

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-66408; File No. SR-CBOE-2011-126)

February 16, 2012

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Order
Approving Proposed Rule Change Relating to the CBOE Stock Exchange Request for Quote
Rules

On December 27, 2011, 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 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to modify its rules relating to requests for quotes (“RFQs”) on the CBOE Stock Exchange (“CBSX”). The proposal removes the rule provisions affording CBSX participants the ability to submit RFQs. The proposed rule change was published for comment in the Federal Register on January 13, 2012.³ The Commission received no comments on the proposal.

After careful review, 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 exchange⁴ and, in particular, the requirements of Section 6(b)(5) of the Act,⁵ which requires that the Commission determine that the rules of the Exchange are designed to remove impediments to and perfect the mechanism for a free and open market. The proposal removes references pertaining to RFQs in the CBSX rules because the method of trading on CBSX

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 66119 (January 9, 2012), 77 FR 2112.

⁴ 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).

⁵ 15 U.S.C. 78f(b)(5).

obviates the need for an RFQ process. The Exchange represents that participants have not used, or inquired about using, RFQs on CBSX. Moreover, the systems of CBSX do not fully support transmitting RFQ messages. Given that the CBSX system for submitting RFQs is not currently functional, the Commission believes the removal of references to RFQs in the CBSX rules may prevent confusion among participants who may otherwise expect to be able to submit RFQs. For the foregoing reasons, the Commission believes that the proposed rule change is consistent with the Act.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁶ that the proposed rule change (SR-CBOE-2011-126) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Kevin M. O'Neill
Deputy Secretary

⁶ 15 U.S.C. 78s(b)(2).

⁷ 17 CFR 200.30-3(a)(12).