SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; NYSE Chicago, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Extend the Effective Date in Interpretation and Policy .10 Under NYSE Chicago Article 6, Rule 13

April 29, 2021.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) or “Exchange Act”) and Rule 19b–4 thereunder,3 notice is hereby given that on April 29, 2021, NYSE Chicago, Inc. (“NYSE Chicago” or the “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to 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 a rule change to extend the effective date in Interpretation and Policy .10 (Temporary Extension of the Limited Period for Registered Persons to Function as Principals) under NYSE Chicago Article 6, Rule 13 (Registration Requirements) applicable to Participants, from April 30, 2021 to June 30, 2021. The Exchange does not anticipate providing any further extensions to the temporary relief identified in this proposed rule change beyond June 30, 2021.4 The proposed rule change is available on the 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 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 extend the effective date in Interpretation and Policy .10 (Temporary Extension of the Limited Period for Registered Persons to Function as Principals) under NYSE Chicago Article 6, Rule 13 (Registration Requirements) applicable to Participants, from April 30, 2021 to June 30, 2021. The proposed rule change would extend the 120-day period that certain individuals can function as a principal without having successfully passed an appropriate qualification examination through June 30, 2021, and would apply only to those individuals who were designated to function as a principal prior to March 3, 2021. This proposed rule change is based on a filing recently submitted by the Financial Industry Regulatory Authority, Inc. (“FINRA”)5 and is intended to harmonize the Exchange’s registration rules with those of FINRA so as to promote uniform standards across the securities industry. In response to COVID–19 global pandemic, last year FINRA began providing temporary relief by way of frequently asked questions (“FAQs”).6

4 The term “Participant” means any Participant Firm that holds a valid Trading Permit and any person associated with a Participant Firm who is registered with the Exchange. A Participant shall be considered a “member” of the Exchange for purposes of the Exchange Act. See NYSE Chicago Article 1, Rule 1(s).
5 See FINRA’s role as a self-regulatory organization, FINRA’s responsibilities, and the extent of the power delegated to FINRA. FINRA is an independent self-regulatory organization that has authority over transparency, market fairness, and the prevention of fraud and manipulation. FINRA’s role is to ensure that brokers and investors are protected from fraud, to ensure that self-regulatory organizations are transparent and fair, and to ensure that the public interest is served.
6 FINRA’s role is to ensure that brokers and investors are protected from fraud, to ensure that self-regulatory organizations are transparent and fair, and to ensure that the public interest is served.
7 FINRA’s role is to ensure that brokers and investors are protected from fraud, to ensure that self-regulatory organizations are transparent and fair, and to ensure that the public interest is served.
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12 FINRA’s role is to ensure that brokers and investors are protected from fraud, to ensure that self-regulatory organizations are transparent and fair, and to ensure that the public interest is served.
As mentioned in the prior filings, FINRA began providing, and then extended, temporary relief to address the interruptions in the administration of FINRA qualification examinations at Prometric test centers and the limited ability of individuals to sit for the examinations caused by the COVID–19 pandemic. The prior filings also noted that the pandemic could result in firms potentially experiencing significant disruptions to their normal business operations that may be exacerbated by being unable to keep principal positions filled. Specifically, the limitation of in-person activities and staff absenteeism as a result of the health and welfare concerns stemming from COVID–19 could result in firms having difficulty finding other qualified individuals to transition into that role or requiring them to reallocate employee time and resources away from other critical responsibilities at the firm.

While there are signs of improvement, the COVID–19 conditions necessitating the temporary relief persist and FINRA has determined that there is a continued need for this temporary relief beyond April 30, 2021. Although Prometric has resumed testing in many of its U.S. test centers, Prometric’s safety practices mean that currently not all test centers are open, some of the open test centers are at limited capacity, and some open test centers are delivering only certain examinations that have been deemed essential by the local government. In addition, while certain states have started to ease COVID–19 restrictions on businesses and social activities, public health officials continue to emphasize the importance for individuals to keep taking numerous steps to protect themselves and help slow the spread of the disease.

Although the COVID–19 conditions necessitating the temporary relief persist, in the FINRA Filing, FINRA stated that an extension of the relief is necessary only until June 30, 2021, because FINRA recently expanded the availability of online examinations. Prior to this expansion, the ongoing effects of the pandemic made it impracticable for FINRA members to ensure that the individuals who they had designated to function in a principal capacity, as set forth in FINRA Rule 1210.04, could successfully sit for and pass an appropriate qualification examination within the 120-calendar day period required under the rule. Specifically, if the individual wanted to take a qualifying examination, they were required to accept the health risks associated with taking an in-person examination because those examinations were not available online. On February 24, 2021, however, FINRA adopted an interim accommodation request process to allow candidates to take additional FINRA examinations online, including the General Securities Principal (“Series 24”) examination. Because the qualifying examination has been made available online only recently, FINRA is concerned that individuals who have been designated to function in a principal capacity may not have sufficient time to schedule, study for, and take the applicable examination before April 30, 2021, the date the temporary relief is set to expire. These ongoing circumstances make it impracticable for Participants to ensure that the individuals whom they have designated to function in a principal capacity, as set forth in Interpretation and Policy .03 under Article 6, Rule 13, are able to successfully sit for and pass an appropriate qualification examination within the 120-calendar day period required under the rule, or to find other qualified staff to fill this position. Therefore, NYSE Chicago is proposing to extend the effective date of the temporary relief provided through SR–NYSECHX–2020–33 until June 30, 2021. The proposed rule change would apply only to those individuals who were designated to function as a principal prior to March 3, 2021. Any individuals designated to function as a principal on or after March 3, 2021, would need to successfully pass an appropriate qualification examination within 120 days.

NYSE Chicago believes that this proposed continued extension of time is tailored to address the needs and constraints on a Participant’s operations during the COVID–19 pandemic, without significantly compromising critical investor protection. The proposed extension of time will help to minimize the impact of COVID–19 on Participants by providing continued flexibility so that Participants can ensure that principal positions remain filled. The potential risks from the proposed extension of the 120-day period are mitigated by the Participant’s interest in this unique environment.

13 Information about the continued impact of COVID–19 on FINRA-administered examinations is available at https://www.finra.org/rules-guidance/key-topics/covid-19/exams. See also supra note 13.

14 Information from Prometric about its safety practices and the impact of COVID–19 on its operations is available at https://www.prometric.com/covid-19-update/corona-virus-update. See also supra note 13.


16 See supra note 13.

17 Id.
outbreak on NYSE Chicago Participants’ operations by allowing them to keep principal positions filled and minimizing disruptions to client services and other critical responsibilities. Despite signs of improvement, the Exchange further stated that the ongoing extenuating circumstances of the COVID–19 pandemic make it impractical to ensure that individuals designated to act in these capacities are able to take and pass the appropriate qualification examination during the 120-calendar day period required under the rules.

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–NYSECHX–2021–09 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number SR–NYSECHX–2021–09. 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.

22 See supra notes 13 and 14. The Exchange notes that Prometric has also had to close some reopened test centers due to incidents of COVID–19 cases.

23 See supra note 13 (including the February 24, 2021 announcement of the interim accommodation process for candidates to take certain examinations, including the General Securities Principal (Series 24) Examination, online).

24 As noted above by the Exchange, this proposal is an extension of temporary relief provided in SR–NYSECHX–2020–28 and SR–NYSECHX–2020–33 where the Exchange also requested and the Commission granted a waiver of the 30-day

25 For purposes only of waiving the 30-day operational delay, the Commission has considered the proposed rule change’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).
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 such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NYSECHX–2021–09 and should be submitted on or before May 26, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.26

J. Matthew DeLesDernier,
Assistant Secretary.

[FR Doc. 2021–09437 Filed 5–4–21; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Miami International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Interpretation and Policy .13 (Temporary Extension of the Limited Period for Registered Persons to Function as Principals) To Exchange Rule 1900, Registration Requirements, To Extend the Expiration Date of the Temporary Amendment Set forth in SR–MIAX–2020–42 from April 30, 2021 to June 30, 2021

April 29, 2021.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")1 and Rule 19b–4 thereunder,2 notice is hereby given that on April 21, 2021, Miami International Securities Exchange, LLC ("MIAX" or the "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II below, which Items have been substantially 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 is filing a proposal to amend Interpretation and Policy .13 (Temporary Extension of the Limited Period for Registered Persons to Function as Principals) to Exchange Rule 1900, Registration Requirements, to extend the expiration date of the temporary amendment set forth in SR–MIAX–2020–42 from April 30, 2021 to June 30, 2021. The Exchange does not anticipate providing any further extensions to the temporary amendment identified in this proposed rule change beyond June 30, 2021.

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


notes that the FINRA Filing also provides temporarily relief to individuals registered with FINRA as Operations Professionals under FINRA Rule 1220. The Exchange does not have a registration category for Operations Professionals and therefore, the Exchange is not proposing to adopt that aspect of the FINRA Filing. If the Exchange seeks to provide additional temporary relief from the rule requirement identified in this proposal beyond June 30, 2021, it will submit a separate rule filing to further extend the temporary extension of time.

3 See Exchange Act Release No. 91506 (April 8, 2021) 86 FR 19671 (April 14, 2021) (SR–FINRA–2021–003) (the “FINRA Filing”). The Exchange those individuals who were designated to function as principals prior to March 3, 2021. This proposed rule change is based on a filing recently submitted by the Financial Industry Regulatory Authority, Inc. ("FINRA")4 and is intended to harmonize the Exchange’s registration rules with those of FINRA so as to promote uniform standards across the securities industry.

In response to the COVID–19 global pandemic, last year FINRA began providing temporary relief by way of frequently asked questions ("FAQs")5 to address disruptions to the administration of FINRA qualification examinations caused by the pandemic that have significantly limited the ability of individuals to sit for examinations due to Prometric test center capacity issues.6 FINRA published the first FAQ on March 20, 2020, providing that individuals who were designated to function as principals under FINRA Rule 1210.047 prior to February 2, 2020, would be given until May 31, 2020, to pass the appropriate principal qualification examination.8 On May 19, 2020, FINRA extended the relief to pass the appropriate examination until June 30, 2020. On June 29, 2020, FINRA again extended the temporary relief providing that individuals who were designated to function as principals under FINRA Rule 1210.04 prior to May 4, 2020, would be given until August 31, 2020, to pass the appropriate examination.


3 See https://www.finra.org/rules-guidance/key-topics/covid-19/faq#qe.

4 At the outset of the COVID–19 pandemic, all FINRA qualification examinations were administered at test centers operated by Prometric. Based on the health and welfare concerns resulting from COVID–19, in March 2020 Prometric closed all of its test centers in the United States and Canada and began to slowly reopen some of them at limited capacity in May. Currently, Prometic has resumed testing in many of its United States and Canada test centers, at either full or limited occupancy, based on local and government mandates.

7 Exchange Rule 1900, Interpretation and Policy .04, is the corresponding rule to FINRA Rule 1210.04.

8 FINRA Rule 1210.04 (Requirements for Registered Persons Functioning as Principals for a Limited Period) allows a FINRA-member firm to designate certain individuals to function in a principal capacity for 120 calendar days before having to pass an appropriate principal qualification examination. Exchange Rule 1900, Interpretation and Policy .04, provides the same allowance to Exchange Members.

