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For the Commission, pursuant to delegated authority.<sup>107</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-89093; File No. SR-MIAX-2020-15]

### Self-Regulatory Organizations; Miami International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Temporarily Extend Filing Deadlines for Certain Supervision-Related Reports

June 18, 2020.

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) <sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on June 4, 2020, Miami International Securities Exchange, LLC (“MIAX Options” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a 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 is filing a proposal to amend Exchange Rule 1308, Supervision of Accounts, to temporarily extend the filing requirements for certain supervision-related reports, currently given an extension to June 1, 2020, to June 30, 2020.

The text of the proposed rule change is available on the Exchange’s website at <http://www.miaxoptions.com/rule-filings/> at MIAX Options’ principal

office, 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

Given current market conditions, the Exchange proposes to provide its members temporary relief from filing certain supervision-related reports pursuant to Exchange Rule 1308 (Supervision of Accounts).<sup>3</sup>

The Exchange has been closely monitoring the current situation regarding the novel coronavirus (“COVID-19”) pandemic. The Exchange understands COVID-19 has placed stress on market participants’ information technology infrastructure and the required deployment of significant resources, including to implement and continuously adapt business continuity plans. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic.<sup>4</sup> To slow the spread of the disease, federal and state officials implemented social-distancing measures, placed significant limitations on large gatherings, limited travel, and closed non-essential businesses, all of which are largely still in place for the foreseeable future. The Exchange also notes that in response to COVID-19, the Financial Industry Reporting Authority (“FINRA”) recently reissued temporary

<sup>3</sup> The Exchange notes that MIAX Rule 1308 is incorporated by reference into the rulebooks of MIAX PEARL, LLC (“PEARL”) and MIAX Emerald, LLC (“Emerald”). As such, the amendments to MIAX Rule 1308 proposed herein will also impact PEARL and Emerald Rules 1308. The Exchange initially filed the proposal on June 1, 2020 (SR-MIAX-2020-14). On June 4, 2020, the Exchange withdrew that filing and submitted this filing.

<sup>4</sup> See WHO Director-General’s Opening Remarks at the Media Briefing on COVID-19 (March 11, 2020), available at <https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>.

relief for member firms by, among other things, extending the deadline for submitting their supervision-related reports (FINRA Rule 3120 Report and FINRA Rule 3130 certification) from their initial extension deadlines of June 1, 2020<sup>5</sup> to June 30, 2020.<sup>6</sup> The Exchange notes, too, that other options exchanges that had previously extended the supervisory report deadlines from April 1 to June 1 for their members,<sup>7</sup> also plan to submit similar filings to, again, extend their deadlines through June 30, 2020.

By way of background, Exchange Rule 1308(g) requires each Exchange member that conducts a non-member customer business to submit to the Exchange a written report on the member’s supervision and compliance effort during the preceding year and on the adequacy of the member’s ongoing compliance processes and procedures. Each member that conducts a public customer options business is also required to specifically include its options compliance program in the report.<sup>8</sup> The Exchange Rule 1308(g) report is due on April 1 of each year. Exchange Rule 1308(h) requires that each member submit, by April 1 of each year, a copy of the Rule 1308(g) report to one or more control persons or, if the member has no control person, to the audit committee of its board of directors or its equivalent committee or group.<sup>9</sup>

Rule 1308 currently provides relief to members and their employees by extending these deadlines to June 1, 2020.<sup>10</sup> However, as COVID-19 remains an ongoing pandemic, to meet the current June 1 deadlines in Rule 1308, member personnel would have to divide their efforts and resources that are otherwise necessary to address continued disruptions and stresses as a result of the ongoing COVID-19 pandemic. Therefore, the Exchange proposes to extend the filing deadline through June 30, 2020, thus allowing

<sup>5</sup> See FINRA Regulatory Notice 20-08 (March 9, 2020) available at <https://www.finra.org/rules-guidance/notices/20-08>.

<sup>6</sup> See FINRA Regulatory Notice 20-08, FAQs, Supervision (May 19, 2020) available at <https://www.finra.org/rules-guidance/key-topics/covid-19/faq#supe>.

<sup>7</sup> See SR-CBOE-2020-049 (May 29, 2020). See Securities Exchange Act Release Nos. 88524 (March 31, 2020), 85 FR 19198 (April 6, 2020) (SR-ISE-2020-14); and 88527 (March 31, 2020), 85 FR 19190 (April 6, 2020) (SR-Phlx-2020-16).

<sup>8</sup> The report shall include, but not be limited to, the information set out in Exchange Rule 1308(g)(1)-(6).

<sup>9</sup> See Exchange Rule 1308(h) for the meaning of the term “control person” and requirements in the case of a control person that is an organization.

<sup>10</sup> See Securities Exchange Act Release No. 88543 (April 2, 2020), 85 FR 19788 (April 8, 2020) (SR-MIAX-2020-06).

<sup>107</sup> 17 CFR 200.30-3(a)(12).

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

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

member personnel that are tasked with organizing, compiling and filing such reports, but are also tasked with maintaining critical operations and sustainable business continuity plans, and otherwise adjusting the member's trading operations in line with evolving market conditions and initiatives to address such conditions to focus their attention on those immediate needs.

## 2. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act<sup>11</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>12</sup> in particular, in that it is 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)<sup>13</sup> 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 that the proposed rule will foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities. The proposed rule change will allow the Exchange to extend temporary relief to its members by issuing another extension of certain supervisory reporting deadlines from June 1, 2020 to June 30, 2020 in light of the ongoing COVID-19 crisis. The Exchange understands this pandemic has caused, and continues to cause, stress on market participants' information technology infrastructure and the deployment of significant resources to address ongoing disruptions and continued stresses. By allowing the Exchange to re-extend the deadlines for filing certain supervision related reports in Rule 1308, the Exchange believes the proposed rule will allow member personnel, who would normally be tasked with organizing and compiling such reports, to focus their attention on maintaining critical operations and sustainable

business continuity plans, and otherwise adjusting their trading operations in line with evolving market conditions and initiatives in response to the ongoing COVID-19 pandemic. The Exchange also believes the proposed rule change removes impediments to and perfects the mechanism of a free and open market and a national market system because, as noted above, FINRA has also re-extended the time for their members to file supervision-related reports from June 1, 2020 to June 30, 2020.<sup>14</sup> Additionally, as indicated above, other options exchanges that had previously extended the supervisory report deadlines from April 1 to June 1 for their members,<sup>15</sup> plan to submit similar filings to re-extend their deadlines through June 30, 2020.

### 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 proposed rule change is not intended to address competitive issues. The Exchange does not believe the proposed rule would impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the Act, because the additional June 30, 2020 extension for supervision-related reports in Rule 1308 will apply equally to all members. The Exchange does not believe that the proposed rule change would impose any burden on intermarket competition because it relates only to the extension of the filing deadline for supervision-related reports. Additionally, and as stated above, FINRA has recently notified its members that the filing deadline for their supervision-related reports has again been extended from June 1, 2020 to June 30, 2020,<sup>16</sup> and other options exchanges plan to file for the same relief through June 30, 2020, as well.

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

Written comments were neither solicited nor 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) of the Act<sup>17</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>18</sup>

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act<sup>19</sup> normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)<sup>20</sup> 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 requested that the Commission waive the 30-day operative delay so that the proposed rule change may become operative upon filing. The Commission notes that the proposed rule change would allow the Exchange, in light of the COVID-19 pandemic, to provide temporary relief for members by extending the deadlines in paragraphs (g) and (h) of Exchange Rule 1308 (Supervision of Accounts) from June 1, 2020 to June 30, 2020. This is consistent with the extension FINRA has provided its members for supervision-related reports and certifications required pursuant to FINRA Rule 3120 and FINRA Rule 3130<sup>21</sup> and the extension for certain supervision-related reports Cboe Exchange, Inc. has provided its trading permit holders.<sup>22</sup> 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 operative delay and designates the proposed rule change operative upon filing.<sup>23</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

<sup>17</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>18</sup> 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 Commission has waived this requirement.

<sup>19</sup> 17 CFR 240.19b-4(f)(6).

<sup>20</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>21</sup> See *supra* note 6.

<sup>22</sup> See Securities Exchange Act Release No. 88978 (June 1, 2020), 85 FR 34688 (June 5, 2020) (SR-CBOE-2020-049).

<sup>23</sup> For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>11</sup> 15 U.S.C. 78f(b).

<sup>12</sup> 15 U.S.C. 78f(b)(5).

<sup>13</sup> *Id.*

<sup>14</sup> See *supra* note 6.

<sup>15</sup> See *supra* note 7.

<sup>16</sup> See *supra* note 6.

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 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-MIAX-2020-15 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-MIAX-2020-15. 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-MIAX-2020-15 and should be submitted on or before July 15, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>24</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-89088; File No. SR-NSCC-2020-010]

### Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of and Immediate Effectiveness of a Proposed Rule Change To Amend Rules With Respect to Index Receipts

June 18, 2020.

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> notice is hereby given that on June 11, 2020, National Securities Clearing Corporation ("NSCC") 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. NSCC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(4) thereunder.<sup>4</sup> 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 change consists of amendments to Procedure II (Trade Comparison and Recording Service) of the NSCC Rules & Procedures ("Rules") with respect to index receipts, as described in greater detail below.<sup>5</sup>

#### 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.

(A) *Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

##### 1. Purpose

The purpose of this proposed rule change is to amend Procedure II (Trade Comparison and Recording Service) with respect to index receipts in order to (i) reflect the publication of ETF portfolio holdings for pricing purposes via the Portfolio Report (as defined below and in the proposed rule text) and (ii) permit Index Receipt Agents to submit to NSCC index receipt creation and redemption instructions with a scheduled settlement date that is greater than the standard settlement cycle of second business day after the trade date ("T+2"). The proposed rule change would also make technical and clarifying changes.

##### (i) Background

##### Overview of Exchange-Traded Funds

Exchange-traded funds ("ETFs") (referred to as "index receipts" in the Rules) are marketable securities that track stock indices, commodities, bonds, or baskets of assets. ETFs are listed on exchanges and are traded throughout the trading day. Shares of ETFs are created and redeemed in the primary market and are traded on listed exchanges in the secondary market. Each share of an ETF represents an undivided interest in the underlying assets of the ETF. NSCC facilitates the in-kind<sup>6</sup> clearing and settlement of the creation and redemption of ETF shares in the primary market as well as clearing of ETF trades in the secondary market.

The participants in the ETF primary market typically consist of the issuers of ETFs ("ETF Sponsors"), custodian banks ("ETF Agents," also referred to as "Index Receipt Agents" in the Rules), and brokers/dealers that have agreements directly with ETF Sponsors to allow the brokers/dealers to place orders for the creation and redemption of ETF shares ("Authorized Participants" or "APs"). Both the ETF Agents and APs<sup>7</sup> are Members of NSCC.

<sup>6</sup> In the ETF industry, the clearing of ETF creations and redemptions "in-kind" represents an exchange of ETF shares for a basket of component securities rather than cash.

<sup>7</sup> Form N-CEN defines AP as a broker-dealer that is also a member of a clearing agency registered with the Commission, and which has a written agreement with the ETF or one of its designated service providers.

<sup>24</sup> 17 CFR 200.30-3(a)(12).

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

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

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

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

<sup>5</sup> Capitalized terms not defined herein are defined in the Rules, available at [http://dtcc.com/-/media/Files/Downloads/legal/rules/nsc\\_rules.pdf](http://dtcc.com/-/media/Files/Downloads/legal/rules/nsc_rules.pdf).