

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-87183; File No. SR-CBOE-2019-065]

### Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Move the Rules in Chapter XVIII, Which Governs Exchange Arbitrations, of the Currently Effective Rulebook to Proposed Chapter 14 of the Shell Structure for the Exchange's Rulebook

October 1, 2019.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on September 25, 2019, Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, and II, below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> 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

Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") proposes to move the Rules in Chapter XVIII, which governs Exchange arbitrations, of the

currently effective Rulebook ("current Rulebook") to proposed Chapter 14 of the shell structure for the Exchange's Rulebook that will become effective upon the migration of the Exchange's trading platform to the same system used by the Cboe Affiliated Exchanges (as defined below) ("shell Rulebook"). The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange's website (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange's Office of the Secretary, 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 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

In 2016, the Exchange's parent company, Cboe Global Markets, Inc.

(formerly named CBOE Holdings, Inc.) ("Cboe Global"), which is also the parent company of Cboe C2 Exchange, Inc. ("C2"), acquired Cboe EDGA Exchange, Inc. ("EDGA"), Cboe EDGX Exchange, Inc. ("EDGX" or "EDGX Options"), Cboe BZX Exchange, Inc. ("BZX" or "BZX Options"), and Cboe BYX Exchange, Inc. ("BYX" and, together with Cboe Options, C2, EDGX, EDGA, and BZX, the "Cboe Affiliated Exchanges"). The Cboe Affiliated Exchanges are working to align certain system functionality, retaining only intended differences, between the Cboe Affiliated Exchanges, in the context of a technology migration. Cboe Options intends to migrate its trading platform to the same system used by the Cboe Affiliated Exchanges, which the Exchange expects to complete on October 7, 2019. In connection with this technology migration, the Exchange has a shell Rulebook that resides alongside its current Rulebook, which shell Rulebook will contain the Rules that will be in place upon completion of the Cboe Options technology migration.

The Exchange proposes to relocate current Chapter XVIII which governs arbitrations, to proposed Chapter 14 in the shell Rulebook. The Exchange notes that in addition to relocating the arbitration rules to proposed shell Chapter 14, the proposed rule change deletes the rules from the current Rulebook. The proposed rule change relocates the rules as follows:

Shell rule	Current rule
Chapter 14. Arbitration	Chapter XVIII. Arbitration
14.1 Matters Subject to Arbitration .....	18.1 Matters Subject to Arbitration.
14.2 FINRA Jurisdiction over Arbitrations Against TPHs .....	18.1A FINRA Jurisdiction over Arbitrations Against TPHs.
14.3 Procedures in TPH Controversies .....	18.2 Procedures in TPH Controversies.
14.4 Arbitration .....	18.3 Arbitration.
14.5 Class Action Claims .....	18.3A Class Action Claims.
14.6 Simplified Arbitration .....	18.4 Simplified Arbitration.
14.7 Waiver of Hearing .....	18.5 Waiver of Hearing.
14.8 Time Limitation upon Submission .....	18.6 Time Limitation upon Submission.
14.9 Dismissal or Termination of Proceedings .....	18.7 Dismissal or Termination of Proceedings.
14.10 Settlements .....	18.8 Settlements.
14.11 Tolling of Time Limitation(s) for the Institution of Legal Proceedings and Extension of Time Limitation(s) for Submission to Arbitration.	18.9 Tolling of Time Limitation(s) for the Institution of Legal Proceedings and Extension of Time Limitation(s) for Submission to Arbitration.
14.12 Designation of Number of Arbitrators .....	18.10 Designation of Number of Arbitrators.
14.13 Notice of Selection of Arbitrators .....	18.11 Notice of Selection of Arbitrators.
14.14 Challenges .....	18.12 Challenges.
14.15 Disclosures Required of Arbitrators .....	18.13 Disclosures Required of Arbitrators.
14.16 Disqualification or Other Disability of Arbitrators .....	18.14 Disqualification or Other Disability of Arbitrators.
14.17 Initiation of Proceedings .....	18.15 Initiation of Proceedings.
14.18 Designation of Time and Place of Hearings .....	18.16 Designation of Time and Place of Hearings.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

Shell rule	Current rule
Chapter 14. Arbitration	Chapter XVIII. Arbitration
14.19 Representation by Counsel .....	18.17 Representation by Counsel.
14.20 Attendance at Hearings .....	18.18 Attendance at Hearings.
14.21 Failure to Appear .....	18.19 Failure to Appear.
14.22 Adjournments .....	18.20 Adjournments.
14.23 Acknowledgement of Pleadings .....	18.21 Acknowledgement of Pleadings.
14.24 General Provisions Governing Pre-Hearing Proceeding .....	18.22 General Provisions Governing Pre-Hearing Proceeding.
14.25 Evidence .....	18.24 Evidence.
14.26 Interpretation of Code and Enforcement of Arbitrator Rulings .....	18.25 Interpretation of Code and Enforcement of Arbitrator Rulings.
14.27 Determinations of Arbitrators .....	18.26 Determinations of Arbitrators.
14.28 Record of Proceedings .....	18.27 Record of Proceedings.
14.29 Oaths of the Arbitrators and Witnesses .....	18.28 Oaths of the Arbitrators and Witnesses.
14.30 Amendments .....	18.29 Amendments.
14.31 Reopening of Hearings .....	18.30 Reopening of Hearings.
14.32 Awards .....	18.31 Awards.
14.33 Miscellaneous .....	18.32 Miscellaneous.
14.34 Schedule of Fees .....	18.33 Schedule of Fees.
14.35 Requirements when Using Pre-Dispute Arbitration Agreements with Customers.	18.35 Requirements when Using Pre-Dispute Arbitration Agreements with Customers.
14.36 Failure to Honor Award .....	18.37 Failure to Honor Award.

The proposed changes are of a non-substantive nature and will not amend the relocated rules other than to update their numbers, conform paragraph structure and number/lettering format to that of the shell Rulebook, and make cross-reference changes to shell rules.

## 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>5</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>6</sup> requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>7</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

As stated, the proposed rule change makes no substantive changes to the rules. The proposed rule change is merely intended to relocate the

Exchange’s rules to the shell Rulebook and update their numbers, paragraph structure, including number and lettering format, and cross-references to conform to the shell Rulebook as a whole in anticipation of the technology migration on October 7, 2019. As such, the proposed rule change is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest, by improving the way the Exchange’s Rulebook is organized, making it easier to read, and, particularly, helping market participants better understand the rules of the Exchange, which will also result in less burdensome and more efficient regulatory compliance.

## 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. The proposed rule change is not intended as a competitive change, but rather, seeks to make non-substantive rule changes in relocating the rules and updating cross-references to shell rules in anticipation of the October 7, 2019 technology migration. The Exchange also does not believe that the proposed rule change will impose any undue burden on competition because the relocated rule text is exactly the same as the Exchange’s current rules, all of which have all been previously filed with the Commission.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>8</sup> and Rule 19b-4(f)(6) thereunder.<sup>9</sup>

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act<sup>10</sup> normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)<sup>11</sup> permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked

<sup>5</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. Because this proposal does not make any substantive changes to the rules but only moves them into the shell Rulebook, the Commission designates a shorter time under Rule 19b-4(f)(6)(iii) by waiving the five business pre-filing period for this proposal.

<sup>10</sup> 17 CFR 240.19b-4(f)(6).

<sup>11</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>5</sup> 15 U.S.C. 78f(b).

<sup>6</sup> 15 U.S.C. 78f(b)(5).

<sup>7</sup> *Id.*

the Commission to waive the 30-day operative delay. The Exchange believes that waiver of the operative delay is appropriate because, as the Exchange discussed above, its proposal does not make any substantive changes to the Exchange Rules, but merely relocates arbitration rules to the shell Rulebook that the Exchange wishes to maintain post migration. Accordingly, its proposal is designed to preserve its arbitration rules after October 7, 2019. The Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest because the proposal does not raise any new or novel issues and does not make any substantive changes to the rules. Therefore, the Commission hereby waives the operative delay and designates the proposal as operative upon filing.<sup>12</sup>

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 necessary or appropriate in the public interest, for the protection of investors, or 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 change 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:

##### *Electronic Comments:*

- Use the Commission's internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2019-065 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-CBOE-2019-065. 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 (<http://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 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2019-065 and should be submitted on or before October 28, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

**Jill M. Peterson,**

*Assistant Secretary.*

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**BILLING CODE 8011-01-P**

#### SMALL BUSINESS ADMINISTRATION

**[Disaster Declaration #16135 and #16136; Mississippi Disaster Number MS-00110]**

#### **Presidential Declaration of a Major Disaster for the State of Mississippi**

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Notice.

**SUMMARY:** This is a Notice of the Presidential declaration of a major disaster for the State of Mississippi (FEMA-4429-DR), dated 09/20/2019.

*Incident:* Severe Storms, Straight-line Winds, Tornadoes, and Flooding.

*Incident Period:* 02/22/2019 through 03/29/2019.

**DATES:** Issued on 09/20/2019.

*Physical Loan Application Deadline Date:* 11/19/2019.

*Economic Injury (EIDL) Loan Application Deadline Date:* 06/22/2020.

**ADDRESSES:** Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

**FOR FURTHER INFORMATION CONTACT:** A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205-6734.

**SUPPLEMENTARY INFORMATION:** Notice is hereby given that as a result of the President's major disaster declaration on 09/20/2019, applications for disaster loans may be filed at the address listed above or other locally announced locations. The following areas have been determined to be adversely affected by the disaster:

*Primary Counties (Physical Damage and Economic Injury Loans):* Clay, Humphreys, Issaquena, Lowndes, Monroe, Sharkey, Warren, Yazoo.

*Contiguous Counties (Economic Injury Loans Only):*

Mississippi: Attala, Chickasaw, Claiborne, Hinds, Holmes, Itawamba, Lee, Leflore, Madison, Noxubee, Oktibbeha, Sunflower, Washington, Webster.

Alabama: Lamar, Marion, Pickens.

Arkansas: Chicot.

Louisiana: East Carroll, Madison, Tensas.

The interest rates are:

<i>For Physical Damage:</i>	
Homeowners with Credit Available Elsewhere .....	4.125
Homeowners without Credit Available Elsewhere .....	2.063
Businesses with Credit Available Elsewhere .....	8.000
Businesses without Credit Available Elsewhere .....	4.000
Non-Profit Organizations with Credit Available Elsewhere ...	2.750
Non-Profit Organizations without Credit Available Elsewhere .....	2.750
<i>For Economic Injury:</i>	
Businesses & Small Agricultural Cooperatives without Credit Available Elsewhere .....	4.000
Non-Profit Organizations without Credit Available Elsewhere .....	2.750

The number assigned to this disaster for physical damage is 16135B and for economic injury is 161360.

<sup>12</sup> For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>13</sup> 17 CFR 200.30-3(a)(12).