

August 29, 2018

**Via E-Mail** (rule-comments@sec.gov)

Brent J. Fields, Esq.  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 25049

**Re: Proposed Rule Change to Amend Cboe Rule 6.21 Governing the Give Up of a Clearing Trading Permit Holder by a Trading Permit Holder (File No. SR-CBOE-2018-055)**

Dear Mr. Fields:

Goldman Sachs & Co. LLC (“Goldman”) appreciates the opportunity to comment on the Cboe Exchange, Inc.’s (“Cboe’s” or the “Exchange’s”) proposal to reform the process by which an executing broker on Cboe may designate a clearing firm for purposes of clearing options transactions executed on the Exchange. Under Cboe’s proposal, an executing broker would be required to first obtain authorization from a clearing firm before giving up that clearing firm for options transactions. We fully support this proposed change and commend Cboe for addressing the clearing risks posed by the current give up process.

Under Cboe’s current Rule 6.21, a Trading Permit Holder (“TPH”) may designate any Clearing Trading Permit Holder (“CTPH”) as a give up without any authorization from that clearing firm. Further, the Exchange will not accept instructions from a CTPH to prohibit a TPH from designating the CTPH as a give up. Within the current framework, a clearing firm cannot control which executing brokers submit transactions to the clearing firm even when the clearing firm has not agreed to provide clearing services for the designated transactions. An executing broker may give up a clearing firm for a listed options trade of any size, without limitation, and without any authorization by the clearing firm. The clearing firm has a limited ability to reject such trades.

Cboe’s proposal would amend Cboe Rule 6.21 to, among other things, provide that TPHs on Cboe would no longer be allowed to designate a CTPH unless the CTPH has authorized the TPH. TPHs must receive written authorization from the CTPH before the TPH may give up that clearing firm.

Cboe’s proposal is an essential first step to reduce risk in the options give up model. Cboe’s proposal is consistent with fundamental principles of risk management as the proposed change will give those firms

clearing transactions executed on Cboe more certainty when assessing credit exposure. As a result, clearing firms will be able to more reliably establish and enforce credit limits for their clients.

Finally, we note that Cboe has stated that it intends to propose an implementation timeframe not to exceed sixty (60) days following Commission approval. We believe that an implementation timeframe of 60 days is reasonable and would provide CTPHs with more than enough time to authorize relevant TPHs for give ups.

\* \* \* \* \*

Cboe is the first options exchange to put forward a proposal that will help clearing firms reduce the risks associated with the current give up process on the U.S. options exchanges. We applaud Cboe's efforts and agree that an executing broker should be required to first obtain authorization from a clearing firm before giving up that clearing firm for options transactions.

We urge the Commission to approve Cboe's proposal and encourage the other options exchanges to consider similar modifications to their policies.

We appreciate the opportunity to comment on Cboe's proposal. Please feel free to contact me if you have any questions in connection with our comments.

Sincerely,



Mark Dehnert  
Managing Director  
Goldman Sachs & Co. LLC

cc: Jay Clayton, Chairman, U.S. Securities and Exchange Commission  
Kara M. Stein, Commissioner, U.S. Securities and Exchange Commission  
Robert J. Jackson Jr., Commissioner, U.S. Securities and Exchange Commission  
Hester M. Peirce, Commissioner, U.S. Securities and Exchange Commission