

surcharge for AIM Responses in SPX/SPXW is equitable and not unfairly discriminatory as it is designed to encourage more Responses in AIM while it is activated in SPX thereby increasing the opportunities for price improvement for all orders executed during the AIM Auction. The Exchange believes that increased opportunities for price improvement through the AIM Auctions would, in turn, facilitate a potential increase in SPX liquidity through the AIM Auctions, which would benefit all participants in the market, particularly while the trading floor remains inoperable.

#### *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 intramarket or intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes the proposed changes are not intended to address any competitive issue, but rather to address fee changes it believes are reasonable now that the trading floor is currently inoperable, thereby only permitting electronic participation on the Exchange. The Exchange does not believe that 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 the proposed changes apply equally in the same manner to all market participants submitting qualifying orders (*i.e.*, AIM Responses and AIM Contra, as well as AIM Agency/Primary orders) in SPX/SPXW. In addition to this, and as stated above, the Exchange does not believe the proposed rule change to adopt a lesser fee for AIM Responses in SPX/SPXW will impose any burden on intramarket competition because it is designed to encourage AIM Responses in SPX/SPXW. A high level of AIM Responses would increase the opportunities for price improvement during the AIM Auctions, in turn, potentially attracting further liquidity to the AIM Auctions in SPX/SPXW to the benefit of all market participants. The Exchange does not believe that 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 because SPX and SPXW options are proprietary products that are only traded on Cboe Options and, in addition to this, the proposed changes only affect trading on the Exchange in limited circumstances.

#### *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>11</sup> and paragraph (f) of Rule 19b-4<sup>12</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-2020-045 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-2020-045. 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-2020-045 and should be submitted on or before June 11, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-88881; File No. SR-NYSECHX-2020-16]**

### **Self-Regulatory Organizations; NYSE Chicago, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Extend the Temporary Relief Granted to Institutional Brokers to Report Non-Tape, Clearing-Only Submissions Into the Exchange's Systems to June 30, 2020 (or Earlier)**

May 15, 2020.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 ("Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on May 14, 2020, the NYSE Chicago, Inc. ("NYSE Chicago" 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 self-regulatory organization. The Commission is publishing this notice to

<sup>13</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f).

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 extend the temporary relief granted to Institutional Brokers to report non-tape, clearing-only submissions into the Exchange's systems pursuant to Article 21, Rule 6(a)(3). The proposed rule change is available on the Exchange's website at [www.nyse.com](http://www.nyse.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 self-regulatory organization 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 those 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 parts of such statements.

#### *A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change*

##### **1. Purpose**

Pursuant to a filing submitted by the Exchange,<sup>4</sup> for a temporary period that began on April 20, 2020 and ends on the earlier of the reopening of all the options trading floors or after the end of the day on May 15, 2020, the Exchange has extended the time within which Institutional Brokers<sup>5</sup> are required to report non-tape, clearing-only submissions into the Exchange's systems pursuant to Article 21, Rule 6(a)(3). The Exchange provided this temporary relief due to changes in work flow in the post-trade processing of transactions in the cash equity leg of stock-option orders that are a consequence of the precautionary measures to prevent the spread of COVID-19 taken by options exchanges

and their members and by Institutional Brokers.

Given that the majority of the options trading floors continue to remain closed,<sup>6</sup> the Exchange is proposing to extend the relief granted in the Temporary Relief Filing until the remaining options floors reopen or after the end of the day on June 30, 2020. As represented in the Temporary Relief Filing, the proposed rule change would have no impact on trade reporting or clearing of trades, as all trades would have already been reported to the Consolidated Tape in accordance with applicable trade reporting rules of the Trade Reporting Facility ("TRF") and submitted to the Deposit Trust Clearing Corporation ("DTCC") for clearing. The Exchange is not proposing any other change to the application of Article 21, Rule 6(a)(3), other than to extend the effectiveness of the temporary relief granted in the Temporary Relief Filing.

Accordingly, the Exchange proposes that until the earlier of the reopening of all the options trading floors or after the end of the day on June 30, 2020, Institutional Brokers may enter non-tape, clearing-only submissions into Brokerplex<sup>7</sup> for non-Exchange transaction by 8:00 p.m. ET of the day of the trade, rather than within three hours as required under the rule. To reflect this change, the Exchange proposes amend Commentary .05 to Article 21, Rule 6 that sets forth the proposed rule text that would replace Article 21, Rule 6(a)(3) during a temporary period that began on April 20, 2020, and ends on the earlier of the reopening of all the options trading floors or after the end of the day on June 30, 2020. The Exchange believes that this temporary relief will permit Institutional Brokers to comply with the reporting requirements in Article 21, Rule 6(a) during a period when their staff and staff of options floor traders are working from home and completing such tasks within three hours is less straightforward and more complex.

##### **2. Statutory Basis**

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>8</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>9</sup>

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. As a result of uncertainty related to the ongoing spread of the COVID-19 virus, three major options trading floors temporarily remain closed. In addition, social-distancing measures have been implemented throughout the country to reduce the spread of COVID-19, resulting in staff of options floor traders and Institutional Brokers working from home.

The proposed rule change would allow the Exchange to temporarily extend the time by which Institutional Brokers would be required to report non-tape, clearing-only submissions into the Exchange's systems for a given non-Exchange transaction to 8:00 p.m. ET of the day on which the execution of such transaction occurred rather than within three (3) hours of the execution of such transaction. The Exchange believes that this temporary relief is necessary and appropriate in the public interest, and is consistent with the protection of investors, given the changes to workflow that increase the time it takes for Institutional Brokers to obtain complete information about counterparties for such trades during a period when options trading floors are closed and both options floor traders and Institutional Brokers are working from home as precautionary measures to protect the health and safety of their employees and to prevent the spread of COVID-19. In particular, this proposed rule change would have no impact on trade reporting or clearing of trades, as all trades would be reported to the Consolidated Tape in accordance with applicable trade reporting rules of the TRF and submitted to DTCC for clearing in a timely manner.

#### *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 not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not designed to address any competitive issues but rather to extend the time of the temporary relief provided to Institutional Brokers that are required to comply with Article 21, Rule 6(a)(3) during a temporary period when the options trading floors are closed and staff of options floor traders and Institutional Brokers are working from home.

<sup>4</sup> See Securities Exchange Act Release No. 88714 (April 21, 2020), 85 FR 23384 (April 27, 2020) (SR-NYSECHX-2020-11) ("Temporary Relief Filing")

<sup>5</sup> The term "Institutional Broker" is defined in Article 1, Rule 1(n) to mean a member of the Exchange who is registered as an Institutional Broker pursuant to the provisions of Article 17 and has satisfied all Exchange requirements to operate as an Institutional Broker on the Exchange. There are currently five Institutional Brokers on the Exchange.

<sup>6</sup> On April 28, 2020, NYSE Arca Options announced the partial reopening of its trading floor. See <https://www.nyse.com/trader-update/history#110000241246>. See also <https://www.nyse.com/publicdocs/nyse/markets/arca-options/rule-interpretations/2020/Arca%20RB-20-02%20-%204.28.20%20-%20Final.pdf>.

<sup>7</sup> Brokerplex is an order entry, management and recordation system provided by the Exchange for use by Institutional Brokers. See Article 17, Rule 5.

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

<sup>9</sup> 15 U.S.C. 78f(b)(5).

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

No written comments were solicited or received with respect to the proposed rule change.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>10</sup> and Rule 19b-4(f)(6) thereunder.<sup>11</sup> Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.<sup>12</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>13</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>14</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The proposal would extend the temporary relief granted by the Exchange to provide additional time to institutional brokers to report certain transactions while the options trading floors are closed and market participants' staff are working from home. The Commission notes that the proposal extends the temporary measure designed to respond to current, unprecedented market conditions. For these reasons, the Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest.

Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposal 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-NYSECHX-2020-16 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-NYSECHX-2020-16. 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

<sup>15</sup> 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).

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-NYSECHX-2020-16, and should be submitted on or before June 11, 2020.

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

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

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-88888; File No. SR-CboeBZX-2020-029]

**Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Shares of the JPMorgan Large Cap Growth ETF Under BZX Rule 14.11(k), Managed Portfolio Shares**

May 15, 2020.

On March 25, 2020, Cboe BZX Exchange, Inc. 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 list and trade shares of the JPMorgan Large Cap Growth ETF under Rule 14.11(k), Managed Portfolio Shares. The proposed rule change was published for comment in the **Federal Register** on April 9, 2020.<sup>3</sup> On April 29, 2020, the Exchange filed Amendment No. 1 to the proposed rule change, which replaced and superseded the proposed rule change as originally filed.<sup>4</sup> The

<sup>16</sup> 17 CFR 200.30-3(a)(12) and (59).

<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. 88551 (April 3, 2020), 85 FR 19971.

<sup>4</sup> Amendment No. 1 is available on the Commission's website at <https://www.sec.gov/comments/sr-cboebzx-2020-029/sr-cboebzx2020029-7135317-216172.pdf>.

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

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

<sup>12</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's 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.

<sup>13</sup> 17 CFR 240.19b-4(f)(6).

<sup>14</sup> 17 CFR 240.19b-4(f)(6)(iii).