

otherwise a part of, the Marketing Fee Program.

#### *B. Self-Regulatory Organization's Statement on Burden on Competition*

The Exchange believes the proposed amendments to its Fee Schedule will not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. 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 XSP transaction and routing fee amounts for each separate type of market participant will be assessed automatically and uniformly to all such market participants, *i.e.*, all qualifying (that is, routed, greater than or equal to 10 contracts, etc.). Customer orders in XSP will be assessed the same amount, all Market-Maker orders in XSP will be assessed the same amount, and so on. While lower fees are assessed to Customers, Customer order flow, importantly, provides increased trading opportunities signaling additional liquidity and ultimately enhancing overall market quality. As noted above, preferential pricing to Customers is a long-standing options industry practice. In addition to this, the proposed rule change to remove XSP from the SCORE Program and add it to the Marketing Fee Program will apply equally to all applicable transactions in XSP, in that, all Firm orders in XSP will, uniformly, not be eligible for the SCORE program and all Market-Maker orders in XSP will be uniformly assessed under, and otherwise a part of, the Marketing Fee Program (as almost all other options trading on the Exchange are). Overall, the proposed rule change is designed to increase incentive for customer order flow providers to submit customer order flow in XSP, which, as indicated above, contributes to a more robust market ecosystem 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 the proposed fees assessed and rebates offered apply to an Exchange proprietary product, which are traded exclusively on the Exchange and the Exchange's affiliated options exchange, BZX Options.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

#### **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>19</sup> and paragraph (f) of Rule 19b-4<sup>20</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-2020-108 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-2020-108. 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-2020-108 and should be submitted on or before December 9, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>21</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2020-25385 Filed 11-17-20; 8:45 am]

**BILLING CODE 8011-01-P**

#### **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-90395; File No. SR-NASDAQ-2020-075]

#### **Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Make Technical and Conforming Amendments to The Nasdaq Options Market Rules at Options 4**

November 12, 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 November 3, 2020, The Nasdaq Stock Market LLC ("Nasdaq" 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 Exchange. The Commission is publishing this notice to solicit

<sup>21</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>19</sup> 15 U.S.C. 78s(b)(3)(A).

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

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 amend The Nasdaq Options Market ("NOM") Rules at Options 4, Section 3, "Criteria for Underlying Securities," Options 4, Section 5, "Series of Options Contracts Open for Trading," and Options 4, Section 6, which is currently reserved, to relocate certain rule text and make other minor technical amendments.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/rules>, 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 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

The Exchange proposes to amend Options 4, Section 3, "Criteria for Underlying Securities," Options 4, Section 5, "Series of Options Contracts Open for Trading," and Options 4, Section 6, which is currently reserved, to relocate certain rule text and make other minor technical amendments. This rule change is similar to a rule change filed by Nasdaq BX, Inc.<sup>3</sup>

##### Options 4, Section 3

The Exchange proposes to amend Options 4, Section 3(1)(i) to add the words "or ETNs" after the phrase "collectively known as "Index-Linked Securities" for additional clarity. The Exchange believes that this addition of

"ETNs" will assist Participants in locating this rule text.

##### Options 4, Section 5

##### Relocate Rule Text

The Exchange proposes to relocate certain portions of the Supplementary Material to Options 4, Section 5 in order that rule text related to certain strike listing programs be placed with related rule text. Proposed relocated rule text is not being amended with this proposal.

The Exchange proposes to relocate Supplementary Material .11 within Options 4, Section 5 to new Options 4, Section 5(a)(1).

The Exchange proposes to relocate Supplementary Material .14 within Options 4, Section 5 to new Options 4, Section 5(e).

The Exchange proposes to relocate Supplementary Material .12 within Options 4, Section 5 to new Options 4, Section 5(f).

The Exchange proposes to relocate Supplementary Material .02 within Options 4, Section 5 to new Options 4, Section 6.

The Exchange proposes to relocate Supplementary Material .07 within Options 4, Section 5 to new Options 4, Section 5(h).

The Exchange proposes to relocate Supplementary Material .08 within Options 4, Section 5 to new Options 4, Section 5(i).

The Exchange proposes to relocate Options 4, Section 5(d)(iv) to Supplementary Material .02 within Options 4, Section 5 and add a title "\$2.50 Strike Price Interval Program."<sup>4</sup>

The Exchange proposes to delete the first sentence of Supplementary Material .03(e) within Options 4, Section 5, which provides "The interval between strike prices on Short Term Option Series shall be the same as the strike prices for series in that same option class that expire in accordance with the normal monthly expiration cycle." The Exchange notes that this rule text is not necessary because with the relocation of the strike listing rules for Short Term Option Series, which are proposed to be relocated from Supplementary Material .13 of Options 4, Section 5 to the end of Supplementary .03(e) of Options 4, Section 5, the reference becomes unnecessary.

The Exchange proposes to relocate Supplementary Material .13 within Options 4, Section 5 to the end of Supplementary .03(e) of Options 4, Section 5.

<sup>4</sup> The Exchange proposes to relocate current Supplementary Material .02 to Options 4, Section 5 to new Options 4, Section 6, as described below.

##### Other Technical Amendments

The Exchange proposes to update certain outdated citations to rule text within Options 4, Section 5. The Exchange proposes to lowercase the term "customer" within Options 4, Section 5(c). The Exchange proposes to re-number and re-letter certain sections for consistency, and remove reserved sections from the rule. The Exchange proposes to utilize the defined term "Commission"<sup>5</sup> within Options 4, Section 5(f). The Exchange proposes to add the words "Long-Term Options Series or" before the term "LEAPS" and add quotation marks in that same sentence within current Supplementary Material .01(b)(v) at Options 5, Section 5 which is being renumbered as Supplementary Material .01(b)(5) at Options 5, Section 5.

##### Options 4, Section 6

The Exchange proposes to amend Options 4, Section 6, which is currently reserved. Similar to Nasdaq ISE, LLC ("ISE") and Nasdaq BX, Inc., the Exchange proposes to relocate current Supplementary Material .02 to Options 4, Section 5 to new Options 4, Section 6 and title the section "Select Provisions of Options Listing Procedures Plan." The Exchange proposes to update and conform the rule text of current Supplementary Material .02 to Options 4, Section 5 to mirror the rule text within ISE Options 4, Section 6 as well as BX Options 4, Section 6. The Exchange proposes to add this sentence. "A complete copy of the current OLPP may be accessed at: [http://www.optionsclearing.com/products/options\\_listing\\_proceduresplan.pdf](http://www.optionsclearing.com/products/options_listing_proceduresplan.pdf)" to the end of proposed Options 4, Section 6(a) to provide greater detail. The Exchange also proposes to add a clause which provides that, "The series exercise price range limitations contained in subparagraph (a) above do not apply with regard to: the listing of Flexible Exchange Options," similar to ISE and BX. In addition to renumbering this section to correspond to ISE's and BX's numbering, the Exchange proposes additional rule text which mirrors ISE's and BX's rule text which states,

(iii) The Exchange may designate up to five options classes to which the series exercise price range may be up to 100% above and below the price of the underlying security (which underlying security price shall be determined in accordance with subparagraph (i) above). Such designations shall be made on an annual basis and shall not be removed during the calendar year unless the options

<sup>5</sup> The terms "Commission" or "SEC" mean the Securities and Exchange Commission (SEC), established pursuant to the Act. *See* General 1(b)(7).

<sup>3</sup> *See* Securities Exchange Act Release No. 90218 (October 19, 2020), 85 FR 67579 (October 23, 2020) (SR-BX-2020-030) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Make Technical Amendments to the Options Listing Rules).

class is delisted by the Exchange, in which case the Exchange may designate another options class to replace the delisted class. If a designated options class is delisted by the Exchange but continues to trade on at least one options exchange, the options class shall be subject to the limitations on listing new series set forth in subparagraph (i) above unless designated by another exchange.

(iv) If the Exchange that has designated five options classes pursuant to subparagraph (iii) above requests that one or more additional options classes be excepted from the limitations on listing new series set forth in subparagraph (i) above, the additional options class(es) shall be so designated upon the unanimous consent of all exchanges that trade the options class(es). Additionally, pursuant to the Exchange's request, the percentage range for the listing of new series may be increased to more than 100% above and below the price of the underlying security for an options class, by the unanimous consent of all exchanges that trade the designated options class.

Exceptions for an additional class or for an increase of the exercise price range shall apply to all standard expiration months existing at the time of the vote, plus the next standard expiration month to be added, and also to any non-standard expirations that occur prior to the next standard monthly expiration.

The Exchange believes that the addition of this rule text will harmonize NOM's Rule to ISE's Options 4, Section 6 as well as BX Options 4, Section 6 and also memorialize certain aspects of the Options Listing Procedures Plan so that market participants will have ease of reference in locating language concerning the Options Listing Procedures Plan.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>6</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>7</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. The Exchange's proposal to make a non-substantive amendment to Options 4, Section 3 to add the more commonly used term "ETN" next to "Index-Linked Securities" will allow Participants to search the rule text using the term "ETN".

Amending Options 4, Section 5 to relocate rule text within the related listing program will make the rule easier to understand. The rule text being relocated is not amended by this proposal. The remainder of the rule

changes within Options 4, Section 5 are non-substantive and intended to provide clarity to the rule text.

Relocating current Supplementary Material .02 to Options 4, Section 5 to new Options 4, Section 6 and titling the section "Select Provisions of Options Listing Procedures Plan" will harmonize NOM's listing rules with those of ISE and BX. Further, the Exchange believes that the addition of rule text within Options 4, Section 6, similar to ISE Options 4, Section 6 and BX Options 4, Section 6, will provide market participants with ease of reference in locating language concerning the Options Listing Procedures Plan.

The Exchange believes that the proposed amendments are consistent with the Act and the protection of investors and the general public because the amendments bring greater clarity to NOM's listing rules.

### 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 changes are non-substantive and are intended to provide greater clarity.

### 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) of the Act<sup>8</sup> and Rule 19b-4(f)(6) thereunder.<sup>9</sup>

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the

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

<sup>9</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its 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.

Act<sup>10</sup> normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)<sup>11</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. As the proposed rule change raises no novel issues and promotes clarity and consistency within the Exchange's options listing rules, 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>12</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-NASDAQ-2020-075 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-NASDAQ-2020-075. This file number should be included on the subject line if email is used. To help the Commission process and review your

<sup>10</sup> 17 CFR 240.19b-4(f)(6).

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

<sup>12</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>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

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-NASDAQ-2020-075, and should be submitted on or before December 9, 2020.

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

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

[FR Doc. 2020-25380 Filed 11-17-20; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-90403; File No. SR-CboeBZX-2020-084]

### Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Fee Schedule To Correct Drafting Error in a Footnote

November 12, 2020.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on November 9, 2020, Cboe BZX Exchange, Inc. (the "Exchange" or "BZX") filed with the Securities and Exchange Commission

(the "Commission") the proposed rule change as described in Items I, II, and III 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

Cboe BZX Exchange, Inc. (the "Exchange" or "BZX") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to amend the fee schedule. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange's website ([http://markets.cboe.com/us/equities/regulation/rule\\_filings/bzx/](http://markets.cboe.com/us/equities/regulation/rule_filings/bzx/)), at the Exchange's Office of the Secretary, 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

The Exchange proposes to amend its fee schedule to correct an inadvertent drafting error. Specifically, the Exchange submitted a rule filing on September 11, 2020 to amend the Fee Schedule,<sup>3</sup> which, among other things, amended the standard rates for orders that add liquidity in securities priced under \$1.00 by providing for a standard rebate of \$0.00009 per share ("September Filing"). As discussed in the September Filing, this change was intended to apply solely to orders yielding fee codes B, V and Y that add liquidity to the Exchange. Indeed, the filing specifically provided that this new standard rebate for orders in

securities priced below \$1.00 would be applied to "corresponding fee codes that add liquidity (i.e., B, V and Y)".

However, the proposed fee change incorrectly reflected the proposed \$0.00009 subdollar rebate in footnote 7 of the Fee Schedule, which is appended not only to fee codes B, V and Y, but also to fee codes HB, HI, HV, HY, RP and ZA. As a result of this drafting error, the Fee Schedule incorrectly indicates that the \$0.00009 subdollar rebate that was introduced for orders yielding fee codes B, V and Y in the September Filing also applies to fee codes HB, HI, HV, HY, RP and ZA. Therefore, the Exchange proposes to correct this inadvertent drafting error by removing footnote 7 from fee codes B, V and Y and adopting new footnote 19, appended to fee codes B, V and Y, to reflect the \$0.00009 rebate for orders in securities priced below \$1.00, as well as revising footnote 7 to provide, as it did prior to the September Filing, that no charge or rebate will be applied to orders in securities priced below \$1.00 that yield the fee codes to which footnote 7 remains appended (HB, HI, HV, HY, RP and ZA). The Exchange notes that the proposed rule change is merely corrective in nature and does not change any rates that are currently applied to orders that yield fee codes B, V, Y, HB, HI, HV, HY, RP and ZA.

###### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,<sup>4</sup> in general, and furthers the objectives of Section 6(b)(4),<sup>5</sup> in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and issuers and other persons using its facilities. The Exchange also believes that the proposed rule change is consistent with the objectives of Section 6(b)(5)<sup>6</sup> requirements that the rules of an exchange be 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, and, particularly, is not designed to permit

<sup>13</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> See Securities Exchange Act Release No. 89974 (September 23, 2020), 85 FR 61071 (September 29, 2020) (SR-CboeBZX-2020-071).

<sup>4</sup> 15 U.S.C. 78f.

<sup>5</sup> 15 U.S.C. 78f(b)(4).

<sup>6</sup> 15 U.S.C. 78f(b)(5).