

approved by the Commission.<sup>32</sup> In considering the proposed changes to the Exchange rules related to the listing and trading of XSP and RUT, including the rules related to minimum increments<sup>33</sup> and strike price intervals,<sup>34</sup> the Commission notes that the proposed rules are consistent with the rules of another exchange.<sup>35</sup> In addition, the Commission notes that the proposed rule changes related to long-term options series,<sup>36</sup> trading halts,<sup>37</sup> the obvious error process,<sup>38</sup> the opening process<sup>39</sup> and listing additional expiration months<sup>40</sup> are also consistent with the rules of other exchanges.<sup>41</sup> The Commission believes that the Exchange's proposal does not raise any novel regulatory issues, as it is consistent with the rules of other national securities exchanges previously approved by the Commission. Finally, the Commission notes that certain of the Exchange's proposed rule changes are intended to promote clarity about the applicability of the Exchange's rules,<sup>42</sup> thereby reducing any potential investor confusion.

The Commission further believes that the Exchange's proposed position and exercise limits, margin requirements and other aspects of the proposed rule change related to the listing and trading of XSP and RUT options are appropriate and consistent with the Act. In particular, the Commission notes that the Exchange rules regarding position and exercise limits and margin requirements incorporate by reference the corresponding Cboe Options rules which were previously approved by the Commission. The Commission notes

that the Exchange represents that it has an adequate surveillance program in place for index options.<sup>43</sup> Further, the Exchange is a member of the ISG, which provides for the sharing of information and the coordination of regulatory efforts among exchanges trading securities and related products to address potential intermarket manipulations and trading abuses.

In approving the proposed rule change, the Commission has also relied upon the Exchange's representation that it and OPRA have the necessary systems capacity to support the new options series that will result from this proposal, and that the Exchange will monitor the trading volume associated with the additional options series listed as a result of this proposed rule change and the effect (if any) of these additional series on market fragmentation and on the capacity of the Exchange's automated systems.<sup>44</sup>

#### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>45</sup> that the proposed rule change (SR-CboeBZX-2018-058), as modified by Amendment Nos. 1 and 2, be approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>46</sup>

**Eduardo A. Aleman,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

### Submission for OMB Review; Comment Request

*Upon Written Request Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

#### Extension:

Regulation R, Rule 701, SEC File No. 270-562, OMB Control No. 3235-0624

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 ("PRA") (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget ("OMB") a request for approval of extension of the previously approved collection of information provided for in Regulation R, Rule 701 (17 CFR 247.701)

under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*).

Regulation R, Rule 701 requires a broker or dealer (as part of a written agreement between the bank and the broker or dealer) to notify the bank if the broker or dealer makes certain determinations regarding the financial status of the customer, a bank employee's statutory disqualification status, and compliance with suitability or sophistication standards.

The Commission estimates that brokers or dealers would, on average, notify 1,000 banks approximately two times annually about a determination regarding a customer's high net worth or institutional status or suitability or sophistication standing as well as a bank employee's statutory disqualification status. Based on these estimates, the Commission anticipates that Regulation R, Rule 701 would result in brokers or dealers making approximately 2,000 notifications to banks per year. The Commission further estimates (based on the level of difficulty and complexity of the applicable activities) that a broker or dealer would spend approximately 15 minutes per notice to a bank. Therefore, the estimated total annual third party disclosure burden for the requirements in Regulation R, Rule 701 is 500<sup>1</sup> hours for brokers or dealers.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following website: [www.reginfo.gov](http://www.reginfo.gov). Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to: [Shagufta.Ahmed@omb.eop.gov](mailto:Shagufta.Ahmed@omb.eop.gov); and (ii) Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Candace Kenner, 100 F Street NE, Washington, DC 20549, or by sending an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments must be submitted to OMB within 30 days of this notice.

Dated: September 27, 2018.

**Eduardo A. Aleman,**  
Assistant Secretary.

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<sup>1</sup> (2,000 notices × 15 minutes) = 30,000 minutes / 60 minutes = 500 hours.

<sup>32</sup> See Securities Exchange Act Release No. 61419 (January 26, 2010), 75 FR 5157 (February 1, 2010). Additionally, the Commission notes that options on XSP and RUT will be subject to the maintenance listing standards of Rule 29.3(c). The Exchange represents that in the event XSP or RUT options fails to satisfy the maintenance listing standards set forth herein, the Exchange will not open for trading any additional series of options of that class unless the continued listing of that class of index options has been approved by the Commission under Section 19(b)(2) of the Exchange Act. See Notice, *supra* note 3, at 42331, n. 4.

<sup>33</sup> See proposed Rule 21.5, Interpretation and Policy .02.

<sup>34</sup> See proposed Rule 29.11(c)(1) and (c)(5).

<sup>35</sup> See Cboe Options Rule 6.42, Interpretation and Policy .03; Cboe Options Rule 24.9. Interpretations and Policies .01(a), .11.

<sup>36</sup> See proposed changes to Rule 29.11(b).

<sup>37</sup> See proposed changes to Rule 29.10(b).

<sup>38</sup> See proposed changes to Rule 20.6(g) and (h).

<sup>39</sup> See proposed changes to Rule 21.7.

<sup>40</sup> See proposed Rule 29.11(i).

<sup>41</sup> See, e.g., Cboe Options Rule 24.9(b)(1); Cboe Options Rule 24.9, Interpretation and Policy .13; Cboe Options Rule 24.7(a); Phlx Rule 1047A(c); Cboe Options Rule 6.25(g) and (h); C2 Rule 6.11(a)(2).

<sup>42</sup> See, e.g., proposed changes to Rule 29.11(b)(1)(A); Rule 29.13; Rule 29.15.

<sup>43</sup> See Notice, *supra* note 3, at 42336.

<sup>44</sup> See *id.*

<sup>45</sup> 15 U.S.C. 78s(b)(2).

<sup>46</sup> 17 CFR 200.30-3(a)(12).