

Overall, the Exchange believes that its proposal is consistent with the Act because the proposed rule text protects investors and the public interest by providing clear language that will be utilized on all Nasdaq, Inc.-affiliated options markets for easy comparison by common members that are engaged in market making activities on both the Exchange and its affiliates. As discussed above, the proposed changes will restructure MRX's current rules on Market Maker quoting obligations to conform to rule text used on its affiliate, Phlx. The Exchange further believes that the proposed rule changes would remove impediments to and perfect the mechanism of a free and open market by ensuring that members, regulators and the public can more easily navigate and understand the Exchange's rulebook, thereby avoiding potential confusion.

#### *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 further of the purposes of the Act. The proposal does not impose a burden on competition because the Exchange will continue to uniformly calculate and apply the quoting obligations for all Market Makers. Other than to allow the Exchange to announce in advance a higher percentage of quoting compliance standards, the Exchange's proposal does not modify the current practice or the current quoting obligations on MRX, as further discussed above.

#### *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**

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 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)(iii) of the Act<sup>32</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>33</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.

### **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-MRX-2018-34 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-MRX-2018-34. 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

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.

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-MRX-2018-34 and should be submitted on or before December 11, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>34</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2018-25234 Filed 11-19-18; 8:45 am]

BILLING CODE 8011-01-P

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-84585; File No. SR-PEARL-2018-24]

### **Self-Regulatory Organizations; MIAx PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rule 406, Long-Term Option Contracts**

November 14, 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 November 8, 2018, MIAx PEARL, LLC ("MIAx PEARL" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a 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**

The Exchange is filing a proposal to amend MIAx PEARL Rule 406, Long-Term Option Contracts.

The text of the proposed rule change is available on the Exchange's website at <http://www.miaxoptions.com/rule-filings/pearl> at MIAx PEARL's principal office, and at the Commission's Public Reference Room.

<sup>34</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>32</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>33</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give

## 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 MIAx PEARL Rule 406, Long-Term Option Contracts, to permit the listing and trading of up to ten (10) long-term expiration months for long term options on the SPDR® S&P 500® exchange-traded fund ("SPY") in response to customer demand.<sup>3</sup> Rule 406(a) currently provides that the Exchange may list long-term option contracts that expire from twelve (12) to thirty-nine (39) months from the time they are listed ("long-term expiration months") until expiration. There may be up to six (6) long-term expiration months per option class.<sup>4</sup> The proposal will add liquidity to the SPY options market by allowing market participants to hedge risks relating to SPY positions over a longer period with a known and limited cost.

The SPY options market today is characterized by its tremendous daily and annual liquidity. As a consequence the Exchange believes that the listing of additional SPY long-term expiration months would be well received by investors. This proposal to expand the number of permitted SPY long-term expiration months would not apply to

long-term expiration months on any other class of options.<sup>5</sup>

The Exchange proposes to implement the proposed rule change on November 16, 2018.

#### 2. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act<sup>6</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>7</sup> in particular, in that 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 mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>8</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the proposed rule change offers market participants additional long-term expiration months on SPY options for their investment and risk management purposes. The proposal is intended simply to provide additional trading opportunities which have been requested by customers, thereby facilitating transactions in options and contributing to the protection of investors and the maintenance of fair and orderly markets. The proposed rule change responds to the continuing needs of market participants, particularly portfolio managers and other institutional customers, by providing protection from long-term market moves and by offering an alternative to hedging portfolios with future positions or off-exchange customized derivative instruments.

Rule 406 has permitted up to six (6) long-term expiration months in option classes since the launch of the Exchange, in 2017. Other exchanges, such as Nasdaq PHLX LLC ("Phlx"), have permitted up to six "LEAPS" since 1991, when it increased the number of permissible expiration months from four to six. As noted by Phlx (in its recent proposal to permit up to ten LEAPS expiration months for options on SPY), when the Commission approved the

increase to six expiration months, the Commission stated that it did not believe that increasing the number of expiration months to six would cause, by itself, a proliferation of expiration months. The Commission also required that Phlx monitor the volume of additional options series listed as a result of the rule change, and the effect on Phlx's system capacity and quotation dissemination displays.<sup>9</sup> MIAx PEARL believes that the addition today of four (4) additional long-term expiration months on SPY options likewise does not represent a proliferation of expiration months, but is instead a very modest expansion of long-term options in response to stated customer demand. Significantly, the proposal would feature new long-term expiration months in only a single class of options that are very liquid and heavily traded, as discussed above. Additionally, the Exchange notes by way of precedent, that ten (10) expiration months are already permitted for long-term index options series. Further, the Exchange has the necessary systems capacity to support the new SPY long-term expiration months.

### 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 proposal merely provides investors additional investment and risk management opportunities by providing flexibility to the Exchange to list additional long-term options expiration series, expanding the number of SPY long-term expiration months offered on the Exchange from six (6) long-term expiration months to ten (10) long-term expiration months.

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

Written comments were neither solicited nor received.

## 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

<sup>3</sup> In contrast to Rule 406(a), MIAx Options Rule 1809(b), which is incorporated by reference into MIAx PEARL, and which applies to index options, permits the Exchange to list long-term index options series based on either the full or reduced value of the underlying index, adding up to ten (10) expiration months. The Exchange seeks to list ten (10) long-term expiration months on SPY, just as it now may list ten (10) expiration months on long-term index options series, in order to provide investors with a wider choice of investments.

<sup>4</sup> Strike price interval (Rule 404) and continuous quoting (Rule 605(d)) Rules shall not apply to such options series until the time to expiration is less than nine (9) months.

<sup>5</sup> Historically, SPY is the largest and most actively traded ETF in the United States as measured by its assets under management and the value of shares traded.

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

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

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

<sup>9</sup> See Securities Exchange Act Release No. 84449 (October 18, 2018), 83 FR 53699 (October 24, 2018) (SR-Phlx-2018-64). See also Securities Exchange Act Release No. 29103 (April 18, 1991), 56 FR 19132 (April 25, 1991) (approving SR-Phlx-91-18).

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>10</sup> and Rule 19b-4(f)(6) thereunder.<sup>11</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>12</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b4(f)(6)(iii),<sup>13</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative on November 16, 2018, to coincide with the effective date of Phlx's proposed rule change on which the proposal is based.<sup>14</sup> The Exchange's proposal would conform the Exchange's rules relating to permitted number of long-term expiration months on SPY options to those of Phlx. Accordingly, the Commission believes that the proposal raises no new or novel regulatory issues and waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. The Commission therefore waives the 30-day operative delay and designates the proposal operative on November 16, 2018.<sup>15</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.

#### 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-PEARL-2018-24 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-PEARL-2018-24. 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-PEARL-2018-24 and should be submitted on or before December 11, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

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**BILLING CODE 8011-01-P**

#### SMALL BUSINESS ADMINISTRATION

**[Disaster Declaration # 15796 and # 15797; Virginia Disaster Number VA-00077]**

##### **Administrative Declaration of a Disaster for the Commonwealth of Virginia**

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

**ACTION:** Notice.

**SUMMARY:** This is a notice of an Administrative declaration of a disaster for the Commonwealth of Virginia dated 11/13/2018.

*Incident:* Tropical Storm Michael.

*Incident Period:* 10/10/2018 through 10/15/2018.

**DATES:** Issued on 11/13/2018. Physical Loan Application Deadline Date: 01/14/2019. Economic Injury (EIDL) Loan Application Deadline Date: 08/13/2019.

**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 Areas/Cities:* Independent Cities of Danville, Salem.

*Contiguous Counties:*

Virginia—Pittsylvania, Roanoke, Roanoke City.

North Carolina—Caswell.

*The Interest Rates are:*

	Percent
<i>For Physical Damage:</i>	
Homeowners with Credit Available Elsewhere .....	4.000
Homeowners without Credit Available Elsewhere .....	2.000
Businesses with Credit Available Elsewhere .....	7.350
Businesses without Credit Available Elsewhere .....	3.675
Non-Profit Organizations with Credit Available Elsewhere .....	2.500
Non-Profit Organizations without Credit Available Elsewhere .....	2.500
<i>For Economic Injury:</i>	
Businesses & Small Agricultural Cooperatives without Credit Available Elsewhere .....	3.675

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4. In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of 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>12</sup> 17 CFR 240.19b-4(f)(6).

<sup>13</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>14</sup> See Securities Exchange Act Release No. 84449 (October 18, 2018), 83 FR 53699 (October 24, 2018) (SR-Phlx-2018-64).

<sup>15</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).

<sup>16</sup> 17 CFR 200.30-3(a)(12).