

any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed change applies only to Cboe Options. To the extent that the proposed changes make Cboe Options a more attractive marketplace for market participants at other exchanges, such market participants are welcome to become Cboe Options market participants.

### 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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>8</sup> and paragraph (f) of Rule 19b-4<sup>9</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. 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](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2020-018 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-2020-018. 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-CBOE-2020-018 and should be submitted on or before April 21, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2020-06609 Filed 3-30-20; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88478]

### Order Granting Application by The Financial Information Forum and Security Traders Association for a Temporary Exemption Pursuant to Rule 606(c) of Regulation NMS Under the Exchange Act in Response to the Effects of COVID-19

March 25, 2020.

#### I. Introduction

The Financial Information Forum ("FIF") and Security Traders Association ("STA") have filed with the Securities and Exchange Commission ("Commission") an application for an

exemption from certain requirements<sup>1</sup> of Rule 606 of Regulation NMS under the Exchange Act in light of unforeseen and uncertain demands on information technology and other resources required to respond to COVID-19.<sup>2</sup>

This order grants the following temporary exemptive relief from certain requirements of Rule 606, which is set forth in greater detail below: (1) Broker-dealers are exempt from the requirement to provide the public report covering the first quarter of 2020 required by Rule 606(a) until May 29, 2020; (2) broker-dealers that engage in outsourced routing activity are exempt from the requirement to collect the monthly customer-specific data required by Rule 606(b)(3) for such activity until June 1, 2020, and are exempt until July 29, 2020, from the requirement to provide a customer-specific report of June 2020 outsourced routing data within seven business days for customer requests for such customer-specific reports that are made on or before July 17, 2020.<sup>3</sup>

#### II. Background

On November 2, 2018, the Commission adopted amendments to Rule 606 of Regulation NMS under the Exchange Act.<sup>4</sup> Under Rule 606(a), broker-dealers must provide quarterly, aggregated public disclosure of their routing and handling of orders submitted on a held basis in NMS stock. In addition, under Rule 606(b) a broker-dealer must, upon request of its customer, provide customer-specific disclosures related to the routing and execution of the customer's NMS stock orders submitted on a not held basis for the prior six months, subject to two de minimis exceptions.

The Commission previously revised the compliance dates for Rule 606 to provide broker-dealers with additional time to implement the systems and other changes necessary to comply with Rule 606. On April 30, 2019, the Commission extended the compliance date for the amendments to Rule 606 to begin following September 30, 2019.<sup>5</sup>

<sup>1</sup> See letter from James Toes, President & CEO, STA, Chris Halverson, Chairman of the Board, STA, and Christopher Bok, Director, FIF, to Brett Redfearn, Director, Division of Trading and Markets ("Division"), Commission, dated March 24, 2020 ("FIF/STA Letter").

<sup>2</sup> 17 CFR 242.606.

<sup>3</sup> Customer-specific reports of June 2020 outsourced routing data are due within seven business days of customer requests made after July 17, 2020.

<sup>4</sup> See Exchange Act Release No. 84528 (November 2, 2018), 83 FR 58338 (November 19, 2018) ("Adopting Release").

<sup>5</sup> See Exchange Act Release No. 85714 (April 24, 2019), 84 FR 18136 (April 30, 2019) ("April 2019 Extension"). The original compliance date set forth

Continued

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

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

<sup>10</sup> 17 CFR 200.30-3(a)(12).

On September 4, 2019, the Commission, by the Division pursuant to delegated authority, granted temporary exemptions from amended Rule 606: (1) To all broker-dealers, from the requirement to collect the quarterly public data on held orders until January 1, 2020 (with the first quarterly report due by the end of April 2020); (2) to all broker-dealers that engage in self-routing activity, from the requirement to collect the customer-specific monthly data for not held orders until January 1, 2020 (with the first customer-specific report of such data due seven business days after February 15, 2020, for customer requests made on or before February 15, 2020); and (3) to all broker-dealers that engage in outsourced routing activity, from the requirement to collect the customer-specific monthly data for not held orders until April 1, 2020 (with the first customer-specific report of such data due seven business days after May 15, 2020, for customer requests made on or before May 15, 2020).<sup>6</sup>

FIF and STA request that the Commission: (1) Delay to May 29, 2020, the date by which broker-dealers must provide the public report of first quarter 2020 data required by Rule 606(a); and (2) extend to June 1, 2020, the date that broker-dealers that outsource routing must begin to collect the monthly customer-specific data for not held NMS stock orders required by Rule 606(b)(3), and extend to July 29, 2020, the date by which broker-dealers must provide the customer-specific report of June 2020 data for customer requests that are made on or before July 17, 2020.<sup>7</sup> According to FIF and STA, due to the challenges posed by COVID-19, resources at firms are currently focused on the safety of employees and supporting investors,

and extensions of the near-time compliance dates for implementation of amended Rule 606 would allow broker-dealers to allocate resources towards addressing those challenges as well as issues associated with current market volatility and mitigate potential risks to firms' regulatory systems that otherwise would need to be modified and tested to satisfy near-term implementation milestones.<sup>8</sup>

**III. Order Granting Temporary Exemptions**

Rule 606(c)<sup>9</sup> authorizes the Commission to conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision or provisions of this section, if the Commission determines that such exemption is necessary or appropriate in the public interest, and is consistent with the protection of investors. The Commission, by the Division pursuant to delegated authority,<sup>10</sup> is granting a temporary exemption from certain of the existing compliance dates that were set forth in the September 2020 Extension. The Commission believes that this temporary relief is necessary or appropriate in the public interest, and consistent with the protection of investors, given the unforeseen and uncertain challenges, including business continuity implementation and market volatility, posed by COVID-19 to broker-dealers that must comply with the Rule 606 requirements to provide reports of order handling and routing data.

*A. Rule 606(a)*

The Commission has determined that it is necessary or appropriate in the public interest, and consistent with the

protection of investors, to provide broker-dealers with a temporary exemption until May 29, 2020, from the requirement to provide the initial public report of first quarter 2020 data for held orders under Rule 606(a). Broker-dealers have been required to collect the held order data since January 1, 2020, but they are not required to generate the initial public report of that data until the end of April 2020. Pursuant to this exemption, a broker-dealer has an additional month to prepare the public report of first quarter 2020 held order data.<sup>11</sup>

*B. Rule 606(b)(3) for Broker-Dealers Engaged in Outsourced Routing Activity*

For substantially the same COVID-19-related reasons, the Commission has determined that it is necessary or appropriate in the public interest, and consistent with the protection of investors, to provide broker-dealers that outsource routing with a temporary exemption until June 1, 2020, from the requirement to collect the monthly customer-specific data for their outsourced routing activity, and until July 29, 2020, from the requirement to provide the first customer-specific report of such data for customer requests that are made on or before July 17.<sup>12</sup> This first report would cover June 2020. Pursuant to this exemption, a broker-dealer has two additional months to prepare to collect the data required by Rule 606(b)(3) for outsourced routing activity and to prepare the first report relating to outsourced routing activity.<sup>13</sup>

The chart below depicts the current timing for reporting requirements under amended Rule 606 as set forth in the September 2019 Extension, as well as the temporary exemptions being granted herein:

Who?	What?	Current requirement	Exemption
<b>Quarterly Public Reporting:</b> All routing broker-dealers .....	Aggregate public report on routing held orders in NMS stocks and orders for options contracts of less than \$50,000*.	Data collection began Jan. 1, 2020; report covering Q1 2020 due Apr. 30, 2020.	Report covering Q1 2020 due May 29, 2020.

in the Adopting Release was May 20, 2019. The April 2019 Extension did not extend the original compliance date for the amendment to Rule 605.  
<sup>6</sup> See Exchange Act Release No. 86874 (September 4, 2019), 84 FR 47625 (September 10, 2019) ("September 2019 Extension"). As set forth in the September 2019 Extension, "self-routing activity" refers to when a broker-dealer handles customers' orders using its own systems and "outsourced routing activity" refers to when a broker-dealer uses the order routing systems of another broker-dealer.  
<sup>7</sup> See FIF/STA Letter, *supra* note 2. FIF and STA did not request an extension of monthly customer-specific reporting for not held orders for self-routing broker-dealers. See *id.* The reporting requirement for self-routing activity has already come due and is ongoing.

<sup>8</sup> *Id.*  
<sup>9</sup> 17 CFR 242.606(c).  
<sup>10</sup> 17 CFR 200.30-3(a)(69).  
<sup>11</sup> The Commission is granting the exemption as requested by FIF and STA. See FIF/STA Letter, *supra* note 2. Broker-dealers are still required to collect the held order data required by Rule 606(a) for the full second quarter of 2020, and to provide the public report of that data by the end of July 2020.  
<sup>12</sup> The Commission is granting the exemption as requested by FIF/STA. See FIF/STA Letter, *supra* note 2.  
<sup>13</sup> Rule 606(b)(3) requires a broker-dealer to provide a report to its customer within seven business days of receiving the customer request.

Similar to the relief provided to broker-dealers in the September 2019 Extension, the Commission believes it is appropriate to provide broker-dealers additional time to prepare the first report of June data in response to customer requests received in early July. Accordingly, the report for any request received on or before July 17 would not be due until July 29. For example, if a customer requests a report of June 2020 data on July 1, 2020, the broker-dealer is not required to provide the report within seven business days of July 1, 2020; instead, the broker-dealer is required to provide the report no later than July 29, 2020. The report for any request received after July 17 would be due seven business days after such request.

Who?	What?	Current requirement	Exemption
<b>Monthly Customer-Specific Reporting (upon request):</b> Self-routing broker-dealers .....	Detailed customer-specific order handling disclosures for NMS stock orders submitted on a <i>not held</i> basis.	Data collection began Jan. 1, 2020; first report (covering January) was due Feb. 25, 2020.	None.
Broker-dealers that outsource routing (white-labeling).	.....	Data collection begins Apr. 1, 2020; first report (covering April) due May 27, 2020.	Data collection begins June 1, 2020; first report (covering June) due July 29, 2020 for customer requests made on or before July 17.

\* This requires disclosure of material aspects of broker-dealer's relationship with routing venues, which includes the details of any arrangement with a venue where the level of execution quality is negotiated for an increase or decrease in payment for order flow. See Adopting Release at 58376, n. 397.

Accordingly, *it is ordered*, pursuant to Rule 606(c) of Regulation NMS under the Exchange Act,<sup>14</sup> that:

(1) Broker-dealers are exempt from the requirement to provide the public report of held order data for the first quarter of 2020 required by Rule 606(a) until May 29, 2020.

(2) Broker-dealers engaged in outsourced routing activity are exempt from the requirement to start collecting the Rule 606(b)(3) data until June 1, 2020 for such activity. For customer requests that are made on or before July 17, 2020, a broker-dealer is exempt from the requirement to provide a Rule 606(b)(3) report for outsourced routing activity covering June 2020 data until July 29, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>15</sup>

**J. Matthew DeLesDernier,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88476; File No. SR-PEARL-2020-03]

### Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change To Adopt Rules Governing the Trading of Equity Securities

March 25, 2020.

On January 24, 2020, MIAX PEARL, LLC ("MIAX PEARL" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), 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> a proposed rule change to adopt rules governing the trading of equity securities. The proposed rule change was published for comment in the **Federal Register** on February 12, 2020.<sup>3</sup> The Commission has received no comment letters on the proposed rule change.

Section 19(b)(2) of the Act<sup>4</sup> provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day for this filing is March 28, 2020.

The Commission is extending the 45-day time period for Commission action on the proposed rule change. The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change.

Accordingly, pursuant to Section 19(b)(2)(A)(ii)(I) of the Act<sup>5</sup> and for the reasons stated above, the Commission designates May 12, 2020, as the date by which the Commission shall either approve, disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR-PEARL-2020-03).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**J. Matthew DeLesDernier,**

Assistant Secretary.

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**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88469; File No. SR-NSCC-2020-801]

### Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of No Objection To Advance Notice To Enhance the Calculation of the Family-Issued Securities Charge

March 25, 2020.

On January 28, 2020, National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") advance notice SR-NSCC-2020-801 ("Advance Notice") pursuant to Section 806(e)(1) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, entitled Payment, Clearing and Settlement Supervision Act of 2010 ("Clearing Supervision Act")<sup>1</sup> and Rule 19b-4(n)(1)(i)<sup>2</sup> under the Securities Exchange Act of 1934 ("Exchange Act")<sup>3</sup> to amend the calculation of NSCC's existing margin charge applied to long positions in Family-Issued Securities<sup>4</sup> to address certain risk presented by these positions. The Advance Notice was published for public comment in the

<sup>6</sup> 17 CFR 200.30-3(a)(31).

<sup>1</sup> 12 U.S.C. 5465(e)(1).

<sup>2</sup> 17 CFR 240.19b-4(n)(1)(i).

<sup>3</sup> 15 U.S.C. 78a *et seq.*

<sup>4</sup> Terms not defined herein are defined in NSCC's Rules and Procedures ("Rules"), available at [http://www.dtcc.com/~media/Files/Downloads/legal/rules/nscc\\_rules.pdf](http://www.dtcc.com/~media/Files/Downloads/legal/rules/nscc_rules.pdf).

<sup>14</sup> 17 CFR 242.606(c).

<sup>15</sup> 17 CFR 200.30-3(a)(69).

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 88132 (February 6, 2020), 85 FR 8053.

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> 15 U.S.C. 78s(b)(2)(A)(ii)(I).