

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75380; File No. SR-DTC-2015-003]

### Self-Regulatory Organizations; The Depository Trust Company; Notice of Withdrawal of Proposed Rule Change Regarding the Acknowledgment of End-of-Day Net-Net Settlement Balances by Settling Banks

July 7, 2015.

On April 15, 2015, The Depository Trust Company (“DTC”) filed with the Securities and Exchange Commission (“Commission”) proposed rule change SR-DTC-2015-003 (“Proposed Rule Change”) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934<sup>1</sup> and Rule 19b-4 thereunder regarding the acknowledgment of End-of-Day Net-Net Settlement Balances by Settling Banks.<sup>2</sup> The Proposed Rule Change was published for comment in the *Federal Register* on May 5, 2015.<sup>3</sup> The Commission received one comment letter to the Proposed Rule Change.<sup>4</sup> On June 5, 2015, DTC extended the date for Commission action on the Proposed Rule Change to August 3, 2015. On July 1, 2015, DTC withdrew the Proposed Rule Change (SR-DTC-2015-003).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>5</sup>

**Brent J. Fields,**  
*Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75378; File No. SR-CBOE-2015-067]

### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Delay Implementation of Tied to Stock Marking Requirement for Certain Orders

July 7, 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 July 1, 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 and II below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> 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 delay the implementation of the marking requirement set forth in Rule 6.53(y) with respect to certain orders. There is no proposed change to the rule text.

#### 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 13, 2014, the Securities and Exchange Commission (the “Commission”) approved CBOE Rules 6.53(y) and 15.2A.<sup>5</sup> Rule 6.53(y) defines a tied to stock order<sup>6</sup> and requires the

representing Trading Permit Holder to include an indicator on each tied to stock order upon systemization, subject to certain exceptions. Rule 15.2A requires, in a manner and form prescribed by the Exchange, each Trading Permit Holder (“TPH”), on the business day following the order execution date, to report to the Exchange certain information regarding the executed stock or convertible security legs of qualified contingent cross (“QCC”) orders,<sup>7</sup> stock-option orders and other tied to stock orders that the TPH executed on the Exchange that trading day. The Exchange stated in rule filing SR-CBOE-2014-040 that it would issue a circular announcing the implementation date for these rules within 90 days of the date of filing, which implementation date would be within 180 days of the date of filing.

On January 7, 2015, CBOE submitted a rule filing to delay the implementation of these rules based on feedback it received from TPHs.<sup>8</sup> The Exchange stated in that rule filing that it would issue a circular announcing the implementation date for the rules within 90 days of the date of the rule

security” and, together with underlying stock, “non-option”).

<sup>7</sup> A QCC order is an order to buy (sell) at least 1,000 standard option contracts or 10,000 mini-option contracts that is identified as being part of a qualified contingent trade coupled with a contra-side order to sell (buy) an equal number of contracts. These orders may only be entered in the standard increments applicable to simple orders in the options class under Rule 6.42. For purposes of this order type, a “qualified contingent trade” is a transaction consisting of two or more component orders, executed as agent or principal, where: (a) at least one component is an NMS stock, as defined in Rule 600 of Regulation NMS under the Act; (b) all components are effected with a product or price contingency that either has been agreed to by all the respective counterparties or arranged for by a broker-dealer as principal or agent; (c) the execution of one component is contingent upon the execution of all other components at or near the same time; (d) the specific relationship between the component orders (e.g., the spread between the prices of the component orders) is determined by the time the contingent order is placed; (e) the component orders bear a derivative relationship to one another, represent different classes of shares of the same issuer, or involve the securities of participants in mergers or with intentions to merge that have been announced or cancelled; and (f) the transaction is fully hedged (without regard to any prior existing position) as a result of other components of the contingent trade. QCC orders may execute without exposure provided the execution is not at the same price as a public customer order resting in the electronic book and is at or between the national best bid or offer. A QCC order will be cancelled if it cannot be executed. See Rule 6.53(u). The Exchange notes that it deactivated the QCC functionality effective August 11, 2014 and will announce any reactivation of QCC functionality by Regulatory Circular. See Regulatory Circular RG14-121.

<sup>8</sup> Securities Exchange Act Release No. 34-74067 (January 15, 2015), 80 FR 3267 (January 22, 2015) (SR-CBOE-2015-004) (notice of immediate effectiveness of rule filing).

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

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

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

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

<sup>5</sup> Securities Exchange Act Release No. 72839 (August 13, 2014), 79 FR 49123 (August 19, 2014) (SR-CBOE-2014-040) (order approving Rules 6.53(y) and 15.2A).

<sup>6</sup> Rule 6.53(y) provides that an order is “tied to stock” if, at the time the Trading Permit Holder representing the order on the Exchange receives the order (if the order is a customer order) or initiates the order (if the order is a proprietary order), has knowledge that the order is coupled with an order(s) for the underlying stock or a security convertible into the underlying stock (“convertible

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

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

<sup>3</sup> Securities Exchange Act Release No. 74830 (April 29, 2015), 80 FR 25727 (May 5, 2015) (File No. SR-DTC-2015-003).

<sup>4</sup> Letter from Suzanne Shatto (May 3, 2015), available at <https://www.sec.gov/comments/sr-dtc-2015-003/dtc2015003.shtml>.

<sup>5</sup> 17 CFR 200.30-3(a)(12).