

connectivity fees do not favor certain categories of market participants in a manner that would impose a burden on competition; rather, the allocation reflects the network resources consumed by the various size of market participants—lowest bandwidth consuming members pay the least, and highest bandwidth consuming members pays the most, particularly since higher bandwidth consumption translates to higher costs to the Exchange.

The Exchange also does not believe that the proposed rule change will result in any burden on inter-market competition that is not necessary or appropriate in furtherance of the purposes of the Act. As discussed in the Statutory Basis section above, options market participants are not forced to connect to (or purchase market data from) all options exchanges, as shown by the number of TPHs at Cboe and shown by the fact that there are varying number of members across each of Cboe's Affiliated Exchanges. The Exchange operates in a highly competitive environment, and its ability to price access and connectivity is constrained by competition among exchanges and third parties. As discussed, there are other options markets of which market participants may connect to trade options. There is also a possible range of alternative strategies, including routing to the exchange through another participant or market center or taking the exchange's data indirectly. For example, there are 15 other U.S. options exchanges, which the Exchange must consider in its pricing discipline in order to compete for market participants. In this competitive environment, market participants are free to choose which competing exchange or reseller to use to satisfy their business needs. As a result, the Exchange believes this proposed rule change permits fair competition among national securities exchanges. Accordingly, the Exchange does not believe its proposed fee change imposes any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange neither solicited nor received written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)

of the Act⁹³ and paragraph (f) of Rule 19b-4⁹⁴ 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. If the Commission takes such action, the Commission will 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. Please include File Number SR-CBOE-2020-005 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-CBOE-2020-005. 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 such 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-CBOE-2020-005, and should be submitted on or before March 10, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹⁵

J. Matthew DeLesDernier,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88174; File No. SR-BX-2020-001]

Self-Regulatory Organizations; Nasdaq BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Remove Listing Rule and Other Amendments

February 11, 2020.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on January 29, 2020, Nasdaq BX, Inc. ("BX" 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 Options 1, Section 1 (Definitions), Options 2, Section 4 (Obligations of Market Makers and Lead Market Makers), Section 5 (Market Maker Quotations), Options 3, Section 2 (Units of Trading and Meaning if Premium Quotes and Orders), Options 3, Section 3 (Minimum Increments), Options 3, Section 8 (Opening and Halt Cross), Options 3, Section 19 (Mass Cancellation of Trading Interest), Options 4, Section 5 (Series of Options

⁹⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

⁹³ 15 U.S.C. 78s(b)(3)(A).

⁹⁴ 17 CFR 240.19b-4(f).

Contracts Open for Trading), Options 4A, Section 12 (Terms of Index Options Contracts), Options 5, Section 2 (Order Protection) and Options 7 (Pricing Schedule). The Exchange also proposes to relocate current rule text to new Options 2, Section 6 entitled “Market Maker Orders” and reserve various sections of the Rulebook.

The text of the proposed rule change is available on the Exchange’s website at <http://nasdaqbx.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

The Exchange proposes to amend Options 1, Section 1 (Definitions), Options 2, Section 4 (Obligations of Market Makers and Lead Market Makers), Section 5 (Market Maker Quotations), Options 3, Section 2 (Units of Trading and Meaning of Premium Quotes and Orders), Options 3, Section 3 (Minimum Increments), Options 3, Section 8 (Opening and Halt Cross), Options 3, Section 19 (Mass Cancellation of Trading Interest), Options 4, Section 5 (Series of Options Contracts Open for Trading), Options 4A, Section 12 (Terms of Index Options Contracts), Options 5, Section 2 (Order Protection) and Options 7 (Pricing Schedule). The Exchange also proposes to relocate current rule text to new Options 2, Section 6 entitled “Market Maker Orders” and reserve various sections of the Rulebook. Each change is described below.

Rulebook Harmonization

The Exchange recently harmonized its Rulebook in connection with other Nasdaq affiliated markets. The Exchange proposes to reserve certain rules within the BX Rulebook to represent the

presence of rules in similar locations in other Nasdaq affiliated Rulebooks (e.g. Nasdaq Phlx LLC).³

The Exchange proposes to reserve Sections 17–22 within General 2, Organization and Administration. The Exchange proposes to reserve Sections 11–14 within Options 2, Options Market Participants. The Exchange proposes to reserve Sections 17–21 within Options 4A, Options Index Rules. The Exchange proposes to reserve new section Options 4B. The Exchange proposes to reserve Sections 8–13 within Options 6, Options Trade Administration. The Exchange proposes to reserve Section 7 within Options 6C, Margins. The Exchange proposes to reserve Section 24 within Options 9, Business Conduct.

Definitions

The Exchange proposes to add the definition of an “Away Best Bid or Offer” or “ABBO” within Options 1, Section 1(a)(1). This term is utilized throughout the Rulebook. Defining this term will bring greater transparency to the Rulebook. The Exchange proposes to renumber the remaining definitions and also update corresponding cross-references within Options 7, Section 1.

The Exchange proposes to remove the terms “System Book Feed” and “System Securities” from the Options 1, Section 1. The term “System Book Feed” is not utilized in the Rulebook currently. The term “System Securities” is only utilized within the definition of the term “System” at current Options 1, Section 1(a)(58) and within Options 3, Section 8, Opening and Halt Cross.” The term is simply replaced by referring to option series. The Exchange believes that replacing the term with the term “option series” will make the Rulebook clear and remove an unnecessary definition.

Finally, the Exchange is removing the phrase “, or the United States dollar” from the definition of “foreign currency” within current Options 1, Section 1(a)(26). This reference is not needed in this string cite because the United States dollar is a medium of exchange as noted in the introductory phrase to the string cite.

Relocation of Options 2 Rules

The Exchange proposes to relocate Options 2, Section 4(d) and Section 5(e) to Options 2, Section 6, which is currently reserved. Specifically, the Exchange proposes to relocate these sections into Options 6(a) and (b), respectively. Proposed Options 2, Section 6 would be titled “Market Maker Orders.” This relocation will

harmonize the location of these rules to other Nasdaq affiliated markets.

Removal of Various Listings

Mini Options

The Exchange has not listed Mini Options in several years and is proposing to delete its listing rules and other ancillary trading rules related to the listing of Mini Options. The Exchange notes that it has no open interest in Mini Options.

Specifically, the Exchange proposes to amend Options 3, Section 2 (Units of Trading and Meaning of Premium Quotes and Orders), Options 3, Section 3 (Minimum Increments), Options 4, and Section 5 (Series of Options Contracts Open for Trading) at Supplementary Material .15) to remove references to the handling of Mini Options in the System.

In the event that the Exchange desires to list Mini Options in the future, it would file a rule change with the Commission to adopt rules to list Mini Options.

U.S. Dollar-Settled Foreign Currency Options

The Exchange has not listed U.S. Dollar-Settled Foreign Currency Options (“FCOs”) in several years and is proposing to delete its listing rules and other ancillary trading rules related to the listing of FCOs. The Exchange notes that it has no open interest in FCOs.

Specifically, the Exchange proposes to amend Supplementary Material .16 to Options 4, Section 5 (Series of Options Contracts Open for Trading) to remove references to the handling of FCOs in the System.

In the event that the Exchange desires to list FCOs in the future, it would file a rule change with the Commission to adopt rules to list FCOs.

Mini-Nasdaq-100 Index

The Exchange has not listed Mini-Nasdaq-100 Index options or “MNX” or “Mini-NDX” in several years and is proposing to delete its listing rules and other ancillary trading rules related to the listing of Mini-Nasdaq-100 Index options. The Exchange notes that it has no open interest in Mini-Nasdaq-100 Index options.

Specifically, the Exchange proposes to amend Supplementary Material .05 to Options 4, Section 5 (Series of Options Contracts Open for Trading) to remove references to the handling of Mini-Nasdaq-100 Index options in the System.

In the event that the Exchange desires to list Mini-Nasdaq-100 Index options in the future, it would file a rule change

³ See SR-Phlx–2020–03 (not yet published).

with the Commission to adopt rules to list Mini-Nasdaq-100 Index options.

Minimum Increments

The Exchange proposes to amend Options 3, Section 3 to relocate Section 3(a)(3) into a new Supplementary Material .01 and title the section, "Penny Pilot Program." The Exchange also proposes to amend a typographical error in Options 3, Section 3(a)(3) to replace "QQQQs" with "QQQs." The other changes relate to the removal of Mini Options as explained herein.

Mass Cancellation of Trading Interest

The Exchange proposes to amend the description of Options 3, Section 19 titled "Mass Cancellation of Trading Interest." The proposed amended rule would state, "An Options Participant may cancel any bids, offers, and orders in any series of options by requesting BX Market Operations⁴ staff to effect such cancellation as per the instructions of the Options Participant." The Exchange is not amending the System with respect to this rule change. The proposed amended language merely makes clear that an Options Participant may contact BX Market Operations and request the Exchange to cancel any bid, offer or order in any series of options. This is a voluntary service that is offered to market participants. The Exchange, would cancel such bid, offer or order pursuant to the Member's instruction. This amendment would conform the BX rule text to rules of other Nasdaq affiliated markets.⁵

Other Amendments

The Exchange proposes to correct a rule citation within Options 3, Section 4 to risk protections. The Exchange proposes to correct a typographical error notes within Options 4A, Section 12. Specifically, the reference to Options 4, Section 6 should have referenced Options 4, Section 5 instead. The Exchange proposes to remove a reference to paragraph (c) within Options 5, Section 2, as there is no paragraph (c) within the Rule. The Exchange also proposes to update rulebook citations within Options 7, Pricing Schedule to reflect the proposed changes to Options 1, Section 1, Definitions.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b)

of the Act,⁶ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁷ 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.

Rulebook Harmonization

The Exchange's proposal to reserve various sections of the Rules in order to harmonize its Rulebook with other Nasdaq affiliated markets is not a substantive amendment.

Definitions

The Exchange's proposal to add the definition of an "Away Best Bid or Offer" or "ABBO" within Options 1, Section 1(a)(1) is consistent with the Act because these amendments will add transparency to the Rulebook. The Exchange's proposal to remove the terms "System Book Feed" and "System Securities" from the Options 1, Section 1 is also consistent with the Act. The term "System Book Feed" is not utilized in the Rulebook currently and therefore this term does not need to be defined. The term "System Securities" is only utilized within the definition of the term "System" at Options 1, Section 1(a)(58) and within Options 3, Section 8, Opening and Halt Cross." Replacing the term with the term "option series" will make the Rulebook clear.

Relocation of Options 2 Rules

The proposal to relocate Options 2, Section 4(d), which is being reserved, and Section 5(e) to Section 6, which is currently reserved, into Options 6(a) and (b), respectively is consistent with the Act. This amendment is not substantive.

Removal of Various Listings

Mini Options

The Exchange's proposal to removal references to the listing and handling of Mini Options is consistent with the Act because Mini Options have not been listed in several years. Also, the Exchange notes that it has no open interest in Mini Options. In the event that the Exchange desires to list Mini Options in the future, it would file a rule change with the Commission to adopt rules to list Mini Options.

U.S. Dollar-Settled Foreign Currency Options

The Exchange's proposal to removal references to the listing and handling of

FCOs is consistent with the Act because FCOs have not been listed in several years. Also, the Exchange notes that it has no open interest in FCOs. In the event that the Exchange desires to list FCOs in the future, it would file a rule change with the Commission to adopt rules to list FCOs.

Mini-Nasdaq-100 Index

The Exchange's proposal to removal references to the listing and handling Mini-Nasdaq-100 Index options is consistent with the Act because Mini-Nasdaq-100 Index options have not been listed in several years. Also, the Exchange notes that it has no open interest in Mini-Nasdaq-100 Index options.

In the event that the Exchange desires to list Mini-Nasdaq-100 Index options in the future, it would file a rule change with the Commission to adopt rules to list Mini-Nasdaq-100 Index options.

Minimum Increments

The Exchange's proposal to relocate parts of Options 3, Section 3 into a new Supplementary Material .01 and add a title for the Penny Pilot Program is consistent with the Act. This amendment will bring greater transparency to the Exchange's Rules.

Mass Cancellation of Trading Interest

The Exchange's proposal to amend the rule text of Mass Cancellation of Trading Interest rule within Options 3, Section 19 is consistent with the Act because the Exchange desires to conform the rule text to other Nasdaq affiliated markets.⁸ Permitting Participants to contact Market Operations as a manual alternative to automated functionality, which similarly allows Participants to cancel interest, provides Participants experiencing their own system issues with a means to manage risk. Today, Participants are able to cancel interest, in an automated fashion through protocols⁹ and the Kill Switch.¹⁰ This is a voluntary service offered to all Participants.

This amended rule reflects the Exchange's current practice of allowing Participants to contact BX Market Operations and request the Exchange to cancel any bid, offer or order in any series of options. The Exchange would continue to permit Participants to contact market operations and manually request cancellation of interest. The proposed amended language will make

⁴ The request to Market Operations is a manual request which is made telephonically.

⁵ See Nasdaq Phlx LLC ("Phlx") Nasdaq ISE, LLC ("ISE"), Nasdaq GEMX, LLC ("GEMX") and Nasdaq MRX, LLC ("MRX") Options 3, Section 19.

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

⁸ See note 5 above.

⁹ See Options 3 at Supplementary Material .03 to Section 7.

¹⁰ See Options 3, Section 17.

clear that an Options Participant may contact BX Market Operations and request the Exchange to cancel any bid, offer or order in any series of options. The Exchange would continue to cancel such bid, offer or order pursuant to the Participant's instruction.

This service, which permits Participants to cancel interest, does not diminish a Market Maker's obligation with respect to providing two-sided quotations and this rule is not inconsistent with other firm quote obligations of the Market Maker. Upon the request of a Participant, BX Market Operations will continue to manually input a mass cancellation message into the System consistent with the Participant's instruction to cancel trading interest. Once the mass cancellation message is entered into the System by BX Market Operations, the message will be accepted by the System in the order of receipt in the queue such that the interest that was already accepted into the System will be processed prior to the mass cancellation message. In addition, mass cancellation messages entered into the System by BX Market Operations are handled by the System through the same queuing mechanism that a quote or order message is handled by the System. The Exchange notes its processing of a mass cancellation message inputted by BX Market Operations and handled by the System is consistent with firm quote and order handling rules.

Other Amendments

The Exchange's proposal to correct certain typographical errors and update rulebook citations are not substantive.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Rulebook Harmonization

The Exchange's proposal to reserve various rules in connection with a larger Rulebook harmonization do not impose an undue burden on competition because these amendments are non-substantive.

Definitions

The Exchange's proposal to add the definition of an "Away Best Bid or Offer" or "ABBO" within Options 1, Section 1(a)(1) and remove the terms "System Book Feed" and "System Securities" from the Options 1, Section 1 do not impose an undue burden on

competition because these amendments will add transparency to the Rulebook.

Relocation of Options 2 Rules

The proposal to relocate Options 2, Section 4(d) and Section 5(e) to Section 6, into Options 6(a) and (b) does not burden competition as this amendment is not substantive.

Removal of Various Listings

Mini Options

The Exchange's proposal to remove references to the listing and handling of Mini Options does not impose an undue burden on competition. Mini Options have not been listed in several years. Also, the Exchange notes that it has no open interest in Mini Options.

U.S. Dollar-Settled Foreign Currency Options

The Exchange's proposal to remove references to the listing of U.S. Dollar-Settled Foreign Currency Options ("FCOs") does not impose an undue burden on competition. FCOs have not been listed in several years. The Exchange notes that it has no open interest in FCOs.

Mini-Nasdaq-100 Index

The Exchange's proposal to remove references to the listing and handling of Mini-Nasdaq-100 Index options does not impose an undue burden on competition. Mini-Nasdaq-100 Index options have not been listed in several years. Also, the Exchange notes that it has no open interest in Mini-Nasdaq-100 Index options.

Minimum Increments

The Exchange's proposal to relocate parts of Options 3, Section 3 into a new Supplementary Material .01 and add a title for the Penny Pilot Program do not impose an undue burden on competition as these amendments are non-substantive.

Mass Cancellation of Trading Interest

The Exchange's proposal to amend the rule text of the Mass Cancellation of Trading Interest rule within Options 3, Section 19 does not impose an undue burden on competition because there is no corresponding change to the manner in which this service will be offered. It will continue to be offered to all Participants.

Other Amendments

The Exchange's proposal to correct typographical error and update rulebook citations do not impose an undue burden on competition as these amendments are non-substantive.

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

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹¹ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹²

A proposed rule change filed under Rule 19b-4(f)(6)¹³ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹⁴ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange believes that adoption the term "ABBO," would add greater transparency to its rules, and that removing the rule text related to various options listing which are no longer listed on the Exchange will provide Participants with notice of the unavailability of these listing. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission waives the 30-day operative delay and designates the proposed rule change operative upon filing.¹⁵

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if

¹¹ 15 U.S.C. 78s(b)(3)(A)(iii).

¹² 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires the Exchange 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.

¹³ 17 CFR 240.19b-4(f)(6).

¹⁴ 17 CFR 240.19b-4(f)(6)(iii).

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

it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SR-BX-2020-001 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-BX-2020-001. 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-BX-2020-001 and should be submitted on or before March 10, 2020.

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

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2020-03101 Filed 2-14-20; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88157; File No. SR-DTC-2020-003]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Transition the Application Used for Participant Access to the Imaging Function Relating to Deposited Certificates From a Non-Web-Based Application to a Web-Based Application

February 11, 2020.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on January 31, 2020, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(4) thereunder.⁴ 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

The proposed rule change⁵ would amend DTC's Procedures⁶ set forth in

the Deposits Guide and the Custody Guide to provide for an update of DTC's imaging function ("Imaging Function") relating to Securities certificates deposited by Participants at DTC, through the Deposits service and Custody service, to transition the application used for Participant access to the Imaging Function from a non-web-based application, referred to as the Imaging Fax and Email System ("IFE"), available on DTC's Participant Terminal System ("PTS") and Participant Browser Service ("PBS"),⁷ to a web-based application accessible through PBS, to be named Image Viewer, as discussed below.⁸ The proposed rule change to use Image Viewer on PBS as a replacement of IFE would (i) facilitate the modernization of the method of making certificate images available to Participants and (ii) make ministerial and clarifying changes to the text of Procedures set forth in the Deposits Guide and Custody Guide, as discussed below. In addition, DTC would amend the Guide to the DTC Fee Schedule ("Fee Guide")⁹ to conform the description of a fee relating to the Imaging Function to reflect the proposed changes to the Imaging Function, as described below.

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency 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 clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

regulations of DTC adopted pursuant to Rule 27, as amended from time to time. See Rule 1, *supra* note 5. The Procedures include, but are not limited to, the Deposits Guide and the Custody Guide.

⁷ PTS is an interface accessible through a designated terminal that allows for Participant input and inquiry into DTC's services. PBS is an interface that allows Participants to make input and inquiry using functionality compatible with internet browser technology.

⁸ DTC currently uses an application supported by a vendor for its imaging application. This application is reaching end-of-life because the vendor has notified DTC that it is terminating its support of the application, prompting DTC to replace it with a new application and providing an opportunity to modernize image viewing capabilities. Image Viewer, the application that DTC would implement for the imaging function pursuant to the proposed rule change, has been developed by DTC and would be supported by DTC.

⁹ Available at <http://www.dtcc.com/-/media/Files/Downloads/legal/fee-guides/dtcfeeguide.pdf>.

¹⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(4).

⁵ Capitalized terms not otherwise defined in this rule filing are defined as set forth in the Rules, By-Laws and Organization Certificate of DTC (the "Rules"), available at <http://www.dtcc.com/legal/rules-and-procedures.aspx>, the Deposits Service Guide ("Deposits Guide"), available at <http://www.dtcc.com/-/media/Files/Downloads/legal/service-guides/Deposits.pdf> and the Custody Service Guide ("Custody Guide"), available at <http://www.dtcc.com/-/media/Files/Downloads/legal/service-guides/Custody.pdf>.

⁶ Pursuant to the Rules, the term "Procedures" means the Procedures, service guides, and