The Exchange has requested that the Commission waive the 30-day operative delay. The Commission notes that other exchanges have substantively similar rules regarding size limitation for certain incoming orders or quotes.18 In addition, the non-substantive amendments will correct typographical errors and remove duplicative text, which will bring greater clarity to BX’s rules. Thus, the Commission believes waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. The Commission therefore waives the 30-day operative delay and designates this proposal operative upon filing.19

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.

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–BX–2021–020 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–BX–2021–020. 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–BX–2021–020 and should be submitted on or before June 1, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.20
J. Matthew DeLesDernier, Assistant Secretary.
[FR Doc. 2021–10273 Filed 5–14–21; 8:45 am]
BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Nasdaq Options Market LLC Rules at Options 3, Section 7, Types of Orders and Order and Quote Protocols, and Options 3, Section 15, Risk Protections

May 11, 2021.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),1 and Rule 19b–4 thereunder,2 notice is hereby given that on April 28, 2021, 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 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 LLC (“NOM”) Rules at Options 3, Section 7, Types of Orders and Order and Quote Protocols, and Options 3, Section 15, Risk Protections.

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 NOM’s Rules at Options 3, Section 15, Risk Protections, to describe Size Limitation. The Exchange also proposes to amend Options 3, Section 7, Types of Orders and Order and Quote Protocols, to: (1) Remove the One-Cancels-the-Other Order; (2) indicate the risk protections that are applicable to On the Open Orders and Immediate or Cancel orders; and (3) remove references to an outdated OTTO protocol; and (4) make technical corrections. The Exchange also proposes to update a rule citation within General 1, Section 1, Definitions, and add and reserve certain sections within the Equity Rules. Each change is described below.

Options 3, Section 15

The Exchange proposes to amend Options 3, Section 15, Risk Protections, to add a new section (b)(2) to describe within its rules a current limitation that exists today as to the number of contracts an incoming order or quote may specify. Specifically, the maximum number of contracts, which shall not be

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18 See ISE, GEMX and MRX rules at Options 3, Section 15(a)(2)(B).
19 For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).
of Proposed Rule Change To Adopt a Two-Sided NASDAQ–2011–065) (The NASDAQ Stock Market
(May 4, 2011), 76 FR 27134 (May 10, 2011) (SR–
quotes utilizing NOM's Specialized
Market Makers may submit two-sided
was intended to permit Market Makers
was not available on NOM's System.
was able to utilize this order type as it
as part of that migration. No Participant
was able to utilize this order type as it
it was not available on NOM's System.
The Exchange proposes to remove the
“One-Cancels-the-Other Order”
currently located within Options 3,
Section 7(a)(8). A One-Cancels-the-
Other Order is an order entered by a
Market Maker that consists of a buy
order and a sell order treated as a unit;
the full execution of one of the orders
causes the other to be canceled. This
order type was adopted in 2011
and was to be implemented on or about
August 1, 2011 by issuance of an Option
Trader Alert as part of a larger
implementation related to a technology
migration. The One-Cancels-the-Other
Order was never implemented on NOM
as part of that migration. No Participant
was able to utilize this order type as it
was not available on NOM’s System.
The Exchange proposes to remove the
order type at this time. The order type
was intended to permit Market Makers
to submit a two-sided order consisting of
both a bid and an offer. Today,
Market Makers may submit two-sided
quotes utilizing NOM’s Specialized
Quote Feed or “SQF” quoting protocol.

The Exchange would file a rule change
with the Commission if it decides to
offer this order type in the future. The
Exchange proposes to renumber current
Options 3, Section 7(a)(9) and (10) new
Options 3, Section 7(a)(8) and (9).

The Exchange proposes to amend
Options 3, Section 7(b)(1) which
describes an On the Open Order or
“OPG” order. Today, an OPG order
can only be executed in the Opening Cross
pursuant to Options 3, Section 8.
Further, if after entry into the System,
the order is not fully executed in its
entirety during this time, the Exchange,
the order, or any unexecuted portion of
such order, will be cancelled back to the
entering participant. OPG orders may
not route. OPG orders are entered
during the Opening Cross utilizing
“Financial Information eXchange” or
“FIX.” OPG orders are currently not
subject to any protections listed in
Options 3, Section 15 describing risk
protections, except Size Limitation.6

Options 3, Section 7(b)(1) is currently
silent on the application of risk
protections. The Exchange proposes to
state that this order type is not subject
to any protections listed in
Options 3, Section 15, except Size
Limitation. With the proposed addition
of Size Limitation to proposed new
Options 3, Section 15(b)(2), the
Exchange proposes to note in the
proposed new text within Options 3,
Section 7(b)(1) that OPG orders are
subject to Size Limitation. The
Exchange notes that the Opening Cross
itself has boundaries within which
orders will be executed.9 Also, any
participant may enter an Opening Only
Order. Typically Market Makers submit
Valid Width NBBOs, as provided for
within Options 3, Section 8, during the
Opening Cross. Nasdaq BX’s OPG
Orders are also not subject to any risk
protections aside from Size
Limitation.10

messages; [6] Immediate-or-Cancel Order messages;
[7] risk protection triggers and purge notifications;
and [8] opening imbalance messages. The SQF
Purge Interface only receives and notifies of purge
request from the Market Maker. Market Makers may
only enter interest into SQF in their assigned
options series. Immediate-or-Cancel Orders entered
into SQF are not subject to the Order Price
Protection or the Market Order Spread Protection in
Options 3, Section 15(a)(1) and (a)(2), respectively.

FIX is an interface that allows Participants and
their Sponsored Customers to connect, send, and
receive messages related to orders to and from the
Exchange. Features include the following: (1)
Execution messages; (2) order messages; and (3)
risk protection triggers and cancel notifications. See
Options 3, Section 7(b)(1).

See Options 3, Section 7(b)(1).

See Options 3, Section 7(b)(1) which
currently provides that an OPG order is not subject
to any protections listed in Options 3, Section 15.

The Exchange proposes to amend
Options 3, Section 7(b)(2) which
describes an Immediate-or-Cancel Order or
“IOC” order. Today, the Exchange
describes an IOC order as a Market
Order or Limit Order to be executed
within or in part upon receipt. Any
portion not so executed is cancelled
and/or routed pursuant to the
Participant’s instruction.11 The rule text
currently also provides that “IOC orders
may be entered through FIX, OTTO or
SQF; IOC Orders entered through OTTO
or SQF may not route.” The Exchange
proposes to remove its “Ouch to
Trade Options” or “OTTO” protocol
from its rules.12 The citations to OTTO
within Options 3, Section 7 were
inadvertently not removed. At this time,
the Exchange proposes to remove those
remaining references to OTTO within
Options 3, Section 7 from the
descriptions of IOC orders and DAY
orders.13

The Exchange also proposes to note,
similar to Phlx and BX, that an IOC
order entered by a Market Maker
through Specialized Quote Feed or
“SQF” is not subject to certain risk
protections noted within Options 3,
Section 15. Today, an IOC order entered
through SQF is not subject to the Order
Price Protection or Market Order Spread
 Protections noted within Options 3,
Section 15(a)(1) and (a)(2), respectively.
Further, with the addition of Size
Limitation to proposed new Options 3,
Section 15(b)(2), the Exchange also
proposes to note that SQF orders are
not subject to Size Limitation. The
addition of this rule text will bring greater clarity
to the order type.

The Exchange notes that while only
orders are entered into FIX, SQF is a
quote protocol which also permits
Market Makers to enter IOC orders that
do not rest on the order book. The
Exchange has not elected to utilize
Order Price Protection, Market Order
Spread Protection, and Size Limitation
on SQF orders, as it did for FIX, because
Market Makers only utilize SQF to enter
IOC orders and Market Makers are
professional traders with their own risk

The Exchange is in the process of filing a rule
change to indicate that BX OPG orders are subject
to Size Limitation. See also SR–BX–2021–020.

See Options 3, Section 7(b)(2).

(December 17, 2020), 85 FR 84084 (December 23,
and Immediate Effectiveness of Proposed Rule
Change To No Longer Implement the OTTO
Protocol”).

“DAY” is an order entered with a TIF of “Day”
that expires at the end of the day on which it
was entered, if not executed. All orders by their
terms are Day Orders unless otherwise specified.
Day orders may be entered through FIX. See
proposed Options 3, Section 7(b)(3).

See supra note 6.
settings. FIX, on the other hand, is utilized by all market participants who may not have their own risk settings, unlike Market Makers.

Market Makers utilize IOC orders to trade out of accumulated positions and manage their risk when providing liquidity on the Exchange. Proper risk management, including using these IOC orders to offload risk, is vital for Market Makers, and allows them to maintain tight markets and meet their quoting and other obligations to the market. Market Makers handle a large amount of risk when quoting and in addition to the risk protections required by the Exchange, Market Makers utilize their own risk management parameters when entering orders, minimizing the likelihood of a Market Maker’s erroneous order from being entered. The Exchange believes that Market Makers, unlike other market participants, have the ability to manage their risk when submitting IOC orders through SQuF and should be permitted to elect this method of order entry to obtain efficiency and speed of order entry, particularly in light of the continuous quoting obligations the Exchange imposes on these participants. The Exchange believes that allowing Market Makers to submit IOC orders through their preferred protocol increases their efficiency in submitting such orders and thereby allows them to maintain quality markets to the benefit of all market participants that trade on the Exchange. Further, unlike other market participants, Market Makers provide liquidity to the market place and have obligations. Thus, the Exchange opted to not offer Order Price Protection, Market Order Spread Protection, and Size Limitation for IOC orders entered through SQuF because Market Makers have more sophisticated infrastructures than other market participants and are able to manage their risk.

The Exchange proposes to amend the description of Specialized Quote Feed within Options 3, Section 7(a)(1)(B) to make plural the word “request” and also add an “.,” after an e.g to conform the punctuation in the paragraph.

General 1, Section 1

The Exchange proposes to update a rule citation within General 1, Section 1 to Options 3, Section 20. The rule text currently cites Options 3, Section 4, but that citation was incorrectly updated in a prior rule change. The original citation was to Chapter V, Section 6, Nullification and Adjustment of Options Transactions including Obvious Errors. This rule was relocated to Options 3, Section 20 within that Relocation Rule Change.

Equity Rules

Nasdaq proposes to amend the Rulebook shell to add a new Equity 3A and Equity 8A and reserve those sections. Equity 3A will be utilized by BX Rulebook and the Exchange proposes to reserve that section in this Rulebook to demonstrate the section does not exist for the Nasdaq equity market. Equity 8A is utilized by Nasdaq Phlx within its Rulebook and the Exchange proposes to reserve that section in this Rulebook to demonstrate the section does not exist for the Nasdaq equity market. Also, Nasdaq proposes to add Sections 15–23 within Equity 9 and reserve those sections to harmonize the numbering of Nasdaq equity rules across its affiliated markets.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Section 6(b)(5) of the Act, in particular, in that it is designed to promote just and equitable principles of trade and to protect investors and the public interest.

Options 3, Section 15

The Exchange’s proposal to amend Options 3, Section 15, Risk Protections, to add a new section (b)(2) is consistent with the Act. The proposed amendment is intended to describe a current limitation that exists today as to the number of contracts an incoming order or quote may specify. Specifically, the maximum number of contracts, which shall not be less than 10,000, is established by the Exchange from time-to-time. Orders or quotes that exceed the maximum number of contracts are rejected. This System limitation is the same on all Nasdaq affiliated exchanges. Today, ISE, GEMX and MRX describe this limitation within those rules at Options 3, Section 15(a)(2)(B). NOM proposes to similarly describe this limitation in its rules. Options 3, Section 7

The Exchange’s proposal to remove the “One-Cancels-the-Other Order” currently located within Options 3, Section 7(a)(8) is consistent with the Act. This order type was adopted in 2011 and was to be implemented on or about August 1, 2011 by issuance of an Option Trader Alert as part of a larger implementation related to a technology migration, however, the new order type was never implemented on NOM as part of that migration. No Participant was able to utilize this order type on NOM’s System to date. The Exchange’s proposal to remove the order type protects investors and the public interest by making clear that the order type is not available. Further, the order type was intended to permit Market Makers to submit a two-sided order consisting of both a bid and an offer. Today, Market Makers may submit two-sided quotes utilizing NOMs SQF quoting protocol.

The Exchange’s proposal to amend OPG orders within Options 3, Section 7(b)(1) to make clear that OPG orders are currently not subject to any protections listed in Options 3, Section 15 describing risk protections, except Size Limitation is consistent with the Act and will bring greater clarity to the order type. Options 3, Section 7(b)(1) is currently silent on the application of risk protections. Today, OPG orders are not subject to any protections listed in Options 3, Section 15 except Size Limitation. With the proposed addition of Size Limitation to proposed new Options 3, Section 15(b)(2), the Exchange proposes to note in the proposed new text within Options 3, Section 7(b)(1) that OPG orders are subject to Size Limitation. The Exchange believes that it is consistent with the Act to not apply any risk protections during the Opening Cross as the Opening Cross itself has boundaries within which orders will be executed. Any participant may enter an Opening Only Order. Typically Market Makers submit Valid Width NBBOs, as provided for within Options 3, Section 8, during the Opening Cross. Nasdaq BX’s OPG Orders are also not subject to any risk protections aside from Size Limitation.

12 Market Makers have intra-day quoting obligations as specified in Options 2, Section 5.
13 See Securities Exchange Act Release No. 87779 (December 17, 2018), 84 FR 70590 (December 23,
The Exchange’s proposal to amend Options 3, Section 7(b)(2) and (b)(3), which describes IOC orders and DAY orders, to remove outdated citations to OTTO within Options 3, Section 7 that were inadvertently not removed is consistent with the Act. These amendments are non-substantive and will add clarity to these rules.

The Exchange’s proposal to note, similar to Phlx and BX, that an IOC order entered by a Market Maker through SQF is not subject to certain risk protections noted within Options 3, Section 15 is consistent with the Act. Today, an IOC order entered through SQF is not subject to the Order Price Protection Protocol or Market Order Spread Protection noted within Options 3, Section 15(a)(1) and (a)(2), respectively. Further, with the addition of Size Limitation to proposed new Options 3, Section 15(b)(2), the Exchange also proposes to note that SQF orders are not subject to Size Limitation. The addition of this rule text will bring greater clarity to the order type.

The Exchange notes that while only orders are entered into FIX, SQF is a quote protocol which also permits Market Makers to enter IOC orders that do not rest on the order book. The Exchange has not elected to utilize Order Price Protection, Market Order Spread Protection, and Size Limitation on SQF orders, as it did for FIX, because Market Makers only utilize SQF to enter IOC orders and Market Makers are professional traders with their own risk settings. FIX, on the other hand, is utilized by all market participants who may not have their own risk settings, unlike Market Makers.

Market Makers utilize IOC orders to trade out of accumulated positions and manage their risk when providing liquidity on the Exchange. Proper risk management, including using these IOC orders to offload risk, is vital for Market Makers, and allows them to maintain tight markets and meet their quoting and other obligations to the market. Market Makers handle a large amount of risk when quoting and in addition to the risk protections required by the Exchange, Market Makers utilize their own risk management parameters when entering orders, minimizing the likelihood of a Market Maker’s erroneous order from being entered. The Exchange believes that Market Makers, unlike other market participants, have the ability to manage their risk when submitting IOC orders through SQF and should be permitted to elect this method of order entry to obtain efficiency and speed of order entry, particularly in light of the continuous quoting

options the Exchange imposes on these participants.

The Exchange believes that allowing Market Makers to submit IOC orders through their preferred protocol increases their efficiency in submitting such orders and thereby allows them to maintain quality markets to the benefit of all market participants that trade on the Exchange. Further, unlike other market participants, Market Makers provide liquidity to the market place and have obligations. The Exchange believes not offering Order Price Protection, Market Order Spread Protection, and Size Limitation for IOC orders entered through SQF is consistent with the Act because Market Makers have more sophisticated infrastructures than other market participants and are able to manage their risk.

Finally, the Exchange’s proposal to amend the description of Specialized Quote Feed within Options 3, Section 7(e)(1)(B) to make plural the word “request” and also add an “...” after an e.g to conform the punctuation in the paragraph is consistent with the Act. These changes are non-substantive.

General 1, Section 1

The Exchange’s proposal to update an incorrect rule citation within General 1, Section 1 to Options 3, Section 20 is consistent with the Act. The rule text currently cites Options 3, Section 4, but that citation was incorrectly updated in a prior rule change. The original citation was to Chapter V, Section 6, Nullification and Adjustment of Options Transactions including Obvious Errors. This rule was relocated to Options 3, Section 20 within that Relocation Rule Change. This amendment will bring clarity to this rule.

Equity Rules

Nasdaq’s proposal to amend the Rulebook to add a new Equity 3A and Equity 8A and reserve those sections is consistent with the Act. Equity 3A will be utilized by the BX Rulebook and the Exchange proposes to reserve that section in this Rulebook to demonstrate the section does not exist for the Nasdaq equity market. Equity 8A is utilized by Phlx within its Rulebook and the Exchange proposes to reserve that section in this Rulebook to demonstrate the section does not exist for the Nasdaq equity market. Also, Nasdaq proposes to add Sections 15–23 within Equity 9 and reserve those sections to harmonize the numbering of Nasdaq equity rules across its affiliated markets.

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 not necessary or appropriate in furtherance of the purposes of the Act.

Options 3, Section 15

The Exchange’s proposal to amend Options 3, Section 15, Risk Protections, to add a new section (b)(2) does not impose an undue burden on competition. The proposed amendment is intended to describe a current limitation that exists today as to the number of contracts an incoming order or quote may specify. This System limitation is the same on all Nasdaq affiliated exchanges. Today, ISE, GEMX and MRX describe this limitation within its rules at Options 3, Section 15(a)(2)(B). NOM proposes to similarly describe this limitation in its rules.

Options 3, Section 7

The Exchange’s proposal to remove the “One-Cancels-the-Other Order” currently located within Options 3, Section 7(a)(8) does not impose an undue burden on competition. No Participant was able to utilize this order type on NOM’s System to date. The Exchange’s proposal to remove the order type will make clear that the order type is not available. Further, the order type was intended to permit Market Makers to submit a two-sided order consisting of both a bid and an offer. Today, Market Makers may submit two-sided quotes utilizing NOM’s SQF quoting protocol.

The Exchange’s proposal to amend Options 3, Section 7(b)(1) to make clear that Size Limitation applies to OPG orders and the remainder of the risk protections noted within Options 3, Section 15 do not apply to OPG orders does not impose an undue burden on competition. The proposed rule text will clarify the manner in which risk protections interact with this order type. The Opening Cross itself has boundaries within which orders will be executed. Any participant may enter an Opening Only Order. Typically Market Makers submit Valid Width NBBOs, as provided for within Options 3, Section 8, during the Opening Cross.

The Exchange’s proposal to amend Options 3, Section 7(b)(2) and (b)(3),
which describes IOC orders and DAY orders, to remove outdated citations to OTTO within Options 3, Section 7 that were inadvertently not removed does not impose an undue burden on competition. These amendments are non-substantive and will add clarity to these rules.

The Exchange’s proposal to note, similar to Phlx and BX, that an IOC order entered by a Market Maker through SQF is not subject to certain risk protections noted within Options 3, Section 15 does not impose an undue burden on competition. Today, an IOC order entered through SQF is not subject to the Order Price Protection or Market Order Spread Protections noted within Options 3, Section 15(a)(1) and (a)(2), respectively. Further, with the addition of Size Limitation to proposed new Options 3, Section 15(b)(2), the Exchange also proposes to note that SQF orders are not subject to Size Limitation. The addition of this rule text will bring greater clarity to the order type.

The Exchange notes that while only orders are entered into FIX, SQF is a quote protocol which also permits Market Makers to enter IOC orders that do not rest on the order book. The Exchange has not elected to utilize Order Price Protection, Market Order Spread Protection, and Size Limitation on SQF orders, as it did for FIX, because Market Makers only utilize SQF to enter IOC orders and Market Makers are professional traders with their own risk settings. FIX, on the other hand, is utilized by all market participants who may not have their own risk settings, unlike Market Makers.

The Exchange believes that Market Makers, unlike other market participants, have the ability to manage their risk when submitting IOC orders through SQF and should be permitted to elect this method of order entry to obtain efficiency and speed of order entry, particularly in light of the continuous quoting obligations the Exchange imposes on these participants. Further, unlike other market participants, Market Makers provide liquidity to the market place and have obligations.34

Finally, the Exchange’s proposal to amend the description of Specialized Quote Feed within Options 3, Section 7(e)(1)(B) to make plural the word “request” and also add an “...” after an e.g to conform the punctuation in the paragraph does not impose an undue burden on competition. These changes are non-substantive.

General 1, Section 1

The Exchange’s proposal to update an incorrect rule citation within General 1, Section 1 to Options 3, Section 20 does not impose an undue burden on competition. The rule text currently cites Options 3, Section 4, but that citation was incorrectly updated in a prior rule change.35 The original citation was to Chapter V, Section 6, Nullification and Adjustment of Options Transactions including Obvious Errors. This rule was relocated to Options 3, Section 20 within that Relocation Rule Change. This amendment will bring clarity to this rule.

Equity Rules

Nasdaq’s proposal to amend the Rulebook shall to add a new Equity 3A and Equity 8A and reserve those sections does not impose an undue burden on competition. Equity 3A will be utilized by the BX Rulebook and the Exchange proposes to reserve that section in this Rulebook to demonstrate the section does not exist for the Nasdaq equity market.36 Equity 8A is utilized by Phlx within its Rulebook and the Exchange proposes to reserve that section in this Rulebook to demonstrate the section does not exist for the Nasdaq equity market.37 Also, Nasdaq proposes to add Sections 15–23 within Equity 9 and reserve those sections to harmonize the numbering of Nasdaq equity rules across its affiliated markets.

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 determine, it has become effective pursuant to Section 19(b)(3)(A) of the Act38 and subparagraph (f)(6) of Rule 19b–4 thereunder.39

The Exchange has requested that the Commission waive the 30-day operative delay. The Commission notes that other exchanges have substantively similar rules regarding size limitation for certain incoming orders or quotes.40 In addition, removing references to an order type and protocol that are not available on the Exchange will bring greater clarity to NOM’s rules, as will the non-substantive amendments, which correct typographical errors, remove duplicative text, and align the Exchange’s rulebook numbering with that of an affiliated exchange. Thus, the Commission believes waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. The Commission therefore waives the 30-day operative delay and designates this proposal operative upon filing.41

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.

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–NASDQ–2021–030 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–NASDQ–2021–030. This file number should be included on the subject line if email is used. To help the Commission process and review your 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.

40 See ISE, GEMX and MRX rules at Options 3, Section 15(e)(2)(f).
41 For purposes only of waiving the 30–day operative delay, the Commission has also considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

38 See supra note 16.
39 See supra note 17.
40 See Phlx Equity 8A Unlisted Trading Privileges: Proxy and Other Rules.
42 17 CFR 240.19–4(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

34 See supra note 15.
In the event that the time, date, or location of this meeting changes, an announcement of the change, along with the new time, date, and/or place of the meeting will be posted on the Commission’s website at https://www.sec.gov.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552(b)(3), (5), (6), (7), (8), (9)(B) and (10) and 17 CFR 200.402(a)(3), (a)(5), (a)(6), (a)(7), (a)(8), (a)(9)(ii) and (a)(10), permit consideration of the scheduled matters at the closed meeting. The subject matter of the closed meeting will consist of the following topics:

Institution and settlement of injunctive actions;
Institution and settlement of administrative proceedings;
Resolution of litigation claims; and
Other matters relating to examinations and enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting agenda items that may consist of adjudicatory, examination, litigation, or regulatory matters.

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


Vanessa A. Countryman,
Assistant Secretary.

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SEcurities and exchange commission

Sunshine Act Meetings

TIME AND DATE: 2 p.m. on Thursday, May 20, 2021.

PLACE: The meeting will be held via remote means and/or at the Commission’s headquarters, 100 F Street NE, Washington, DC 20549.

STATUS: This meeting will be closed to the public.

MATTERS TO BE CONSIDERED:
Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters also may be present.

Rule 34b–1 under the Investment Company Act (17 CFR 270.34b–1) governs sales material that accompanies or follows the delivery of a statutory prospectus (“sales literature”). Rule 34b–1 deems to be materially misleading any investment company (“fund”) sales literature required to be filed with the Securities and Exchange Commission (“Commission”) by Section 24(b) of the Investment Company Act (15 U.S.C. 80a–24(b)) that includes performance data, unless the sales literature also includes the appropriate uniformly computed data and the legend disclosure required in investment company advertisements by rule 482 under the Securities Act of 1933 (17 CFR 230.482). Requiring the inclusion of such standardized performance data in sales literature is designed to prevent misleading performance claims by funds and to enable investors to make meaningful comparisons among funds.

The Commission estimates that on average approximately 351 respondents file 7,362 responses that include the information required by rule 34b–1 each year. The burden resulting from the collection of information requirements of rule 34b–1 is estimated to be 6 hours per response. The total hourly burden for rule 34b–1 is approximately 46,278 hours per year in the aggregate.

The collection of information under rule 34b–1 is mandatory. The information provided under rule 34b–1 is not kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number. The public may view background documentation for this information collection at the following website: www.reginfo.gov. Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to (i) www.reginfo.gov/public/do/PRAMain and (ii) David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o Cynthia Roscoe, 100 F Street NE, Washington, DC 20549, or by sending an email to: PRA_Mailbox@sec.gov.

1 The estimated number of responses to rule 34b–1 is composed of 7362 responses filed with FINRA and 351 responses filed with the Commission in 2019.

2 7713 responses × 6 hours per response = 46,278 hours.