

investors and the public interest because the proposal will permit Stop Limit Orders to execute as intended and not be inadvertently cancelled in certain situations, as discussed above, by the fat finger check provision. 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 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 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-CboeBZX-2019-096 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-CboeBZX-2019-096. 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-CboeBZX-2019-096 and should be submitted on or before December 13, 2019.

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

**Jill M. Peterson,**  
Assistant Secretary.

[FR Doc. 2019-25318 Filed 11-21-19; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-87558; File No. SR-ICEEU-2019-025]

### Self-Regulatory Organizations; ICE Clear Europe Limited; Notice of Filing and Immediate Effectiveness of Proposed Rule Change, Security-Based Swap Submission or Advance Notice Relating to Amendments to the ICE Clear Europe Clearing Rules and General Contract Terms

November 18, 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 November 12, 2019, ICE Clear Europe Limited ("ICE Clear Europe" or the "Clearing House") filed with the Securities and Exchange Commission ("Commission") the proposed rule changes described in Items I, II and III below, which Items have been prepared by ICE Clear Europe. ICE Clear Europe filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(4)(ii) thereunder,<sup>4</sup> such that the proposed rule change was immediately

effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change, Security-Based Swap Submission, or Advance Notice

The principal purpose of the proposed amendments is for ICE Clear Europe to amend its Clearing Rules (the "Rules")<sup>5</sup> and General Contract Terms in connection with the clearing of F&O contracts for a new market, ICE Futures Abu Dhabi ("IFAD").

#### II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change, Security-Based Swap Submission or Advance Notice

In its filing with the Commission, ICE Clear Europe 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. ICE Clear Europe has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

(A) *Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change, Security-Based Swap Submission or Advance Notice*

(a) Purpose

ICE Clear Europe is proposing to amend its Rules in order to provide clearing services to IFAD, an affiliated newly established futures exchange which will form part of the Intercontinental Exchange, Inc. global network of exchanges.<sup>6</sup> IFAD will operate an energy futures and options market and intends to initially launch a physically delivered futures contract whose underlying is Murban crude oil.<sup>7</sup>

<sup>5</sup> Capitalized terms used but not defined herein have the meanings specified in the ICE Clear Europe Clearing Rules (the "Rules").

<sup>6</sup> Intercontinental Exchange, Inc. has announced the planned launch of IFAD, which will be a recognized investment exchange under the laws of the Abu Dhabi Global Market ("ADGM").

<sup>7</sup> The initial launch of IFAD trading is expected to be in the first half of 2020, subject to completion of all regulatory approvals and other conditions. ICE Clear Europe expects that prior to the launch, it will adopt amendments to its Delivery Procedures relating to settlement of the launched contracts, which will be filed with the Commission under Rule 19b-4.

IFAD has stated that it may in the future list other crude oil and crude-oil related products and other financial futures or options contracts on such futures contracts, subject to applicable regulatory authorizations.

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

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

The proposed amendments to the Rules reflect the addition of IFAD as a trading market cleared by ICE Clear Europe and include relevant references to applicable ADGM laws and regulations. Contracts traded on IFAD and cleared at ICE Clear Europe will be F&O Contracts for purposes of the Rules.

In Rule 101, new defined terms would be added to reference IFAD itself, its rules and the various types of IFAD transactions, in a manner generally consistent with the defined terms applicable to other F&O energy markets (and transactions thereon) cleared by ICE Clear Europe. These defined terms include “IFAD,” “IFAD Block Contract,” “IFAD Block Trade Facility,” “IFAD Block Transaction,” “IFAD Contract,” “IFAD Matched Contract,” “IFAD Matched Transaction,” “IFAD Rules” and “IFAD Transaction”. In addition, defined terms would be added for relevant regulatory matters, including “FSMR” (the Financial Services and Markets Regulations 2015 of the Abu Dhabi Global Market), “FSRA” (the Abu Dhabi Global Market’s Financial Services Regulatory Authority) and “FSRA Rules” (the rules and similar materials of the FSRA).

Certain existing definitions would be updated to reference IFAD and the new defined terms (consistent with existing references to other cleared markets), including: “Applicable Law” to include references to the FSMR and the FSRA Rules; “Regulatory Authority” to include the FSRA; “Energy” to also refer to the clearing of IFAD Markets; “Energy Transaction” to include IFAD Transactions; “Market” to include IFAD; and “Non-DCM/Swap” to include an IFAD Transaction and an IFAD Contract.

The introductions to Part 9 (Default Rules) and Part 12 (Settlement Finality Regulations and Companies Act 1989) of the Rules would also be amended to reference the FSMR among other relevant Applicable Laws on which the Clearing House may rely for purposes of default management.

A new Rule 1208 would be added to address specifically settlement finality under ADGM laws. Pursuant to the proposed rule, Clearing Members and other Participants would acknowledge that modifications to Applicable Laws in the Abu Dhabi Global Market related to insolvency, which may affect Clearing Members, the Clearing House and other Participants, may apply pursuant to the FSMR as a matter of ADGM law. The rule would give notice to Clearing Members and other Participants that these modifications may apply in relation to a broader range of circumstances than those set out in

Part 12 itself, and may provide expanded settlement finality protections as a matter of ADGM law compared to those which are available under English and European law, particularly as regards the settlement finality upon delivery of non-securities products such as oil.

ICE Clear Europe would also make a conforming change to its General Contact Terms to include a reference to the IFAD rules, which set out certain contract terms for IFAD contracts.

#### (b) Statutory Basis

Section 17A(b)(3)(F) of the Act<sup>8</sup> requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions, the safeguarding of securities and funds in the custody or control of the clearing agency or for which it is responsible, and the protection of investors and the public interest. The proposed amendments are designed to facilitate the clearing of F&O Contracts, including physically delivered crude oil futures contracts, that are expected to be launched for trading on the IFAD exchange and that will be cleared by ICE Clear Europe. The amendments would supplement the Rules to include references to IFAD and related transactional and regulatory definitions, on a similar basis to the other F&O markets that ICE Clear Europe currently clears. ICE Clear Europe believes that its existing financial resources, account infrastructure, risk management, systems and operational arrangements would be sufficient to support clearing of such Contracts and to manage the risks associated with such Contracts in compliance with applicable law. As a result, in ICE Clear Europe’s view, the amendments would be consistent with the prompt and accurate clearance and settlement of IFAD contracts under the Rules, the safeguarding of funds or securities in the custody or control of the clearing agency or for which it is responsible, and the protection of investors and the public interest, consistent with the requirements of Section 17A(b)(3)(F) of the Act.<sup>9</sup>

The amendments are also consistent with relevant requirements under Rule 17Ad–22.<sup>10</sup>

**Legal Framework.** Consistent with the requirement that clearing agencies provide a well-founded, clear,

transparent, and enforceable legal basis for their activities pursuant to Rule 17Ad–22(e)(1),<sup>11</sup> the amendments add references to ADGM regulations and regulatory authorities into relevant provisions of the Rules, such as the defined term Applicable Laws, as well as generally incorporate IFAD transactions into the framework of the Rules. Other amendments would further clarify the Clearing House’s ability to rely on rights under the FSMR in managing a default, where applicable.

**Financial Resources.** ICE Clear Europe will apply its existing energy margin methodology to IFAD contracts. ICE Clear Europe believes that this methodology will provide sufficient margin to cover the risks from clearing such contracts, which are similar to other energy contracts cleared by ICE Clear Europe. In addition, for similar reasons, ICE Clear Europe will apply its existing F&O Guaranty Fund methodology in connection with the IFAD contracts. In ICE Clear Europe’s view, the existing methodology will be sufficient to support clearing of the IFAD contracts in addition to other F&O Contracts. As a result, ICE Clear Europe believes that its financial resources will be sufficient to support clearing of IFAD contracts, consistent with the requirements of Rule 17Ad–22(b)(2–3)<sup>12</sup> and (e)(4).<sup>13</sup>

<sup>11</sup> 17 CFR 240.17Ad–22(e)(1), which requires that “[e]ach covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable: (1) Provide for a well-founded, clear, transparent, and enforceable legal basis for each aspect of its activities in all relevant jurisdictions.”

<sup>12</sup> 17 CFR 240.17Ad–22(b)(2–3), which requires that “[a] registered clearing agency that performs central counterparty services shall establish, implement, maintain and enforce written policies and procedures reasonably designed to:

(2) Use margin requirements to limit its credit exposures to participants under normal market conditions and use risk-based models and parameters to set margin requirements and review such margin requirements and the related risk-based models and parameters at least monthly.

(3) Maintain sufficient financial resources to withstand, at a minimum, a default by the participant family to which it has the largest exposure in extreme but plausible market conditions; provided that a registered clearing agency acting as a central counterparty for security-based swaps shall maintain additional financial resources sufficient to withstand, at a minimum, a default by the two participant families to which it has the largest exposures in extreme but plausible market conditions, in its capacity as a central counterparty for security-based swaps. Such policies and procedures may provide that the additional financial resources may be maintained by the security-based swap clearing agency generally or in separately maintained funds.

<sup>13</sup> 17 CFR 240.17Ad–22(e)(4), which requires that “[e]ach covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable: (4) [e]ffectively identify, measure,

<sup>8</sup> 15 U.S.C. 78q–1(b)(3)(F).

<sup>9</sup> 15 U.S.C. 78q–1(b)(3)(F).

<sup>10</sup> 17 CFR 270.17Ad–22.

*Operational Resources.* ICE Clear Europe will have sufficient operational and managerial capacity to clear the IFAD contracts. Specifically, ICE Clear Europe believes that its existing systems and procedures are appropriately scalable to handle the additional IFAD contracts, which will be generally similar to other energy contracts currently cleared by ICE Clear Europe. As a result, in ICE Clear Europe's view, the amendments are consistent with the requirements of Rule 17Ad-22(e)(17).<sup>14</sup>

*Default Management.* These amendments make clarifications to the default management provisions in Parts 9 and 12 of the Rules to reflect relevant rights under ADGM regulations. As such, the amendments are consistent with the Clearing House's ability to take timely action to continue to meet its

monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes, including by:

(i) Maintaining sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence;

(ii) To the extent not already maintained pursuant to paragraph (e)(4)(i) of this section, for a covered clearing agency providing central counterparty services that is either systemically important in multiple jurisdictions or a clearing agency involved in activities with a more complex risk profile, maintaining additional financial resources at the minimum to enable it to cover a wide range of foreseeable stress scenarios that include, but are not limited to, the default of the two participant families that would potentially cause the largest aggregate credit exposure for the covered clearing agency in extreme but plausible market conditions;

(iii) To the extent not already maintained pursuant to paragraph (e)(4)(i) of this section, for a covered clearing agency not subject to paragraph (e)(4)(ii) of this section, maintaining additional financial resources at the minimum to enable it to cover a wide range of foreseeable stress scenarios that include, but are not limited to, the default of the participant family that would potentially cause the largest aggregate credit exposure for the covered clearing agency in extreme but plausible market conditions;

(iv) Including prefunded financial resources, exclusive of assessments for additional guaranty fund contributions or other resources that are not prefunded, when calculating the financial resources available to meet the standards under paragraphs (e)(4)(i) through (iii) of this section, as applicable;

(v) Maintaining the financial resources required under paragraphs (e)(4)(ii) and (iii) of this section, as applicable, in combined or separately maintained clearing or guaranty funds; . . . ."

<sup>14</sup> 17 CFR 240.17Ad-22(e)(4), which requires that "[e]ach covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable: (17) Manage the covered clearing agency's operational risks by:

(i) Identifying the plausible sources of operational risk, both internal and external, and mitigating their impact through the use of appropriate systems, policies, procedures, and controls;

(ii) Ensuring that systems have a high degree of security, resiliency, operational reliability, and adequate, scalable capacity; and

(iii) Establishing and maintaining a business continuity plan that addresses events posing a significant risk of disrupting operations.

obligations in the case of default, as required under Rule 17Ad-22(e)(13).<sup>15</sup>

*(B) Clearing Agency's Statement on Burden on Competition*

ICE Clear Europe does not believe the proposed rule changes would have any impact, or impose any burden, on competition not necessary or appropriate in furtherance of the purposes of the Act. The changes are being proposed in connection with the addition of clearing services for contracts traded on IFAD, a new energy futures and options market. ICE Clear Europe believes that its clearing of IFAD contracts would provide additional opportunities for interested market participants to engage in cleared trading activity in the energy derivatives markets market, and will not adversely affect its existing cleared markets or participants in them. Specifically, ICE Clear Europe does not believe the amendments would adversely affect competition among Clearing Members, materially affect the cost of clearing, adversely affect access to clearing in Contracts for Clearing Members or their customers, or otherwise adversely affect competition in clearing services. Accordingly, ICE Clear Europe does not believe that the amendments would impose any impact or burden on competition that is not appropriate in furtherance of the purpose of the Act.

*(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others*

ICE Clear Europe has conducted a public consultation with respect to the proposed amendments.<sup>16</sup> ICE Clear Europe received one question from a Clearing Member with respect to the launch of clearing of IFAD contracts which has been addressed and did not require changes to the proposed rules.

<sup>15</sup> 17 CFR 240.17Ad-22(e)(13), which requires that "[e]ach covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable: (13) ensure the covered clearing agency has the authority and operational capacity to take timely action to contain losses and liquidity demands and continue to meet its obligations by, at a minimum requiring the covered clearing agency's participants and, when practicable, other stakeholders to participate in the testing and review of its default procedures, including any close-out procedures. . . ."

<sup>16</sup> Circular C19/164 (25 October 2019), available at [https://www.theice.com/publicdocs/clear\\_europe/circulars/C19164.pdf](https://www.theice.com/publicdocs/clear_europe/circulars/C19164.pdf).

**III. Date of Effectiveness of the Proposed Rule Change, Security-Based Swap Submission and Advance Notice and Timing for Commission Action**

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>17</sup> and paragraph (f) of Rule 19b-4<sup>18</sup> thereunder. 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, security-based swap submission or advance notice 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-ICEEU-2019-025 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-ICEEU-2019-025. 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, security-based swap submission or advance notice that are filed with the Commission, and all written communications relating to the proposed rule change, security-based swap submission or advance notice 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,

<sup>17</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>18</sup> 17 CFR 240.19b-4(f).

Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filings will also be available for inspection and copying at the principal office of ICE Clear Europe and on ICE Clear Europe's website at <https://www.theice.com/clear-europe/regulation>.

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-ICEEU-2019-025 and should be submitted on or before December 13, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>19</sup>

**Jill M. Peterson,**  
Assistant Secretary.

[FR Doc. 2019-25315 Filed 11-21-19; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-87562; File No. SR-C2-2019-024]

### Self-Regulatory Organizations; Cboe C2 Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating To Amend the Fat Finger Check in Rule 6.14 as It Applies to Stop-Limit Orders

November 18, 2019.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on November 12, 2019, Cboe C2 Exchange, Inc. (the "Exchange" or "C2") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, and II below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> 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

Cboe C2 Exchange, Inc. (the "Exchange" or "C2") proposes to amend the fat finger check in Rule 6.14 as it applies to Stop-Limit orders. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange's website ([http://markets.cboe.com/us/options/regulation/rule\\_filings/ctwo/](http://markets.cboe.com/us/options/regulation/rule_filings/ctwo/)), at the Exchange's Office of the Secretary, 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 its fat finger check under Rule 6.14(c)(1) as it applies to Stop-Limit orders. Currently, Rule 6.14(c)(1) provides that if a User submits a buy (sell) limit order to the System with a price that is more than a buffer amount above (below) the NBO (NBB), the System cancels or rejects the order (*i.e.* the "fat finger" check). The Exchange determines a default buffer amount; however, a User may establish a higher or lower amount than the Exchange default. This check generally applies to orders and quotes with a limit price, subject to certain exceptions set forth in current Rules 6.14(c)(1)(B) through (D). For example, current Rule 6.14(c)(1)(D) provides that the check does not apply to bulk messages.<sup>5</sup>

The Exchange proposes to add Stop-Limit orders to Rule 6.14(c)(1)(D) as an additional order type to which the fat finger check does not apply. A "Stop-Limit" order is an order to buy (sell)

that becomes a limit order when the consolidated last sale price (excluding prices from complex order trades if outside the NBBO) or NBB (NBO) for a particular option contract is equal to or above (below) the stop price specified by the User.<sup>6</sup> Stop-Limit orders allow Users increased control and flexibility over their transactions and the prices at which they are willing to execute an order. The purpose of a Stop-Limit order is to not execute upon entry, and instead rest in the System until the market reaches a certain price level, at which time the order could be executed. As such, when a buy (sell) Stop-Limit order is activated, its limit price may likely be outside of the buffer amount above (below) the NBO (NBB) in anticipation of capturing rapidly increasing (decreasing) market prices.

The primary purpose of the fat finger check is to prevent limit orders from executing at potentially erroneous prices upon entry, because the limit prices are "too far away" from the then-current NBBO. As noted above, a Stop-Limit order is not intended to execute upon entry. Currently, because a Stop-Limit order does not "become" a limit order until activated, the limit order fat finger check applies to a Stop-Limit order at the time the order is activated. As noted above, at that time, the limit price may cross the NBO, and thus may be cancelled due to the fat finger check if the limit price crosses the NBO by more than the buffer. Therefore, the manner in which the fat finger check cancels/rejects a Stop-Limit order may conflict with the intended purpose of a Stop-Limit order and a User's control over the time when and the price at which it executes. For example, assume that when the NBBO is 8.00 × 8.05, a User submits a Stop-Limit order to buy at 9.25 and a stop price of 8.15 and the User has set the fat finger buffer to \$1.00. Assume the NBBO then updates to 8.15 × 8.20. The updated NBB equals the stop price of the order will activate the stop price of the Stop Limit Order, converting it into a limit order to buy at 9.25, which would be more than the fat finger buffer of \$1.00 above the current NBO, thus canceled/rejected by the System in accordance with the fat finger check. The Exchange also notes that the System is currently able to apply only one buffer amount (either the Exchange default amount or a User's established amount) across multiple order types. Therefore, a User would not be able to expand the buffer amount to accommodate Stop-Limit orders without potentially over-expanding the buffer

<sup>19</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>3</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

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

<sup>5</sup> The Exchange notes that a separate provision governs a fat finger check specific to bulk messages. See Rule 6.14(a)(5).

<sup>6</sup> See Rule 6.10(c) (definition of Stop-Limit order).