

become operative for 30 days after the date of the filing. However, Rule 19b-4(f)(6)(iii)<sup>8</sup> permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. In its filing, ISE requests that the Commission waive the 30-day operative delay to allow the proposed one-year extension of the time for re-introducing the legging functionality for Stock-Option Orders to begin at the conclusion of the current delay period, which was scheduled to end on March 21, 2018. As noted above, ISE states that extending the delay for re-introducing the legging functionality for Stock-Option Orders will provide ISE with additional time to develop and test the legging functionality on INET. ISE further states that no Members have notified ISE of a significant impact on execution quality as a result of the delayed implementation of the legging functionality for Stock-Option Orders and, accordingly, the Exchange does not believe that extending the delay will have a significant impact on market participants. The Commission believes that waiving the operative delay is consistent with the protection of investors and the public interest because it will provide ISE with additional time to develop and test the legging functionality for Stock-Option Orders. Accordingly, the Commission waives the 30-day operative delay and designates the proposed rule change operative upon filing.<sup>9</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: (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:

<sup>8</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>9</sup> For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

#### 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-ISE-2018-21 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-ISE-2018-21. 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-ISE-2018-21, and should be submitted on or before April 24, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

Jill Peterson,

Assistant Secretary.

[FR Doc. 2018-06692 Filed 4-2-18; 8:45 am]

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82959; File No. SR-BOX-2018-06]

#### Self-Regulatory Organizations; BOX Options Exchange LLC; Order Approving a Proposed Rule Change To Adopt IM-8040-3 To Exchange Rule 8040 to Permit Directed Orders To Be Submitted With an Auction Only Designation

March 28, 2018.

#### I. Introduction

On February 5, 2018, BOX Options Exchange LLC ("BOX" 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 adopt IM-8040-3 to Exchange Rule 8040 to permit Directed Orders<sup>3</sup> to be submitted with an Auction Only designation. The proposed rule change was published for comment in the **Federal Register** on February 16, 2018.<sup>4</sup> The Commission received no comment letters on the proposed rule change. This order approves the proposed rule change.

#### II. Description of the Proposed Rule Change

The Exchange proposes to adopt IM-8040-3 to Exchange Rule 8040 to allow Options Participants<sup>5</sup> to apply a new optional Auction Only designation to Directed Orders. A Directed Order with an Auction Only designation will be cancelled if it is not entered into the Price Improvement Period ("PIP")<sup>6</sup> by the Executing Participant ("EP").<sup>7</sup>

Market Makers<sup>8</sup> may receive and handle Directed Orders on an agency

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

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

<sup>3</sup> The term "Directed Order" means any Customer Order to buy or sell contracts on a single option series that has been directed to a particular market maker by an Order Flow Provider ("OFP"). See Exchange Rule 100(a)(19).

<sup>4</sup> See Securities Exchange Act Release No. 82690 (February 12, 2018), 83 FR 7084 ("Notice").

<sup>5</sup> The term "Options Participant" or "Participant" means a firm, or organization that is registered with the Exchange pursuant to the BOX Rule 2000 Series for purposes of participating in options trading on BOX as an OFP or Market Maker. See Exchange Rule 100(a)(41).

<sup>6</sup> See Exchange Rule 7150.

<sup>7</sup> An Executing Participant ("EP") is a market maker that desires to accept Directed Orders. See Notice, *supra* note 4, at 7085 n.4.

<sup>8</sup> The term "Market Maker" means an Options Participant registered with the Exchange for the purpose of making markets in options contracts traded on the Exchange and that is vested with the rights and responsibilities specified in the BOX Rule 8000 Series. All Market Makers are designated

<sup>10</sup> 17 CFR 200.30-3(a)(12) and (59).

basis, in accordance with the procedures set forth in Exchange Rule 8040(d). Upon receipt of a Directed Order from an OFP,<sup>9</sup> an EP must either submit the Directed Order to the PIP, or send the Directed Order to the BOX Book.<sup>10</sup> In addition, the BOX Trading Host will send the Directed Order to the BOX Book: (i) If the EP has not taken action within one second of receipt of a Directed Order;<sup>11</sup> (ii) if the Market Maker that the order is directed to has not systematically indicated that it is an EP;<sup>12</sup> (iii) upon receipt of a subsequent Directed Order for the same EP for the same series and side of the market if a Guaranteed Directed Order (“GDO”)<sup>13</sup> has been automatically generated and is pending;<sup>14</sup> or (iv) if a Directed Order is modified once the BOX Trading Host has established a GDO.<sup>15</sup>

As noted above, BOX proposes that if a Directed Order with an Auction Only designation would be sent to the BOX Book for any reason, it will instead be cancelled back to the OFP that submitted the Directed Order.<sup>16</sup> The Exchange notes that, under the proposal, the Auction Only designation will be automatically applied by the system, and the designation will not be disclosed to the EP.<sup>17</sup>

The Exchange represents that it will provide at least two weeks' notice to Participants via Circular prior to the launch of the proposed change, which the Exchange anticipates will be during the second quarter of 2018.<sup>18</sup>

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as specialists on the Exchange for all purposes under the Act or Rules thereunder. See Exchange Rule 100(a)(31).

<sup>9</sup> An OFP is an Options Participant representing as agent Customer Orders on the Exchange or a non-Market Maker Participant conducting proprietary trading. See Exchange Rule 100(a)(46).

<sup>10</sup> See Exchange Rule 8040(d)(3).

<sup>11</sup> See Exchange Rule 8040(d)(4).

<sup>12</sup> See Exchange Rule 8040(d)(1).

<sup>13</sup> If a Directed Order is executable against the current national best bid or offer (“NBBO”) and the EP is also quoting at such NBBO on the opposite side of the Directed Order, then the Trading Host will immediately upon receipt of the Directed Order take down the EP's quote and guarantee the EP's execution of the Directed Order for at least the price and size of the EP's quote. This guarantee is the GDO, and the EP's quote will not be reestablished until the Directed Order has been processed pursuant to Exchange Rule 8040(d). See Exchange Rule 8040(d)(2)(i).

<sup>14</sup> See Exchange Rule 8040(d)(2)(ii).

<sup>15</sup> See Exchange Rule 8040(d)(5).

<sup>16</sup> The Exchange notes that interest on the BOX Book may still interact with a Directed Order that has an Auction Only designation via the PIP allocation. See Exchange Rule 7150(g).

<sup>17</sup> The Exchange notes that existing restrictions on an EP's behavior will continue to apply. Specifically, an EP shall not submit to the Exchange a contra order to the Directed Order for its proprietary account during the one second following submission of the Directed Order to the Exchange. See Exchange Rule 8040(d)(6)(i).

<sup>18</sup> See Notice, *supra* note 4, at 7085.

### III. Discussion and Commission's Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>19</sup> In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,<sup>20</sup> which requires, among other things, that the rules of a national securities exchange be designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating 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, and not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Commission also finds that the proposed rule change is consistent with Section 6(b)(8) of the Act,<sup>21</sup> which requires that the rules of an exchange not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Commission believes that the Auction Only designation will provide OFPs with greater control over how their Directed Orders are handled by the EP, as OFPs will have certainty that their Directed Orders with the Auction Only designation will either be executed in the PIP or cancelled.<sup>22</sup> In addition, should the Directed Order be entered into the PIP, the Directed Order will receive the opportunity for price improvement.<sup>23</sup> Moreover, the Commission notes that an EP will not be notified whether a Directed Order was submitted with the Auction Only designation,<sup>24</sup> and current restrictions on an EP's behavior with respect to Directed Orders will continue to apply.<sup>25</sup> Accordingly, the Commission believes that the Exchange's proposal is consistent with the Act.

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<sup>19</sup> In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>20</sup> 15 U.S.C. 78f(b)(5).

<sup>21</sup> 15 U.S.C. 78f(b)(8).

<sup>22</sup> The Exchange notes that, pursuant to Exchange Rule 7150(f), a customer order that is submitted to the PIP must be submitted with a matching contra side order equal to the full size of the customer order and as such, the order is guaranteed to be fully executed. See Notice, *supra* note 4, at 7085 n.13.

<sup>23</sup> See Exchange Rule 7150.

<sup>24</sup> See proposed IM-8040-3 to Exchange Rule 8040.

<sup>25</sup> See *supra* note 17.

### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>26</sup> that the proposed rule change (SR-BOX-2018-06) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>27</sup>

Jill Peterson,

Assistant Secretary.

[FR Doc. 2018-06690 Filed 4-2-18; 8:45 am]

BILLING CODE 8011-01-P

### SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #15460 and #15461; PENNSYLVANIA Disaster Number PA-00083]

#### Administrative Declaration of a Disaster for the Commonwealth of Pennsylvania

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Notice.

**SUMMARY:** This is a notice of an Administrative declaration of a disaster for the Commonwealth of Pennsylvania dated 03/27/2018.

*Incident:* Severe Storms and Tornadoes.

*Incident Period:* 02/15/2018 through 02/17/2018.

**DATES:** Issued on 03/27/2018.

*Physical Loan Application Deadline Date:* 05/29/2018.

*Economic Injury (EIDL) Loan Application Deadline Date:* 12/27/2018.

**ADDRESSES:** Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

**FOR FURTHER INFORMATION CONTACT:** A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205-6734.

**SUPPLEMENTARY INFORMATION:** Notice is hereby given that as a result of the Administrator's disaster declaration, applications for disaster loans may be filed at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

**Primary Counties:** Fayette  
**Contiguous Counties:**

Pennsylvania: Greene, Somerset,  
Washington, Westmoreland  
Maryland: Garrett

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<sup>26</sup> 15 U.S.C. 78s(b)(2).

<sup>27</sup> 17 CFR 200.30-3(a)(12).