

covered by units of the DIAMONDS Trust held in the same account.¹² 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).¹³ 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.¹⁴ Specifically, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,¹⁵ which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and

¹² 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.

¹³ 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)).

¹⁴ 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).

¹⁵ 15 U.S.C. 78f(b)(5).

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,¹⁶ 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.¹⁷

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")¹ and Rule 19b-4 thereunder,² 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

¹⁶ 15 U.S.C. 78s(b)(2).

¹⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

comment in the **Federal Register** on November 17, 2015.³

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.⁴

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"),¹ and Rule 19b-4 thereunder,² 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-C2-2015-024³ 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.

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

⁴ 17 CFR 200.30-3(a)(57).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 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).