

among other things, 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. The Exchange believes that the proposed rule change to make the Series 57 Examination the qualifying exam for individuals engaged solely in proprietary trading is appropriate because the Series 57 Examination addresses industry topics that establish the foundation for the regulatory and procedural knowledge necessary for such individuals to appropriately register under Exchange rules. In addition, the Series 57 Examination is expected to be shared by other exchanges and become the industry standard.<sup>14</sup> Accordingly, adopting the Series 57 Examination will help to promote consistency in examination requirements and uniformity across markets.

#### *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 not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change does not impose any additional examination burdens on persons who are already registered. There is no obligation to take the Series 57 examination in order to continue in their present duties, so the proposed rule change is not expected to disadvantage current registered persons relative to new entrants in this regard.

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

No written comments were solicited or received with respect to the proposed rule change.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>15</sup> and Rule 19b-4(f)(6) thereunder.<sup>16</sup> Because the 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 prior to 30 days from the date on which it was filed, or such shorter time as the

Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)<sup>17</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>18</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of such 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 shall institute proceedings under Section 19(b)(2)(B)<sup>19</sup> of the Act 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-NYSEMKT-2015-99 on the subject line.

#### *Paper Comments*

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090. All submissions should refer to File Number SR-NYSEMKT-2015-99. 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 Section, 100 F Street NE., Washington, DC 20549-1090. Copies of the filing will also be available for inspection and copying at the NYSE's principal office and on its Internet Web site at [www.nyse.com](http://www.nyse.com). 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-NYSEMKT-2015-99 and should be submitted on or before January 4, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>20</sup>

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

[FR Doc. 2015-31279 Filed 12-10-15; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-76575; File No. SR-CBOE-2015-101]

### **Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Withdrawal of Proposed Rule Change To Amend the Fees Schedule**

December 7, 2015.

On November 2, 2015, the Chicago Board Options Exchange, Incorporated ("Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend the Exchange's fees schedule. The proposed rule change was published for comment in the **Federal Register** on November 25, 2015.<sup>3</sup> The Commission received no comment letters on the proposal. On December 1, 2015, the Exchange

<sup>20</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. 34-76442 (November 16, 2015), 80 FR 72761.

<sup>14</sup> See *supra*, note 7.

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

<sup>16</sup> 17 CFR 240.19b-4(f)(6).

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

<sup>18</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>19</sup> 15 U.S.C. 78s(b)(2)(B).

withdrew the proposed rule change (SR-CBOE-2015-101).

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

**Brent J. Fields,**

*Secretary.*

[FR Doc. 2015-31179 Filed 12-10-15; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76585; File No. SR-CBOE-2015-107]

### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing of a Proposed Rule Change, as Modified by Amendment No. 1 Thereto, Relating to Price Protection Mechanisms

December 8, 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 24, 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. On December 4, 2015, the Exchange filed Amendment No. 1 to the proposal.<sup>3</sup> The Commission is publishing this notice to solicit comments on the proposed rule change, as modified by Amendment No. 1, from interested persons.

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

The Exchange proposes to enhance current and adopt new price protection mechanisms for orders and quotes.

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.

<sup>4</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> In Amendment No. 1, the Exchange proposed changes to amend the proposed rule text of Rule 6.53C, Interpretation and Policy .08(c) in Exhibit 5 and the purpose and statutory basis sections of each of the Form 19b-4 and Exhibit 1 regarding the applicability of the proposed enhancement to the debit/credit price reasonability check to index options with European-style exercises. The Exchange also amended Item 7(d) of the Form 19b-4 to delete redundant language.

#### 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 has in place various price check mechanisms that are designed to prevent incoming orders from automatically executing at potentially erroneous prices.<sup>4</sup> These mechanisms are designed to help maintain a fair and orderly market by mitigating potential risks associated with orders trading at prices that are extreme and potentially erroneous. The Exchange proposes to adopt Rule 6.14, which was previously deleted, and amend Rule 6.53C, Interpretation and Policy .08, to add new, as well as enhance current, price protection mechanisms for orders and quotes to help further prevent potentially erroneous executions.

###### Put Strike Price and Call Underlying Value Checks

Proposed Rule 6.14(a) provides price protections for simple orders to buy put and call options based on the strike price or underlying value, respectively. The proposed rule provides that the System<sup>5</sup> will reject back to the Trading Permit Holder a quote<sup>6</sup> or buy limit order for (i) a put if the price of the quote bid or order is equal to or greater than the strike price of the option or (ii) a call if the price of the quote bid or

<sup>4</sup> See, e.g., Rules 6.12(a)(3) and (4) (limit order price parameters), 6.13(b)(v) (market-width and drill-through price check parameters), 6.53C, Interpretation and Policy .08 (price check parameters for complex orders), and 8.18 (quote risk monitor).

<sup>5</sup> The “System” refers to the Exchange’s Hybrid Trading System, which is (i) the Exchange’s trading platform that allows Market-Makers to submit electronic quotes in their appointed classes and (ii) any connectivity to the foregoing trading platform that is administered by or on behalf of the Exchange, such as a communications hub. See Rule 1.1(aaa).

<sup>6</sup> The term quote includes both sides of a quote that is entered as a two-sided quote.

order is equal to or greater than the consolidated last sale price of the underlying security, with respect to equity and exchange-traded fund (“ETF”) options, or the last disseminated underlying index value, with respect to index options.<sup>7</sup>

With respect to put options, a Trading Permit Holder seeks to buy an option that could be exercised into the right to sell the underlying. The value of a put can never exceed the strike price of the option, even if the underlying goes to zero. For example, one put for stock ABC with a strike price of \$50 gives the holder the right to sell 100 shares of ABC for \$50, no more or less. Therefore, it would be illogical to pay more than \$50 for the right to sell shares of ABC, regardless of the price of ABC. Pursuant to proposed Rule 6.14(a)(i)(A), the Exchange would deem any put bid or buyer order with a price that equals or exceeds the strike price of the option to be erroneous, and the Exchange believes it would be appropriate to reject these bids and buy orders.

With respect to call options, a Trading Permit Holder seeks to buy an option that could be exercised into the right to buy the underlying. The Exchange does not believe that a derivative product that conveys the right to buy the underlying should ever be priced higher than the prevailing value of the underlying itself. In that case, a market participant could just purchase the underlying at the prevailing value rather than pay a larger amount for the call. Accordingly, pursuant to proposed Rule 6.14(a)(i)(B), the Exchange believes it is appropriate to reject bids or buy orders for call options with prices that are equal to or in excess of the value of the underlying. As an example, suppose a Trading Permit Holder submits Order 1 to buy an ABC call for \$8 and Order 2 to buy an ABC call for \$11 when the last sale price for stock ABC is \$10. Because the price to buy for Order 2 is greater than the last sale price of the underlying, the System will reject Order 2. The System will either execute or book Order 1 in accordance with CBOE’s rules.

Pursuant to the proposed rule, with respect to equity and ETF options, the Exchange would use the consolidated last sale price of the underlying security, with respect to equity and ETF

<sup>7</sup> These price checks would also apply to buy auction responses submitted in the various Exchange auctions, such as the Hybrid Agency Liaison (“HAL”) and the Automated Improvement Mechanism (“AIM”). See proposed Rule 6.14(a)(iii). The Exchange believes responses can cause erroneous executions in the same manner as quotes and orders and thus should be subject to this proposed price protection to further help prevent potentially erroneous executions.