

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-CboeBYX-2018-024 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-CboeBYX-2018-024. 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-CboeBYX-2018-024 and should be submitted on or before December 21, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Eduardo A. Aleman,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84651; File No. SR-PEARL-2018-19]

Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Withdrawal of a Proposed Rule Change To Amend the Fee Schedule Regarding Connectivity Fees for Members and Non-Members

November 26, 2018.

On September 18, 2018, MIAX PEARL, LLC ("MIAX PEARL" or the "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² a proposed rule change to amend the MIAX PEARL Fee Schedule to increase certain connectivity fees. The proposed rule change was immediately effective upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act.³ On October 10, 2018 the proposed rule change was published for comment in the **Federal Register** and, pursuant to Section 19(b)(3)(C) of the Act, the Commission: (1) Temporarily suspended the proposed rule change; and (2) instituted proceedings to determine whether to approve or disapprove the proposal.⁴

The Commission received one comment letter on the proposal.⁵ On November 23, 2018, the Exchange withdrew the proposed rule change (SR-PEARL-2018-19).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁶

Eduardo A. Aleman,
Assistant Secretary.

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¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ See Securities Exchange Act Release No. 84358 (October 3, 2018), 83 FR 51022.

⁵ See Letter from Theodore R. Lazo, Managing Director and Associate General Counsel, and Ellen Greene, Managing Director, The Securities Industry and Financial Markets Association, to Brent J. Fields, Secretary, Commission, dated October 15, 2018.

⁶ 17 CFR 200.30-3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84647; File No. SR-NYSEArca-2018-84]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rule 6.4-O, Series of Options Open for Trading

November 26, 2018.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 ("Act")² and Rule 19b-4 thereunder,³ notice is hereby given that, on November 19, 2018, NYSE Arca, Inc. ("Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission ("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 Rule 6.4-O. The proposed rule change is available on the Exchange's website at 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 purpose of this filing is to amend Rule 6.4-O, Series of Options Open for Trading, to permit the listing and trading of up to ten expiration months for long term options on the SPDR® S&P

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁷ 17 CFR 200.30-3(a)(12).

500® Exchange-Traded Fund (the “SPY ETF”).

Rule 6.4–O(d) provides that the Exchange may list, with respect to any class of stock or Exchange-Traded Fund Share options series, options having from twelve up to thirty-nine months from the time they are listed until expiration (“LEAPS”). Under the current Rule, the Exchange may list up to six LEAPS expiration months.⁴ The Exchange proposes to amend Rule 6.4–O(d) to permit up to ten LEAPS expiration months for options on the SPY ETF.⁵ This proposal, which is substantially the same as a recent rule amendment submitted by Nasdaq PHLX LLC (“PHLX”) and driven by customer demand,⁶ would add liquidity to the SPY ETF options market by allowing market participants to hedge risks relating to SPY ETF positions over a potentially longer time period with a known and limited cost.

The SPY ETF options market today is characterized by its tremendous daily and annual liquidity. As a consequence the Exchange believes that the listing of additional SPY ETF LEAPS expiration months would be well received by investors. This proposal to expand the number of permitted SPY ETF LEAPS would not apply to LEAPS on any other class of stock or Exchange-Traded Fund Share options.⁷

2. Statutory Basis

The proposed rule change is consistent with Section 6(b)⁸ of the Securities Exchange Act of 1934 (the “Act”), in general, and furthers the objectives of Section 6(b)(5),⁹ in particular, in that it is designed to promote just and equitable principles of trade, 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, by offering market participants additional LEAPS 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 futures positions or off-exchange customized derivative instruments.

The Exchange believes that the addition today of four additional expiration months for SPY ETF LEAPS does not represent a proliferation of expiration months, but is instead a very modest expansion of LEAPS options in response to stated customer demand. Significantly, the proposal would feature new LEAPS expiration months in only a single class of options—the SPY ETF—that are very liquid and heavily traded, as discussed above. Additionally, the Exchange notes that ten expiration months are already permitted for stock index LEAPS options on the Exchange as well as on other markets.¹⁰ Further, the Exchange has the necessary systems capacity to support the new SPY ETF LEAPS expiration months.

The Exchange notes that this proposal is substantially the same as a recent rule amendment submitted by PHLX.¹¹

The Exchange respectfully requests that the Commission waive the 30-day operative delay so that the proposed rule change may become effective and operative upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act¹² and paragraph (f)(6) of Rule 19b–4 thereunder.¹³ The Exchange believes that waiving the operative delay would be consistent with the protection of investors and the public interest because the proposed rule change would allow the Exchange to implement the modified rule, which

aligns with the rules of another options exchange, without delay.¹⁴

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 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 ETF LEAPS offered on the Exchange from six expiration months to ten expiration months.

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 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 Act¹⁵ and Rule 19b–4(f)(6) thereunder.¹⁶

A proposed rule change filed under Rule 19b–4(f)(6)¹⁷ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b–4(f)(6)(iii),¹⁸ 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 upon filing. The Exchange’s proposal would eliminate an internal inconsistency in the Exchange’s rules and also conform the Exchange’s rules relating to the permitted number

⁴ Strike price interval, bid/ask differential and continuity rules shall not apply to equity options or Exchange-Traded Fund Shares options until the time to expiration is less than nine months. See Rule 6.4–O(d).

⁵ See proposed Rule 6.4–O(d) (providing in relevant part, that “[t]he Exchange may open for trading up to ten expiration months for options on the [SPY ETF] and up to six extended far term expiration months for options on any Exchange-Trade Fund Share or equity option class”).

⁶ See also Securities Exchange Act Release No. 84449 (October 18, 2018), 83 FR 53699 (October 24, 2018) (SR–Phlx–2018–64) (“PHLX Rule Change”). Rule 5.19–O(b)(1) likewise provides for up to ten expirations months in LEAPS on index options. Thus, the Exchange proposes to delete reference [sic] to index options in proposed Rule 6.4–O to enhance internal consistency and reduced [sic] as relates to the number of expiration months (i.e., ten) allowed for index options. See proposed Rule 6.4–O(d).

⁷ 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.

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ See Rule 5.19–O(b)(1) and PHLX Rule 1101A(b)(iii).

¹¹ See PHLX Rule Change, *supra* note 6.

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b–4(f)(6).

¹⁴ See Phlx Rule Change, *supra* note 6.

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 CFR 240.19b–4(f)(6). 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.

¹⁷ *Id.*

¹⁸ 17 CFR 240.19b–4(f)(6)(iii).

of SPY ETF LEAPS expiration months to those of PHLX.¹⁹ 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 upon filing.²⁰

At any time within 60 days of the filing of such 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. Please include File Number SR-NYSEArca-2018-84 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-2018-84. 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-2018-84 and should be submitted on or before December 21, 2018.

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

Eduardo A. Aleman,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84646; File No. SR-FINRA-2018-039]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of a Proposed Rule Change Relating to FINRA Rule 4570 (Custodian of Books and Records)

November 26, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("SEA," "Act" or "Exchange Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on November 15, 2018, Financial Industry Regulatory Authority, Inc. ("FINRA") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. 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

FINRA is proposing to amend FINRA Rule 4570 (Custodian of Books and Records) to: (1) Provide a member that is filing a Form BDW (Uniform Request

for Broker-Dealer Withdrawal) the option of designating another FINRA member as the custodian of its books and records on the form; (2) clarify the obligations of the designated custodian; and (3) require the designated custodian to consent to act in such a capacity.

The text of the proposed rule change is available on FINRA's website at <http://www.finra.org>, at the principal office of FINRA 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, FINRA 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. FINRA 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

SEA Rule 17a-4 (Records to be Preserved by Certain Exchange Members, Brokers and Dealers)³ requires broker-dealers to retain their books and records for specified retention periods.⁴ Pursuant to SEA Rule 17a-4(g),⁵ a firm that stops doing business as a registered broker-dealer has a continuing obligation to retain its required books and records for the remainder of the specified retention periods. Form BDW requires that a firm that is withdrawing its registration identify and provide the contact information of the person who will have custody of the firm's books and records after the firm has discontinued its business operations. Form BDW also requires that the firm provide the address where the books and records will be located, if different than the custodian's address. In addition, the Form BDW provides that the firm and person signing the form on behalf of the firm must certify that the firm's books and records will be preserved and made available for inspection.

FINRA Rule 4570 currently requires a member to designate as the custodian of its required books and records on the

³ 17 CFR 240.17a-4.

⁴ See also FINRA Rule 4511 (General Requirements).

⁵ 17 CFR 240.17a-4(g).

¹⁹ See *supra*, note 6.

²⁰ 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).

²¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.