

with other exchanges. For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

#### *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 Exchange believes that the proposed changes to the Facilitation and Solicitation Transaction fees will not impose a burden on competition among various Exchange Participants. Rather, BOX believes that the change will result in the Participants being charged appropriately for these transactions and are designed to enhance competition in the Facilitation and Solicitation mechanisms. Submitting an order is entirely voluntary and Participants can determine which order type they wish to submit, if any, to the Exchange. Further, the Exchange believes that this proposal will enhance competition between exchanges because it is designed to allow the Exchange to better compete with other exchanges for order flow. The Exchange does not believe that the proposed change will burden competition by creating a disparity between the fees an initiator pays and the fees a competitive responder pays that would result in certain Participants being unable to compete with initiators. In fact, the Exchange believes that these changes will not impair these Participants from adding liquidity and competing in the Facilitation and Solicitation mechanisms, and will help promote competition by providing incentives for market participants to submit Facilitation and Solicitation Orders, and thus benefit all Participants trading on the Exchange by attracting customer order flow.

Lastly, the Exchange believes that eliminating the Liquidity Fees and Credits for Facilitation and Solicitation Transactions will not burden competition as the proposed change applies to all market participants. As discussed above, the Exchange believes that eliminating the Liquidity Fees and Credits for Facilitation and Solicitation Transactions is reasonable as the Exchange, pursuant to this proposal, has eliminated Facilitation and Solicitation Order fees. Therefore, the credit for removing liquidity is no longer needed to incentivize Participants to submit order flow to the Facilitation and Solicitation auction mechanisms.

#### *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 Exchange Act<sup>16</sup> and Rule 19b-4(f)(2) thereunder,<sup>17</sup> because it establishes or changes a due, or fee.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend the rule change if it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further 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:

#### *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-BOX-2020-39 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-BOX-2020-39. 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 such 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-BOX-2020-39, and should be submitted on or before January 13, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>18</sup>

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

[FR Doc. 2020-28305 Filed 12-22-20; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-90713; File No. SR-CboeEDGX-2020-063]

### **Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend EDGX Rule 11.8(g), Which Describes the Handling of MidPoint Discretionary Orders Entered on the Exchange**

December 17, 2020.

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 December 15, 2020, Cboe EDGX Exchange, Inc. (the "Exchange" or "EDGX") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section

<sup>18</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>16</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

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

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 EDGX Exchange, Inc. ("EDGX" or the "Exchange") is filing with the Securities and Exchange Commission (the "Commission") a proposed rule change to amend EDGX Rule 11.8(g), which describes the handling of MidPoint Discretionary Orders entered on the Exchange.<sup>5</sup> 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://markets.cboe.com/us/options/regulation/rule\\_filings/edgx/](http://markets.cboe.com/us/options/regulation/rule_filings/edgx/)), 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**

The purpose of the proposed rule change is to amend EDGX Rule 11.8(g) to allow Users that enter MidPoint Discretionary Orders ("MDOs") with a Quote Depletion Protection ("QDP") instruction<sup>6</sup> to also include an optional instruction to allow the MDO to remove liquidity. An MDO is a Limit Order that when resting on the EDGX Book is pegged to the NBB for an order to buy or the NBO for an order to sell, with or without an offset, with discretion to

execute at prices to and including the midpoint of the NBBO.<sup>7</sup> MDOs entered on the Exchange today are designed to only act as the provider of liquidity, including when resting on the EDGX Book and on entry.<sup>8</sup> On June 4, 2020, the Exchange received approval to introduce a new QDP instruction that Users can include on their MDOs to limit the order's ability to exercise discretion in certain circumstances where applicable market conditions indicate that it may be less desirable to execute within the order's discretionary range.<sup>9</sup> QDP is designed to enable market participants to enter orders that may exercise discretion to trade at more aggressive prices up to the midpoint of the NBBO, while providing additional protection to those orders at times where the market for the security may be about to transition to a worse price from the perspective of the MDO. As proposed, Users that enter an MDO with a QDP instruction would be permitted to include an optional instruction to allow the MDO to remove liquidity, thereby facilitating the ability of such orders to aggressively seek an execution on entry and when posted to the EDGX Book.

Currently, an MDO entered on the Exchange will only act as a liquidity provider once resting on the EDGX Book, and will only execute on entry in limited circumstances where the resting order includes a Super Aggressive or Non-Displayed Swap ("NDS") instruction that allows for a liquidity swap with the incoming MDO.<sup>10</sup> As a result, MDOs entered on the Exchange will only act as liquidity provider—*i.e.*, either as the resting order, or by liquidity swapping with a resting order that is willing to assume the role of the liquidity remover in exchange for obtaining an execution.<sup>11</sup> By contrast, MDOs entered on the Exchange's affiliate, Cboe EDGA Exchange, Inc. ("EDGA"), are allowed to remove liquidity.<sup>12</sup> Although the Exchange believes that certain Users will continue to prefer to act solely as a liquidity provider, additional flexibility may be beneficial to market participants, particularly those that have begun entering MDOs with the recently-

introduced QDP instruction. Indeed, the Exchange has received feedback from Users that utilize the QDP instruction on their MDOs indicating that they appreciate the protective features provided by QDP, but that it would also be valuable to improve fill rates by permitting such orders to remove liquidity. The Exchange is thus proposing to amend its rules such that Users would have the flexibility to allow such orders to remove liquidity. MDOs entered with both a QDP instruction and an instruction to allow the order to remove liquidity would be handled in the same manner as MDOs entered with a QDP instruction on EDGA today, thereby providing a consistent and familiar experience for market participants.

In addition, since the Exchange believes that Users utilizing the MDO order type with a QDP instruction are more concerned with potential adverse selection risks, and would generally prefer to be able to secure an execution when possible at times that the QDP indicator does not predict a potential adverse price change, *i.e.*, regardless of whether adding or removing liquidity, the Exchange proposes to make the ability to remove liquidity the default instruction for such orders. However, the Exchange would also retain the current functionality that allows MDOs to be entered that will only act as the provider of liquidity. This functionality would continue to apply to all MDOs entered without a QDP instruction, as well as to MDOs entered with a QDP instruction if the User affirmatively instructs the Exchange limit the order to providing liquidity.<sup>13</sup> Thus, Users that prefer to only have their MDOs execute exclusively as the provider of liquidity would be able to continue to do so in the same manner that they do today. Introducing the ability for MDOs entered with a QDP instruction to remove liquidity, while retaining current functionality, would therefore provide additional flexibility to market participants without impacting order handling for Users that prefer the current functionality.

The Exchange also proposes also make certain conforming and non-substantive changes to EDGX Rule 11.8(g). Specifically, to increase the readability of the MDO rule, the Exchange proposes to move all rule language associated with posting instructions to EDGX Rule 11.8(g)(5), labelled "routing/posting." Currently,

<sup>13</sup> A User would be able to instruct the Exchange to limit the order to providing liquidity either on an order-by-order basis, or through the use of a port setting.

<sup>7</sup> See EDGX Rule 11.8(g).

<sup>8</sup> *Id.*

<sup>9</sup> See Securities Exchange Act Release No. 89007 (June 4, 2020), 85 FR 35454 (June 10, 2020) (SR-CboeEDGX-2020-010).

<sup>10</sup> See EDGX Rule 11.8(g).

<sup>11</sup> The Exchange's Super Aggressive and NDS instructions allow orders entered with those instructions to trade as the remover of liquidity with orders that are designated to act solely as the liquidity provider. See EDGX Rules 11.6(n)(2), (7).

<sup>12</sup> See EDGA Rule 11.8(e).

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

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

<sup>5</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>6</sup> QDP is an optional instruction that a User may include on an MDO to limit the order's ability to exercise discretion in certain circumstances. See EDGX Rule 11.9(g)(10).

this subparagraph only references the fact that MDOs are not eligible for routing to other national securities exchanges, and does not reference order handling related to posting instructions—*i.e.*, whether and when an MDO is allowed to remove or add liquidity. As proposed, EDGX Rule 11.8(g)(5) would incorporate language currently included in the main section of the MDO rule that describes how such orders are handled consistent with an instruction to only act as the liquidity provider.

First, the current rule provides that upon entry, an MDO will only execute against resting orders that include a Super Aggressive instruction priced at the MDO's pegged price if the MDO also contains a Displayed instruction and against orders with an NDS instruction priced at the MDO's pegged price or within its discretionary range. The Exchange proposes to move this discussion to EDGX Rule 11.8(g)(5) along with other language that addresses order handling related to routing and posting. Given the proposed ability for such orders to remove liquidity in certain circumstances, the Exchange has proposed to preface this language in the rule with language that explains that it only applies to MDOs that do not include instructions that permit the removal of liquidity. Thus, as proposed, EDGX Rule 11.8(g)(5) would provide that if the instructions included on an MDO do not permit the order to remove liquidity, the MDO will only execute on entry against resting orders that include a Super Aggressive instruction priced at the MDO's pegged price if the MDO also contains a Displayed instruction, and against orders with an NDS instruction priced at the MDO's pegged price or within its discretionary range. As discussed, this functionality is the same as currently applied to MDOs entered on the Exchange.

Second, the current rule provides that should a resting contra-side order within the MDO's discretionary range not include an NDS instruction, the incoming MDO will be placed on the EDGX Book and its discretionary range shortened to equal the limit price of the contra-side resting order. Similar to the above, the Exchange proposes to move this discussion to EDGX Rule 11.8(g)(5), and would make minor non-substantive changes to the language to account for the ability of certain MDOs to remove liquidity under the proposal. Thus, as proposed, EDGX Rule 11.8(g)(5) would provide that if a resting contra-side order that does not include an NDS instruction is priced within the discretionary range of an incoming MDO that *is not permitted to remove*

*liquidity*, the incoming MDO will be placed on the EDGX Book and its discretionary range will be shortened to equal the limit price of the resting contra-side order. This language relates specifically to incoming MDOs that do not remove liquidity and are therefore not able to trade on entry with certain orders that are unwilling to perform a liquidity swap. The proposed edits to the language would therefore make clear that this handling does not apply in circumstances where an MDO is entered with instructions that permit liquidity removal.

Third, the current rule provides that where an incoming order with a Post Only instruction does not remove liquidity on entry pursuant to Rule 11.6(n)(4) against a resting MDO, the discretionary range of the resting MDO will be shortened to equal the limit price of the incoming contra-side order with a Post Only instruction. The Exchange also proposes to move this language to Rule 11.8(g)(5) as it relates to relates generally to posting instructions. However, since this handling does not depend on whether the MDO is only allowed to add liquidity, or can both add or remove liquidity, the Exchange is not proposing to edit this language when moving it to this subsection of the MDO rule.

Finally, in addition to the proposed changes described above, the Exchange also proposes to amend EDGX Rule 11.8(g)(2) to allow MDOs to be entered for an odd lot size. Currently, EDGX Rule 11.8(g)(2) specifies that MDOs may be entered as a round lot or mixed lot only, and the Exchange does not permit Users odd lots to be entered using the MDO order type. By contrast, the Exchange's affiliate, EDGA, does not have a similar restriction, and MDOs entered on that exchange may therefore be entered for an odd lot size.<sup>14</sup> The Exchange is proposing to similarly permit odd lot MDOs to be entered on the EDGX Book, which would allow market participants trading on the Exchange to similarly utilize MDOs for smaller order sizes.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>15</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>16</sup> in particular, 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. Specifically, the Exchange believes that the proposed rule change is consistent with the protection of investors and the public interest as it would enable Users that enter MDOs with a QDP instruction to optionally remove liquidity, similar to the current handling on its affiliate, EDGA, which allows such orders to remove liquidity today. In addition, the proposed rule change would allow Users to enter MDOs for an odd lot quantity, which is similarly consistent with the operation of MDOs entered on EDGA.

Although MDOs are currently designed to only act as the provider of liquidity, the Exchange believes that Users that enter MDOs with a QDP instruction may benefit from the ability to trade more aggressively as the remover of liquidity. The Exchange is therefore proposing to allow MDOs entered with a QDP instruction to remove liquidity, by default, while allowing Users to alternatively select to have such orders limited to providing liquidity. MDOs that are not entered with a QDP instruction, and MDOs entered with a QDP instruction where the User chooses to opt out of the ability to remove liquidity, would be handled in the same manner as they are today, thereby allowing Users to properly reflect their trading intent with their choice of instruction. As discussed, MDOs entered on the Exchange currently only act as the provider of liquidity, both on entry and upon posting to the EDGX Book. By contrast, the Exchange's affiliate, EDGA, allows such orders to both provide and remove liquidity. The Exchange believes that allowing MDOs entered with a QDP instruction to optionally act as liquidity remover, similar to the current handling on its affiliate, EDGA, would remove impediments to and perfect the mechanism of a free and open market and a national market system.

With the recent introduction of the QDP instruction, the Exchange has decided to revisit whether these orders should be allowed to remove liquidity, and has determined that such handling would be generally beneficial to market participants trading on the Exchange as it would increase the probability of such orders obtaining an execution. This change is consistent with customer feedback as some Users have indicated that they would prefer the ability to remove liquidity in order to boost fill rates for MDOs entered with a QDP instruction. At the same time, the Exchange understands that certain market participants may wish to continue to have these orders act solely

<sup>14</sup> See EDGA Rule 11.8(e)(2).

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

<sup>16</sup> 15 U.S.C. 78f(b)(5).

as a liquidity provider. The proposed rule change would therefore give Users the flexibility to determine whether an MDO entered with a QDP instruction should act solely as a liquidity provider, *i.e.*, the current functionality, or whether such orders should instead be allowed to also remove liquidity. The Exchange believes that this change will benefit market participants by offering functionality similar to that currently offered by its affiliate, while providing additional flexibility with respect to how MDOs are handled by the Exchange.

In addition, the Exchange believes that the proposed non-substantive changes to its MDO rule are consistent with just and equitable principles of trade as these changes are designed to increase transparency around the operation of the Exchange. As proposed, the Exchange would move certain language included in the MDO rule to the subsection of the rule that addressees routing and posting. The proposed language to be included in that subsection is substantively the same as the language currently included in the main text of the MDO rule, with a handful of minor changes to reflect the fact that certain MDOs may be permitted to remove liquidity based on User instructions. The Exchange believes that consolidating all of this language in the subsection on routing and posting would increase the readability of the rule, and the proposed edits to the language included in that subsection are merely designed to highlight where the language is applicable specifically to MDOs entered with instructions that require that the order act as the provider of liquidity. These changes are being proposed to ensure that the language remains accurate in light of the changes to allow certain MDOs to remove liquidity. As such, the Exchange believes that those edits would increase transparency around the operation of the MDO order type in light of the other proposed changes addressed in this filing.

Finally, the Exchange believes that allowing MDOs to be entered for an odd lot quantity would promote just and equitable principles of trade. As discussed, the Exchange's affiliate, EDGA, similarly allows such orders to be entered for an odd lot size, and the Exchange believes that market participants that trade on the EDGX Book should similarly be able to enter odd lot MDOs. While the Exchange initially restricted MDOs to either round lots or mixed lots, the Exchange now believes that this limitation unnecessarily limits the availability of the MDO order type for market

participants that are interested in trading smaller sized orders. Expanding MDOs to odd lot orders would therefore increase the ability for market participants to trade using this order type, including potentially benefiting Users of the recently introduced QDP instruction.

#### *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 changes would allow MDOs entered with a QDP instruction on EDGX to remove liquidity, which would increase flexibility offered by such orders. Although these orders do not remove liquidity today, the Exchange's affiliate, EDGA, already permits such orders to do so. Thus, the proposed rule change would allow market participants that trade on EDGX to utilize similar functionality to those that trade on its affiliated exchange today. Further, the Exchange has proposed to introduce the ability to remove liquidity as the default instruction for such orders, while allowing Users that prefer the current functionality to continue to have their orders handled in the same manner as they are today—*i.e.*, Users could choose to have these orders only add liquidity, as is the case with the current functionality. As a result, the Exchange does not believe that the proposed ability for these orders to remove liquidity would impose any significant burden on competition. Similarly, the Exchange notes that MDOs entered on the EDGA Book are permitted to be entered for an odd lot quantity. The Exchange believes that permitting odd lot MDOs on the EDGX Book would provide similar benefits to its Users by expanding the potential use of this order type, without imposing any significant burden on competition.

#### *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 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:

- A. Significantly affect the protection of investors or the public interest;
- B. impose any significant burden on competition; and

C. 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>17</sup> and Rule 19b-4(f)(6)<sup>18</sup> thereunder. 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 will 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-CboeEDGX-2020-063 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-CboeEDGX-2020-063. 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

<sup>17</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>18</sup> 17 CFR 240.19b-4(f)(6).

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-CboeEDGX-2020-063 and should be submitted on or before January 13, 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. 2020-28318 Filed 12-22-20; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting; Cancellation

**FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT:** 85 FR 81999, December 17, 2020.

**PREVIOUSLY ANNOUNCED TIME AND DATE OF THE MEETING:** Monday, December 21, 2020 at 10:00 a.m.

**CHANGES IN THE MEETING:** The Open Meeting scheduled for Monday, December 21, 2020 at 10:00 a.m., has been cancelled.

**CONTACT PERSON FOR MORE INFORMATION:** For further information; please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551-5400.

Dated: December 18, 2020.

**Vanessa A. Countryman,**  
Secretary.

[FR Doc. 2020-28521 Filed 12-21-20; 4:15 pm]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-90708; File No. SR-NYSECHX-2020-32]

### Self-Regulatory Organizations; NYSE Chicago, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Rule 6.6800 Series

December 17, 2020.

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 December 4, 2020, the NYSE Chicago, Inc. ("NYSE Chicago" or the "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 self-regulatory organization. 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 Rule 6.6800 Series, the Exchange's compliance rule ("Compliance Rule") regarding the National Market System Plan Governing the Consolidated Audit Trail (the "CAT NMS Plan" or "Plan")<sup>3</sup> to be consistent with a conditional exemption granted by the Commission from certain allocation reporting requirements set forth in Sections 6.4(d)(ii)(A)(1) and (2) of the CAT NMS Plan ("Allocation Exemption").<sup>4</sup> The proposed rule change is available on the Exchange's website at [www.nyse.com](http://www.nyse.com), 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 self-regulatory organization 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 those statements may be examined at the places specified in Item IV below.

<sup>1</sup> 15 U.S.C. 78a.

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

<sup>3</sup> Unless otherwise specified, capitalized terms used in this rule filing are defined as set forth in the Compliance Rule.

<sup>4</sup> See Securities Exchange Act Rel. No. 90223 (October 19, 2020), 85 FR 67576 (October 23, 2020) ("Allocation Exemptive Order").

The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

##### 1. Purpose

The purpose of this proposed rule change is to amend the Rule 6.6800 Series to be consistent with the Allocation Exemption. The Commission granted the relief conditioned upon the Participants' adoption of Compliance Rules that implement the alternative approach to reporting allocations to the Central Repository described in the Allocation Exemption (referred to as the "Allocation Alternative").

##### (1) Request for Exemptive Relief

Pursuant to Section 6.4(d)(ii)(A) of the CAT NMS Plan, each Participant must, through its Compliance Rule, require its Industry Members to record and report to the Central Repository, if the order is executed, in whole or in part: (1) An Allocation Report;<sup>5</sup> (2) the SRO-Assigned Market Participant Identifier of the clearing broker or prime broker, if applicable; and the (3) CAT-Order-ID of any contra-side order(s). Accordingly, the Exchange and the other Participants implemented Compliance Rules that require their Industry Members that are executing brokers to submit to the Central Repository, among other things, Allocation Reports and the SRO-Assigned Market Participant Identifier of the clearing broker or prime broker, if applicable.

On August 27, 2020, the Participants submitted to the Commission a request for an exemption from certain allocation reporting requirements set forth in Sections 6.4(d)(ii)(A)(1) and (2) of the CAT NMS Plan ("Exemption Request").<sup>6</sup> In the Exemption Request, the Participants requested that they be permitted to implement the Allocation Alternative, which, as noted above, is an alternative approach to reporting

<sup>5</sup> Section 1.1 of the CAT NMS Plan defines an "Allocation Report" as "a report made to the Central Repository by an Industry Member that identifies the Firm Designated ID for any account(s), including subaccount(s), to which executed shares are allocated and provides the security that has been allocated, the identifier of the firm reporting the allocation, the price per share of shares allocated, the side of shares allocated, the number of shares allocated to each account, and the time of the allocation; provided for the avoidance of doubt, any such Allocation Report shall not be required to be linked to particular orders or executions."

<sup>6</sup> See letter from the Participants to Vanessa Countryman, Secretary, Commission, dated August 27, 2020 (the "Exemption Request").

<sup>19</sup> 17 CFR 200.30-3(a)(12).