

into auctions into Options 3, Sections 7 is consistent with the Act. The Exchange believes the addition of the Block Order type, Facilitation Order type, SOM Order type and PIM Order types into Options 3, Section 7 will make clear to market participants the various types of order types that may be transacted on GEMX. The descriptions of these order types merely point at the existing mechanisms.

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 proposal to add the Block Order type, Facilitation Order type, SOM Order type and PIM Order types into Options 3, Section 7 does not impose an undue burden on competition. The addition of these order types would complete the list of order types, which are available to all market participants, and are merely being referenced within the order type rule for greater transparency.

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 Act⁵ and subparagraph (f)(6) of Rule 19b-4 thereunder.⁶

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative for 30 days from the date of filing. However, Rule 19b-4(f)(6)(iii)⁷ permits the Commission to 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 proposed rule change may become operative immediately. The Commission notes that waiver of the operative delay would allow the Exchange to clarify within Options 3, Section 7 the complete list of order types that are available on GEMX. For this reason, and because the proposal does not raise any novel issues, 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 waives the 30-day operative delay and designates the proposed rule change operative upon filing.⁸

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 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-GEMX-2020-13 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-GEMX-2020-13. 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

⁸ For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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-GEMX-2020-13, and should be submitted on or before July 6, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

J. Matthew DeLesDernier,
Assistant Secretary.

[FR Doc. 2020-12683 Filed 6-11-20; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. SIPA-181; File No. SIPC-2019-01]

Securities Investor Protection Corporation; Order Approving Proposed Bylaw Change, as Revised by Amendment No. 1, Relating to SIPC Board Compensation

June 9, 2020.

Pursuant to Section 3(e)(1) of the Securities Investor Protection Act of 1970 ("SIPA"),¹ the Securities Investor Protection Corporation ("SIPC") filed with the Securities and Exchange Commission ("Commission") on October 8, 2019 proposed bylaw changes relating to the compensation of SIPC's Board of Directors ("SIPC Board"). On October 24, 2019, SIPC consented to a 90-day extension of time before the proposed bylaw change would take effect pursuant to Section

⁹ 17 CFR 200.30-3(a)(12).

¹ See 15 U.S.C. 78ccc(e)(1).

⁵ 15 U.S.C. 78s(b)(3)(A)(iii).

⁶ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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.

⁷ 17 CFR 240.19b-4(f)(6)(iii).

3(e)(1) of SIPA.² On November 19, 2019, SIPC filed a revised version of the proposed bylaw change (the “proposed bylaw change”). The proposed bylaw change replaced and superseded the original filing in its entirety. On December 10, 2019, SIPC consented to a 90-day extension of time before the proposed bylaw change would take effect pursuant to Section 3(e)(1) of SIPA.³ Pursuant to Section 3(e)(1)(B) of SIPA, the Commission found that the proposed bylaw change involved a matter of such significant public interest that public comment should be obtained.⁴ Consequently, pursuant to Section 3(e)(2)(A) of SIPA,⁵ notice soliciting comment on the proposed bylaw change was published in the **Federal Register** on January 30, 2020.⁶ On February 24, 2020, SIPC consented to an extension until May 14, 2020, and on April 1, 2020, SIPC consented to an additional extension until June 15, 2020, for the Commission to approve or

institute proceedings to determine whether the proposed bylaw change should be disapproved.⁷ The Commission received one comment regarding the proposed bylaw change.⁸ For the reasons described below, the Commission finds that the proposed bylaw change is in the public interest and is consistent with the purposes of SIPA.⁹ Therefore, this order approves the proposed bylaw change under Section 3(e)(2) of SIPA.¹⁰

I. Description of the Proposed Bylaw Change

A. Background

Under SIPA, the SIPC Board shall consist of seven members: Five private sector directors and two public sector directors.¹¹ The five private sector directors are appointed by the President of the United States and confirmed by the Senate. Of the five private sector directors, three must be associated with, and representative of, the securities

industry, and two must not be associated with the securities industry. SIPA provides that one of the public sector directors must be an officer or employee of the Department of the Treasury and the other must be an officer or employee of the Federal Reserve Board. Only directors from outside of the securities industry can serve as Chairperson and Vice Chairperson of the SIPC Board.

Under SIPA, all matters relating to director compensation are governed by the SIPC Bylaws.¹² The private sector directors are entitled to receive an honorarium, which is paid from the SIPC Fund.¹³ Since 1994, when the position of Chairperson ceased to be a full-time position, the honoraria paid to the private sector directors have been increased once (in 2006). The following chart shows the honoraria for the Chairperson, Vice Chairperson, and other private sector directors from 1994 to 2006 and from 2006 to the present.

Bylaw date	Bylaw	Chairperson	Vice chairperson	Industry directors
1994–2006	Art. 2, § 6	\$1,000/meeting, \$500/day for official business + expenses.	\$500/meeting, \$500/day for official business + expenses.	Expenses only.
2006–Present	Art. 2, § 6	\$15,000 honorarium + expenses	\$6,250 honorarium + expenses	\$6,250 honorarium + expenses.

B. The Proposed Bylaw Change

SIPC proposes to modify Section 6 of Article 2 of the SIPC Bylaws to: (1) Raise the Chairperson’s yearly honorarium from \$15,000 to \$28,000; (2) raise the other private sector directors’ yearly honorarium from \$6,250 to \$12,000; (3) authorize a \$28,000 yearly honorarium for a Vice Chairperson who temporarily serves as acting Chairperson for a continuous twelve month period while the position of Chairperson remains vacant; and (4) authorize a \$28,000 yearly honorarium for a private sector director to whom the SIPC Board delegates authority to perform certain functions of the Chairperson and who performs those functions for a continuous twelve month period while the positions of Chairperson and Vice

Chairperson remain vacant. SIPC justified its proposed bylaw change by describing the enhanced responsibilities and risk assumed by members of the SIPC Board. SIPC explained the level of time commitment required of directors and noted the need to attract and retain qualified directors.¹⁴

In addition, SIPC explained that the SIPC Board, through its public sector directors (who do not receive an honorarium), commissioned Korn/Ferry International (“Korn/Ferry”), a global management and executive consulting firm, to provide recommendations with respect to compensation for SIPC Board members.¹⁵ Independent of the Korn/Ferry study, the public sector directors formulated a separate approach to the matter, using the *per diem* pay of a Senior Executive Service (“SES”)

government employee as a benchmark. Using this measure, the public sector directors concluded that the private sector directors should receive an honorarium of \$12,000 per year. Applying the current ratio of Chair versus non-Chair honoraria, the public sector directors concluded that the honorarium of the Chair should be \$28,000. SIPC proposed that the bylaw change, if approved, would take effect six months from the date of approval or non-disapproval by the Commission.¹⁶

II. Comments Received

The Commission received one comment on the proposed bylaw change.¹⁷ The commenter—an individual—supported it.

² See *id.*
³ See *id.*
⁴ See 15 U.S.C. 78ccc(e)(1)(B).
⁵ See 15 U.S.C. 78ccc(e)(2)(A).
⁶ See Securities Investor Protection Corporation; Notice of Filing of Proposed Bylaw Change, as Revised by Amendment No. 1, Relating to SIPC Board Compensation; Correction, Release No. SIPA-180A (Jan. 24, 2020), 85 FR 5513 (Jan. 30, 2020) (“Notice”).
⁷ See 15 U.S.C. 78ccc(e)(2)(B).
⁸ See Email from Martha C. Chemas, Esq., dated February 5, 2020 (“Chemas Email”). The comment on the proposed bylaw change is available at <https://www.sec.gov/comments/sipc-2019-01/sipc201901.htm>.

⁹ See 15 U.S.C. 78ccc(e)(2)(D).

¹⁰ See 15 U.S.C. 78ccc(e)(2).

¹¹ See 15 U.S.C. 78ccc(c).

¹² See 15 U.S.C. 78ccc(c)(5).

¹³ All expenditures from SIPC are required to be made out of the SIPC Fund. See 15 U.S.C. 78ddd(a)(1).

¹⁴ SIPC’s full rationale for why the honoraria should be increased is set forth in its narrative accompanying the proposed bylaw changes. See *Notice*, 85 FR at 5513–5515.

¹⁵ Based upon a study of director compensation of a peer group of 23 organizations comparable to SIPC, Korn/Ferry recommended that: (1) Director compensation consist of an annual retainer paid quarterly and ranging between \$30,000 and

¹⁶ Although the proposed bylaw change references May 6, 2020 as the date the quarterly installments of the honoraria begin, the proposed bylaw change, including the increases in Board honoraria, takes effect six months after the Commission’s approval.

¹⁷ See Chemas Email.

III. Commission Findings

Section 3(e) of SIPA sets forth the procedures for addressing proposed SIPC rules and bylaws.¹⁸ Pursuant to Section 3(e)(1)(B) of SIPA, the Commission found that the proposed bylaw changes involved a matter of such significant public interest that public comment should be obtained and required that the procedures applicable to SIPC proposed rule changes in section 3(e)(2) of SIPA be followed.¹⁹ Section 3(e)(2) of SIPA sets forth the procedures for proposed rule changes and provides that the Commission shall approve a proposed rule change if it finds the change is in the public interest and is consistent with the purposes of SIPA. As discussed below, the Commission finds, pursuant to Section 3(e)(2)(D) of SIPA, that the proposed bylaw change is in the public interest and consistent with the purposes of SIPA.²⁰

As noted above, the SIPC Board's honoraria have not increased since 2006. However, SIPC states that the responsibility of the SIPC Board members has increased since the 2008 financial crisis. For example, since 2006, SIPC has been responsible for three major SIPA liquidations: Bernard L. Madoff Investment Securities LLC; Lehman Brothers, Inc.; and MF Global Inc. Moreover, Congress designated SIPC to serve as trustee in the orderly liquidation of certain systemically important broker-dealers in the Dodd-Frank Wall Street Reform and Customer Protection Act of 2010.²¹ SIPC reports that these additional responsibilities have coincided with an increase in the time commitment for the role, including travel to attend SIPC Board meetings. In addition, SIPC Board members have been sued in their capacity as Board members.²² Finally, the Commission believes it is important to SIPC's customer protection mission to recruit well-qualified individuals to serve on the SIPC Board. SIPC directors should serve the public interest and carry out its mission of protecting investors.

The Commission also believes that the proposed increases in the honoraria are reasonable. In particular, the amount of the proposed honoraria for the private sector directors that do not serve as Chair (\$12,000 annually) is in line with the maximum compensation paid to an SES government employee, after pro rating for the estimated number of days

worked per year.²³ Using the SES government employee salary as a benchmark is appropriate given the similarity in the seniority and public mission of both SES government employees and SIPC Board members. The proposed increase in the Chairperson's, acting Chairperson's, or the SIPC Board-delegated Chairperson's honorarium from \$15,000 to \$28,000 maintains the same approximate ratio between the current private sector directors' honoraria and that of the Chairperson, acting Chairperson, or the SIPC Board-delegated Chairperson.

For these reasons, the Commission finds, pursuant to Section 3(e)(2)(D) of SIPA, that it is in the public interest and is consistent with the purposes of SIPA to increase the honoraria of the private sector directors to account for the increased responsibilities and time commitments associated with the positions and the potential legal risk the private sector directors face, as well as to provide an incentive to recruit well-qualified directors.²⁴

IV. Conclusion

It is therefore ordered, pursuant to Section 3(e)(2) of SIPA, that the proposed bylaw change (SIPA 2019-01) is approved.²⁵

By the Commission.

J. Matthew DeLesDernier,
Assistant Secretary.

[FR Doc. 2020-12735 Filed 6-11-20; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting; Cancellation

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: 85 FR 34669, June 5, 2020.

PREVIOUSLY ANNOUNCED TIME AND DATE OF THE MEETING: Wednesday, June 10, 2020 at 2:00 p.m.

CHANGES IN THE MEETING: The Closed Meeting scheduled for Wednesday, June 10, 2020 at 2:00 p.m., has been cancelled.

²³ The maximum SES salary in 2019 was \$192,300. See Salary Table No. 2019-ES: Rates of Basic Pay for Members of the Senior Executive Service (SES), available at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/ES.pdf> (effective January 2019). When pro rating that salary for 16 days of service a year on the SIPC Board, the equivalent amount earned equals \$12,307 (i.e., \$192,300 * 16 days/250-day work year). Therefore, the proposed honoraria of \$12,000 approximates a pro-rated version the current maximum SES salary.

²⁴ See 15 U.S.C. 78ccc(e)(2)(D).

²⁵ See 15 U.S.C. 78ccc(e)(2).

CONTACT PERSON FOR MORE INFORMATION: For further information; please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551-5400.

Dated: June 10, 2020.

Vanessa A. Countryman,
Secretary.

[FR Doc. 2020-12842 Filed 6-10-20; 11:15 am]

BILLING CODE 8011-01-P

DEPARTMENT OF STATE

[Public Notice 11136]

Updating the State Department's List of Entities and Subentities Associated With Cuba (Cuba Restricted List)

ACTION: Updated publication of list of entities and subentities; notice.

SUMMARY: The Department of State is publishing an update to its List of Restricted Entities and Subentities Associated with Cuba (Cuba Restricted List) with which direct financial transactions are generally prohibited under the Cuban Assets Control Regulations (CACR). The Department of Commerce's Bureau of Industry and Security (BIS) generally will deny applications to export or reexport items for use by entities or subentities identified by the Department of State in the **Federal Register** or at <https://www.state.gov/cuba-sanctions/cuba-restricted-list/>, unless such transactions are determined to be consistent with sections 2 and 3(a)(iii) of NSPM-5.

DATES: Applicable on June 12, 2020.

FOR FURTHER INFORMATION CONTACT: Emily Belson, Office of Economic Sanctions Policy and Implementation, 202-647-6526; Robert Haas, Office of the Coordinator for Cuban Affairs, tel.: 202-453-8456, Department of State, Washington, DC 20520.

SUPPLEMENTARY INFORMATION:

Background

On June 16, 2017, the President signed National Security Presidential Memorandum-5 on Strengthening the Policy of the United States toward Cuba (NSPM-5). As directed by NSPM-5, on November 9, 2017, the Department of the Treasury's Office of Foreign Assets Control (OFAC) published a final rule in the **Federal Register** amending the CACR, 31 CFR part 515, and the Department of Commerce's Bureau of Industry and Security (BIS) published a final rule in the **Federal Register** amending, among other sections, the section of the Export Administration Regulations (EAR) regarding Cuba, 15 CFR 746.2. The regulatory amendment

¹⁸ See 15 U.S.C. 78ccc(e).

¹⁹ See Notice, 85 FR 5513.

²⁰ See 15 U.S.C. 78ccc(e)(2)(D).

²¹ See 12 U.S.C. 5385(a)(1).

²² See, e.g., *Canavan v. Canavan*, Case No. 2:10-cv-00954-FSH-PS (D.N.J. 2010).