

fosters the development of the national market system. In particular, the Commission believes that the proposed Amended Plan should reduce unnecessary regulatory duplication by allocating to FINRA certain examination and enforcement responsibilities for common members that would otherwise be performed by FINRA and at least one of MIAX, MIAX PEARL, or MIAX Emerald. Accordingly, the proposed Amended Plan promotes efficiency by reducing costs to common members. Furthermore, because MIAX, MIAX PEARL, MIAX Emerald and FINRA will coordinate their regulatory functions in accordance with the Amended Plan, the Amended Plan should promote investor protection.

The Commission notes that, under the Amended Plan, MIAX, MIAX PEARL, MIAX Emerald, and FINRA have allocated regulatory responsibility for those MIAX, MIAX PEARL, and MIAX Emerald rules, set forth in the Certification, that are substantially similar to the applicable FINRA rules in that examination for compliance with such provisions and rules would not require FINRA to develop one or more new examination standards, modules, procedures, or criteria in order to analyze the application of the rule, or a common member's activity, conduct, or output in relation to such rule. In addition, under the Amended Plan, FINRA would assume regulatory responsibility for certain provisions of the federal securities laws and the rules and regulations thereunder that are set forth in the Certification. The common rules covered by the Amended Plan are specifically listed in the Certification, as may be amended by the parties from time to time.

According to the Amended Plan, MIAX, MIAX PEARL, and MIAX Emerald will review the Certification at least annually, or more frequently if required by changes in either the rules of MIAX, MIAX PEARL, MIAX Emerald, or FINRA, and, if necessary, submit to FINRA an updated list of common rules to add MIAX, MIAX PEARL, or MIAX Emerald rules not included on the then-current list of common rules that are substantially similar to FINRA rules; delete MIAX, MIAX PEARL, or MIAX Emerald rules included in the then-current list of common rules that no longer qualify as common rules; and confirm that the remaining rules on the list of common rules continue to be MIAX, MIAX PEARL, or MIAX Emerald rules that qualify as common rules.<sup>14</sup> FINRA will then confirm in writing whether the rules listed in any updated

list are common rules as defined in the Amended Plan. Under the Amended Plan, MIAX, MIAX PEARL, and MIAX Emerald also will provide FINRA with a current list of common members and shall update the list no less frequently than once each quarter.<sup>15</sup> The Commission believes that these provisions are designed to provide for continuing communication between the parties to ensure the continued accuracy of the scope of the proposed allocation of regulatory responsibility.

The Commission is hereby declaring effective an Amended Plan that, among other things, allocates regulatory responsibility to FINRA for the oversight and enforcement of all MIAX, MIAX PEARL, and MIAX Emerald rules that are substantially similar to the rules of FINRA for common members of FINRA and MIAX, FINRA and MIAX PEARL, and FINRA and MIAX Emerald. Therefore, modifications to the Certification need not be filed with the Commission as an amendment to the Amended Plan, provided that the parties are only adding to, deleting from, or confirming changes to MIAX, MIAX PEARL, or MIAX Emerald rules in the Certification in conformance with the definition of common rules provided in the Amended Plan. However, should the parties decide to add a MIAX, MIAX PEARL, or MIAX Emerald rule to the Certification that is not substantially similar to a FINRA rule; delete a MIAX, MIAX PEARL, or MIAX Emerald rule from the Certification that is substantially similar to a FINRA rule; or leave on the Certification a MIAX, MIAX PEARL, or MIAX Emerald rule that is no longer substantially similar to a FINRA rule, then such a change would constitute an amendment to the Amended Plan, which must be filed with the Commission pursuant to Rule 17d-2 under the Act.<sup>16</sup>

#### IV. Conclusion

This order gives effect to the Amended Plan filed with the Commission in File No. 4-678. The parties shall notify all members affected by the Amended Plan of their rights and obligations under the Amended Plan.

*It is therefore ordered*, pursuant to Section 17(d) of the Act, that the Amended Plan in File No. 4-678, between the FINRA, MIAX, MIAX

PEARL, and MIAX Emerald, filed pursuant to Rule 17d-2 under the Act, hereby is approved and declared effective.

*It is further ordered* that MIAX, MIAX PEARL, and MIAX Emerald are each relieved of those responsibilities allocated to FINRA under the Amended Plan in File No. 4-678.

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

**Eduardo A. Aleman,**

*Deputy Secretary.*

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**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-85190; File No. SR-NYSECHX-2019-02]

### Self-Regulatory Organizations; NYSE Chicago, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Rules of the Exchange To Adopt Article 1, Rule 5

February 25, 2019.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the "Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on February 21, 2019, the NYSE Chicago, Inc. ("NYSE Chicago" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III 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 the rules of the Exchange ("Rules") to adopt Article 1, Rule 5 related to designation of authority to act under the Rules. The proposed rule change is available on the Exchange's website at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

<sup>17</sup> 17 CFR 200.30-3(a)(34).

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>14</sup> See paragraph 2 of the Amended Plan.

<sup>15</sup> See paragraph 3 of the Amended Plan.

<sup>16</sup> The addition to or deletion from the Certification of any federal securities laws, rules, and regulations for which FINRA would bear responsibility under the Amended Plan for examining, and enforcing compliance by, common members, also would constitute an amendment to the Amended Plan.

## 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 Statutory Basis for, the Proposed Rule Change

#### 1. Purpose

The Exchange and its direct parent, NYSE Chicago Holdings, Inc., were recently acquired by NYSE Group, Inc. ("NYSE Group"), which is an indirect wholly-owned subsidiary of the Intercontinental Exchange, Inc. ("ICE").<sup>4</sup> As a result of its acquisition, the Exchange became part of a corporate family that now includes five separate registered national securities exchanges.<sup>5</sup> Following the acquisition, the Exchange has continued to operate as a separate self-regulatory organization and continues to have rules, membership rosters and listings distinct from the rules, membership rosters and listings of the other NYSE Group Exchanges.

As part of its ongoing post-acquisition transition, the Exchange is reviewing its Rules to identify potential rule changes that would enhance and streamline the administration of the Exchange. Pursuant to this review, the Exchange now proposes to adopt Article 1, Rule 5 (Designation of Authority) relating to the designation of authority to act under the Rules, which is substantively similar to the third paragraph of Rule 1 of the NYSE Rules ("NYSE Rule 1").

Rule 5 would provide that the Chief Executive Officer ("CEO") or the Chief Regulatory Officer ("CRO") of the Exchange may formally designate one or more qualified employees of ICE to act

in place of any person named in a Rule as having authority to act under such Rule in the event that the named person in the Rule is not available to administer that Rule. The proposal to specify that the designee may be a qualified employee of ICE is based on NYSE Rule 1. Proposed Rule 5 would further provide that, for the purposes of a designation by the CEO, a qualified employee is: (1) Any officer of ICE that the CEO deems to possess the requisite knowledge and job qualifications to administer that Rule; or (2) any employee of the Exchange<sup>6</sup> that the CEO and the Board of Directors deem to possess the requisite knowledge and job qualifications to administer that Rule, and that, for the purpose of a designation by the CRO, a qualified employee is: (1) Any ICE officer that the CRO deems to possess the requisite knowledge and job qualifications to administer that Rule; or (2) any Exchange employee that the CRO and the Exchange's Regulatory Oversight Committee deem to possess the requisite knowledge and job qualifications to administer that Rule.

The Exchange has implemented policies and procedures to formally identify the officers and employees who have been delegated authority to administer a particular Rule on behalf of any named person identified in that Rule. The Exchange considers the delegation of authority to be a corporate function; accordingly, such formal delegation is subject to approval by the CEO, CRO and Boards of Directors or Regulatory Oversight Committee of the Exchange, as applicable, as well as compliance with all applicable bylaws of the Exchange. These delegations of authority are centrally maintained and periodically updated by the Office of the General Counsel to remain current with final approval by the CEO or CRO, as applicable.

The Exchange does not currently maintain a Rule similar to proposed Article 1, Rule 5. Rather, certain Rules explicitly permit the Exchange officer to designate other individual(s) with authority granted to the officer under the relevant Rule.<sup>7</sup>

The proposed rule change is immediately effective upon filing pursuant to Section 19(b)(3)(A) of the Act<sup>8</sup> and Rule 19b-4(f)(6)<sup>9</sup> thereunder.

<sup>6</sup> The terms "employee of the Exchange" and "Exchange employee" refer to an individual responsible for certain Exchange operations who may also be responsible for certain operations of one or more of the other NYSE Group Exchanges and/or affiliated entities.

<sup>7</sup> See e.g., Article 20, Rule 10(b) of the Rules.

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4(f)(6).

In addition, the Exchange is requesting a waiver of the 30-day operative delay to permit the proposed rule change to become operative upon filing.

#### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b)(5) of the Exchange Act,<sup>10</sup> 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 mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

Specifically, proposed Article 1, Rule 5 would remove impediments to and perfect the mechanisms of a free and open market and a national market system because it clarifies that certain agents of the Exchange may act on behalf of the Exchange with respect to the administration of the Rules and permits the CEO, CRO, and Boards of Directors or Regulatory Oversight Committee of the Exchange, as applicable, to formally designate one or more qualified employees of the Exchange to act in place of any person named in a Rule within guidelines that are identical to NYSE Rule 1. Therefore, the Exchange believes the proposed rule change fosters uniformity and consistency between the Exchange and NYSE and, as a result, would facilitate Exchange compliance with, and enforcement of, the Rule, which protects investors and the public interest.

The Exchange further believes that the proposed rule would remove impediments to and perfect the mechanism of a free and open market and a national market system because it would provide for continuity if either the CEO or CRO is unavailable to act under a Rule. Having pre-authorized delegations would allow for uninterrupted Exchange services that rely on either the CEO or CRO acting under a Rule.

### 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 Exchange Act. The proposed rule change is not intended to address competitive issues but rather is concerned solely with

<sup>10</sup> 15 U.S.C. 78f(b)(5).

<sup>4</sup> See Exchange Act Release No. 83635 (July 13, 2018), 83 FR 34182 (July 19, 2018) (SR-CHX-2018-004); see also Exchange Act Release No. 83303 (May 22, 2018), 83 FR 24517 (May 29, 2018) (SR-CHX-2018-004).

<sup>5</sup> The Exchange has four registered national securities exchange affiliates: New York Stock Exchange LLC ("NYSE"), NYSE Arca, Inc. ("NYSE Arca"), NYSE National and NYSE American LLC ("NYSE American" and together with the Exchange, NYSE, NYSE Arca, and NYSE National, the "NYSE Group Exchanges").

facilitating Exchange compliance with, and enforcement of, its rules.

*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 Act<sup>11</sup> and Rule 19b-4(f)(6) thereunder.<sup>12</sup>

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act<sup>13</sup> normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)<sup>14</sup> permits the Commission to 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. The Exchange believes that waiver of the operative delay is consistent with the protection of investors and the public interest because it would permit the Exchange's CEO and CRO to immediately designate authority under the Rule to other ICE officers and Exchange employees, which would serve to accelerate the post-acquisition transition process and therefore expedite the Exchange's integration into the NYSE Group family of exchanges. The Exchange notes that this filing is identical to NYSE Rule 1. For this reason, the Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission hereby waives the operative delay and

designates the proposal as operative upon filing.<sup>15</sup>

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. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)<sup>16</sup> of the Act to determine whether the proposed rule change 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-NYSECHX-2019-02 on the subject line.

*Paper Comments*

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSECHX-2019-02. 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

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

<sup>16</sup> 15 U.S.C. 78s(b)(2)(B).

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-NYSECHX-2019-02 and should be submitted on or before March 22, 2019.

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

**Eduardo A. Aleman,**  
*Deputy Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-85186; File No. SR-NYSE-2019-06]

**Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Enhance the Content of the NYSE Trades Market Data Product Offering**

February 25, 2019.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 ("Act"),<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that on February 13, 2019, New York Stock Exchange LLC ("NYSE" or the "Exchange") 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 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 proposes to enhance the content of the NYSE Trades market data product offering. The Exchange does not propose [sic] to amend the fees related to NYSE Trades. The

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

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 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.

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

<sup>14</sup> 17 CFR 240.19b-4(f)(6)(iii).