appropriate, intraday or in real time. The proposed rule change to add the Interpretive Guidance would enhance the transparency with respect to the point at which settlement is final with respect to transactions processed through FICC. Having clear provisions in this regard would enable FICC Members to better identify the point at which settlement is final with respect to their cash and securities transactions. As such, FICC believes the proposed rule change is consistent with Rule 17Ad–22(e)(8) of the Act.[46]

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

FICC does not believe that the proposed rule change would impact competition.[47] The proposed rule change would provide interpretive guidance with respect to settlement finality relating to transactions processed through FICC. The proposed rule change would not change current practices of FICC and would not affect FICC Members' rights or obligations. As such, FICC believes that the proposed rule change would not impact FICC Members or have any impact on competition.

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

FICC has not received or solicited any written comments relating to this proposal. FICC will notify the Commission of any written comments received by FICC.

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)[48] of the Act and paragraph (f)[49] of Rule 19b–4 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 is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment for (*http://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number SR–FICC–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.

All submissions should refer to File Number SR–FICC–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 FICC and on DTCC's website (*http://dtcc.com/legal/sec-rule-filings.aspx*). 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–FICC–2020–001 and should be submitted on or before March 23, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[50]

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2020–04186 Filed 2–28–20; 8:45 am]

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[46] *Id.*

[47] 15 U.S.C. 78q–1(b)(3)(I).

[48] 15 U.S.C. 78s(b)(3)(A).

[49] 17 CFR 240.19b–4(f).

[50] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–88279; File No. SR–CboeBZX–2020–017]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Codify the Cancel Back Order Type and To Add That the Post Only Order Designated as Cancel Back May Remove Liquidity Pursuant to Exchange Rule 21.1

February 25, 2020.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on February 12, 2020, Cboe BZX Exchange, Inc. (the "Exchange" or "BZX") 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 Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act[3] and Rule 19b–4(f)(6) thereunder.[4] 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 BZX Exchange, Inc. (the "Exchange" or "BZX") proposes to codify the Cancel Back order type and amend the Post Only order instructions that may remove liquidity pursuant to Rule 21.1. 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/equities/regulation/rule_filings/bzx/*), 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

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A)(iii).

[4] 17 CFR 240.19b–4(f)(6).

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 codify the Cancel Back order type, which is a System [5] functionality already in place and currently available to Users today. In addition, the Exchange proposes to add that a Post Only order designated as Cancel Back may, in addition to Post Only orders designated as a display-price sliding order,[6] remove liquidity.

First, the System currently offers ''Cancel Back'' functionality for Users' orders, which is not currently defined in the Rules. Specifically, the functionality operates so that when a User designates an order not to be subject to the display-price sliding process or Price Adjust process,[7] then the order is subject to the Cancel Back instruction (note that an order will always include a Price Adjust, display-price sliding, or Cancel Back instruction). A Cancel Back order is immediately cancelled instead of re-priced when displaying the order at its limit price would create a violation of the linkage rules.[8] The Exchange also notes that Rule 21.6(f) provides affirmative instruction consistent with Cancel Back functionality as it specifically provides that an order entered with a price that would lock or cross a Protected Quotation of another options exchange that is not eligible for either routing, the display-price sliding process, or the Price Adjust process will be cancelled. The Exchange now proposes to codify the existing Cancel Back instruction in proposed Rule 21.1(m). The proposed definition is consistent (save for the provision in connection with Post Only—Cancel Back instructions, as described in greater detail below) with the corresponding definitions of a Cancel Back order under the rules of the Exchange's affiliated exchanges, Cboe EDGX Exchange, Inc. (''EDGX Options'') and Cboe C2 Exchange, Inc. (''C2'').[9] As proposed, a Cancel Back order is an order (including bulk messages) [10] a User designates to not be subject to the display-price sliding process or the Price Adjust process that the System cancels or rejects (immediately at the time the System receives the order or upon return to the System after being routed away) if displaying the order on the Book would create a violation of Rule 27.3 (Locked and Crossed Markets), or if the order cannot otherwise be executed or displayed in the BZX Options Book at its limit price. The System executes a Book Only—Cancel Back order against resting orders. The Exchange notes that pursuant to the Book Only instruction, an order or bulk message may not route away to another Exchange. Therefore, if an incoming Book Only order designated as Cancel Back locked or crossed an away market (*i.e.,* the ABBO), the System would execute it to the extent it could against contra-side interest on the Exchange at prices the same as or better than the ABBO in accordance with the linkage rules. The System would then cancel it (or the remaining portion) to prevent a violation of Rule 27.3 of the intermarket linkage rules.

The proposed Cancel Back order definition also provides that the System executes a Post Only—Cancel Back order as set forth in Rule 21.1(d)(8) (as proposed). In particular, Rule 21.1(d)(8) currently defines a Post Only order as an order to be ranked and executed on the Exchange or cancelled, as appropriate, without routing away to another options exchange and will not remove liquidity from the BZX Options Book unless it is subject to the display-price sliding process and executing against on order on the Book would be economically beneficial to the User entering the order (*i.e.,* if the value of price improvement associated with such execution equals or exceeds the sum of fees charged for such execution and the value of any rebate that would be provided if the order posted to the BZX Options Book and subsequently provided liquidity).[11] Thus, an executable order entered with a Post Only instruction is eligible to remove liquidity instead of having its display-price adjusted pursuant to those order handling instructions. The Exchange notes that the purpose of the display-price sliding instruction is to ensure compliance with the linkage rules like that of a Cancel Back instruction. The Exchange now proposes to amend Rule 21.1(d)(8) to make it explicit that a Post Only order with a Cancel Back instruction may also be eligible to remove liquidity instead of being cancelled or rejected back to the User in certain circumstances. The Exchange believes that removal of liquidity in these circumstances would be economically beneficial to Users that submit Post Only—Cancel Back orders, in that, instead of being cancelled or rejected back to the User upon locking or crossing the market, a Post Only—Cancel Back order would have the opportunity to execute at an improved price while contributing to liquidity and the price discovery process on the Exchange. The Exchange notes that this is consistent with the price improvement opportunities currently provided for a locking or crossing Post Only order subject to the display-price sliding process, instead of having its display-price adjusted. Users who wish for their Post Only orders to post to the Book and forego the opportunity to remove liquidity upon entry under Rule 21.1(d)(8) may continue to do so by electing that the Post Only order be subject to the Price Adjust process. As indicated above, this proposed description of a Post Only—Cancel Back order in proposed Rule 21.1(m) is unlike the description of a Post Only—Cancel Back order on the Exchange's affiliated options exchanges, C2 and EDGX Options, which cancel or reject a Post Only—Cancel Back order that locks or crosses the respective exchange's best bid or offer, as their rules do not currently offer the same price improvement opportunity (opportunities, as proposed) for their Post Only orders.[12]

[5] The ''System'' is the automated trading system used by BZX Options for the trading of options contracts. *See* Rule 21.1(a).

[6] *See* Rule 21.1(h), which states that, unless a User enters instructions for an order (including a bulk message) to not be subject to the display-price sliding process in this paragraph (h), an order (including a bulk message) that, at the time of entry, would lock or cross a Protected Quotation of another options exchange will be ranked at the locking price in the BZX Options Book and displayed by the System at one minimum price variation below the current NBO (for bids) or to one minimum price variation above the current NBB (for offers) (''display-price sliding'').

[7] *See* Rule 21.1(i), which states that an order that, at the time of entry, would lock or cross a Protected Quotation of another options exchange or the Exchange will be ranked and displayed by the System at one minimum price variation below the current NBO (for bids) or to one minimum price variation above the current NBB (for offers) (''Price Adjust'').

[8] *See* Chapter XXVII of the Rules. *See also* Options Order Protection and Locked/Crossed Market Plan (the ''Linkage Plan'').

[9] *See* EDGX Options Rule 21.1(l) and C2 Rule 6.10(c).

[10] Bulk messages allow Users to enter, modify or cancel up to an Exchange-specified number of bids and offers in a single message. Therefore, a Cancel Back designation for a bulk message applies to all bulk message bids and offers within a single message. The System handles bulk message bids and offers in the same manner as it handles an order, or quote if submitted by a Market Maker, unless the Rules specify otherwise. *See* Rule 21.1(l)(3).

[11] *See* Rule 21.1(h)(4). Any Post Only Order subject to the display-price sliding process that locks or crosses a Protected Quotation displayed by the Exchange upon entry will be executed as set forth in Rule 21.1(d)(8) or cancelled.

[12] *See* EDGX Options Rule 21.1(d)(8) and C2 Rule 6.10(c).

Additionally, the Exchange proposes to amend Rule 21.1(h)(4), which describes the display-price sliding process as it applies to Post Only orders, to provide additional clarity within the Rule. Currently, Rule 21.1(h)(4) provides that any Post Only Order subject to the display-price sliding process described in this paragraph (h) that locks or crosses a Protected Quotation displayed by the Exchange upon entry will be executed as set forth in Rule 21.1(d)(8) or cancelled. A Post Only bulk message that locks or crosses a Protected Quotation displayed by the Exchange upon entry will be cancelled. Any Post Only Order that locks or crosses a Protected Quotation displayed by an external market upon entry will be subject to the display-price sliding process described in this paragraph (h). The Exchange now proposes to restructure the paragraph language so that it reads in a more uniform and explanatory manner that is easier to follow. Specifically, the Exchange proposes to amend the rule to first provide for the manner in which a Post Only order that is subject to the display-price sliding process will be handled if it either locks or crosses a Protected Quotation displayed by the Exchange or by an away market. The description of how a Post Only order subject to the display price-sliding message will be handled if it locks or crosses an away market is already in this provision, the Exchange is merely proposing to move this clause into the same sentence that describes how such an order is handled upon locking or crossing the Book. As indicated above, this provision then goes on to describe the manner in which a Post Only bulk message that is subject to the display-price sliding process will be handled if it locks or crosses a Protected Quotation displayed by the Exchange. The Exchange proposes to also add to this clause the description of how a Post Only bulk message subject to the display-price sliding process will be handled if it locks or crosses a Protected Quotation displayed by an external market—to which, according to Rule 21.1(h)(1), the System would apply the display-price sliding process. The Exchange notes that it does not make any substantive changes to Rule 21.1(h)(4), but merely amends the rule to provide additional clarity and enhanced explanation within the Rule.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the ''Act'') and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[13] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[14] requirements that the rules of an exchange be 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 regulating, clearing, settling, processing information with respect to, and 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. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[15] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes the proposed definition of Cancel Back orders will provide additional transparency within the Rules and facilitate better understanding for market participants regarding their flexibility to designate orders as Cancel Back, as an alternative manner to comply with the linkage rules. The Exchange believes that the proposed rule change serves to remove impediments to and perfect the mechanism of a free and open market and a national market system because this change provides Users with Rules that clearly delineate an additional User flexibility regarding how they may instruct the System to handle their orders (*i.e.,* designating their orders as Cancel Back by specifying that their orders are not subject to Price Adjust or display-price sliding). The Exchange also notes that permitting Users to elect that their orders to be treated as Cancel Back is an additional way to ensure compliance with the linkage rules, thereby protecting investors and the public interest. The Exchange also believes that this change is generally consistent with the Cancel Back definitions under the rules of the Exchange's affiliated exchanges, EDGX Options and C2.[16] The Exchange believes that generally mirroring the corresponding rule language of its affiliates will provide better understanding for Users that participate across the affiliated exchanges.

Moreover, the Exchange believes that it is consistent with just and equitable principles of trade to permit an order entered with a Post Only—Cancel Back instruction to remove liquidity when executing as the taker of liquidity would be economically beneficial to a User. This handling is designed to ensure that orders entered with a Post Only instruction are eligible to trade in certain circumstances where the User may have an interest in securing an execution on entry (*i.e.,* as the taker of liquidity) notwithstanding a Post Only instruction. The Exchange does not believe that the proposed change would raise any new or novel issues for market participants, as the System currently allows for Post Only orders subject to the display-price sliding process, an instruction similarly designed to ensure compliance with the linkage rules, to remove liquidity when economically beneficial to the User. The Exchange also believes that the proposed rule change will present Users with increased trading opportunities at multiple price points, which will potentially encourage the provision of more liquidity to the market to interact with such orders. As a result, the Exchange believes that the proposed rule change is reasonably designed to facilitate the mechanism of price discovery and enhance competition and overall market quality on the Exchange to the benefit of all investors.

The Exchange also believes that the proposed change to the provision regarding Post Only orders subject to the display-price sliding process will provide market participants with additional clarity within the rules thereby facilitating increased understanding of the Exchange Rules. By making this provision easier to follow and understand the proposed rule change serves to remove impediments to and perfect the mechanism of a free and open market and national market system and benefit market participants. As noted, the proposed rule change is not of a substantive nature, as it merely reorganizes the provision and adds an order handling explanation that already applies and is provided within the general display-price sliding 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 Act. The Exchange does not believe the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, because all Users would be able to designate their

[13] 15 U.S.C. 78f(b).

[14] 15 U.S.C. 78f(b)(5).

[15] *Id.*

[16] *See supra* note 8.

orders as Cancel Back orders, including Post Only orders. Cancel Back orders of all Users will be handled in the same manner. Additionally, all Post Only—Cancel Back orders that would remove liquidity will be handled in the same manner pursuant to the proposed rule change. Further, the use of the Cancel Back instruction and/or the Post Only—Cancel Back designation is voluntary and all Users may, instead, elect for their orders to be subject to the display-price sliding process or the Price Adjust process (specifically, if they wish for their Post Only orders not to remove liquidity).

The Exchange does not believe the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. First, the Cancel Back instruction is functionality currently available and contemplated by the Rules. The instruction is intended as an additional order mechanism to ensure compliance with the linkage rules that provides Users with additional flexibility with respect to handling their orders. Second, the proposed rule change to allow Post Only—Cancel Back orders to remove liquidity pursuant to Rule 21.1(d)(8) does not impact intermarket competition as Post Only orders (with any additional instruction), by definition, do not route away to other options exchanges. To the extent that the proposed changes make BZX Options a more attractive marketplace for market participants at other exchanges, such market participants are welcome to become BZX Options market participants. Additionally, the Exchange notes that the proposed rule change to the rule governing Post Only orders subject to the display-price sliding process would not impose any burden on competition as the proposed changes are nonsubstantive and serve only to add clarity to the rule and make it easier to follow and understand.

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 comments on 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:

A. Significantly affect the protection of investors or the public interest;

B. impose any significant burden on competition; and

C. 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 [17] and Rule 19b–4(f)(6) [18] 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–CboeBZX–2020–017 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–2020–017. 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–2020–017 and should be submitted on or before March 23, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[19]

J. Matthew DeLesDernier,

Assistant Secretary.

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[17] 15 U.S.C. 78s(b)(3)(A).

[18] 17 CFR 240.19b–4(f)(6).

[19] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–88282; File No. SR–NASDAQ–2020–010]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend General 9, Section 1, Titled General Standards

February 25, 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 February 19, 2020, The Nasdaq Stock Market LLC (''Nasdaq'' or ''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 amend General 9, Section 1, titled ''General Standards.''

The text of the proposed rule change is available on the Exchange's website at *http://nasdaq.cchwallstreet.com,* at the principal office of the Exchange, and at

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.