

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-2018-91 and should be submitted on or before November 28, 2018.

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

**Eduardo A. Aleman,**  
Assistant Secretary.

[FR Doc. 2018-24304 Filed 11-6-18; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meetings

**TIME AND DATE:** Notice is hereby given, pursuant to the provisions of the Government in Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission Investor Advisory Committee will hold a telephonic meeting on Wednesday, November 7, 2018.

**PLACE:** The meeting will be open to the public *via* telephone at 1-800-260-0702, participant code 455778.

**STATUS:** This meeting will begin at 2:00 p.m. (ET) and conclude at 3:30 p.m. and

will be open to the public *via* telephone. The meeting will be webcast by audio-only on the Commission's website at [www.sec.gov](http://www.sec.gov).

**MATTERS TO BE CONSIDERED:** On October 17, 2018, the Commission issued notice of the Committee meeting (Release No. 33-10568), indicating that the meeting is open to the public *via* telephone, and inviting the public to submit written comments to the Committee. This Sunshine Act notice is being issued because a quorum of the Commission may attend the meeting. The duty officer determined that no earlier notice of this Meeting was practicable.

The agenda for the meeting includes: Welcome remarks; a discussion of the Commission's Proposed Regulation Best Interest and Proposed Form CRS Relationship Summary (including a recommendation of the Investor as Purchaser subcommittee).

**CONTACT PERSON FOR MORE INFORMATION:** For further information and to ascertain what, if any, matters have been added, deleted or postponed; please contact Brent J. Fields from the Office of the Secretary at (202) 551-5400.

Dated: November 2, 2018.

**Brent J. Fields,**  
Secretary.

[FR Doc. 2018-24405 Filed 11-5-18; 11:15 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84517; File No. SR-NYSEArca-2018-54]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change To Amend Commentary .01 to NYSE Arca Rule 8.600-E Relating to Certain Generic Listing Standards for Managed Fund Shares

November 1, 2018.

#### I. Introduction

On July 18, 2018, NYSE Arca, Inc. ("Exchange" or "NYSE Arca") 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 amend certain generic listing standards for Managed Fund Shares. The proposed rule change was published for comment in the **Federal**

**Register** on August 7, 2018.<sup>3</sup> On September 19, 2018, pursuant to Section 19(b)(2) of the Act,<sup>4</sup> the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to approve or disapprove the proposed rule change.<sup>5</sup> The Commission has received no comment letters on the proposed rule change. This order institutes proceedings pursuant to Section 19(b)(2)(B) of the Act<sup>6</sup> to determine whether to approve or disapprove the proposed rule change.

#### II. Description of the Proposed Rule Change<sup>7</sup>

Commentary .01 to NYSE Arca Rule 8.600-E sets forth the generic listing standards for Managed Fund Shares. The Exchange proposes to amend Commentaries .01(a) and (b) to NYSE Arca Rule 8.600-E as described below.

##### A. Proposed Amendments to Commentary .01(a) to NYSE Arca Rule 8.600-E

Commentary .01(a) to NYSE Arca Rule 8.600-E sets forth the generic listing standards applicable to equity securities<sup>8</sup> in the portfolio of a series of Managed Fund Shares.

##### 1. Proposed Amendments to Commentary .01(a)(2) to NYSE Arca Rule 8.600-E

Commentary .01(a)(2) to NYSE Arca Rule 8.600-E sets forth the generic listing standards applicable to Non-U.S. Component Stocks<sup>9</sup> in the portfolio of

<sup>3</sup> See Securities Exchange Act Release No. 83759 (August 1, 2018), 83 FR 38753 ("Notice").

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> See Securities Exchange Act Release No. 84195, 83 FR 48474 (September 25, 2018). The Commission designated November 5, 2018 as the date by which the Commission shall approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to approve or disapprove the proposed rule change.

<sup>6</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>7</sup> For a full description of the proposed rule change, see Notice, *supra* note 3.

<sup>8</sup> Commentary .01(a) to NYSE Arca Rule 8.600-E provides that equity securities include the following: U.S. Component Stocks (as described in NYSE Arca Rule 5.2-E(j)(3)); Non-U.S. Component Stocks (as described in NYSE Arca Rule 5.2-E(j)(3)); Derivative Securities Products (*i.e.*, Investment Company Units and securities described in Section 2 of NYSE Arca Rule 8-E); and Index-Linked Securities that qualify for Exchange listing and trading under NYSE Arca Rule 5.2-E(j)(6).

<sup>9</sup> NYSE Arca Rule 5.2-E(j)(3) defines Non-U.S. Component Stock to mean an equity security that is not registered under Sections 12(b) or 12(g) of the Act and that is issued by an entity that (a) is not organized, domiciled or incorporated in the United States, and (b) is an operating company (including Real Estate Investment Trusts and income trusts,

Continued

<sup>10</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.

a series of Managed Fund Shares. Commentary .01(a)(2)(A) currently provides that Non-U.S. Component Stocks each shall have a minimum market value of at least \$100 million. The Exchange proposes to amend Commentary .01(a)(2)(A) to provide that Non-U.S. Component Stocks “that in the aggregate account for at least 90% of the weight of the Non-U.S. Component Stocks of the equity portion of a portfolio” each shall have a minimum market value of at least \$100 million. Commentary .01(a)(2)(B) currently provides that Non-U.S. Component Stocks each shall have a minimum global monthly trading volume of 250,000 shares, or minimum global notional volume traded per month of \$25,000,000, averaged over the last six months. The Exchange proposes to amend Commentary .01(a)(2)(B) to provide that Non-U.S. Component Stocks “that in the aggregate account for at least 70% of the weight of the Non-U.S. Component Stocks of the equity portion of a portfolio” each shall have a minimum global monthly trading volume of 250,000 shares, or minimum global notional volume traded per month of \$25,000,000, averaged over the last six months.

2. Proposed New Commentary .01(a)(3) to NYSE Arca Rule 8.600–E

The Exchange proposes to add new Commentary .01(a)(3) to NYSE Arca Rule 8.600–E, which would provide that the portfolio of a series of Managed Fund Shares may include non-exchange-traded open-end management investment company securities,<sup>10</sup> and such securities would be excluded from the equity portion of the portfolio for purposes of meeting the criteria in Commentary .01(a)(1).

*B. Proposed Amendment to Commentary .01(b)(5) to NYSE Arca Rule 8.600–E*

Commentary .01(b) to NYSE Arca Rule 8.600–E sets forth the generic listing standards applicable to fixed income securities<sup>11</sup> in the portfolio of a

but excluding investment trusts, unit trusts, mutual funds, and derivatives).

<sup>10</sup> For purposes of proposed Commentary .01(a)(3), non-exchange-traded open-end management investment company securities would not include money market funds, which the Exchange states are cash equivalents under Commentary .01(c) to NYSE Arca Rule 8.600–E and for which there is no limitation in the percentage of the portfolio invested in such securities. See Notice, *supra* note 3, at 38754.

<sup>11</sup> Commentary .01(b) to NYSE Arca Rule 8.600–E provides that fixed income securities are debt securities that are notes, bonds, debentures or evidence of indebtedness that include, but are not limited to, U.S. Department of Treasury securities, government-sponsored entity (“GSE”) securities,

series of Managed Fund Shares. Commentary .01(b)(5) currently provides that non-agency, non-GSE and privately-issued mortgage-related and other asset-backed securities components of a portfolio shall not account, in the aggregate, for more than 20% of the weight of the fixed income portion of the portfolio. The Exchange proposes to amend Commentary .01(b)(5) by deleting the reference to the “fixed income portion” of the portfolio, such that non-agency, non-GSE and privately-issued mortgage-related and other asset-backed securities components of a portfolio could not account, in the aggregate, for more than 20% of the weight of the whole portfolio.

**III. Proceedings To Determine Whether To Approve or Disapprove SR–NYSEArca-2018–54 and Grounds for Disapproval Under Consideration**

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Act<sup>12</sup> to determine whether the proposed rule change should be approved or disapproved. Institution of proceedings is appropriate at this time in view of the legal and policy issues raised by the proposal. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, as described below, the Commission seeks and encourages interested persons to provide comments on the proposed rule change.

Pursuant to Section 19(b)(2)(B) of the Act,<sup>13</sup> the Commission is providing notice of the grounds for disapproval under consideration. The Commission is instituting proceedings to allow for additional analysis of the proposal’s consistency with Section 6(b)(5) of the Act,<sup>14</sup> which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to protect investors and the public interest.

The Commission asks that commenters address the sufficiency of the Exchange’s statements in support of the proposal, which are set forth in the Notice,<sup>15</sup> in addition to any other comments they may wish to submit

municipal securities, trust preferred securities, supranational debt and debt of a foreign country or a subdivision thereof, investment grade and high yield corporate debt, bank loans, mortgage and asset backed securities, and commercial paper.

<sup>12</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>13</sup> *Id.*

<sup>14</sup> 15 U.S.C. 78f(b)(5).

<sup>15</sup> See *supra* note 3.

about the proposal. In particular, the Commission seeks comment regarding whether the proposal would result in the listing and trading of Managed Fund Shares that are susceptible to manipulation.

As discussed above, the Exchange proposes to amend Commentary .01(a)(2)(A) to NYSE Arca Rule 8.600–E to apply the minimum market value requirement to 90% (rather than 100%) of the weight of the Non-U.S. Component Stocks of the equity portion of the portfolio. The Exchange also proposes to amend Commentary .01(a)(2)(B) to apply the trading volume (shares and notional volume) requirement to 70% (rather than 100%) of the weight of the Non-U.S. Component Stocks of the equity portion of the portfolio.<sup>16</sup> The Exchange states that these amended provisions would be comparable to the current numerical requirements in Commentaries .01(a)(B)(1) and (2) to NYSE Arca Rule 5.2–E(j)(3), which apply to component stocks of an index or portfolio underlying a series of Investment Company Units.<sup>17</sup> The Exchange also states that, like the requirements applicable to Investment Company Units, a substantial portion of the Non-U.S. Component Stocks in the Managed Fund Shares portfolio would be subject to the minimum liquidity and market value requirements.<sup>18</sup> The Exchange additionally states that Non-U.S. Component Stocks would continue to be subject to the weighting and diversification requirements under Commentaries .01(a)(2)(C) and (D) to NYSE Arca Rule 8.600–E.<sup>19</sup>

The Commission seeks comment regarding the sufficiency of the Exchange’s statements in support of these aspects of the proposal. The

<sup>16</sup> According to the Exchange, these proposals would provide additional flexibility to Managed Fund Shares investing in Non-U.S. Component Stocks. See Notice, *supra* note 3, at 38754.

<sup>17</sup> See *id.* at 38753.

<sup>18</sup> See *id.* at 38753–54.

<sup>19</sup> See *id.* at 38754. Commentary .01(a)(2)(C) requires that the most heavily weighted Non-U.S. Component stock not exceed 25% of the equity weight of the portfolio and, to the extent applicable, the five most heavily weighted Non-U.S. Component Stocks not exceed 60% of the equity weight of the portfolio. Commentary .01(a)(2)(D) requires that, where the equity portion of the portfolio includes Non-U.S. Component Stocks, the equity portion of the portfolio include a minimum of 20 component stocks; provided, however, that there shall be no minimum number of component stocks if (i) one or more series of Derivative Securities Products or Index-Linked Securities constitute, at least in part, components underlying a series of Managed Fund Shares, or (ii) one or more series of Derivative Securities Products or Index-Linked Securities account for 100% of the equity weight of the portfolio of a series of Managed Fund Shares.

Commission also notes that while the proposed numerical percentage thresholds (*i.e.*, 90% and 70%) would be the same as those in Commentaries .01(a)(B)(1) and (2) to NYSE Arca Rule 5.2–E(j)(3), the proposed numerical percentage thresholds would be applied differently from those in Commentaries .01(a)(B)(1) and (2) to NYSE Arca Rule 5.2–E(j)(3). Specifically, the proposal would measure the Non-U.S. Component Stocks that meet the specified quantitative listing standards as a percentage of the Non-U.S. Component Stocks portion of the portfolio. However, Commentaries .01(a)(B)(1) and (2) to NYSE Arca Rule 5.2–E(j)(3) measure the component stocks that meet the specified quantitative listing standards as a percentage of the U.S. and Non-U.S. Component Stocks portions of the index or portfolio.<sup>20</sup>

As discussed above, the Exchange proposes to add new Commentary .01(a)(3) to NYSE Arca Rule 8.600–E to permit Managed Fund Shares to hold non-exchange-traded open-end management investment company securities, and to exclude these securities from the equity portion of the portfolio for purposes of meeting the criteria in Commentary .01(a)(1).<sup>21</sup> The Exchange argues that, because these securities must satisfy the applicable Investment Company Act of 1940 (“1940 Act”) diversification requirements, and have a net asset value based on the value of securities and financial instruments the investment company holds, it is both unnecessary and inappropriate to apply to such investment company securities the criteria in Commentary .01(a)(1).<sup>22</sup> The Exchange also asserts that it would be difficult or impossible to apply to mutual fund shares certain of the generic quantitative criteria in Commentaries .01(a)(1)(A) through

<sup>20</sup> Derivative Securities Products are excluded from Commentaries .01(a)(B)(1) and (2) to NYSE Arca Rule 5.2–E(j)(3).

<sup>21</sup> According to the Exchange, these securities may be utilized, for example, to obtain income on short-term cash balances while awaiting attractive investment opportunities, to provide liquidity in preparation for anticipated redemptions, or for defensive purposes. See Notice, *supra* note 3, at 38754. The Exchange states that these securities may include mutual funds that invest principally in securities and financial instruments that help the fund meet its investment objective or equitize cash in the short term. See *id.*

<sup>22</sup> See *id.* The Exchange also notes that the Commission has previously approved the listing and trading of series of Managed Fund Shares that may invest in non-exchange-traded investment company securities to the extent permitted by Section 12(d)(1) of the 1940 Act and the rules thereunder. See *id.*

(D).<sup>23</sup> Moreover, the Exchange states that Commentaries .01(a)(1)(A) through (D) exclude certain “Derivative Securities Products” that are exchange-traded investment company securities.<sup>24</sup>

The Commission seeks comment regarding the sufficiency of the Exchange’s statements in support of this aspect of the proposal. The Commission notes that, as proposed, the portfolios of generically-listed Managed Fund Shares could be composed of non-exchange-traded open-end managed investment company securities that do not meet the listing standards under Commentary .01(a)(1).<sup>25</sup> In addition, as proposed, non-exchange-traded open-end management investment company securities would not include money market funds, which the Exchange states are cash equivalents under Commentary .01(c) to NYSE Arca Rule 8.600–E. However, the Commission notes that “cash equivalents” is defined under Commentary .01(c) to include short-term instruments “with maturities of less than 3 months.” Moreover, while there are currently exceptions for Derivative Securities Products under Commentaries .01(a)(1)(A) through (D), unlike non-exchange-traded open-end management investment company securities, Derivative Securities Products are listed on U.S. national securities exchanges.<sup>26</sup>

Finally, as discussed above, the Exchange proposes to amend Commentary .01(b)(5) to NYSE Arca Rule 8.600–E to permit portfolios of Managed Fund Shares to potentially hold more non-agency, non-GSE and privately-issued mortgage-related and other asset-backed securities (*i.e.*, no more than 20% of the weight of the whole portfolio) than is currently

<sup>23</sup> See *id.* at 38755. The Exchange states that, for example, the requirements in Commentary .01(a)(1)(B) that there be minimum monthly trading volume of 250,000 shares, or minimum notional volume traded per month of \$25,000,000, averaged over the last six months, are tailored to exchange-traded securities and not to mutual fund shares, which do not trade in the secondary market and for which no such volume information is reported. See *id.* The Exchange also states that it would not be appropriate to apply Commentaries .01(a)(1)(A), (C), and (D) to open-end management investment company securities, and that open-end investment companies hold multiple individual securities as disclosed publicly in accordance with the 1940 Act. See *id.*

<sup>24</sup> The Exchange states that “Derivative Securities Products” includes Investment Company Units, Portfolio Depository Receipts, and Managed Fund Shares. See *id.* at 38754.

<sup>25</sup> These include, for example, requirements for minimum market value, minimum monthly trading volume, minimum notional volume traded per month, and diversification.

<sup>26</sup> See Commentary .01(a) to NYSE Arca Rule 8.600–E (defining Derivative Securities Products to mean Investment Company Units and securities described in Section 2 of NYSE Arca Rule 8–E).

permitted (*i.e.*, no more than 20% of the weight of the fixed income portion of the portfolio).<sup>27</sup> The Exchange states that such investments would be subject to the liquidity procedures adopted by a fund’s board of directors.<sup>28</sup> The Commission seeks comment regarding the sufficiency of the Exchange’s statements in support to this aspect of the proposal.

#### IV. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal. In particular, the Commission invites the written views of interested persons concerning whether the proposed rule change is consistent with Section 6(b)(5) or any other provision of the Act, or the rules and regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b–4 under the Act,<sup>29</sup> any request for an opportunity to make an oral presentation.<sup>30</sup>

Interested persons are invited to submit written data, views, and arguments regarding whether the proposal should be approved or disapproved by November 28, 2018. Any person who wishes to file a rebuttal to any other person’s submission must file that rebuttal by December 12, 2018.

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

<sup>27</sup> The Exchange states that these investments could provide a fund with increased diversification because they may be less correlated to interest rates than many other fixed income securities. See Notice, *supra* note 3, at 38754.

<sup>28</sup> See *id.* The Exchange also states that the Commission has previously approved the listing of actively managed exchange-traded funds that can invest 20% of their total assets in non-U.S. Government, non-agency, non-GSE and other privately issued asset-backed and mortgage-backed securities. See *id.*

<sup>29</sup> 17 CFR 240.19b–4.

<sup>30</sup> Section 19(b)(2) of the Act, as amended by the Securities Acts Amendments of 1975, Public Law 94–29 (June 4, 1975), grants the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by a self-regulatory organization. See Securities Acts Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

• Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEArca-2018-54 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-NYSEArca-2018-54. 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-NYSEArca-2018-54 and should be submitted by November 28, 2018. Rebuttal comments should be submitted by December 12, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>31</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2018-24305 Filed 11-6-18; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84519; File No. SR-MIAX-2018-27]

### Self-Regulatory Organizations; Miami International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 515A, MIA X Price Improvement Mechanism ("PRIME") and PRIME Solicitation Mechanism, and Rule 518, Complex Orders

November 1, 2018.

Pursuant to the provisions of 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 October 24, 2018, 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, II, and III 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 Rule 515A, MIA X Price Improvement Mechanism ("PRIME") and PRIME Solicitation Mechanism, and Rule 518, Complex Orders [sic] 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 Exchange proposes to amend Rule 515A, MIA X Price Improvement Mechanism ("PRIME") and PRIME Solicitation Mechanism, Interpretations and Policies .12, to clarify and organize existing rule text for ease of reference and to adopt new rule text to describe additional scenarios which cause a cPRIME Auction<sup>3</sup> to terminate early. The Exchange also proposes to amend Rule 518, Interpretations and Policies .05(f), to add additional detail pertaining to the operation of the Complex MIA X Price Collar ("MPC"), specifically to adopt new rule text for the use of a Temporary MIA X Price Collar ("TMPC") during a cPRIME Auction or Complex Auction<sup>4</sup> in the limited instance when an MPC has not been assigned. The Exchange notes that its proposal does not introduce any new functionality and is designed to codify existing functionality to add additional detail and clarity to the Exchange's rules.

The Exchange proposes to amend Rule 515A, Interpretations and Policies .12, PRIME for Complex Orders. The current rule provides that, ". . . the provisions of Rule 515A(a) . . . shall be applicable to the trading of complex orders (as defined in Rule 518) on PRIME. The Exchange will determine, on a class-by-class basis, the option classes in which complex orders are available for trading on PRIME on the Exchange, and will announce such classes to Members<sup>5</sup> via Regulatory Circular." The Exchange now proposes to replace the word "on" which precedes "PRIME" with the phrase "in the" to more accurately describe Exchange functionality and maintain consistency with how the functionality is described in other areas of the rule.<sup>6</sup>

The Exchange also proposes to amend Rule 515A, Interpretations and Policies .12(d), to organize the rule for clarity

<sup>3</sup> Members may use PRIME to execute complex orders at a net price. "cPRIME" is the process by which a Member may electronically submit a cPRIME Order (as defined in Rule 518(b)(7)) it represents as agent (a "cPRIME Agency Order") against principal or solicited interest for execution (a "cPRIME Auction"). See Exchange Rule 515A, Interpretations and Policies .12(a).

<sup>4</sup> See Exchange Rule 518(d).

<sup>5</sup> The term "Member" means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed "members" under the Exchange Act. See Exchange Rule 100.

<sup>6</sup> See Exchange Rule 515A.01, 515A.03, 515A.04, and 515A.05, which references usage of "the PRIME."

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

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

<sup>31</sup> 17 CFR 200.30-3(a)(57).