

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75767; File No. SR-CBOE-2015-074]

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

August 27, 2015.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on August 17, 2015, 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 Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend its Fees Schedule. 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.

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

##### 1. Purpose

The Exchange proposes to amend its Fees Schedule.<sup>3</sup> First, the Exchange proposes to eliminate references to CBOE Short-Term Volatility Index (“VXST”) options. Specifically, as of June 2015, the Exchange no longer lists VXST options. Accordingly, the Exchange proposes to delete from the Fees Schedule all references to VXST, as such references are no longer necessary and will be obsolete. The Exchange also proposes to amend Footnote 31 of the Fees Schedule. Particularly, the Exchange currently waives the SPXW Customer Priority Surcharge for orders in SPX Weeklys (“SPXW”) options in the SPXW electronic book that are executed during opening rotation on the final settlement date of VXST options and futures and which have the expiration that contribute to the VXST settlement calculation. As mentioned above, VXST options (and futures) are no longer listed. However, the Exchange notes that the CBOE Futures Exchange, LLC (“CFE”) recently introduced new futures with a weekly expiration of a 30-day VIX and the Exchange anticipates launching options with a weekly expiration of a 30-day VIX as well. The new VIX futures (and options) expirations are calculated using P.M.-settled SPXW options that expire 30 days later. As such, the Exchange proposes to replace “VXST options and futures” with “VIX options and futures” in Footnote 31 as the Exchange believes it is not appropriate to assess the surcharge on those SPXW options that are used in determining the final settlement value on the final settlement date of the new VIX weekly options and futures.

##### 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.<sup>4</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>5</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 facilitation 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 Section 6(b)(4) of the Act,<sup>6</sup> which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities.

The Exchange believes the removal of “VXST” references in the Fees Schedule maintains clarity in the Fees Schedule and promotes just and equitable principles of trade by eliminating potential confusion and removing impediments to and perfecting the mechanism of a free and open market and a national market system. The Exchange believes it is equitable and not unfairly discriminatory to exclude from the SPXW Customer Priority Surcharge those options that are executed during opening rotation and which have the expiration that contribute to the VIX weekly settlement calculation because, VIX weekly settlement values are based upon those SPXW options and the Exchange therefore wants to encourage trading in those options at the opening on settlement days. Additionally, the Exchange believes the proposed rule change will continue to encourage the trading of SPXW options that have the expiration that contribute to the now VIX weekly settlement calculation at the opening on settlement days, which will provide additional liquidity and enhance competition in those securities, which ultimately benefits all CBOE Trading Permit Holders (“TPHs”) and all investors.

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

The Exchange does not believe that the proposed rule changes will impose any burden on competition that are not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition because the proposed waiver would apply equally to all CBOE TPHs who trade those SPXW options that are used in determining the final settlement value on the final settlement date of the

<sup>3</sup> The Exchange initially filed the proposed fee changes on August 5, 2015 (SR-CBOE-2015-071). On August 17, 2015, the Exchange withdrew that filing and submitted this filing.

<sup>4</sup> 15 U.S.C. 78f(b).

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

<sup>6</sup> 15 U.S.C. 78f(b)(4).

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

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

new VIX weekly options and futures. Additionally, the Exchange believes the proposed rule change will continue to encourage the trading of SPXW options that have the expiration that contribute to the now VIX weekly settlement calculation at the opening on settlement days, which will provide additional liquidity and enhance competition in those securities. The Exchange does not believe that the proposed rule changes will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed rule change applies only to CBOE. To the extent that the proposed changes make CBOE a more attractive marketplace for market participants at other exchanges, such market participants are welcome to become CBOE market participants.

*C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

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

**III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>7</sup> and paragraph (f) of Rule 19b-4<sup>8</sup> 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 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](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2015-074 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-2015-074. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2015-074 and should be submitted on or before September 23, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>9</sup>

**Robert W. Errett,**

*Deputy Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-75768; File No. SR-NSCC-2015-003]

**Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of Proposed Rule Change To Enhance NSCC's Margining Methodology as Applied to Family-Issued Securities of Certain NSCC Members**

August 27, 2015.

Pursuant to section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 ("Act") and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on August 14, 2015, National Securities Clearing Corporation ("NSCC") 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 NSCC.<sup>3</sup> NSCC filed the proposed rule change pursuant to section 19(b)(2)<sup>4</sup> of the Act. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The proposed rule change consists of amendments to NSCC's Rules & Procedures ("Rules") in order to enhance NSCC's margining methodology as applied to family-issued securities of NSCC Members<sup>5</sup> that are placed on NSCC's "Watch List", *i.e.*, those Members who present a heightened credit risk to NSCC or have demonstrated higher risk related to their ability to meet settlement, as more fully described below.

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

In its filing with the Commission, NSCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed

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

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

<sup>3</sup> On August 14, 2015, NSCC filed this proposed rule change as an advance notice (SR-NSCC-2015-803) with the Commission pursuant to section 806(e)(1) of the Dodd-Frank Wall Street Reform and Consumer Protection Act entitled the Payment, Clearing, and Settlement Supervision Act of 2010 ("Clearing Supervision Act"), 12 U.S.C. 5465(e)(1), and Rule 19b-4(n)(1)(i) of the Act, 17 CFR 240.19b-4(n)(1)(i). A copy of the advance notice is available at <http://www.dtcc.com/legal/sec-rule-filings.aspx>.

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> Terms not defined herein are defined in the Rules, available at [http://dtcc.com/-/media/Files/Downloads/legal/rules/nscc\\_rules.pdf](http://dtcc.com/-/media/Files/Downloads/legal/rules/nscc_rules.pdf).

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>8</sup> 17 CFR 240.19b-4(f).

<sup>9</sup> 17 CFR 200.30-3(a)(12).