

Week of November 23, 2020—Tentative

There are no meetings scheduled for the week of November 23, 2020.

CONTACT PERSON FOR MORE INFORMATION:

For more information or to verify the status of meetings, contact Denise McGovern at 301-415-0681 or via email at Denise.McGovern@nrc.gov. The schedule for Commission meetings is subject to change on short notice.

The NRC Commission Meeting Schedule can be found on the internet at: <https://www.nrc.gov/public-involve/public-meetings/schedule.html>.

The NRC provides reasonable accommodation to individuals with disabilities where appropriate. If you need a reasonable accommodation to participate in these public meetings or need this meeting notice or the transcript or other information from the public meetings in another format (e.g., braille, large print), please notify Anne Silk, NRC Disability Program Specialist, at 301-287-0745, by videophone at 240-428-3217, or by email at Anne.Silk@nrc.gov. Determinations on requests for reasonable accommodation will be made on a case-by-case basis.

Members of the public may request to receive this information electronically. If you would like to be added to the distribution, please contact the Nuclear Regulatory Commission, Office of the Secretary, Washington, DC 20555 (301-415-1969), or by email at Tyesha.Bush@nrc.gov or Marcia.Pringle@nrc.gov.

The NRC is holding the meetings under the authority of the Government in the Sunshine Act, 5 U.S.C. 552b.

Dated: October 16, 2020.

For the Nuclear Regulatory Commission.

Denise L. McGovern,

Policy Coordinator, Office of the Secretary.

[FR Doc. 2020-23326 Filed 10-16-20; 4:15 pm]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. IA-5612]

Notice of Intention To Cancel Registration Pursuant to Section 203(h) of the Investment Advisers Act of 1940

October 15, 2020.

Notice is given that the Securities and Exchange Commission (the "Commission") intends to issue an order, pursuant to Section 203(h) of the Investment Advisers Act of 1940 (the "Act"), cancelling the registration of EF Hutton Investments LLC [File No. 801-108464], hereinafter referred to as the "registrant."

Section 203(h) provides, in pertinent part, that if the Commission finds that any person registered under Section 203, or who has pending an application for registration filed under that section, is no longer in existence, is not engaged in business as an investment adviser, or is prohibited from registering as an investment adviser under section 203A, the Commission shall by order, cancel the registration of such person.

The registrant has not filed a Form ADV amendment with the Commission as required by rule 204-1 under the Act and appears to not be engaged in business as an investment adviser.¹ Accordingly, the Commission believes that reasonable grounds exist for a finding that the registrant is no longer eligible to be registered with the Commission as an investment adviser and that the registration should be cancelled pursuant to section 203(h) of the Act.

Notice is also given that any interested person may, by November 9, 2020, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the cancellation, accompanied by a statement as to the nature of his or her interest, the reason for such request, and the issues, if any, of fact or law proposed to be controverted, and he or she may request that he or she be notified if the Commission should order a hearing thereon. Any such communication should be emailed to the Commission's Secretary at Secretaries-Office@sec.gov.

At any time after November 9, 2020, the Commission may issue an order cancelling the registration, upon the basis of the information stated above, unless an order for a hearing on the cancellation shall be issued upon request or upon the Commission's own motion. Persons who requested a hearing, or who requested to be advised as to whether a hearing is ordered, will receive any notices and orders issued in this matter, including the date of the hearing (if ordered) and any postponements thereof. Any adviser whose registration is cancelled under delegated authority may appeal that decision directly to the Commission in accordance with rules 430 and 431 of the Commission's rules of practice (17 CFR 201.430 and 431).

ADDRESSES: The Commission: Secretaries-Office@sec.gov.

FOR FURTHER INFORMATION CONTACT: Alexis Palascak, Senior Counsel at 202-

¹ Rule 204-1 under the Act requires any adviser that is required to complete Form ADV to amend the form at least annually and to submit the amendments electronically through the Investment Adviser Registration Depository.

551-6999; SEC, Division of Investment Management, Investment Adviser Regulation Office, 100 F Street NE, Washington, DC 20549-8549.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.²

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2020-23178 Filed 10-19-20; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-90179; File No. SR-CBOE-2020-074]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Order Granting Approval of a Proposed Rule Change To Adopt Position Compression Cross ("PCC") Orders for SPX

October 14, 2020.

I. Introduction

On August 19, 2020, Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to adopt Position Compression Cross ("PCC") orders for S&P 500 Index ("SPX") options. The proposed rule change was published for comment in the **Federal Register** on September 3, 2020.³ The Commission received four comments in support of the proposed rule change.⁴ This order approves the proposed rule change.

² 17 CFR 200.30-5(e)(2).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 89707 (August 28, 2020), 85 FR 55040 ("Notice").

⁴ See Letter to Vanessa Countryman, Secretary, Commission, dated September 17, 2020, from Steve Crutchfield, Head of Market Structure, CTC, LLC, available at <https://www.sec.gov/comments/sr-cboe-2020-074/sr-cboe2020074-7794086-223555.pdf>; Letter to Vanessa Countryman, Secretary, Commission, dated September 18, 2020, from Joanna Mallers, Secretary, FIA Principal Traders Group, available at <https://www.sec.gov/comments/sr-cboe-2020-074/sr-cboe2020074-7793926-223553.pdf>; Letter to Vanessa Countryman, Secretary, Commission, dated September 18, 2020, from Michael Golding, Head of Trading, Optiver US LLC, and Rutger Brinkhuis, Head of Trading, AMS Derivatives B.V., available at <https://www.sec.gov/comments/sr-cboe-2020-074/sr-cboe2020074-7793838-223548.pdf>; and Comment from Erik Swanson, CEO, Simplex Trading, LLC, dated September 18, 2020, available at <https://www.sec.gov/comments/sr-cboe-2020-074/sr-cboe2020074-7793878-223549.htm>.

II. Summary of the Proposal

As described in more detail in the Notice,⁵ the Exchange proposes to adopt PCC orders to assist Trading Permit Holders (“TPHs”) in reducing their open positions in series of SPX options to reduce the required capital associated with their open SPX positions. The Exchange currently facilitates compression forums on the trading floor at the end of each calendar week, month, and quarter, where TPHs can seek to reduce their open positions in SPX.⁶ These SPX compression forums allow TPHs and their clearing firms to reduce open interest in offsetting SPX positions, which can help clearing brokers that are affiliates of bank holding companies comply with the unique regulatory capital requirements that apply to them. In turn, compression forums may help some firms, particularly market makers, mitigate the effects of capital constraints and provide them with continued access to the capital they need through their clearing brokers to provide liquidity during periods of volatility.

From March 16 to June 12, 2020, the Exchange closed its trading floor in response to the coronavirus pandemic, and as a result, the Exchange operated in an all-electronic configuration.⁷ Because the trading floor was closed during this time, market participants could not participate in open outcry compression forums. To enable TPHs to reduce open interest in SPX options in electronic compression forums when the floor was closed, the Exchange adopted Rule 5.24(e)(1)(E) as part of its Disaster Recovery rule.⁸

Under Rule 5.24(e)(1)(E), when the Exchange’s trading floor becomes inoperable, it can conduct electronic compression forums as frequently as daily.⁹ Those electronic compression forums permit an order in SPX option contracts to be coupled with a contra-side order(s) and be executed automatically on entry without exposure.¹⁰ In order to obtain a clean cross, the orders are required to execute in accordance with the same priority principles that apply to complex orders on the Exchange.¹¹ Specifically: (i) Each option leg may only execute at a price that complies with Rule 5.33(f)(2), provided that no option leg executes at

the same price as a Priority Customer Order in the Simple Book; (ii) each option leg may only execute at a price at or between the national best bid or offer (“NBBO”) for the applicable series; and (iii) the execution price must be better than the price of any complex order resting in the complex order book, unless the submitted complex order was a Priority Customer Order and the resting complex order is a non-Priority Customer Order, in which case the execution price may be the same as or better than the price of the resting complex order.¹² If a compression order could not execute in accordance with these requirements, it would be cancelled.¹³

When the Cboe Options trading floor reopened on June 15, 2020, electronic compression forums were no longer available because the Exchange does not offer electronic compression forums when its trading floor is operable.¹⁴

In light of its recent experience with electronic compression forums, and the interest among certain TPHs that they continue, the Exchange proposes to adopt PCC orders for SPX on a permanent basis and delete its floor-based compression forum rule.¹⁵ The proposed rule explicitly provides that PCC orders, which may be submitted for automatic electronic execution or for manual handling on the trading floor, may only be used to reduce the required capital associated with open SPX positions.¹⁶

To facilitate this proposed rule change, the Exchange first proposes to delete Rule 5.24(e)(1)(E) and reserve Rule 5.88. Second, the Exchange proposes to add PCC orders to its list of orders types under Rule 5.6(c). The procedures for submitting PCC orders will be similar to the procedures that currently apply to open outcry compression forums under Rule 5.88,¹⁷

except that they will allow a clean cross for SPX without exposure either on the floor or electronically. PCC orders will be available during regular trading hours and global trading hours.¹⁸ The same execution and priority protection principles that apply under Rule 5.24(e)(1)(E) will apply to PCC orders,¹⁹ and if a PCC order cannot be executed in accordance with these provisions, it will be cancelled. The PCC order type will also be available for SPX FLEX options.²⁰ Finally, the Exchange proposes to make PCC orders available for PAR routing for manual handling.²¹

III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.²² In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,²³ which requires, among other things, that the rules of a national securities exchange be 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, and not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange seeks to make the electronic PCC order type permanent, even when the trading floor of the Exchange is operable, and also offer the ability to submit a PCC order for manual handling on the trading floor. This order type will allow TPHs to execute clean

of initially providing individual position files on an anonymous basis and then requiring TPHs to consent to having their identities disclosed since most TPHs submit the compression-list positions with the goal of identifying other TPHs with offsetting positions to enable them to engage in the compression transactions. Lastly, the Exchange will provide two additional types of information in the compression-list positions sent to TPHs: Series positions within a strike range determined by the Exchange and combos (*i.e.*, purchase (sale) of a call and a sale (purchase) of a put with the same expiration date and the strike price) in addition to the currently provided multi-leg positions of vertical call spreads, vertical put spreads, and box spreads. *See id.* at 55042.

¹⁸ *See id.* at 55045, n.38. *See also* Rules 5.32(g) and 5.33(n).

¹⁹ *See supra* note 12 and accompanying text.

²⁰ *See Notice, supra* note 3, at 55045, n.38. *See also* Rule 5.70(a)(2).

²¹ *See id.* at 55045–46. *See also* Rule 5.83(a) and (b); Rule 5.85.

²² In approving this proposed rule change, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

²³ 15 U.S.C. 78f(b)(5).

⁵ *See Notice, supra* note 3.

⁶ *See id.* at 55040. *See also* Cboe Rule 5.88.

⁷ *See id.* at 55041.

⁸ *See* Securities Exchange Act Release No. 88490 (March 26, 2020), 85 FR 18318 (April 1, 2020) (File No. SR-CBOE-2020-026).

⁹ *See id.* at 18319–20.

¹⁰ *See id.* at 18320.

¹¹ *See id.*

¹² *See id.*

¹³ *See id.*

¹⁴ *See Notice, supra* note 3, at 55041.

¹⁵ *See id.* at 55041–46 for a more detailed description of the proposal.

¹⁶ *See* Rule 5.6(c). The Exchange explains that electronic PCC orders are uniquely relevant to SPX options because of the large notational value of SPX contracts and the significant open interest in them. *See Notice, supra* note 3, at 55040.

¹⁷ The PCC order procedures for electronic and open outcry will differ slightly from the open outcry compression forum currently available under Rule 5.88. In particular, the Exchange may make PCC orders available more often than current compression forums, which take place only at the end of the week, month, and quarter. The Exchange will determine the times to permit PCC orders and will provide TPHs with reasonable and sufficient notice before doing so. Additionally, the Exchange will no longer post the compression-list position file on the Exchange’s website because it does not believe those lists are used by TPHs or useful to the public. The new procedure also eliminates the step

crosses of SPX compression forum orders without exposure and they will be available at any point during a month designated by the Exchange rather than just at the end of each calendar week, month, and quarter, as is the case under the current compression forum process.

The affiliation of clearing brokers with bank holding companies has introduced the need for liquidity providers and their clearing firms to more conservatively manage holdings to comply with applicable bank regulatory capital requirements, which particularly affects SPX options given the large notional exposure associated with holdings of SPX by liquidity providers in SPX across a large number of strikes and series. While these positions may be hedged, the applicable bank capital rules currently disregard offsets when calculating the notional value of short positions. As a result, the ability to close and “compress” positions in an efficient, cost-effective manner can help liquidity providers and their clearing firms reduce risk weighted assets and alleviate associated bank capital constraints.

The current floor-based compression forums are labor-intensive and can be inefficient as a result. The Exchange asserts that this proposal will increase the efficiency of SPX compression activity without causing any significant negative effect on price discovery or the ability of a TPH to access liquidity.²⁴ The commenters on the proposal similarly believe the proposal will increase efficiency by providing an electronic risk management tool to reduce SPX risk weighted assets, which will support the ability of SPX liquidity providers to provide displayed quotes in SPX options.²⁵ Accordingly, PCC orders can help assure the continued availability of capital to liquidity providers so that they can quote competitively with size, particularly during periods of heightened volatility, which removes impediments and supports fair and orderly markets to the benefit of investors.

The proposed PCC order type contains the same priority protections that apply under Rule 5.24(e)(1)(E) when the Exchange permits electronic compression orders as clean crosses when its trading floor is inoperable.²⁶

Likewise, PCC orders handled by floor brokers will be covered by the same protections.²⁷ Additionally, under the proposal, TPHs will be permitted to enter PCC orders in the same increment that is currently available for closing transactions in open outcry compression forums, which are increments of \$0.01.²⁸

The Exchange states that the benefits of permitting PCC orders to execute as clean crosses greatly outweigh any detriments that may result from not exposing these orders for potential break up.²⁹ The Exchange notes that the benefits of requiring a TPH to expose an order or a proposed cross generally flow to that order, which benefits include the potential for price improvement and, for single orders, to locate contra-side liquidity.³⁰ In the case of an SPX transaction to reduce risk weighted capital for which a TPH could use the PCC order type, the representing TPH has already located the necessary liquidity prior to submitting the matches for execution, and the ability to execute the single or complex order in full to reduce risk weighted capital is the primary concern.³¹ Any likelihood of another TPH breaking up the PCC order could deter the order-originating TPH from entering its compression order, which would fail to achieve the aims of the compression order and thus fail to mitigate the associated capital constraints that could impact the liquidity provider's continued ability to quote SPX series.³²

Based on the foregoing and for the above reasons, the Commission finds that the proposed rule change is consistent with the requirements of the Act in that it 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.

IV. Conclusion

It is therefore ordered that, pursuant to Section 19(b)(2) of the Act,³³ the proposed rule change (SR-CBOE-2020-074) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁴

J. Matthew DeLesDernier,
Assistant Secretary.

[FR Doc. 2020-23150 Filed 10-19-20; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-90176; File No. SR-FINRA-2020-032]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adjust FINRA Fees To Provide Sustainable Funding for FINRA's Regulatory Mission

October 14, 2020.

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 October 2, 2020, the Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. FINRA has designated the proposed rule change as “establishing or changing a due, fee or other charge” under Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposal effective upon receipt of this filing by the Commission. 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

FINRA is proposing to adjust FINRA fees to provide sustainable funding for FINRA's regulatory mission.

The text of the proposed rule change is available on FINRA's website at <http://www.finra.org>, at the principal office of FINRA and at the Commission's Public Reference Room.

²⁴ See Notice, *supra* note 3, at 55041.

²⁵ See *supra* note 4 (citing to the comment letters on the proposal).

²⁶ See Notice, *supra* note 3, at 55045. The Commission also notes that the proposal only allows a TPH to use PCC orders to reduce the required capital associated with the TPH's open SPX positions and the Exchange represents that the Exchange's Regulatory Division will incorporate PCC orders into its surveillance. See *id.* at 55049.

²⁷ See *id.*

²⁸ See *id.* at 55043.

²⁹ See *id.* at 55048.

³⁰ See *id.*

³¹ See *id.* at 55049. See also *supra* note 27.

³² See Notice, *supra* note 3, at 55049.

³³ 15 U.S.C. 78s(b)(2).

³⁴ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).