SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Provide Enhanced Clarity for Deadlines and Processing Times

June 16, 2021.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act") and Rule 19b–4 thereunder, notice is hereby given that on June 8, 2021, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act and Rule 19b–4(f)(4) thereunder. The Commission is publishing this notice to solicit comments it received on the proposed rule change and discussed concerning the purpose of and basis for the proposed rule change.

I. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of DTC-established Stakeholder Deadlines is to help DTC efficiently and effectively manage its services and processes. For example, if a Participant operational delay affects the ability of one or more Participants to meet the DTC-established Stakeholder Deadline, the Participant will understand that it is unlikely that it would get same-day turnaround from DTC and plan accordingly, for instance, by ensuring that it submits its transaction with adequate lead-time.

(ii) DTC Processing Times

The Service Guides and the OA also describe DTC Processing Times in connection with certain services. The purpose of describing these DTC Processing Times is to provide Participants and other stakeholders with information about the typical timing or timeframe of a DTC action or process, in order to help Participants and other stakeholders to more efficiently and effectively use and understand DTC’s services and processes. For example, if a Service Guide states that the processing time for a particular service is typically two business days, the Participant will understand that it is unlikely that it would get same-day turnaround from DTC and plan accordingly, for instance, by ensuring that it submits its transaction with adequate lead-time.

(iii) Overview of Proposed Rule Change

DTC believes that Participants and other stakeholders benefit from clear information about their rights and obligations relating to DTC-established Stakeholder Deadlines and DTC Processing Times so that they are able to plan and conduct their business and securities transactions more effectively. Recent events, such as the COVID–19 pandemic and market volatility, have emphasized the need for flexibility in times of stress and the importance of transparency with respect to deadlines and timeframes. Accordingly, after reviewing the Service Guides and the OA, DTC is proposing to enhance the transparency around the DTC-established Stakeholder Deadlines and DTC Processing Times that are described in the Service Guides and the OA.

Therefore, DTC is proposing to amend the Service Guides and the OA to clarify that (i) DTC may extend any DTC-established Stakeholder Deadline, including, without limitation, to (x) address operational or other delays that could reasonably affect the ability of DTC, a Participant, or other stakeholder from meeting the DTC-established

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6 Stakeholders include issuers, agents (as defined in the OA), underwriters (as defined in the OA), and other parties, as context requires.
7 For example, the OA requires that, in order for DTC to make a same day allocation of funds, the agent must provide DTC with CUSIP-specific details for the payment before 2:50 p.m. on payable date, and that the details must match the amount of funds that are received by DTC no later than 3:00 p.m. See OA, supra note 5, at 27.
8 For example, the Settlement Service Guide indicates that at 1:30 p.m. on a settlement day, DTC releases all pending delivery account positions and reverts to default recycle processing. See Settlement Service Guide, supra note 5, at 26.
Stakeholder Deadline or (y) allow DTC time operationally to exercise its existing rights under the Rules and Procedures; and (ii) the DTC Processing Times are standards and not deadlines; actual processing times may vary, based upon the circumstances. For additional transparency, DTC is proposing to clarify that any decision to extend a DTC-established Stakeholder Deadline in one instance does not establish any precedent for future situations that may arise.

In addition, although the Important Legal Information page of the Service Guides and the OA already contain general disclaimers of liability, DTC is proposing to expressly state that DTC disclaims all liability for any losses and/or expenses incurred by a Participant, stakeholder, or any third-party resulting from, relating to, or arising from (i) any action taken by DTC with respect to an extension of a DTC-established Stakeholder Timeframe, (ii) the determination of DTC to decline to take action with respect to a DTC-established Stakeholder Timeframe, and/or (iii) the failure of a Participant, stakeholder or any third-party to meet any deadline, timeframe, cutoff or requirement established by a party other than DTC.

DTC believes that this express disclaimer would enhance the understanding of Participants and other stakeholders of their responsibilities in connection with DTC-established Stakeholder Deadlines and possible extensions, which would help them to more effectively assess the risks relating to an inability to meet a DTC-established Stakeholder Deadline and conduct their business accordingly.

(b) Clearing Agency’s Statement on Burden on Competition

DTC does not believe the proposed rule changes described above would impact competition. Rather, DTC believes that the proposed rule changes would simply provide enhanced clarity around the rights and obligations of Participants and other stakeholders with respect to DTC-established Stakeholder Deadlines and DTC Processing Times, and would help them to appropriately plan and to conduct their business and securities transactions through DTC more effectively. As such, DTC believes the proposed rule changes would not have any impact on competition.11

(C) Clearing Agency’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments relating to the proposed rule change have not been solicited or received. DTC will notify the Commission of any written comments received by DTC.

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)12 of the Act and paragraph (f)13 of Rule 19b–4 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.

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–DTC–2021–009 on the subject line.

Paper Comments

• Send paper comments in triplicate to Secretary, Securities and Exchange

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; BOX Exchange LLC; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change To Adopt BOX Rule 7670 To Establish a Virtual Trading Floor on BOX

June 16, 2021.

On April 16, 2021, BOX Exchange LLC ("Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")1 and Rule 19b–4 thereunder,2 a proposed rule change to establish a virtual trading floor on the Exchange. The proposed rule change was published for comment in the Federal Register on May 5, 2021.3

Section 19(b)(2) of the Act4 provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding, or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is June 19, 2021.

The Commission is extending the 45-day time period for Commission action on the proposed rule change. The Commission finds it appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change.

Accordingly, pursuant to Section 19(b)(2) of the Act,5 the Commission designates August 3, 2021, as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR–BOX–2021–07).

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

J. Matthew DeLesDernier, Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Exchange’s Pricing Schedule at Options 7, Section 5

June 16, 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 June 11, 2021, Nasdaq PHLX LLC ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "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

The Exchange proposes to amend the Exchange’s Pricing Schedule at Options 7, Section 5 to adopt an incentive program for Lead Market Makers ("LMMs") and Market Makers in Nasdaq 100 Micro Index ("XND") options.

The text of the proposed rule change is available on the Exchange’s website at https://listingcenter.nasdaq.com/rulebook/phlx/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

5 Id.