expiration time will continue to be processed without fines or penalties.

Thus, the Exchange is proposing to update its rules to reflect the above discussed change. More specifically, the Exchange is proposing to add Rule 1.1(mmm) to define ''Expiration Date'' to be consistent with the revised OCC definition.[12] The Exchange is also proposing to update Exchange Rules 23.5 and 24.9 which reference Saturday expiration dates (which are the only two Exchange rules that identify Saturday as the expiration date). Thus, consistent with the OCC filing, the Exchange is proposing to add language to these rules stating that any series expiring prior to February 1, 2015 will have a Saturday expiration date while any series expiring on or after February 1, 2015 will have a Friday expiration date.[13] The Exchange is also proposing, with this filing, to replace any reference in the purpose section of any past Exchange rule filings or previously released circulars to any expiration date other than Friday for a standard options contract with the new Friday standard. Essentially, the Exchange is now proposing to replace any historic references to expiration dates to be replaced with the proposed Friday expiration. As stated above, the Exchange believes the proposed change will keep the Exchange consistent with the processing at OCC and will enable the Exchange to give effect to the industry-wide initiative. In addition, the Exchange understands that other exchanges will be filing similar rules, thus creating a uniform expiration date for standard options on listed classes.

The Exchange plans to release another circular to TPHs to put TPHs on notice of this change prior to the implementation of the rule.

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.[14] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) [15] 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) [16] 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 keeping its rules consistent with those of the industry will protect all participants in the market by eliminating confusion. The proposed changes thus allow for a more orderly market by allowing all options markets, including the clearing agencies, to have the same expiration date for standard options. In addition, the proposed changes will foster cooperation and coordination with persons engaged in regulating clearing, settling, processing information with respect to, and facilitating transactions in securities by aligning a pivotal part of the options processing to be consistent industry wide. If the industry were to differ, investors would suffer from confusion and be more vulnerable to violate different exchange rules. The proposed changes do not permit unfair discrimination between any TPHs because they are applied to all TPHs equally. In the alternative, the Exchange believes that it helps all TPHs by keeping the Exchange consistent with OCC practices and those of other Exchanges.

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. Specifically, the Exchange does not believe the proposed rule change will impose a burden on intramarket competition because it will be applied to all TPHs equally. In addition, the Exchange does not believe the proposed rule change will impose any burden to intermarket competition because it will be applied industry wide and apply to all market participants. The proposed rule change is structured to enhance competition because the shift from an expiration date of the Saturday following the third Friday to the third Friday is anticipated to be adopted industry-wide and will apply to all multiply listed classes. This in turn will allow CBOE to compete more effectively with other exchanges making similar rule changes.

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. The Exchange notes, however, that a favorable comment was submitted to the OCC filing.

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) of the Act [17] and Rule 19b–4(f)(6) [18] thereunder.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the

[11] *Id.*

[12] *Id.*

[13] With the exception of expirations that were listed prior to the effective date of the OCC filing and have open interest.

[14] 15 U.S.C. 78f(b).

[15] 15 U.S.C. 78f(b)(5).

[16] *Id.*

[17] 15 U.S.C. 78s(b)(3)(A).

[18] 17 CFR 240.19b–4(f)(6).

public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number SR–CBOE–2013–073 on the subject line.

Paper Comments

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–CBOE–2013–073. 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 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 publicly available. All submissions should refer to File Number SR–CBOE–2013–073 and should be submitted on or before August 28, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[19]

Kevin M. O'Neill,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–70092; File No. SR–OCC–2013–11]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To: (i) Provide Clarification Regarding the Applicability of Certain Provisions of OCC's By-Laws and Rules to Certain U.S. Dollar-Settled Gold Futures Designed to Replicate Positions in the Spot Market; and (ii) Remove Provisions Applicable Only to the Now-Discontinued U.S. Dollar-Settled Gold Futures That Were Based on the Value of Gold in the Spot Market With an Additional Daily Cost of Carry Feature

August 1, 2013.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b–4 thereunder,[2] notice is hereby given that, on July 25, 2013, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change described in Items I, II and III below, which Items have been prepared primarily by OCC. OCC filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii)[3] of the Act and Rule 19b–4(f)(4)(ii)[4] thereunder, so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the rule change from interested parties.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

OCC proposes to do the following: (i) Provide clarification regarding the applicability of certain provisions of OCC's By-Laws and Rules to certain U.S. dollar-settled gold futures designed to replicate positions in the spot market ("GLN 10 oz. Gold Futures")[5] proposed to be traded by NASDAQ OMX Futures Exchange, Inc. ("NFX"); and (ii) remove provisions applicable only to the now-discontinued U.S. dollar-settled gold futures that were based on the value of gold in the spot market with an additional daily cost of carry feature that was designed to reflect the difference between the overnight lease rate for gold and the overnight interest rate for the U.S. dollar, which were also traded by NFX ("Swap Point Gold Futures").

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, OCC 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. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

OCC is proposing to modify its rules to provide clarification regarding the applicability of certain provisions of OCC's By-Laws and Rules to the clearance and settlement of GLN 10 oz. Gold Futures, which are proposed to be traded by NFX. A GLN 10 oz. Gold Future is a U.S. dollar-settled futures contract that tracks spot gold prices using a single contract month for a particular year. OCC's existing By-Laws and Rules already adequately accommodate OCC's clearing and settlement of GLN 10 oz. Gold Futures. However, OCC is proposing certain amendments in order to eliminate any potential confusion regarding the applicability of certain provisions that were specific to the now-discontinued Swap Point Gold Futures contracts. GLN 10 oz. Gold Futures differ from Swap Point Gold Futures, which previously were but are no longer cleared by OCC, in that they do not include a Cost of Carry Payment (defined below). Swap Point Gold Futures were U.S. dollar-settled futures contracts based on the value of gold with an additional daily cost of carry/interest payment feature that was designed to reflect the difference between the overnight lease rate for gold and the overnight interest rate for the U.S. dollar (the "Cost of

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[19] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A)(iii).

[4] 17 CFR 240.19b–4(f)(4)(ii).

[5] "GLN" will be the ticker symbol for these futures contracts.