

2020–019 and should be submitted on or before January 19, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>21</sup>

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Assistant Secretary.

[FR Doc. 2020–28667 Filed 12–28–20; 8:45 am]

BILLING CODE 8011–01–P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–90750; File No. SR–NYSE–2020–101]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Exchange Rules To Delete Rules That Are Not Applicable to Trading on the Pillar Trading Platform

December 21, 2020.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”)<sup>2</sup> and Rule 19b–4 thereunder,<sup>3</sup> notice is hereby given that on December 9, 2020, New York Stock Exchange LLC (“NYSE” or the “Exchange”) 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 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 Exchange rules to delete rules that are not applicable to trading on the Pillar trading platform or are otherwise obsolete. 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. 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 Exchange proposes to amend its rules to delete rules that are not applicable to trading on the Pillar trading platform or are otherwise obsolete.

To effect its transition of trading to the Pillar platform, the Exchange adopted Rules 1P through 13P. In addition, because certain Exchange rules pertaining to trading on a floor-based trading platform are not applicable to trading on the Pillar platform, the Exchange designated specified rules governing such trading with the following preamble: “This rule is not applicable to trading on the Pillar trading platform.”<sup>4</sup>

On August 22, 2019, the Exchange completed its transition of all trading to the Pillar platform. Because the rules that are not applicable to trading on the Pillar trading platform are now obsolete, the Exchange proposes to delete rules that have been replaced by a Pillar rule. The following chart sets forth the proposed rules for deletion (left-hand column) and applicable Pillar rule (right-hand column):

Rule proposed for deletion	Applicable Pillar rule
Rule 4 (Stock) .....	Rule 1.1(r) (NMS Stock).
Rule 7 (Exchange BBO) .....	Rule 1.1(c) (BBO).
Rule 13 (Orders and Modifiers), provided that the Exchange proposes to retain the definition of “retail” modifier as set forth in Rule 13(f)(2) and proposes to rename Rule 13 as “Retail Modifiers.”	Rule 7.31 (Orders and Modifiers).
Rule 14 (Bid or Offer Deemed Regular Way) .....	Rule 7.8 (Bid or Offer Deemed Regular Way).
Rule 15 (Pre-Opening Indications and Opening Order Imbalance Information).	Rule 7.35 (General) and Rule 7.35A (DMM-Facilitated Core Open and Trading Halt Auctions).
Rule 15A (Order Protection Rule) .....	Rule 7.37 (Order Execution and Routing).
Rule 19 (Locking or Crossing Protected Quotations in NMS Stocks) .....	Rule 7.37 (Order Execution and Routing).
Rule 51 (Hours for Business) .....	Rule 7.1 (Hours of Business) and Rule 7.2 (Holidays).
Rule 52 (Dealings on the Exchange—Hours) .....	Rule 7.34 (Trading Sessions).
Rule 55 (Unit of Trading—Stocks and Bonds) .....	Rule 7.5 (Trading Units).
Rule 56 (Unit of Trading—Rights) .....	Rule 7.5 (Trading Units).
Rule 60 (Dissemination of Quotations) .....	Rule 7.17 (Firm Orders and Quotes).
Rule 61 (Recognized Quotations) .....	Rule 7.5 (Trading Units).
Rule 62 (Variations) .....	Rule 7.6 (Trading Differentials).
Rule 70 (Execution of Floor Broker Interest), provided that the Exchange proposes to retain Supplementary Material .30 and .40 to this Rule and proposes to rename Rule 70 as “Operation of an Exchange-Approved Booth Premise”.	Rule 7.31 (Orders and Modifiers).
Rule 72 (Priority of Bids and Offers and Allocation of Executions), provided that the Exchange proposes to retain paragraph (d) and Supplementary Material .10 of this Rule and proposes to rename Rule 72 as “Priority of Cross Transactions”.	Rule 7.36 (Order Ranking and Display) and Rule 7.37 (Order Execution and Routing).
Rule 79A (Miscellaneous Requirements on Stock Market Procedures) ..	Rule 7.36 (Order Ranking and Display) and Rule 7.37 (Order Execution and Routing).
Rule 80C (Limit Up-Limit Down Plan and Trading Pauses in Individual Securities Due to Extraordinary Market Volatility).	Rule 7.11 (Limit Up-Limit Down Plan and Trading Pauses in Individual Securities Due to Extraordinary Market Volatility).
Rule 107C (Retail Liquidity Program) .....	Rule 7.44 (Retail Liquidity Program).

<sup>21</sup> 17 CFR 200.30–3(a)(12).

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b–4.

<sup>4</sup> See Securities Exchange Act Release Nos. 85962 (May 29, 2019), 84 FR 26188 (June 5, 2019) and

81225 (July 27, 2017), 82 FR 36033 (August 2, 2017) (SR–NYSE–2017–35).

Rule proposed for deletion	Applicable Pillar rule
Rule 115A (Orders at Opening) .....	Rule 7.35 (General) and Rule 7.35A (DMM-Facilitated Core Open and Trading Halt Auctions).
Rule 116 ("Stop" Constitutes Guarantee) .....	Rule 7.35B (DMM-Facilitated Closing Auctions).
Rule 123C (The Closing Procedures) .....	Rule 1.1(s) (Definition of Official Closing Price), Rule 7.35 (General), Rule 7.35C (DMM-Facilitated Closing Auctions), and Rule 7.35C (Exchange-Facilitated Auctions).
Rule 123D (Openings and Halts in Trading), provided that the Exchange proposes to retain paragraphs (d) and (e) of this Rule and proposes to rename Rule 123D as "Halts in Trading".	Rule 7.35A (DMM-Facilitated Core Open and Trading Halt Auctions) and Rule 7.35C (Exchange-facilitated Auctions).
Rule 127 (Block Crosses Outside the Prevailing NYSE Quotation) .....	Not available.
Rule 128 (Clearly Erroneous Executions for NYSE Equities) .....	Rule 7.10 (Clearly Erroneous Executions).
Rule 1000 (Automatic Executions) .....	Rule 7.32 (Order Entry) and Rule 7.37 (Order Execution and Routing).
Rule 1001 (Execution of Automatically Executing Orders) .....	Rule 7.37 (Order Execution and Routing).
Rule 1002 (Availability of Automatic Execution Feature) .....	Rule 7.37 (Order Execution and Routing).
Rule 1004 (Election of Buy Minus Zero Plus Orders) .....	Rule 7.31 (Orders and Modifiers).

In addition, the Exchange proposes to delete the following rules in their entirety as obsolete:

- Rule 133. Comparison—Non-cleared Transactions
- Rule 136. Comparison—Transactions Excluded from a Clearance
- Rule 137. Written Contracts
- Rule 137A. Samples of Written Contracts
- Rule 139. Recording
- Rule 140. Members Closing Contracts—Conditions
- Rule 141. "Fail to Deliver"
- Rule 142. Effect on Contracts of Errors in Comparison, etc.
- Marking to the Market (Rules 165–168)
- Settlement of Contracts (Rules 175–227), with the exception of Supplementary Material .20 to Rule 200 (Assignments—By Member Organization)
- Dividends, Interest, Rights, etc. (Rules 235–251), with the exception of Rule 235 (Ex-Dividend, Ex-Rights) and Rule 236 (Ex-Warrants)<sup>5</sup>
- Due-Bills (Rules 255–259)
- Reclamations (Rules 265–275)
- Closing Contracts (Rules 280–295), with the exception of Rule 282 (Buy-in Procedures)
- Liquidation of Securities Loans and Borrowings (Rule 296)
- Miscellaneous Floor Procedure (Rules 297–299C)

## 2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the "Act"),<sup>6</sup> in general, and furthers the objectives of Section 6(b)(5),<sup>7</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 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 its proposed rule change would remove impediments to and perfect the mechanism of a free and open market and a national market system because it would eliminate rules that are now obsolete. The elimination of obsolete rules would reduce potential confusion and improve the clarity of the Exchange's rules, thereby ensuring that members, regulators, and the public can more easily navigate and understand the Exchange's rulebook.

### 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 change is not designed to address any competitive issue, but rather it is designed to eliminate obsolete rules and enhance the clarity of the Exchange's rules.

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

No written comments were solicited or received with respect to 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 after the date of the filing, 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)<sup>9</sup> thereunder.

The Exchange has asked the Commission to waive the 30-day operative delay.<sup>10</sup> The Commission finds that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because waiver of the operative delay will eliminate the potential for confusion and improve clarity by eliminating rules that are no longer applicable or are otherwise obsolete. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposal operative upon filing.<sup>11</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 should be approved or disapproved.

<sup>8</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) requires a self-regulatory organization to give the Commission written notice of its intent to file 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>10</sup> 17 CFR 240.19b–4(f)(6)(iii).

<sup>11</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule change's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>5</sup> The Exchange proposes to retain the section header "Dividends, Interest, Rights, etc." and proposes to update the parenthetical to include only Rules 235 and 236.

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

<sup>7</sup> 15 U.S.C. 78f(b)(5).

#### 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-NYSE-2020-101 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-NYSE-2020-101. 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-NYSE-2020-101 and should be submitted on or before January 19, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2020-28671 Filed 12-28-20; 8:45 am]

BILLING CODE 8011-01-P

#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-90757; File No. SR-MRX-2020-23]

#### **Self-Regulatory Organizations; Nasdaq MRX, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Harmonize Exchange Rule General 3, Section 2 With Recent Changes by the Financial Industry Regulatory Authority, Inc.**

December 21, 2020.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on December 11, 2020, Nasdaq MRX, LLC ("MRX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared substantially by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to harmonize Exchange Rule General 3, Section 2 with recent changes by the Financial Industry Regulatory Authority, Inc. ("FINRA"). This amendment would temporarily grant the Exchange Review Council ("ERC") authority<sup>3</sup> to conduct hearings in connection with appeals of Membership Application Program decisions by video conference, if warranted by the current COVID-19-related public health risks posed by an in-person hearing. As proposed, the temporary amendment would be in effect through April 30, 2021.<sup>4</sup>

<sup>12</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> For ERC hearings under Exchange Rule General 3, Section 2(g), this temporary authority is granted to the ERC or relevant Subcommittee.

<sup>4</sup> If the Exchange requires temporary relief from the rule requirements identified in this proposal beyond April 30, 2021, the Exchange may submit a separate rule filing to extend the expiration date of the temporary amendments under these rules. The amended Exchange rules will revert back to

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

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

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

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

##### **1. Purpose**

The Exchange proposes to harmonize Exchange Rule General 3, Section 2 with recent changes to FINRA Rule 1015 in order to temporarily grant the ERC authority to conduct hearings in connection with appeals of Membership Application Program decisions by video conference, if warranted by the current COVID-19-related public health risks posed by an in-person hearing.<sup>5</sup> As proposed, these temporary amendments would be in effect through April 30, 2021.

##### **Background**

The Exchange's rule regarding the hearing and evidentiary process for appeals of Membership Application Program decisions as set forth in Rule General 3, Section 2(g) is based on FINRA's Rule 1015. As adopted, the text of Exchange Rule General 3, Section 2(g)

their original state at the conclusion of the temporary relief period and any extension thereof.

<sup>5</sup> See Exchange Act Release No. 89737 (September 2, 2020), 85 FR 55712 (September 9, 2020) (SR-FINRA-2020-027) ("FINRA Filing"). See also Exchange Act Release No. 90619 (December 9, 2020), 85 FR 81250 (December 15, 2020) (SR-FINRA-2020-042) (extending the relief in the FINRA Filing through April 30, 2021). The Exchange notes that the FINRA Filing also proposed to temporarily amend FINRA Rules 9261, 9524, and 9830, which govern hearings in connection with appeals of disciplinary actions, eligibility proceedings, and temporary and permanent cease and desist orders. The Exchange's Rules 9261, 9524, and 9830 incorporate by reference The Nasdaq Stock Market LLC rules, which are the subject of a separate filing. See SR-NASDAQ-2020-076 (November 5, 2020). Therefore, the Exchange is not proposing to adopt that aspect of the FINRA Filing.