



April 8, 2019

Mr. Brett Redfearn
Director, Division of Trading & Markets
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Options Market Structure: Proliferation of Listed-Options Series Available for Quoting and Trading (“Strikes”, or “Strike listings”)

Dear Mr. Redfearn:

The Listed Options Trading Committee of SIFMA¹ submits this letter to propose working collectively with the Securities and Exchange Commission (“SEC”), The Options Clearing Corp. (“OCC”) and the U.S. Options Exchanges to create a uniform set of strikes listing rules.

Today, the U.S. Options Exchanges² and OCC are sponsors of the Options Listing Procedures Plan (“OLPP”), a national market system plan that was filed with the SEC in 2001, which describes procedures to be followed by the parties in connection with selecting specified underlying interests for listing purposes and requesting a review of such selections. Additionally, it describes procedures for selecting options series, determining operational procedures relative to adjustment decisions, and admitting and removing plan sponsors.

¹ SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry's nearly 1 million employees, we advocate for legislation, regulation and business policy, affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

² Currently, the U.S. Options Exchanges sponsoring the Options Listing Procedures Plan are BATS Exchange, Inc., BOX Exchange LLC, Cboe C2 Options Exchange, Cboe EDGX Exchange, Cboe Exchange, Miami International Securities Exchange, LLC, MIAX Emerald, MIAX Pearl, Nasdaq BX, Nasdaq GEMX, Nasdaq ISE, Nasdaq MRX, Nasdaq PHLX, Nasdaq Options Market, NYSE Arca and NYSE American, Inc.

In addition to the OLPP, each Options Exchange has its own rule set that specifies the interval of strike prices of series of options on individual strikes. This includes LEAPS, \$0.50, \$1.00 and \$2.50 strike listing programs, the Short-Term Option Series, minis and other rules specifically related to the listings of individual strikes.

SIFMA believes that 1) the current strikes listing procedures could be improved due to inconsistencies in the individual exchange rules; 2) the industry would benefit from a uniform set of rules; and 3) that strikes listing is a non-competitive issue.

1. Background

On September 11, 2000, the Department of Justice filed a lawsuit against the U.S. Options Exchanges, charging that they illegally agreed that they would not list equity option classes listed already on one of the other exchanges. At the same time, the Department of Justice filed a consent decree to resolve the lawsuit. On the same date, the SEC issued an order requiring reforms by the options exchanges. Both moves were designed to prohibit anticompetitive conduct and to restructure the options industry to ensure greater competition in the future.

Prior to 1990, SEC rules prohibited equity options from being traded on more than one exchange. The SEC rescinded that rule and adopted 19c-5 which allowed each exchange to list any equity option that was being listed for the first time. A phase in period occurred between January 20, 1994 and the end of 1994, at which time each option exchange could list any equity option class. The SEC undertook these changes because, among other reasons, it determined that competition among exchanges for options business would benefit investors by narrowing spreads.

2. Current State

Today, there are cases where the U.S. Options Exchanges, with SEC staff participation, meet to speak about common, non-competitive issues. For example, the SEC participates in discussions with the U.S. Options Exchanges and industry members to discuss issues impacting the options markets in the recently created Listed Options Market Structure Working Group, and strikes is one of the key issues under review by that group. In 2013, the SEC directed the U.S. Options Exchanges to meet collectively to create a uniform obvious error rule set. The U.S. Options Exchanges are also working collectively, with the SEC and OCC, to create a uniform permanent penny program to replace the penny pilot (which is governed by individual Exchange rule sets).

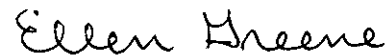
In order to facilitate a process to create uniform strikes listing rules, SIFMA recommends creating a listing committee, comprised of the SEC, OCC and the U.S. Options Exchanges to meet regularly with a goal of expanding the rules governed by the Options Listing Procedures Plan so that they include strikes listing rules, which are currently addressed separately in each exchange's rule set. SIFMA proposes scheduling

a call with the U.S. Options Exchanges, OCC and the SEC to confirm that the exchanges are committed to moving forward and establish a structure to do so.

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SIFMA appreciates the Commission's consideration of the issues raised above and would be pleased to discuss these comments in greater detail. If you have any questions or need any additional information, please contact Ellen Greene at 212-313-1287 or egreene@sifma.org.

Sincerely,



Ellen Greene
Managing Director

cc: Richard Holley, Assistant Director, Division of Trading & Markets, Securities and Exchange Commission