

Exchange Commission, c/o Cynthia Roscoe, 100 F Street NE, Washington, DC 20549, or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: September 1, 2020.

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

[FR Doc. 2020-19722 Filed 9-4-20; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-516; OMB Control No. 3235-0574]

### Proposed Collection; Comment Request

*Upon Written Request, Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

*Extension:* Rule 3a-8

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (the "Commission") is soliciting comments on the collections of information summarized below. The Commission plans to submit the existing collection of information to the Office of Management and Budget for extension and approval.

17 CFR 270.3a-8 (rule 3a-8 of the Investment Company Act of 1940 (15 U.S.C. 80a) (the "Act")), serves as a nonexclusive safe harbor from investment company status for certain research and development companies ("R&D companies").

The rule requires that the board of directors of an R&D company seeking to rely on the safe harbor adopt an appropriate resolution evidencing that the company is primarily engaged in a non-investment business and record that resolution contemporaneously in its minute books or comparable documents.<sup>1</sup> An R&D company seeking to rely on the safe harbor must retain these records only as long as such records must be maintained in accordance with state law.

Rule 3a-8 contains an additional requirement that is also a collection of information within the meaning of the PRA. The board of directors of a company that relies on the safe harbor under rule 3a-8 must adopt a written policy with respect to the company's capital preservation investments. We expect that the board of directors will base its decision to adopt the resolution

discussed above, in part, on investment guidelines that the company will follow to ensure its investment portfolio is in compliance with the rule's requirements.

The collection of information imposed by rule 3a-8 is voluntary because the rule is an exemptive safe harbor, and therefore, R&D companies may choose whether or not to rely on it. The purposes of the information collection requirements in rule 3a-8 are to ensure that: (i) The board of directors of an R&D company is involved in determining whether the company should be considered an investment company and subject to regulation under the Act, and (ii) adequate records are available for Commission review, if necessary. Rule 3a-8 would not require the reporting of any information or the filing of any documents with the Commission.

Commission staff estimates that there is no annual recordkeeping burden associated with the rule's requirements. Nevertheless, the Commission requests authorization to maintain an inventory of one burden hour for administrative purposes.

Commission staff estimates that approximately 29,999 R&D companies may take advantage of rule 3a-8.<sup>2</sup> Given that the board resolutions and investment guidelines will generally need to be adopted only once (unless relevant circumstances change),<sup>3</sup> the Commission believes that all the R&D companies that existed prior to the adoption of rule 3a-8 adopted their board resolutions and established written investment guidelines in 2003 when the rule was adopted. We expect that R&D companies formed subsequent to the adoption of rule 3a-8 would adopt the board resolution and investment guidelines simultaneously with their formation documents in the ordinary course of business.<sup>4</sup> Therefore, we estimate that rule 3a-8 does not impose additional burdens.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the

<sup>2</sup> See National Science Foundation, National Center for Science and Engineering Statistics, Business R&D and Innovation Survey: 2016 (results published May 13, 2019).

<sup>3</sup> In the event of changed circumstances, the Commission believes that the board resolution and investment guidelines will be amended and recorded in the ordinary course of business and would not create additional time burdens.

<sup>4</sup> In order for these companies to raise sufficient capital to fund their product development stage, Commission staff believes that they will need to present potential investors with investment guidelines. Investors generally want to be assured that the company's funds are invested consistent with the goals of capital preservation and liquidity.

agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, C/O Cynthia Roscoe, 100 F Street NE, Washington, DC 20549; or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

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[FR Doc. 2020-19723 Filed 9-4-20; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-89723; File No. SR-NYSEAMER-2020-64]

### Self-Regulatory Organizations; NYSE American LLC; Notice of Filing of Proposed Rule Change To Modify Rules 971.1NY and 971.2NY

September 1, 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 August 19, 2020, NYSE American LLC ("NYSE American" or the "Exchange") 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 self-regulatory organization. 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 modify Rules 971.1NY and 971.2NY regarding its Customer Best Execution ("CUBE") auction to provide optional all-or-none functionality for larger-sized orders. The proposed rule change is available on the

<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>1</sup> Rule 3a-8(a)(6) (17 CFR 270.3a-8(6)).

Exchange's website at *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

The Exchange proposes to expand its electronic crossing mechanism—the CUBE Auction, to provide optional all-or-none (“AON”)<sup>4</sup> functionality for ATP Holders to execute larger-sized orders (*i.e.*, 500 or more contracts) in both the Single-Leg and Complex CUBE Auctions (collectively, referred to herein as the “CUBE Auction” functionality).<sup>5</sup> As proposed, a CUBE Order would execute in full at the single stop price against the Contra Order, unless RFR Responses that provide price improvement to the CUBE Order or customer interest that is priced equal to the CUBE Order, or both, can in the aggregate, satisfy the full quantity of the CUBE Order, in which case, the Contra Order would not receive an allocation.<sup>6</sup>

#### Priority of Resting Customer Interest at Start of CUBE Auctions

The CUBE Auction operates seamlessly with the Consolidated Book—while still affording Single-Leg and Complex CUBE Orders an opportunity to receive price

improvement.<sup>7</sup> In the case of the Single-Leg CUBE, to assure that a CUBE Order does not execute ahead of Customer interest resting on the Book at the initiation of an Auction, the Exchange has established that the CUBE Order may only execute within a defined range of permissible executions, which range is based on a snapshot of the market at the initiation of the Auction.<sup>8</sup> Specifically, for a CUBE Order to buy (sell) 50 or more contracts, the Auction begins with an “initiating price,” which is the lower (higher) of the CUBE Order's limit price or the NBO (NBB); however, if there is Customer interest on the Book at the BB (BO), the lower (upper) bound of permissible executions is the higher (lower) of the BB plus one cent (BO minus one cent) or the NBB (NBO).<sup>9</sup> This latter structure (when there is resting Customer interest) ensures that any Customer interest at the BB (BO) retains priority at that price, and is not circumvented by the interest in the CUBE Auction, including the CUBE Order. As discussed below, the proposed AON CUBE Order, which is 500 or more contracts, would be subject to the same requirements regarding how the range of permissible executions and initiating price of the CUBE Order would be determined, which are designed to honor the priority of Customer interest on the Book.

Once an Auction for a CUBE Order is commenced, such order is deemed executed (as it is guaranteed).<sup>10</sup> However, to respect the priority of the Consolidated Book, the Auction for a CUBE Order ends early upon the arrival of certain price-improving interest—

<sup>7</sup> See Rule 900.2NY(14) (defining Consolidated Book (or “Book”) and providing that all quotes and orders “that are entered into the Book will be ranked and maintained in accordance with the rules of priority as provided in Rule 964NY”). Rule 964NY (Display, Priority and Order Allocation—Trading Systems) dictates the priority of quotes and orders. The Exchange has integrated the Complex CUBE Auction into the Complex Matching Engine (or CME), which ensures that the Complex CUBE Auction respects the priority of interest in the Consolidated Book. See Rule 971.2NY(a).

<sup>8</sup> See generally Rule 971.1NY (for detailed description of operation of Single-Leg CUBE Auction). This proposal focuses solely on requirements of Single-Leg CUBE Order of 50 or more contracts because the proposed AON CUBE Order is for more than 50 contracts (*i.e.*, at least 500). See, *e.g.*, Rule 971.1NY(b)(1)(A) (regarding 50 or more contracts), (B) (regarding pricing for CUBE Order of 50 or fewer contracts).

<sup>9</sup> See Rule 971.1NY(b)(1)(A). See *supra* note 6, Single-Leg CUBE Notice, 79 FR 13711, at 13713 (examples #1 and 2 setting forth the initiating price and range of permissible executions based on resting Customer interest at the BBO at the start of the Auction).

<sup>10</sup> See Rule 971.1NY(b) (providing that “[t]he time at which the Auction is initiated shall also be considered the time of execution for the CUBE Order . . .”).

including Customer interest that improves the stop price.<sup>11</sup>

In the case of Complex CUBE, the Exchange utilizes the concept of a CUBE BBO, which requires price improvement over resting interest to initiate a Complex CUBE Auction.<sup>12</sup> Upon entry of a Complex CUBE Order in the System, the CUBE BBO is determined to be the more aggressive of (i) the Complex BBO improved by \$0.01, or (ii) the Derived BBO improved by: \$0.01 multiplied by the smallest leg of the complex order strategy.<sup>13</sup> As with Single-Leg, a Complex CUBE Auction begins with an “initiating price,” which for a Complex CUBE Order is the less aggressive of the net debit/credit price of such order or the price that locks the contra-side CUBE BBO and the range of permissible executions of a Complex CUBE Order is all prices equal to or between the initiating price and the same-side CUBE BBO.<sup>14</sup> Thus, to initiate a Complex CUBE Auction, the Complex CUBE Order must be priced better than the interest resting on the Consolidated Book, *i.e.*, the CUBE BBO, which ensures that price-time priority—including for Customer interest—is respected.<sup>15</sup> As discussed below, the proposed AON Complex CUBE Order must likewise rely on the CUBE BBO to determine the initiating price and therefore honor Customer (and all other resting) interest.

Like a Single-Leg CUBE Order, once an Auction for a Complex CUBE Order is commenced, such order is deemed executed (as it is guaranteed).<sup>16</sup> As such, to respect the priority of the Consolidated Book, the Auction for a Complex CUBE Order ends early upon the arrival of certain price-improving

<sup>11</sup> See 971.1NY(c)(4) (setting forth the type of interest that causes the early end to a Single-Leg CUBE Auction).

<sup>12</sup> See generally Rule 971.2NY and Commentary .02 (definitions). See also Rule 900.2NY(7)(b),(c) (defining Complex BBO and Derived BBO). The “same-side CUBE BBO” and “contra-side CUBE BBO” refer to the CUBE BBO on the same or opposite side of the market as the Complex CUBE Order, respectively. See Rule 971.2NY(a)(2).

<sup>13</sup> See Rule 971.2NY(a)(2). A complex order strategy is entered with the ratio expressed in the fewest number of contracts for each leg of the ratio. For a complex order strategy with a ratio of 2, 3, and 6 contracts per leg, the \$0.01 figure would be multiplied by 2 contracts, which represents the smallest leg. To calculate the CUBE BBO for this strategy, the Derived BBO would need to be priced improved by \$0.02.

<sup>14</sup> See Rule 971.2NY(a)(2)–(4).

<sup>15</sup> See *supra* note 6, Complex CUBE Notice, 83 FR 9769, at 83 FR 9772 (example illustrating the initiating price and range of permissible executions for a Complex CUBE Order per Rule 971.2NY(a)(2)–(4)).

<sup>16</sup> See Rule 971.2NY(c) (providing that “[t]he time at which the Auction is initiated will also be considered the time of execution for the Complex CUBE Order”).

<sup>4</sup> An All-or-None Order or AON Order is a “Market or Limit Order that is to be executed on the Exchange in its entirety or not at all.” See Rule 900.3NY(d)(4).

<sup>5</sup> See proposed Rules 971.1NY, Commentary .05 and 971.2NY, Commentary .04.

<sup>6</sup> Capitalized terms have the same meaning as the defined terms in Rules 971.1NY and 971.2NY. See Securities and Exchange Act Release Nos. 71655 (March 5, 2014) 79 FR 13711 (March 11, 2014) (SR-NYSEMKT–2014–17) (the “Single-Leg CUBE Notice”); 82802 (March 2, 2018), 83 FR 9769 (March 7, 2018) (SR-NYSEAMER–2018–05) (the “Complex CUBE Notice”).

interest—including Customer interest that improves the stop price.<sup>17</sup>

The proposal to expand the current CUBE Auction functionality by providing an additional (optional) method for market participants to effect larger-sized orders in the CUBE Auction would likewise operate seamlessly with the Consolidated Book. The Exchange also believes this proposal would encourage ATP Holders to compete vigorously to provide the opportunity for price improvement for larger-sized orders in a competitive auction process, which may lead to enhanced liquidity and tighter markets.

#### Proposed AON CUBE Functionality AON CUBE Order for Single-Leg CUBE

The Exchange proposes to add new Commentary .05 to Rule 971.1NY to provide that a CUBE Order of at least 500 contracts would execute in full at the single stop price against the Contra Order, except under specified circumstances (the “AON CUBE Order”).<sup>18</sup> As further proposed, a Contra Order would not be permitted to guarantee an AON CUBE Order for auto-match or an auto-match limit, which features are otherwise available in a Single-Leg CUBE Auction.<sup>19</sup>

The initiating price and permissible range of executions for a proposed AON CUBE Order would be determined in the same manner as for a standard CUBE Order, which means it must improve the price of any resting Customer interest to maintain the priority of such resting interest at the start of the Auction.<sup>20</sup> An AON CUBE Order Auction would also be subject to the same early end events as a Single-Leg CUBE Order, including the arrival of Customer interest that improves the stop price.<sup>21</sup>

As proposed, an AON CUBE Order to buy (sell) would not execute with the

Contra Order if the entire AON CUBE Order can be satisfied in full by contra-side Customer interest at the stop price or contra-side interest that price improves the stop price, or both. To effect this, the Exchange proposes that paragraph (a) to Commentary .05 to Rule 971.1NY would provide that the Contra Order would not receive an allocation if:

(a) RFR Responses to sell (buy) at prices lower (higher) than the stop price or Customer interest to sell (buy) at a price equal to the stop price, or both, that in the aggregate can satisfy the full quantity of the AON CUBE Order, in which case, the RFR Responses will be allocated as provided for in paragraphs (c)(5)(A) and (c)(5)(B)(i) of this Rule, as applicable.<sup>22</sup>

Thus, any Customer RFR Responses that equal the price of the AON CUBE Order may on its own or in combination with any non-Customer RFR Responses that improve the price of the AON CUBE Order, execute against the AON CUBE Order, provided that the size contingency of the order is met. The Exchange believes that providing RFR Responses an opportunity for an allocation in these specified circumstances is consistent with the Exchange’s priority rules that give priority first to customer orders, and second to orders that provide price improvement.<sup>23</sup>

As further proposed, if RFR Responses and Customer interest to sell (buy) do not meet the requirements of proposed Commentary .05(a) to Rule 971.1NY, RFR Responses would not receive an allocation in the Auction for the AON CUBE Order. The Exchange believes that this proposal is consistent with the terms of how AONs function generally without violating the Exchange’s general priority rules.<sup>24</sup>

With respect to allocation, the Exchange notes that the proposed functionality differs from the allocation of a standard Single-Leg CUBE Order in that the Contra Order is not guaranteed a minimum allocation at the stop price. Instead, given the AON nature of the functionality, the Contra Order either

trades with the entire AON CUBE Order or not at all.<sup>25</sup>

With the exception of differences to the minimum size and allocation described in proposed Commentary .05 to Rule 971.1NY, an AON CUBE Order would otherwise be subject to Rule 971.1NY with respect to all other aspects of the CUBE Auction functionality.

#### AON Complex CUBE Order for Complex CUBE<sup>26</sup>

The Exchange also proposes to adopt substantially similar rule text to likewise offer ATP Holders the option of executing larger-sized orders in the Complex CUBE Auction. Specifically, as proposed, Commentary .04 to Rule 971.2NY would provide that a Complex CUBE Order Auction of at least 500 contracts would execute in full at the single stop price against the Complex Contra Order under specified circumstances (the “AON Complex CUBE Order”).<sup>27</sup> As further proposed, a Complex Contra Order would not be permitted to guarantee an AON Complex CUBE Order for auto-match limit, which feature is otherwise available in a Complex CUBE Auction.<sup>28</sup>

The CUBE BBO for a proposed AON Complex CUBE Order would be determined in the same manner as for a Complex CUBE Order, which means an AON Complex CUBE Order would ensure the priority of such resting interest at the start of the Auction.<sup>29</sup> An AON Complex CUBE Order Auction would also be subject to the same early end events as a Complex CUBE Order, including the arrival of Customer interest that improves the stop price.<sup>30</sup>

<sup>25</sup> See Rule 971.1NY(c)(5)(B)(i)(b) (providing that, “if there is sufficient size of the CUBE Order still available after executing at better prices or against Customer interest, the Contra Order shall receive additional contracts required to achieve an allocation of the greater of 40% of the original CUBE Order size or one contract (or the greater of 50% of the original CUBE Order size or one contract if there is only one RFR Response)”).

<sup>26</sup> See generally Rule 971.2NY (for detailed description of operation of Complex CUBE Auction).

<sup>27</sup> See also proposed Commentary .04, Rule 971.2NY. See Rule 971.2NY(b)(1)(A) (setting forth parameters for single stop price). An AON Complex CUBE Order would be rejected for the same reasons as a Complex CUBE Order (see Rule 971.2NY(b)(2)–(5)).

<sup>28</sup> See Rule 971.2NY(b)(1)(B) (regarding parameters for auto-match limit price).

<sup>29</sup> A Complex AON CUBE Order and its paired Complex Contra Order would be rejected if it failed to meet the pricing parameters. See Rule 971.2NY(b) (regarding auction eligibility requirements). See *supra* note 15 (regarding example in Complex CUBE Notice setting forth the initiating price and range of permissible executions based CUBE BBO).

<sup>30</sup> See 971.1NY(c)(3) (setting forth the type of interest that causes the early end to a Complex CUBE Auction).

<sup>17</sup> See 971.1NY(c)(3) (setting forth the type of interest that causes the early end to a Complex CUBE Auction).

<sup>18</sup> See proposed Commentary .05, Rule 971.1NY. See Rule 971.1NY(c)(1)(A) (setting forth parameters for single stop price). An AON CUBE Order would be rejected for the same reasons as a CUBE Order (see Rule 971.1NY(b)(2)–(10)), except that the minimum size is 500 contracts, as opposed to one contract, as set forth in Rule 971.1NY(b)(8).

<sup>19</sup> See proposed Commentary .05, Rule 971.1NY. See also Rule 971.1NY(c)(1)(B)–(C) (regarding parameters for auto-match and auto-match limit price).

<sup>20</sup> An AON CUBE Order and its paired Contra Order would be rejected if it failed to meet the pricing parameters. See Rule 971.1NY(b) (regarding auction eligibility requirements). See *supra* note 9 (regarding examples in Single-Leg CUBE Notice setting forth the initiating price and range of permissible executions based on resting Customer interest at the BBO at the start of the Auction).

<sup>21</sup> See 971.1NY(c)(4) (setting forth the type of interest that causes the early end to a Single-Leg CUBE Auction).

<sup>22</sup> See proposed Commentary .05, Rule 971.1NY(a).

<sup>23</sup> See Rule 971.1NY (c)(5)(A) (providing Customer interest first priority to trade with the CUBE Order, pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3) at each price point) and (c)(5)(B)(i) (providing that, second to Customer interest, RFR Responses priced below (above) the stop price, beginning with the lowest (highest) price within the range of permissible executions will execute with the CUBE Order, pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3) at each price point).

<sup>24</sup> See Rule 964NY (regarding order ranking and priority).

As proposed, an AON Complex CUBE Order to buy (sell) would not execute in full with the Complex Contra Order if the entire AON Complex CUBE Order can be satisfied in full by contra-side Customer interest at the stop price or RFR Responses that price improve the stop price, or both. To effect this, the Exchange proposes that paragraph (a) to Commentary .04 to Rule 971.2NY would provide that the Complex Contra Order would not receive an allocation if:

(a) RFR Responses to sell (buy) at prices more aggressive than the stop price or Customer interest to sell (buy) at a price equal to the stop price, or both, that in the aggregate can satisfy the full quantity of the AON Complex CUBE Order, in which case, the RFR Responses will be allocated as provided for in paragraphs (c)(4)(A) and (c)(4)(B)(i) of this Rule, as applicable.<sup>31</sup>

Thus, any Customer RFR Responses that equal the price of the AON Complex CUBE Order may on its own or in combination with any non-Customer RFR Responses that improve the price of the AON CUBE Order, execute against the AON Complex CUBE Order provided that the size contingency of the order is met. The Exchange believes that providing RFR Responses an opportunity for an allocation in these specified circumstances is consistent with the Exchange's priority rules that give priority first to customer orders, and second to orders that provide price improvement.<sup>32</sup>

As further proposed, if RFR Responses and Customer interest to sell (buy) do not meet the requirements of proposed Commentary .04(a) to Rule 971.2NY, RFR Responses would not receive an allocation in the Auction for the AON Complex CUBE Order. The Exchange believes that this proposal is consistent with the terms of how AONs function generally without violating the Exchange's general priority rules.<sup>33</sup>

With respect to allocation, the Exchange notes that the proposed functionality differs from the allocation of a standard Complex CUBE Order in

that the Complex Contra Order is not guaranteed a minimum allocation at the stop price. Instead, given the AON nature of the functionality, the Complex Contra Order either trades with the entire AON Complex CUBE Order or not at all.<sup>34</sup>

With the exception of differences to the minimum size and allocation described in proposed Commentary .04 to Rule 971.2NY, an AON Complex CUBE Order would otherwise be subject to Rule 971.2NY with respect to all other aspects of the Complex CUBE Auction functionality.

#### Implementation

The Exchange will announce the implementation date of the proposed rule change in a Trader Update following the approval of this proposed rule change.

#### 2. Statutory Basis

For the reasons set forth above, the Exchange believes the proposed rule change is consistent with Section 6(b) of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act, in that it is designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The proposed functionality is intended to benefit investors, because it is designed to provide investors seeking to execute large option orders in the CUBE Auction with greater certainty regarding the price at which the order would be executed. This proposal would remove impediments to and perfect the mechanism of a free and open market and a national market system because it would provide ATP Holders that locate liquidity for their customers' larger-sized orders a facility in which to execute those orders at the agreed-upon price, while also providing an opportunity for such orders to be price improved if the full quantity can be price improved. The Exchange believes the proposed functionality would promote and foster competition and provide more options contracts with the opportunity for price improvement.

<sup>34</sup> See Rule 971.2NY(c)(4)(B)(i)(b) (providing that, "[a]t the stop price, if there is sufficient size of the Complex CUBE Order still available after executing at prices better than the stop price or against Customer interest, the Complex Contra Order will receive an allocation of the greater of 40% of the original Complex CUBE Order size or one contract (or the greater of 50% of the original Complex CUBE Order size or one contract if there is only one RFR Response)").

The Exchange believes that the proposed functionality would provide more efficient transactions, reduce execution risk to ATP Holders, and afford greater execution opportunities for larger-sized orders. The proposed functionality would operate within the Single-Leg CUBE and Complex CUBE (including by integrating Complex CUBE into the Complex Matching Engine, per Rule 971.2NY(a)) such that—because of the existing price-improvement requirements to initiate the respective CUBE Auctions that would be applicable to an AON CUBE Order or AON Complex CUBE Order—the Exchange is able to assure that the proposed functionality would continue to respect the priority of interest, in particular Customer interest, resting on the Consolidated Book when an Auction commences.

Further, the proposed functionality is reasonable and promotes a fair and orderly market and national market system, because it is substantially similar to the price improvement mechanisms for larger-sized orders available on other options exchanges. The Exchange believes this proposal may lead to an increase in Exchange volume and should allow the Exchange to better compete against other markets that already offer an all-or-none electronic solicitation mechanism for larger-sized orders. The Exchange believes that its proposal would allow the Exchange to better compete for solicited transactions, while providing an opportunity for price improvement on the larger-sized orders. In addition, the proposed functionality should promote and foster competition and provide more options contracts with the opportunity for price improvement, which should benefit market participants.

#### 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 is proposing the functionality as an optional market enhancement that, if utilized, should increase competition for ATP Holders seeking to execute larger-sized orders in an electronic auction mechanism. The Exchange notes that other options exchanges offer electronic auction mechanisms for larger-sized orders on an AON basis. While the Exchange has not conducted a comparison of the proposed functionality to the mechanisms that are available on other exchanges, the Exchange nonetheless believes the

<sup>31</sup> See proposed Commentary .04, Rule 971.2NY(a).

<sup>32</sup> See also Rule 971.2NY (c)(4)(A) (providing Customer interest first priority to trade with the Complex CUBE Order, at each price level, pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3) at each price point) and (c)(4)(B)(i) (providing that, second to Customer interest, RFR Responses priced below (above) the stop price, beginning with the lowest (highest) price within the range of permissible executions will execute with the Complex CUBE Order, pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3) at each price point).

<sup>33</sup> See Rule 980NY(b) ("Priority of Electronic Complex Orders in the Consolidated Book"). See also Rule 971.2NY (regarding processing of Complex CUBE Orders per Rule 980NY).

proposed functionality would provide ATP Holders with a greater choice of exchanges from which to execute such orders. The proposal is structured to offer the same enhancement to all market participants and would not impose an intra-market competitive burden on any participant. The price improvement functionality for the AON functionality for both Single-Leg and CUBE Auctions are designed to promote competition for ATP Holders to compete amongst each other by responding with not only their best price, but also the full size for a particular auction.

The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues who offer similar functionality. The Exchange believes that the proposed rule change will relieve any burden on, or otherwise promote, competition. The Exchange believes this proposed rule change is necessary to permit fair competition among the options exchanges and to establish more uniform price improvement auction rules on the various options exchanges. The proposed functionality may lead to an increase in Exchange volume and should allow the Exchange to better compete against other markets that already offer similar price improvement mechanisms for larger-sized orders. The Exchange anticipates that this proposal will create new opportunities for the Exchange to attract new business and compete on equal footing with those options exchanges that offer auction AON functionality for larger-sized orders and for this reason the proposal does not create an undue burden on intermarket competition. By contrast, not having the proposed functionality places the Exchange at a competitive disadvantage vis-à-vis other exchanges that offer similar price improvement mechanisms for larger-sized orders.

*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**

Within 45 days of the date of publication of this notice in the **Federal Register** or up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory

organization consents, the Commission will:

- (A) By order approve or disapprove the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be 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-NYSEAMER-2020-64 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-NYSEAMER-2020-64. 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-NYSEAMER-2020-64, and should be submitted on or before September 29, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>35</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2020-19714 Filed 9-4-20; 8:45 am]

**BILLING CODE 8011-01-P**

**SMALL BUSINESS ADMINISTRATION**

**[Disaster Declaration # 16633 and # 16634; LOUISIANA Disaster Number LA-00103]**

**Presidential Declaration Amendment of a Major Disaster for the State of Louisiana**

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Amendment 1.

**SUMMARY:** This is an amendment of the Presidential declaration of a major disaster for the State of Louisiana (FEMA-4559-DR), dated 08/28/2020.

*Incident:* Hurricane Laura.

*Incident Period:* 08/22/2020 through 08/27/2020.

**DATES:** Issued on 08/30/2020.

*Physical Loan Application Deadline Date:* 10/27/2020.

*Economic Injury (EIDL) Loan Application Deadline Date:* 05/28/2021.

**ADDRESSES:** Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

**FOR FURTHER INFORMATION CONTACT:** A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205-6734.

**SUPPLEMENTARY INFORMATION:** The notice of the President's major disaster declaration for the State of Louisiana, dated 08/28/2020, is hereby amended to include the following areas as adversely affected by the disaster:

*Primary Parishes (Physical Damage and Economic Injury Loans):* Vernon  
*Contiguous Parishes (Economic Injury Loans Only):*

Louisiana: Natchitoches, Sabine.

All other information in the original declaration remains unchanged.

<sup>35</sup> 17 CFR 200.30-3(a)(12).