

excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges. Because competitors are free to modify their own fees in response to a proposal, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

Intra-Market Competition

Options 7, Section 8

Phlx's proposal to amend Options 7, Section 8, "Membership Fees," at Part A, "Permit and Registration Fees," to waive the Inactive Nominee Fee from April 1, 2021 through September 30, 2021 does not impose an undue burden on competition. All member organizations may register an Inactive Nominee and therefore take advantage of the fee waiver.

The Exchange's proposal to remove obsolete rule text from Options 7, Section 8 does not impose an undue burden on competition. The rule text is no longer relevant as the timeframe for which the waiver was in effect for certain fees has passed.

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 Act¹⁵ and paragraph (f) of Rule 19b-4 thereunder.¹⁶

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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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.

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. Please include File Number SR-Phlx-2021-19 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-Phlx-2021-19. 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-Phlx-2021-19 and should be submitted on or before May 3, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

J. Matthew DeLesDernier,
Assistant Secretary.

[FR Doc. 2021-07384 Filed 4-9-21; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-91483; File No. SR-OCC-2021-003]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change To Establish OCC's Persistent Minimum Skin-in-the-Game

April 6, 2021.

On February 10, 2021, the Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change SR-OCC-2021-003 ("Proposed Rule Change") pursuant to Section 19(b) of the Securities Exchange Act of 1934 ("Exchange Act")¹ and Rule 19b-4² thereunder to establish a persistent minimum level of skin-in-the-game that OCC would contribute to cover default losses or liquidity shortfalls.³ The Proposed Rule Change was published for public comment in the **Federal Register** on March 2, 2021.⁴ The Commission has received comments regarding the proposal described in the Proposed Rule Change.⁵

Section 19(b)(2) of the Exchange Act⁶ provides that, within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding, or as to which the self-regulatory organization consents, the Commission

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Notice of Filing *infra* note 4, 86 FR at 12237.

⁴ Securities Exchange Act Release No. 91199 (Feb. 24, 2021), 86 FR 12237 (Mar. 2, 2021) (File No. SR-OCC-2021-003) ("Notice of Filing"). OCC also filed a related advance notice, SR-OCC-2021-801, ("Advance Notice") with the Commission pursuant to Section 806(e)(1) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, entitled the Payment, Clearing, and Settlement Supervision Act of 2010 and Rule 19b-4(n)(1)(i) under the Exchange Act. 12 U.S.C. 5465(e)(1). 15 U.S.C. 78s(b)(1) and 17 CFR 240.19b-4, respectively. The Advance Notice was published in the **Federal Register** on March 1, 2021. Securities Exchange Act Release No. 91184 (Feb. 23, 2021), 86 FR 12057 (Mar. 1, 2021) (File No. SR-OCC-2021-801).

⁵ Comments on the Proposed Rule Change are available at <https://www.sec.gov/comments/sr-occ-2021-003/srocc2021003.htm>.

Since the proposal contained in the Proposed Rule Change was also filed as an advance notice, all public comments received on the proposal are considered regardless of whether the comments are submitted on the Proposed Rule Change or the Advance Notice. Comments on the Advance Notice are available at <https://www.sec.gov/comments/sr-occ-2021-801/occ2021801.htm>.

⁶ 15 U.S.C. 78s(b)(2).

¹⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁶ 17 CFR 240.19b-4(f)(2).

¹⁷ 17 CFR 200.30-3(a)(12).

shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the Notice of Filing is April 16, 2021. The Commission is extending this 45-day time period.

In order to provide the Commission with sufficient time to consider the Proposed Rule Change, the Commission finds that it is appropriate to designate a longer period within which to take action on the Proposed Rule Change.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Exchange Act,⁷ designates May 31, 2021 as the date by which the Commission shall either approve, disapprove, or institute proceedings to determine whether to disapprove proposed rule change SR-OCC-2021-003.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁸

J. Matthew DeLesDernier,
Assistant Secretary.

[FR Doc. 2021-07386 Filed 4-9-21; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-91482; File No. SR-CBOE-2021-020]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing of a Proposed Rule Change Relating To Adopt Rule 6.10 To Introduce a Voluntary Compression Service for Market Makers

April 6, 2021.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on March 24, 2021, Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to adopt Rule 6.10. The text of the proposed rule change is provided in Exhibit 5.

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

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

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

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

1. Purpose

The Exchange proposes to adopt Rule 6.10 to provide Market-Makers with an additional voluntary compression tool that will permit them to more efficiently compress their index option portfolios in order to reduce the required capital attributable to their portfolios while maintaining their risk exposure. The Exchange understands that regulatory capital requirements have impeded liquidity providers’ (market-makers, in particular) ability to provide liquidity to the market. In response, the Exchange has made certain tools available that Trading Permit Holders (“TPHs”) can use to compress the notional size of their portfolios to reduce the capital attributable to those portfolios. Pursuant to Rule 5.6(c), the Exchange may make compression orders available to TPHs, which orders enable TPHs (after submitting compression position lists to the Exchange) to execute orders in S&P 500 Index (“SPX”) options without exposure to reduce the aggregate capital attributable to those positions (subject to certain requirements). Additionally, pursuant to Rule 6.8, TPHs may transfer positions in exchange-listed options off the Exchange if the transfer does not

result in a change in ownership and reduces the risk-weighted assets (“RWA”) associated with those positions. The Exchange believes compression continues to be an important tool to enable Market-Makers to efficiently manage the size of their portfolios and the amount of capital that must be maintained by their Clearing TPHs (“CTPHs”) in connection with those portfolios. As a result, the Exchange regularly reviews its compression tools and evaluates potential enhancements to those tools. The Exchange believes that permitting TPHs to execute offsetting SPX options positions without exposure using compression orders and to effect off-floor RWA transfers of exchange-listed options has had a beneficial effect on the bank regulatory capital requirements of CTPHs’ parent companies without adversely affecting the quality of the options market. The Exchange has determined that a combination of elements of these two tools would increase the efficiency of compression for Market-Makers. Specifically, the Exchange proposes, notwithstanding Rule 5.12,³ the Exchange may make available to Market-Makers a multilateral compression service for certain index options identified by the Exchange,⁴ pursuant to which a Market-Maker may close or open⁵ positions in options listed on the Exchange to reduce regulatory capital attributable to its portfolio.⁶

Rule 15c3-1 (Net Capital Requirements for Brokers or Dealers)

³ Rule 5.12 generally requires transactions in listed options to occur on a national securities exchange, unless an exception applies. Transactions effected pursuant to proposed Rule 6.10 would be such an exception.

⁴ The Exchange will announce which index options for which it will make the compression service available pursuant to Rule 1.5. Rule 1.5 provides that the Exchange announces to Trading Permit Holders all determinations it makes pursuant to the Rules via, among other communication methods, specifications, notices, or regulatory circulars with appropriate advanced notice, which are posted on the Exchange’s website. The Exchange intends to initially make the compression service available for SPX options and then will phase in additional index options.

⁵ The Exchange intends to phase in its availability of the compression service, and the initial version will be available only to close positions. The Exchange will announce the date on which it will make the compression service available for opening positions as well, pursuant to Rule 1.5.

⁶ This is the same purpose as other currently available compression tools, such as compression orders. See Rule 5.6(c) (definition of compression orders). Rule 11.6 requires each Market-Maker to maintain net capital sufficient to comply with the requirements of Securities and Exchange Act (the “Act”) Rule 15c3-1. 17 CFR 240.15c3-1. Additionally, Market-Makers must comply with capital requirements imposed by their CTPHs or the Options Clearing Corporation (“OCC”) (if the Market-Maker is also a CTPH).

⁷ Id.

⁸ 17 CFR 200.30-3(a)(31).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.