

and regulations thereunder applicable to a national securities association.<sup>17</sup> In particular, the Commission finds that the proposed rule change is consistent with Section 15A(b)(6) of the Act,<sup>18</sup> which requires, among other things, that FINRA rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. The Commission believes that aligning the reporting deadline for U.S. Treasury Security hedge transactions with the deadline for the associated P1 transaction is reasonably designed to minimize compliance burdens on FINRA members who report to TRACE without adversely impacting regulatory surveillance. In addition, because P1 transactions and transactions in U.S. Treasury Securities are not subject to public dissemination, the rule change would not negatively impact market transparency. The new requirement to flag any transaction in a U.S. Treasury Security used to hedge a P1 transaction is reasonably designed to enhance the TRACE audit trail, consistent with the protection of investors and the public interest. The Commission notes that the one comment letter received on the proposal was supportive.<sup>19</sup>

Pursuant to Section 19(b)(5) of the Act,<sup>20</sup> the Commission consulted with and considered the views of the Treasury Department in determining to approve the proposed rule change. The Treasury Department indicated its support for the proposal.<sup>21</sup> Pursuant to Section 19(b)(6) of the Act,<sup>22</sup> the Commission has considered the sufficiency and appropriateness of existing laws and rules applicable to government securities brokers, government securities dealers, and their

<sup>17</sup> In approving this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>18</sup> 15 U.S.C. 78o-3(b)(6).

<sup>19</sup> See SIFMA Letter, *supra* note 6 (opining that the proposal would "ease the operational burden on member firms, provide a better characterization of the transaction for market surveillance purposes through the linkage that will be reported, and result in fewer late Treasury transaction filings to the TRACE system").

<sup>20</sup> 15 U.S.C. 78s(b)(5) (providing that the Commission "shall consult with and consider the views of the Secretary of the Treasury prior to approving a proposed rule filed by a registered securities association that primarily concerns conduct related to transactions in government securities, except where the Commission determines that an emergency exists requiring expeditious or summary action and publishes its reasons therefor").

<sup>21</sup> Email from Treasury Department staff to Michael Gaw, Assistant Director, Division of Trading and Markets, Commission (June 17, 2019).

<sup>22</sup> 15 U.S.C. 78s(b)(6).

associated persons in approving the proposal. As discussed above, by aligning the TRACE reporting timeframe for transactions in U.S. Treasury Securities executed to hedge a P1 transaction with the deadline for reporting the related P1 transaction, and adopting a new modifier to identify such transactions, the proposed rule change is reasonably designed to minimize burdens on FINRA members who must report to TRACE without adversely impacting regulatory surveillance or market transparency.

#### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>23</sup> that the proposed rule change (SR-FINRA-2019-014) is approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>24</sup>

**Jill M. Peterson,**

*Assistant Secretary.*

[FR Doc. 2019-13657 Filed 6-26-19; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-86179; File No. SR-ISE-2019-19]

### Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Extend a Pilot Program

June 21, 2019.

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> notice is hereby given that on June 14, 2019, Nasdaq ISE, LLC ("ISE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "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 amend its rules to extend a pilot program to quote and to trade certain options classes in penny increments ("Penny Pilot Program" or "Penny Pilot").

<sup>23</sup> 15 U.S.C. 78s(b)(2).

<sup>24</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.

The text of the proposed rule change is available on the Exchange's website at <http://ise.cchwallstreet.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 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

Under the Penny Pilot Program, the minimum price variation for all participating options classes, except for the Nasdaq-100 Index Tracking Stock ("QQQQ"), the SPDR S&P 500 Exchange Traded Fund ("SPY") and the iShares Russell 2000 Index Fund ("IWM"), is \$0.01 for all quotations in options series that are quoted at less than \$3 per contract and \$0.05 for all quotations in options series that are quoted at \$3 per contract or greater. QQQQ, SPY and IWM are quoted in \$0.01 increments for all options series. The Penny Pilot Program is currently scheduled to expire on June 30, 2019.<sup>3</sup> The Exchange proposes to extend the Penny Pilot Program through December 31, 2019.<sup>4</sup> This filing does not propose any substantive changes to the Penny Pilot Program: All classes currently participating will remain the same and all minimum increments will remain unchanged. The Exchange believes the benefits to public customers and other market participants who will be able to express their true prices to buy and sell

<sup>3</sup> See Securities Exchange Act Release No. 84958 (December 26, 2018), 84 FR 875 (January 31, 2019) (SR-ISE-2018-101).

<sup>4</sup> See Supplementary Material .01 to Options 3, Section 3. The Exchange is concurrently filing to relocate its Rulebook into its new Rulebook shell. As such, the ISE rule reference to Supplementary Material .01 to Rule 710 in the original Rulebook corresponds to its new location in the shell structure. See Securities Exchange Act Release No. 86138 (June 18, 2019) (ISE-2019-17).

options have been demonstrated to outweigh any increase in quote traffic.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.<sup>5</sup> Specifically, the proposed rule change is consistent with Section 6(b)(5) of the Act,<sup>6</sup> because it is designed to promote just and equitable principles of trade, 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. In particular, the proposed rule change, which extends the Penny Pilot Program for an additional six months, will enable public customers and other market participants to express their true prices to buy and sell options to the benefit of all market participants.

### B. Self-Regulatory Organization's Statement on Burden on Competition

In accordance with Section 6(b)(8) of the Act,<sup>7</sup> the Exchange does not believe that the proposed rule change will impose any burden on intermarket or intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the Exchange believes that, by extending the expiration of the Penny Pilot Program, the proposed rule change will allow for further analysis of the Penny Pilot Program and a determination of how the Penny Pilot Program should be structured in the future. In doing so, the proposed rule change will also serve to promote regulatory clarity and consistency, thereby reducing burdens on the marketplace and facilitating investor protection.

### 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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>8</sup> and Rule

19b-4(f)(6) thereunder.<sup>9</sup> Because the 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 prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>10</sup> and Rule 19b-4(f)(6)(iii) 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 19b-4(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 immediately upon filing. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because doing so will allow the Pilot Program to continue without interruption in a manner that is consistent with the Commission's prior approval of the extension and expansion of the Pilot Program.<sup>14</sup> Accordingly, the Commission designates the proposed rule change as operative upon filing with the Commission.<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. If the Commission takes such action, the Commission shall institute proceedings

<sup>9</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give 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.

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

<sup>11</sup> 17 CFR 240.19b-4(f)(6)(iii).

<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 Release No. 61061 (November 24, 2009), 74 FR 62857 (December 1, 2009) (SR-NYSEARCA-2009-44).

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

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-ISE-2019-19 on the subject line.

### Paper Comments

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

All submissions should refer to File Number SR-ISE-2019-19. 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 submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-ISE-2019-19 and should be submitted on or before July 18, 2019.

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

<sup>6</sup> 15 U.S.C. 78f(b)(5).

<sup>7</sup> 15 U.S.C. 78f(b)(8).

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

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

**Jill M. Peterson,**

*Assistant Secretary.*

[FR Doc. 2019-13656 Filed 6-26-19; 8:45 am]

**BILLING CODE 8011-01-P**

**SMALL BUSINESS ADMINISTRATION**

**[Disaster Declaration #15973 and #15974; Oklahoma Disaster Number OK-00130]**

**Presidential Declaration Amendment of a Major Disaster for the State of Oklahoma**

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

**ACTION:** Amendment 5.

**SUMMARY:** This is an amendment of the Presidential declaration of a major disaster for the State of Oklahoma (FEMA-4438-DR), dated 06/01/2019.

*Incident:* Severe Storms, Straight-line Winds, Tornadoes, and Flooding.

*Incident Period:* 05/07/2019 through 06/09/2019.

**DATES:** Issued on 06/01/2019.

*Physical Loan Application Deadline Date:* 07/31/2019.

*Economic Injury (EIDL) Loan Application Deadline Date:* 03/02/2020.

**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:** The notice of the President's major disaster declaration for the State of Oklahoma, dated 06/01/2019, is hereby amended to include the following areas as adversely affected by the disaster:

*Primary Counties (Physical Damage and Economic Injury Loans):* Alfalfa, Craig, Garfield, Kingfisher, Pawnee, Woods.

*Contiguous Counties (Economic Injury Loans Only):*

Kansas: Barber, Comanche, Harpe.

Oklahoma: Harper, Major, Woodward.

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Number 59008)

**Cynthia Pitts,**

*Acting Associate Administrator for Disaster Assistance.*

[FR Doc. 2019-13710 Filed 6-26-19; 8:45 am]

**BILLING CODE 8206-03-P**

**SMALL BUSINESS ADMINISTRATION**

**[Disaster Declaration #16008 and #16009; Kansas Disaster Number KS-00124]**

**Presidential Declaration of a Major Disaster for Public Assistance Only for the State of Kansas**

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

**ACTION:** Notice.

**SUMMARY:** This is a Notice of the Presidential declaration of a major disaster for Public Assistance Only for the State of Kansas (FEMA-4449-DR), dated 06/20/2019.

*Incident:* Severe Storms, Straight-line Winds, Tornadoes, Flooding, Landslides, and Mudslides.

*Incident Period:* 04/28/2019 and continuing.

**DATES:** Issued on 06/20/2019.

*Physical Loan Application Deadline Date:* 08/19/2019.

*Economic Injury (EIDL) Loan Application Deadline Date:* 03/20/2020.

**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 President's major disaster declaration on 06/20/2019, Private Non-Profit organizations that provide essential services of a governmental nature may file disaster loan applications at the address listed above or other locally announced locations.

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

*Primary Counties:* Allen, Anderson, Atchison, Barber, Barton, Butler, Chase, Chautauqua, Cherokee, Clark, Clay, Cloud, Coffey, Cowley, Doniphan, Elk, Ellsworth, Franklin, Geary, Greenwood, Harper, Harvey, Hodgeman, Jefferson, Kingman, Leavenworth, Lincoln, Linn, Lyon, Marion, Marshall, Mcpherson,

Meade, Montgomery, Morris, Nemaha, Neosho, Osage, Ottawa, Pawnee, Phillips, Pottawatomie, Pratt, Reno, Rice, Rush, Russell, Saline, Sumner, Wabaunsee, Washington, Wilson, Woodson.

The Interest Rates are:

	Percent
<i>For Physical Damage:</i>	
Non-Profit Organizations With Credit Available Elsewhere .....	2.750
Non-Profit Organizations Without Credit Available Elsewhere .....	2.750
<i>For Economic Injury:</i>	
Non-Profit Organizations Without Credit Available Elsewhere .....	2.750

The number assigned to this disaster for physical damage is 16008B and for economic injury is 160090.

(Catalog of Federal Domestic Assistance Number 59008)

**Cynthia Pitts,**

*Acting Associate Administrator for Disaster Assistance.*

[FR Doc. 2019-13711 Filed 6-26-19; 8:45 am]

**BILLING CODE 8206-03-P**

**SMALL BUSINESS ADMINISTRATION**

**[Disaster Declaration #16012 and #16013; Oglala Sioux Tribe of the Pine Ridge Reservation Disaster Number SD-00094]**

**Presidential Declaration of a Major Disaster for Public Assistance Only for the Oglala Sioux Tribe of the Pine Ridge Reservation of South Dakota**

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

**ACTION:** Notice.

**SUMMARY:** This is a Notice of the Presidential declaration of a major disaster for Public Assistance Only for Oglala Sioux Tribe of the Pine Ridge Reservation of South Dakota (FEMA-4448-DR), dated 06/20/2019.

*Incident:* Severe Winter Storm, Snowstorm, and Flooding.

*Incident Period:* 03/13/2019 through 03/26/2019.

**DATES:** Issued on 06/20/2019.

*Physical Loan Application Deadline Date:* 08/19/2019.

*Economic Injury (EIDL) Loan Application Deadline Date:* 03/20/2020.

**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,

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