

• Send an email to rule-comments@sec.gov. Please include File Number SR-FICC-2024-801 on the subject line.

Paper Comments

• Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to File Number SR-FICC-2024-801. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the Advance Notice, as modified by Partial Amendment No. 1, that are filed with the Commission, and all written communications relating to the Advance Notice, as modified by Partial Amendment No. 1, between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of FICC and on DTCC's website (www.dtcc.com/legal/sec-rule-filings). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number SR-FICC-2024-801 and should be submitted on or before June 10, 2024.

IV. Date and Timing for Commission Action

Section 806(e)(1)(G) of the Clearing Supervision Act provides that FICC may implement the changes if it has not received an objection to the proposed changes within 60 days of the later of (i) the date that the Commission receives an advance notice or (ii) the date that any additional information requested by the Commission is received,⁶⁰ unless extended as described below.

Pursuant to section 806(e)(1)(H) of the Clearing Supervision Act, the

Commission may extend the review period of an advance notice for an additional 60 days, if the changes proposed in the advance notice raise novel or complex issues, subject to the Commission providing the clearing agency with prompt written notice of the extension.⁶¹

The date that is 60 days after FICC filed the advance notice with the Commission is April 27, 2024. However, the Commission extended the review period of the Advance Notice for an additional 60 days under section 806(e)(1)(H) of the Clearing Supervision Act⁶² due to the Commission's finding that the Advance Notice is both novel and complex.⁶³ Additionally, on March 22, 2024, the Commission requested additional information from FICC pursuant to section 806(e)(1)(D) of the Clearing Supervision Act, which tolled the Commission's review period of review of the Advance Notice until 120 days from the date the information requested by the Commission was received by the Commission.⁶⁴ On April 26, 2024, the Commission received FICC's response to the Commission's request for additional information.⁶⁵ Accordingly, August 23, 2024, is the date by which the Commission shall notify FICC of an objection regarding the Advance Notice, unless the Commission requests further information for consideration of the Advance Notice.

All submissions should refer to File Number SR-FICC-2024-801 and should be submitted on or before June 10, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁶⁶

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2024-10956 Filed 5-17-24; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-100130; File No. SR-NASDAQ-2024-021]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Options 7, Section 3

May 14, 2024.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on May 1, 2024, The Nasdaq Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend The Nasdaq Options Market LLC's ("NOM") Rules at Options 7, Section 3, Nasdaq Options Market—Ports and Other Services.³

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/rules>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Exchange initially filed the proposed pricing changes on November 28, 2023 (SR-NASDAQ-2023-050) to be effective on December 1, 2023. On December 5, 2023, the Exchange withdrew SR-NASDAQ-2023-050 and placed it with SR-NASDAQ-2023-054. On January 16, 2023, the Exchange withdrew SR-NASDAQ-2023-054 and submitted SR-NASDAQ-2024-003. On March 7, 2024, the Exchange withdrew SR-NASDAQ-2024-003 and submitted SR-NASDAQ-2024-012. On May 1, 2024, the Exchange withdrew SR-NASDAQ-2024-012 and submitted this filing.

⁶⁰ 12 U.S.C. 5465(e)(1)(G).

⁶¹ 12 U.S.C. 5465(e)(1)(H).

⁶² *Id.*

⁶³ See *supra* note 3.

⁶⁴ See *supra* note 6.

⁶⁵ See *supra* note 7.

⁶⁶ 17 CFR 200.30-3(a)(91) and 17 CFR 200.30-3(a)(94).

the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Options 7, Section 3, Nasdaq Options Market—Ports and Other Services.

Today, NOM assesses SQF Ports and SQF Purge Ports a per port, per month fee based on a tiered fee schedule. Specifically, NOM assesses an SQF Port and an SQF Purge Port fee of \$1,500 per port, per month for the first 5 ports (1–5), a \$1,000 per port, per month fee for the next 15 ports (6–20), and a \$500 per port, per month fee for all ports over 20 ports (21 and above).

At this time, the Exchange proposes to establish an increased fee for SQF Ports and SQF Ports above 20 ports (21 and above) that do not provide a minimum amount of liquidity on NOM. This increased fee is intended to incentivize Market Makers to add liquidity on NOM for the benefit of other market participants. Specifically, NOM proposes an SQF Port Fee and an SQF Purge Port Fee of \$750 per port for all ports above 20 ports if a Market Maker did not transact 1.50% of Total Customer Volume in electronic simple orders that adds liquidity in a month.⁴ Market Makers who transact 1.50% of Total Customer Volume that adds liquidity in a month will continue to be assessed a \$500 per port fee for SQF Ports and SQF Purge Ports for over 20 ports. The Exchange believes that Market Makers will add liquidity to NOM in order to decrease their costs of doing business on the Exchange by achieving the lower SQF Port Fee and SQF Purge Port Fee for more than 20 ports.

Pursuant to Options 3, Section 7(e)(1)(B), NOM Market Makers may only enter quotes into SQF in their assigned options series. Pursuant to Options 3, Section 7(e)(1)(B), the SQF interface allows NOM Market Makers to connect, send, and receive messages related to quotes, Immediate-or-Cancel Orders, and auction responses to the Exchange. An SQF Purge is a specific port for the SQF interface that only receives and notifies of purge requests from the Market Maker. A NOM Market Maker may submit all quotes through one SQF Port and utilize one SQF Purge

Port to view its purge requests. While a NOM Market Maker may elect to obtain multiple SQF Ports and SQF Purge Ports to organize its business,⁵ only one SQF Port and SQF Purge Port is necessary for a NOM Market Maker to fulfill its regulatory quoting obligations.⁶

2. Statutory Basis

The Exchange believes that its proposal is consistent with section 6(b) of the Act,⁷ in general, and furthers the objectives of sections 6(b)(4) and 6(b)(5) of the Act,⁸ in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The proposed pricing change to increase the SQF Port Fee and SQF Purge Port Fee for above 20 ports to \$750 per port if a Market Maker does not transact 1.50% of Total Customer Volume that adds liquidity in a month is reasonable because it will incentivize Market Makers to add liquidity on NOM to lower their costs. Further, 1.50% of Total Customer Volume that adds liquidity in a month is an achievable number for Market Makers who currently add volume to the Exchange. The Exchange believes that increasing the SQF Port Fee and SQF Purge Port Fee for above 20 ports from \$500 to \$750 per port is reasonable because Market Makers are obligated, among other things, to maintain a two-sided market in those options in which the Market Maker is registered to trade, in a manner that enhances the depth, liquidity and competitiveness of the market and compete with other Market Makers in all options in all capacities in which the Market Maker is registered to trade.⁹ The Exchange believes that it is reasonable to increase the SQF Port Fee and SQF Purge Port Fee for above 20

ports from \$500 to \$750 per port for Market Makers that do not transact 1.50% of Total Customer Volume that adds liquidity in a month because the Exchange believes that Market Makers that do not contribute a minimum amount of liquidity on NOM should not be subject to the same opportunities to lower their costs as those Market Makers that do contribute to liquidity and therefore provide the ability for other market participants to engage with that order flow. The Exchange believes that the increase is modest and would serve to encourage Market Makers to submit order flow to NOM in order to lower their cost and would result in additional order competition. The Exchange believes this proposal promotes liquidity, quote competition, and trading opportunities.

A NOM Market Maker requires only one SQF Port to submit quotes in its assigned options series into NOM. A NOM Market Maker may submit all quotes through one SQF Port and utilize one SQF Purge Port to view its purge requests. While a NOM Market Maker may elect to obtain multiple SQF Ports and SQF Purge Ports to organize its business,¹⁰ only one SQF Port and SQF Purge Port is necessary for a NOM Market Maker to fulfill its regulatory quoting obligations. For those Market Makers that elect to organize themselves by obtaining a greater number of SQF Ports and SQF Purge Ports they will be able to reduce their fees.¹¹ Participants may choose a greater number of SQF Ports or SQF Purge Ports, beyond one port, depending on that Participant's particular business model.

The proposed pricing change to increase the SQF Port Fee and SQF Purge Port Fee for above 20 ports to \$750 per port if a Market Maker does not transact 1.50% of Total Customer Volume that adds liquidity in a month is equitable and not unfairly discriminatory as the Exchange would

⁵ For example, a NOM Market Maker may desire to utilize multiple SQF Ports for accounting purposes, to measure performance, for regulatory reasons or other determinations that are specific to that NOM Participant. The Exchange notes that 78% of NOM Market Makers pay the \$1,000 per port, per month fee for 6–20 ports and 39% pay the proposed \$750 per port, per month fee for over 20 ports.

⁶ NOM Market Makers have various regulatory requirements as provided for in Options 2, Section 4. Additionally, NOM Market Makers have certain quoting requirements with respect to their assigned options series as provided in Options 2, Section 5. The Exchange notes that SQF Ports are the only quoting protocol available on NOM and only NOM Market Makers may utilize SQF Ports. The same is true for SQF Purge Ports.

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(4) and (5).

⁹ See Options 2, Section 4(a)(1) and (3).

¹⁰ For example, a NOM Market Maker may desire to utilize multiple SQF Ports for accounting purposes, to measure performance, for regulatory reasons or other determinations that are specific to that Participant.

¹¹ The number of ports that member organizations choose to purchase varies widely. Today, on Phlx, 2 Market Makers have 1 SQF Port, 5 Market Makers have 2–5 SQF Ports, 4 Market Makers have between 6–10 SQF Ports, and 11 Market Makers have more than 10 SQF Ports. Additionally, today, on Nasdaq GEMX, LLC no Market Makers have 1 SQF Port/SQF Purge Port, 1 Market Maker has 2–5 SQF Ports/SQF Purge Ports, 4 Market Makers have between 6–10 SQF Ports/SQF Purge Ports, and 8 Market Makers have more than 10 SQF Ports/SQF Purge Ports. Finally, on Nasdaq MRX LLC ("MRX"), 2 Market Makers have 1 SQF Ports/SQF Purge Ports, no Market Makers have 2–5 SQF Ports/SQF Purge Ports, 2 Market Makers have between 6–10 SQF Ports/SQF Purge Ports, and 6 Market Makers have more than 10 SQF Ports/SQF Purge Ports.

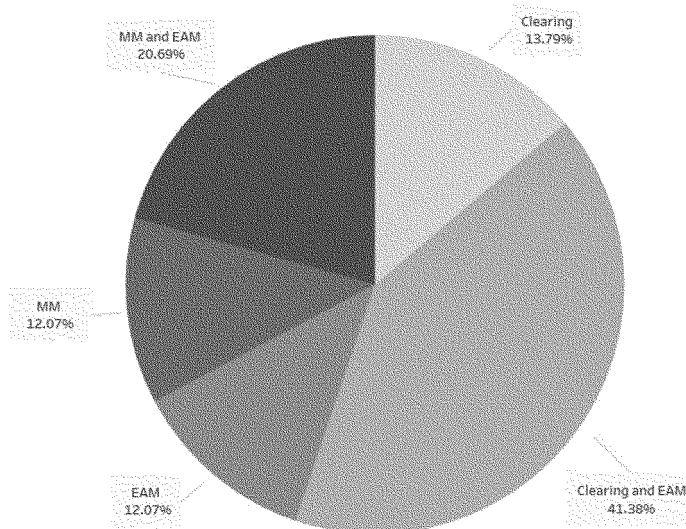
⁴ For purposes of this cap, "Total Customer Volume" shall be defined as a percentage of all cleared customer volume at The Options Clearing Corporation in Multiply Listed Equity Options and Exchange-Traded Products ("TCV").

uniformly apply the criteria when assessing fees. The Exchange notes that unlike other market participants, Market Makers are required to quote intraday.¹² Further, unlike other market participants, Market Makers have obligations to the market to maintain a two-sided market in those options in which the Market Maker is registered to trade, in a manner that enhances the depth, liquidity and competitiveness of

the market and compete with other Market Makers in all options in all capacities in which the Market Maker is registered to trade, among other obligations.¹³ These liquidity providers are critical market participants in that they are the only market participants that provide liquidity to NOM. Allowing Market Makers to manage their costs by lowering the SQF Port and SQF Purge Port Fees for above 20 ports enables

these essential market participants to manage their business model more effectively and better allocate resources to other technologies that are necessary to manage risk and capacity to ensure that these market participants continue to compete effectively on NOM. The following chart represents the classification of NOM members and the percentage of Market Makers.

NOM Member Type Distribution
March 2024



The Exchange believes that Market Makers should be eligible for certain incentives because they fulfill a unique role on the Exchange and are the only market participants required to submit quotes to the Exchange. The proposed reduced fee for above 20 ports is designed to ensure that Market Makers that add a certain amount of liquidity on NOM could obtain lower fees for above 20 ports to reduce costs. The Exchange desires to reward Market Makers provided they are adding a certain amount of liquidity to NOM and would apply the criteria uniformly.

Finally, the reduced SQF Port and SQF Purge Port fees for above 20 ports is constrained by competitive forces and reasonably designed in consideration of

the competitive environment in which the Exchange operates. This fee structure incents Market Makers to support increased liquidity, quote competition, and trading opportunities on the Exchange, for the benefit of all market participants.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Intermarket Competition

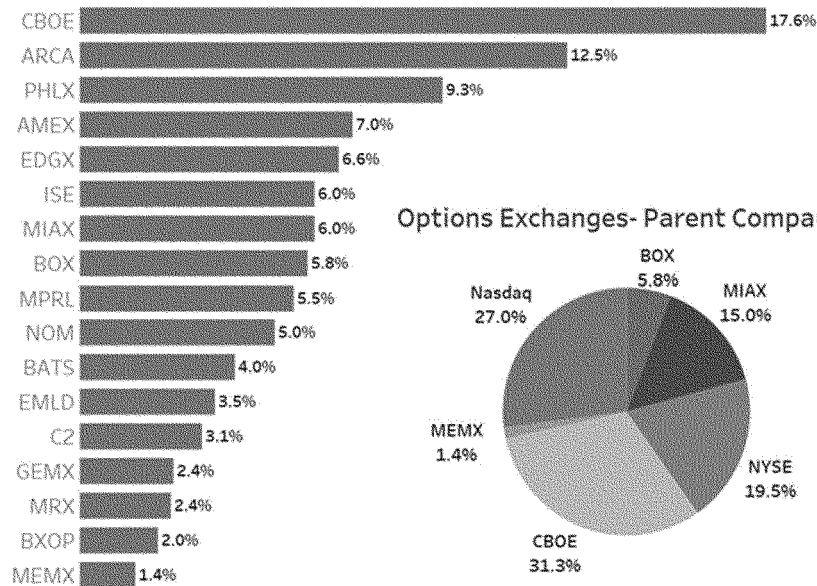
The proposal does not impose an undue burden on intermarket competition. The Exchange believes its

proposal remains competitive with other options markets who also offer order entry protocols. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive. The chart below shows the February 2024 market share for multiply listed options by exchange. Of the 17 operating options exchanges, none currently has more than a 17.6% market share. Customers widely distribute their transactions across exchanges according to their business needs and the ability of each exchange to meet those needs through technology, liquidity and functionality.

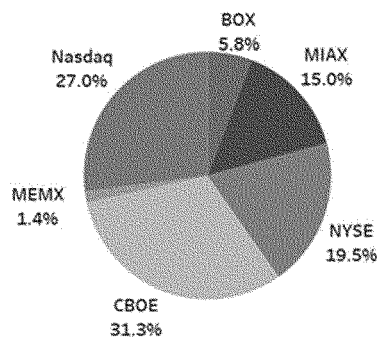
¹² See Options 2, Section 5(d).

¹³ See Options 2, Section 4(a)(1) and (3).

Options Market Share by Exchange: February 2024



Options Exchanges- Parent Company



Source: OCC, Nadsaq Economic Research

Market share is the percentage of volume on a particular exchange relative to the total volume across all exchanges, and indicates the amount of order flow directed to that exchange. High levels of market share enhance the value of trading and ports.

In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

Intramarket Competition

The proposed pricing change to increase the SQF Port Fee and SQF Purge Port Fee for above 20 ports to \$750 per port if a Market Maker does not transact 1.50% of Total Customer Volume that adds liquidity in a month does not impose an undue burden on competition as the Exchange would uniformly apply the criteria when assessing fees. The Exchange notes that unlike other market participants, Market Makers are required to quote intra-day.¹⁴ Further, unlike other market participants, Market Makers have obligations to the market to maintain a two-sided market in those options in which the Market Maker is registered to trade, in a manner that enhances the depth, liquidity and competitiveness of the market and compete with other

Market Makers in all options in all capacities in which the Market Maker is registered to trade, among other obligations.¹⁵ These liquidity providers are critical market participants in that they are the only market participants that provide liquidity to NOM. Allowing Market Makers to manage their costs by lowering the SQF Port and SQF Purge Port Fees for above 20 ports enables these essential market participants to manage their business model more effectively and better allocate resources to other technologies that are necessary to manage risk and capacity to ensure that these market participants continue to compete effectively on NOM. The Exchange believes that Market Makers should be eligible for certain incentives because they fulfill a unique role on the Exchange and are the only market participants required to submit quotes to the Exchange. The proposed reduced fee for above 20 ports is designed to ensure that Market Makers that add a certain amount of liquidity on NOM could obtain lower fees for above 20 ports to reduce costs. The Exchange desires to reward Market Makers provided they are adding a certain amount of liquidity to NOM and would apply the criteria uniformly.

Finally, the reduced SQF Port and SQF Purge Port fees for above 20 ports is constrained by competitive forces and reasonably designed in consideration of the competitive environment in which the Exchange operates. This fee structure incents Market Makers to

support increased liquidity, quote competition, and trading opportunities on the Exchange, for the benefit of all market participants.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to section 19(b)(3)(A)(ii) of the Act.¹⁶

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

¹⁴ See Options 2, Section 5(d).

¹⁵ See Options 2, Section 4(a)(1) and (3).

¹⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NASDAQ-2024-021 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-NASDAQ-2024-021. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NASDAQ-2024-021 and should be submitted on or before June 10, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2024-10946 Filed 5-17-24; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-625, OMB Control No. 3235-0686]

Submission for OMB Review; Comment Request

Upon Written Request Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

Extension:

Form WB-APP—Implementing the Whistleblower Provisions of Section 21F of the Securities Exchange Act of 1934

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) ("PRA"), the Securities and Exchange Commission ("Commission") is soliciting comments on the collection of information summarized below. The Commission plans to submit an extension for this current collection of information to the Office of Management and Budget for approval.

In Release No. 34-64545,¹ the Commission adopted rules ("Rules") and forms to implement Section 21F of the Securities Exchange Act of 1934 entitled "Securities Whistleblower Incentives and Protection," which was created by section 922 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act").² The Rules describe the whistleblower program that the Commission has established pursuant to the Dodd-Frank Act which requires the Commission to pay an award, subject to certain limitations and conditions, to whistleblowers who voluntarily provide the Commission with original information about a violation of the federal securities laws that leads to the successful enforcement of a covered judicial or administrative action, or of a related action. The Rules define certain terms critical to the operation of the whistleblower program, outline the procedures for applying for awards and the Commission's procedures for making decisions on claims, and generally explain the scope of the whistleblower program to the public and to potential whistleblowers.

Form WB-APP is a form that is submitted by whistleblowers filing a claim for a whistleblower award. Form WB-APP is required for application for

an award under the Rules. On March 7, 2024, the Commission approved an updated version of the WB-APP in conjunction with its amended rules. Based on Commission experience the updated WB-APP clarifies instructions to make it more user-friendly. Additionally, the new form has added one question asking if the submitter has filed for a whistleblower award from a non-SEC authority and if so, to provide the name of that authority. No substantive changes were made to the WB-APP.

The Commission estimates that it takes a whistleblower, on average, two hours to complete Form WB-APP. The completion time depends largely on the complexity of the alleged violation and the amount of information the whistleblower possesses in support of his or her application for an award. Based on the receipt of an average of approximately 192³ annual Form WB-APP submissions for the past three fiscal years, the Commission estimates that the annual reporting burden of Form WB-APP is 378 hours.

The public may view background documentation for this information collection at the following website: www.reginfo.gov. Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice by June 20, 2024 to (i) MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov and (ii) David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o John Pezzullo, 100 F Street NE, Washington, DC 20549, or by sending an email to: PRA_Mailbox@sec.gov.

Dated: May 15, 2024.

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2024-10977 Filed 5-17-24; 8:45 am]

BILLING CODE 8011-01-P

¹ Implementation of the Whistleblower Provisions of Section 21F of the Securities Exchange Act of 1934, Release No. 34-64545; File No. S7-33-10 (adopted May 25, 2011).

² Public Law 111-203, 922(a), 124 Stat. 1841 (2010).

³ This figure does not include Form WB-APP submissions which were facially deficient, subsequently withdrawn, or submitted by individuals who have been barred by the Commission from participation in the whistleblower program.

¹⁷ 17 CFR 200.30-3(a)(12).