

June 11, 2018
MR-18-03

**CHICAGO STOCK EXCHANGE, INC.
MEMBER REGULATION DEPARTMENT
INFORMATION MEMORANDUM**

RE: Notice Regarding Amendment to CHX Rule Concerning Sponsored Access to the Exchange – Operative Date June 18, 2018

On September 15, 2017, the Chicago Stock Exchange, Inc. (“CHX” or “Exchange”) filed SR-CHX-2017-13, for immediate effectiveness, but operative at a date to be determined and with appropriate notice, an amendment¹ to CHX Article 5, Rule 3, which changed certain definitions and requirements for Sponsored Access and expanded the types of market participants that may be granted Sponsored Access from a “non-Participant broker-dealer” only to a “Sponsored Person” generally. Therefore, pursuant to the filing, the Exchange is providing notice prior to the operative date.

Participants that are considering providing Sponsored Access should take note of some important additional requirements that apply to Sponsoring Participants and Sponsored Persons, as appropriate, with any Sponsored Access Agreement:

- Both the Sponsoring Participant and the Sponsored Person must comply with SEC Rule 15c3-5 under the Securities Exchange Act of 1934;
- Both the Sponsoring Participant and the Sponsored Person shall comply with CHX’s Certificate of Incorporation, Bylaws, Rules and procedures. Therefore, a Sponsored Person must comply with these provisions as if the Sponsored Person were a Participant;
- The Sponsored Person shall maintain, keep current and provide to the Sponsoring Participant, a list of individuals authorized to obtain Sponsored Access to CHX on behalf of the Sponsored Person;
- The Sponsored Person shall familiarize its authorized individuals with all of the Sponsored Person’s obligations under CHX Article 5, Rule 3, and will ensure that they receive appropriate training prior to any use or access to CHX pursuant to any Sponsored Access Agreement;
- The Sponsored Person may not permit anyone, other than the individuals who are authorized and on the list provided to the Sponsoring Participant, to use or obtain access to CHX, pursuant to any Sponsored Access Agreement;
- The Sponsored Person shall establish, maintain and enforce written supervisory procedures and a supervisory system that is reasonably designed to ensure the use and access to CHX that takes place pursuant to any Sponsored Access Agreement and by any authorized Sponsored Person complies with the terms of all Sponsored Access Agreements and all applicable CHX and SEC rules and regulations; and
- Sponsoring Participant must provide signed copies of any Sponsored Access Agreements, required by CHX prior to a Sponsored Person’s access to the Exchange through the Sponsoring Participant.

For questions regarding this notice, please contact Kevin Curtin at (312) 663-2252 or kcurtin@chx.com or the undersigned at (312) 663-2204 or mcardin@chx.com.

Michael J. Cardin
Director
Member Regulation Department

¹ For the complete text of the amendment, please see https://www.chx.com/_posts/rule-filings/ProposedFilings/CHX-2017-13.pdf.