

August 31, 2018

Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: CBOE Exchange, Inc. Notice of Filing of a Proposed Rule Change Relating to Amend Rule 6.21., Give Up of a Clearing Trading Permit Holder
Release No. 34-83872, File No. SR-CBOE-2018-55

Dear Mr. Fields:

Merrill Lynch Professional Clearing Corp. ("MLPRO") submits this letter in support of the above referenced CBOE Exchange ("CBOE") proposed Rule Filing SR-CBOE-2018-55 ("Rule Filing"). MLPRO is a CBOE Clearing Trading Permit Holder and the largest clearer of U.S. listed options for broker dealers and market makers. We request that the Securities and Exchange Commission ("Commission") approve the Rule Filing as soon as possible.

Since the "Give Up" trade practice started, clearing firms and banks have evolved their business operations and policies to align with new requirements. This has developed through business assessments and tests designed to identify, control and mitigate risk. The existing rules are not in line with our current requirements and presents gaps, including:

- There is no documentation between the unaffiliated executing broker and clearing firm that they are "giving up"
- Exchanges do not allow clearing firms to opt-out of "Give Up" arrangements
- Exchanges authorize unaffiliated executing brokers to automatically place trades in a clearing firm's OCC omnibus account without the clearing firm's consent or approval
- A lack of transparency into the 15c3-5 credit limits that brokers are allowing on "Give Up" trades and the potential for uncapped "Give-In" risk put to clearing firms

We are encouraged that CBOE acknowledges these gaps and is taking corrective steps to realign the approval process. However, all remaining exchange operators allow "Give Up" trades and we strongly encourage them to harmonize their rules with CBOE's proposed change. Failure to adopt these rule changes across all exchanges will continue the existence of unnecessary risk to clearing brokers, with no opportunity to adequately protect themselves against the risks associated with blind executions.

MLPRO recommends that the Commission approve the Rule Filing and we thank the Commission for its time and consideration in this important matter.

Respectfully,



Matthew R. Scott
President
Merrill Lynch Professional Clearing Corp.