

**PLACE:** Washington, DC.

**STATUS:** Closed.

**MATTERS TO BE CONSIDERED:**

1. Strategic Issues.
2. Financial and Operational Matters.
3. Compensation and Personnel Matters.

4. Administrative Items.

*General Counsel Certification:* The General Counsel of the United States Postal Service has certified that the meeting may be closed under the Government in the Sunshine Act.

**CONTACT PERSON FOR MORE INFORMATION:**

Michael J. Elston, Secretary of the Board, U.S. Postal Service, 475 L'Enfant Plaza SW, Washington, DC 20260-1000. Telephone: (202) 268-4800.

**Michael J. Elston,**

*Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-91313; File No. SR-MIAX-2021-03]

**Self-Regulatory Organizations; Miami International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 200, Trading Permits**

March 12, 2021.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 1, 2021, Miami International Securities Exchange, LLC ("MIAX Options" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I and II 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 is filing a proposal to amend to amend Exchange Rule 200(d) requiring membership in another national securities exchange or association.

The text of the proposed rule change is available on the Exchange's website at <http://www.miaxoptions.com/rule->

*filings/* at MIAX Options' principal office, 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**

The purpose of the proposed rule change is to amend Exchange Rule 200(d) requiring membership in another national securities exchange or association. In sum, Exchange Rule 200(d) currently requires that Trading Permit<sup>3</sup> holders be a member in another registered options exchange, other than the Exchange's affiliates, MIAX Emerald, LLC ("Emerald") or MIAX PEARL, LLC ("PEARL"), or the Financial Industry Regulatory Authority, Inc. ("FINRA") where such other registered options exchange has not been designated by the Commission, pursuant to Rule 17d-1 under the Exchange Act, to examine Members for compliance with financial responsibility rules. Exchange Rule 200(d), therefore, does not allow a Trading Permit Holder that is not a FINRA member<sup>4</sup> to satisfy this requirement by being a member of a registered equities exchange. The Exchange believes that requiring membership in another registered options exchange is unnecessarily too restrictive and is also not in line with similar membership requirements at other exchanges.<sup>5</sup> Therefore, to enable

more broker-dealers to become Trading Permit holders, the Exchange proposes to amend Exchange Rule 200(d) to require membership in a registered national securities exchange, rather than only registered options exchanges.<sup>6</sup> Exchange Rule 200(d) will continue to require Trading Permit holders to be FINRA members where the registered national securities exchange that they maintain membership is not designated by the Commission to examine members for compliance with financial responsibility rules pursuant to Rule 17d-1 of the Exchange Act.<sup>7</sup>

**2. Statutory Basis**

The proposed rule change is consistent with Section 6(b) of the Act,<sup>8</sup> in general, and furthers the objectives of Section 6(b)(5),<sup>9</sup> in particular, because it is 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.

The Exchange believes that the proposed rule change would remove impediments to, and perfect the mechanisms of, a free and open market and a national market system and, in general, protect investors and the public interest by expanding the number of registered brokers-dealers that would be eligible to become Trading Permit holders and trade on the Exchange, while maintaining high regulatory standards and a comprehensive regulatory regime with respect to such firms. Exchange Rule 200(d) was too restrictive by limiting membership in another registered national securities exchange to only registered options

("MEMX") Rule 2.5(a)(4), Investors Exchange, Inc. ("IEX") Rule 2.130(a), Long Term Stock Exchange, Inc. ("LTSE") Rule 2.130 and BOX Exchange LLC ("BOX") Rule 2020(a).

<sup>6</sup> The Exchange also propose to include the phrase "or FINRA" at the end of Exchange Rule 200(d)'s title and to not capitalize the word "holder" in the first sentence of the rule.

<sup>7</sup> Rule 17d-1 of the Act authorizes the Commission to name a single Self-Regulatory Organization ("SRO") as the Designated Examining Authority ("DEA") to examine members of more than one SRO ("common member") for compliance with the financial responsibility requirements imposed by the Exchange Act, or by Commission or SRO rules. 17 CFR 240.17d-1. The Exchange does not currently act as the DEA for any Trading Permit holder.

<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(5).

<sup>3</sup> The term "Trading Permit" means a permit issued by the Exchange that confers the ability to transact on the Exchange. See Exchange Rule 100.

<sup>4</sup> A Trading Permit Holder that does not transact business with the public is not required to become a FINRA member. Section 15(b)(8) of the Act that requires members that transact business with the public to be a member of FINRA. 15 U.S.C. 78o(b)(8).

<sup>5</sup> See Cboe EDGX Exchange, Inc. ("EDGX") Rule 2.5(a)(4), Cboe EDGA Exchange, Inc. ("EDGA") Rule 2.5(a)(4), Cboe BZX Exchange, Inc. ("BZX") Rule 2.5(a)(4), Cboe BYX Exchange, Inc. ("BYX", collectively with EDGX, EDGA, and BZX, the "Cboe Equity Exchanges") Rule 2.5(a)(4), MEMX LLC

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

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

exchanges and, therefore, unnecessarily precluded broker-dealers who were members of a registered equities exchange from becoming Trading Permit holders. As mentioned above, Exchange Rule 200(d) will continue to require Trading Permit holders to be FINRA members where the registered national securities exchange that they maintain membership is not designated by the Commission to examine members for compliance with financial responsibility rules pursuant to Rule 17d-1 of the Exchange Act. This will ensure that those Trading Permit holders that are not FINRA members maintain membership at a registered options or equities exchange that may be designated as their DEA by the Commission. The proposed rule change would also contribute to perfecting the mechanism of a free and open market and a national market system, which outcomes are also consistent with the protection of investors and the public interest, by aligning the Exchange's membership requirements more closely with that of its affiliate, PEARL,<sup>10</sup> and those of other national securities exchanges.<sup>11</sup>

The proposed rule change would also not unfairly discriminate between or among market participants because both current and prospective Trading Permit holders would be subject to the rule. All Trading Permit holders would be regulated in the same manner by the Exchange should they be a member of another registered national options or equities exchange.

#### *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 that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is designed to enhance competition by expanding the number of registered brokers-dealers that would be eligible to become Trading Permit holders and trade on the Exchange by aligning Exchange Rule 200(d) with that of other national securities exchanges.<sup>12</sup>

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

Written comments were neither solicited nor received.

### **III. Date of Effectiveness of the Proposed Rule Change and Timing of 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>13</sup> and Rule 19b-4(f)(6) thereunder.<sup>14</sup>

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act<sup>15</sup> normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)<sup>16</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 the Commission to waive the 30-day operative delay so that the proposed rule change may become operative immediately. The Exchange states that waiver of the operative delay is consistent with the protection of investors and the public interest because it will allow the Exchange to immediately expand the number of registered broker-dealers that would be eligible to become Trading Permit holders on the Exchange and align its membership requirements more closely with those of other national securities exchanges.<sup>17</sup> For this reason, and because the proposal does not raise any novel regulatory issues, the Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the operative delay and designates the proposed rule change operative upon filing.<sup>18</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-MIAX-2021-03 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-MIAX-2021-03. 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

<sup>10</sup> See Securities Exchange Act Release No. 91146 (February 17, 2021), 86 FR 11022 (February 23, 2021) (SR-PEARL-2021-03).

<sup>11</sup> See *supra* note 5.

<sup>12</sup> *Id.*

<sup>13</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>14</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. The Exchange has satisfied this requirement.

<sup>15</sup> 17 CFR 240.19b-4(f)(6).

<sup>16</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>17</sup> See *supra* note 5.

<sup>18</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).

submissions should refer to File Number SR–MIAX–2021–03 and should be submitted on or before April 8, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>19</sup>

**J. Matthew DeLesDernier,**  
Assistant Secretary.

[FR Doc. 2021–05557 Filed 3–17–21; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–91318; File No. SR–NASDAQ–2021–002]

### Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Modify and Expand the Package of Complimentary Services Provided to Eligible Companies and To Update the Values of Certain Complimentary Services

March 12, 2021.

#### I. Introduction

On January 8, 2021, The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) <sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> a proposed rule change to modify and expand the package of complimentary services provided to eligible companies and to update the values of certain complimentary services. The proposed rule change was published in the **Federal Register** on January 26, 2021.<sup>3</sup> On February 17, 2021, the Exchange filed Amendment No. 1 to the proposed rule change, which amended and replaced the proposed rule change in its entirety.<sup>4</sup> The Commission is publishing

this notice to solicit comments on the proposed rule change, as modified by Amendment No. 1, from interested persons and is approving the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

#### II. Description of the Proposal, as Modified by Amendment No. 1

Nasdaq proposes to modify IM–5900–7 regarding the package of complimentary services that it offers to eligible listed companies to: (i) Eliminate the tier that provides a higher level of services to Eligible New Listings<sup>5</sup> that have a market capitalization of \$5 billion or more;<sup>6</sup> (ii) extend the complimentary services period for all Eligible New Listings and Eligible Switches<sup>7</sup> that have a market capitalization of less than \$750 million from two to three years; (iii) include a Media Monitoring/Social Listening service, Virtual Event service, and certain Environmental, Social and Governance (“ESG”) services in the complimentary service package for Eligible New Listings and Eligible Switches; and (iv) update the values of certain complimentary services and the approximate retail values of the complimentary service package offered to each tier of Eligible New Listings and Eligible Switches.

Currently, Nasdaq offers complimentary services under IM–5900–7 to a company listing on the Nasdaq Global or Global Select Market (i) in connection with an initial public offering in the United States, including American Depositary Receipts (other than a company listed under IM–5101–2); (ii) upon emerging from bankruptcy; (iii) in connection with a spin-off or carve-out from another company; (iv) in connection with a direct listing as defined in IM–5315–1 (including the listing of American Depositary Receipts); or (v) in conjunction with a business combination that satisfies the conditions in Nasdaq IM–5101–2(b) (“Eligible New Listing”).<sup>8</sup> Under IM–5900–7, Nasdaq also offers complimentary services to a company (i) switching its listing from the New York Stock Exchange (“NYSE”) to the Global or Global Select Markets (other than a company listed under IM–5101–2), or (ii) that has switched its listing from the

NYSE and listed on Nasdaq under IM–5101–2 after the company publicly announced that it entered into a binding agreement for a business combination and that subsequently satisfies the conditions in IM–5101–2(b) and lists on the Global or Global Select Market in conjunction with that business combination (“Eligible Switch”).<sup>9</sup>

The complimentary services that Nasdaq offers currently include a whistleblower hotline, investor relations website, disclosure services, audio webcasting, market analytic tools, and market advisory tools, which may include stock surveillance, global targeting, or an annual perception study.<sup>10</sup> For Eligible New Listings and Eligible Switches, Nasdaq offers different tiers of complimentary services packages based upon whether the company has a market capitalization of (i) less than \$750 million; (ii) \$750 million or more but less than \$5 billion; or (iii) \$5 billion or more.<sup>11</sup> Nasdaq states that it believes that the complimentary service program offers valuable services to newly listing companies, is designed to help ease the transition of becoming a public company or switching markets, and makes listing on Nasdaq more attractive to these companies.<sup>12</sup> Nasdaq states that it faces competition in the market for listing services and that it believes it is reasonable to offer complimentary services to attract and retain listings as part of this competition.<sup>13</sup>

Pursuant to the proposed rule change, Nasdaq proposes to eliminate the third tier of complimentary services offered to Eligible New Listings, such that all Eligible New Listings with market capitalization of \$750 million or more would be offered the same complimentary services package.<sup>14</sup>

<sup>9</sup> See IM–5900–7(a)(2). Nasdaq states that companies switching from a national securities exchange other than the NYSE are not eligible to receive complimentary services under IM–5900–7. See Notice, *supra* note 3, at 7155 n.3.

<sup>10</sup> See IM–5900–7(b). According to Nasdaq, in addition, all companies listed on Nasdaq receive other standard services from Nasdaq, including Nasdaq Online and the Market Intelligence Desk. See Notice, *supra* note 3, at 7155 n.4.

<sup>11</sup> See IM–5900–7(c) and (d) for additional detail about the types of complimentary services and length of the complimentary services period offered to each tier of Eligible New Listings and Eligible Switches, respectively. Nasdaq states that it believes that it is appropriate to offer different services based on a company’s market capitalization given that larger companies generally will need more and different governance, communication, and intelligence services. See Notice, *supra* note 3, at 7157.

<sup>12</sup> See Notice, *supra* note 3, at 7155.

<sup>13</sup> See *id.* at 7157. Nasdaq further states that all similarly situated companies are eligible for the same package of services. See *id.*

<sup>14</sup> See proposed IM–5900–7(c)(2).

<sup>19</sup> 17 CFR 200.30–3(a)(12).

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

<sup>2</sup> 17 CFR 240.19b–4.

<sup>3</sup> See Securities Exchange Act Release No. 90955 (January 19, 2021), 86 FR 7155 (“Notice”). No comments were received on the proposal, other than Nasdaq’s amendment to the proposed rule change. See *infra* note 4.

<sup>4</sup> Amendment No. 1 to the proposed rule change revised the proposal to (i) extend the complimentary services period for Eligible Switches (as defined below) that have a market capitalization of less than \$750 million from two to three years, thereby eliminating a distinction in the length of the complimentary services period between Eligible New Listings (as defined below) and Eligible Switches with a market capitalization of under \$750 million; and (ii) make minor technical changes. Amendment No. 1 to the proposed rule change is available on the Commission’s website at <https://www.sec.gov/comments/sr-nasdaq-2021-002/>

[srnasdaq2021002-8382244-229339.pdf](https://www.sec.gov/comments/sr-nasdaq-2021-002/) (“Amendment No. 1”).

<sup>5</sup> See *infra* note 8 and accompanying text.

<sup>6</sup> Under the proposal, Eligible New Listings with a market capitalization of \$5 billion or more will receive the same complimentary services as Eligible New Listings with a market capitalization of \$750 million or more.

<sup>7</sup> See *infra* note 9 and accompanying text.

<sup>8</sup> See IM–5900–7(a)(1).