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–CboeBZX–2019–002 and should be submitted on or before March 12, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[15]

Eduardo A. Aleman,

Deputy Secretary.

[FR Doc. 2019–02605 Filed 2–15–19; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–85111; File No. SR–NASDAQ–2019–005]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Certain Rules of the Rule 7000A Series Concerning the Order Audit Trail System

February 12, 2019.

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 February 1, 2019, 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 certain rules of the Rule 7000A Series concerning the Order Audit Trail System to make conforming and technical changes. The text of the proposed rule change is available on the Exchange's website at *http://nasdaq.cchwallstreet.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 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 is proposing to amend certain rules of the Rule 7000A Series concerning FINRA's Order Audit Trail System (''OATS'') to make conforming and technical changes. The Exchange's Rule 7000A Series imposes an obligation on Exchange members to record in electronic form and report to FINRA on a daily basis certain information with respect to orders originated, received, transmitted, modified, canceled, or executed by members in Nasdaq-listed stocks. OATS captures this order information and integrates it with quote and transaction information to create a time-sequenced record of orders, quotes, and transactions. This information is used by FINRA staff to conduct surveillance and investigations of members for potential violation of Exchange rules, federal securities laws, and FINRA rules. As such, the Exchange and its sister exchanges, Nasdaq BX, Inc. (''BX'') and Nasdaq PHLX LLC (''PHLX''), endeavor to keep their OATS rules consistent with FINRA's OATS rules, as well as with each other's.

BX and PHLX recently updated and harmonized their respective OATS rules with those of the Exchange and FINRA. Through this process, several technical issues were identified with the Exchange's OATS rules that require a rule change. This proposed rule change makes those changes.[3]

First, the Exchange is proposing to amend Rule 7410A, which defines terms used in the OATS rules. The Exchange is proposing to change the reference to the Rule 7400A Series immediately under the title of the Rule to instead reference the Rule 7000A Series, which is the correct citation. The Exchange is also proposing to amend the definition of ''Nasdaq Market Center'' under Rule 7410A(d). Nasdaq has a more comprehensive definition of the ''Nasdaq Market Center'' under Rule 4701(a). As a consequence, the Exchange is proposing to amend Rule 7410A(d) to note that the term ''Nasdaq Market Center'' has the same meaning as that term has under Rule 4701(a). The Exchange is adding an omitted hyphen to the term ''over-the-counter'' within the definition of ''Electronic Communication Network.'' The Exchange is also proposing to delete the defined term ''NMS stock'' from paragraph (j) of the rule, and re-letter the remaining rules accordingly. The term ''NMS stock'' is not used in Nasdaq's OATS rules. The term is used in FINRA Rule 7410(k), defining ''Order Audit Trail System, whereas the Exchange instead references Nasdaq listed securities under Rule 7410A(l). Moreover, neither BX nor PHLX defines the term in its respective OATS rules. Thus, the Exchange believes that the defined term is not needed for purposes of its OATS rules, and is accordingly deleting the definition and re-lettering the subparagraphs that follow. The Exchange is proposing to apply lower case letters to the term bona fide hedge transaction within the definition of ''Order'' under re-lettered paragraph (j). The Exchange notes that it currently capitalizes the term ''Bona Fide Hedge Transaction'' under the rule, although the term is not defined in Nasdaq's rules. The Exchange believes that capitalizing the term was an error and is therefore not capitalizing the term in Rule 7410A(j). The Exchange notes that neither BX nor PHLX chose to capitalize the term for purposes of their [sic] OATS rules. The Exchange is proposing to move text within the definition of ''Reporting Member'' to conform it to how BX and PHLX present the subparagraphs within their definition of ''Reporting Member'' and ''Reporting Member Organization,'' respectively. Last, the Exchange is proposing to amend Rule 7410A(o) to cross-reference the definition of [sic] term ''customer'' under Rule 7410A(c) instead of cross-referencing the definition under Rule 0120(g), which is equivalent to the definition under Rule 7410A(c).

Second, the Exchange is proposing to amend Rule 7440A to delete a sentence from Rule 7440A(a), which notes that members are complying with these rules by complying with the related FINRA rules 7440(a). The Exchange believes these sentences are duplicative of the

[15] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] The Exchange is making a technical change to the rule numbering under the Rule 7000A Series to add a period after the individual rule numbers under the Series.

first sentence of Rule 7440A(a), which states that Nasdaq members and persons associated with a member shall comply with FINRA Rule 7440 as if such Rule were part of Nasdaq's rules. The Exchange notes that neither BX nor PHLX chose to incorporate that sentence into their [sic] related OATS rules.

Third, the Exchange is proposing to amend Rule 7450A(b) to include the term ''associated persons.'' Rule 7450A concerns order data transmission requirements, and paragraph (b) thereunder provides the requirements applicable to proprietary trading firms. Both BX and PHLX apply their related rules to both proprietary trading firms and their associated persons. The Exchange believes that it was an omission to not include associated persons under the rule and is therefore including associated persons thereunder.

Last, the Exchange is proposing to clarify under Rules 7440A and 7450A that certain rules cited thereunder are FINRA rules. The Exchange is also clarifying under Rules 7440A(a) and 7450A(a) that the regulatory services contract noted under the rule is an agreement with FINRA. These clarifying changes will also harmonize the pertinent parts of Rules 7440A and 7450A with the respective rules of BX and PHLX.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[4] in general, and furthers the objectives of Section 6(b)(5) of the Act,[5] 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, by harmonizing the Exchange's OATS rules with those of BX and PHLX, with which they should materially match. Consequently, the proposed change will promote consistent regulatory standards with respect to rules that FINRA enforces pursuant to its Regulatory Services Agreements with the Exchange, BX and PHLX. With respect to the proposed technical corrections to the rules, the Exchange believes that these changes are consistent with the Act because they will prevent investor confusion that may be caused by inconsistencies and vagueness in the Rules.

[4] 15 U.S.C. 78f(b).

[5] 15 U.S.C. 78f(b)(5).

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. The proposed rule change align [sic] the Exchange's rules with those of BX and PHLX, which will assist FINRA in its oversight work done pursuant to a regulatory services agreement with the Exchange. The proposed changes also provide uniform standards with which market participants must comply. Consequently, the Exchange does not believe that the proposed changes implicate competition at all.

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[6] and Rule 19b–4(f)(6) thereunder.[7]

A proposed rule change filed pursuant to Rule 19b–4(f)(6) under the Act[8] normally does not become operative for 30 days after the date of its filing. However, Rule 19b–4(f)(6)(iii)[9] 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 so that the proposed rule change may become operative upon filing. Waiver of the operative delay would allow the Exchange to update its rules without delay to make technical changes that would improve clarity and simplify FINRA's work under the Regulatory Services Agreements with the Exchange, BX, and PHLX. Therefore, 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.[10]

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.* Please include File Number SR–NASDAQ–2019–005 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–2019–005. 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

[6] 15 U.S.C. 78s(b)(3)(A).

[7] 17 CFR 240.19b–4(f)(6).

[8] 17 CFR 240.19b–4(f)(6).

[9] 17 CFR 240.19b–4(f)(6)(iii).

[10] 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).

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–2019–005 and should be submitted on or before March 12, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[11]

Eduardo A. Aleman,

Deputy Secretary.

[FR Doc. 2019–02608 Filed 2–15–19; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–85113; File No. SR–NASDAQ–2019–004]

Self-Regulatory Organizations; the Nasdaq Stock Market LLC; Notice of Filing of Proposed Rule Change To Adopt a New MIDP Routing Option Under Rule 4758 and Make a Conforming Change to Rule 4703(e)

February 12, 2019.

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 January 31, 2019, The Nasdaq Stock Market LLC (''Nasdaq'' or ''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 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 adopt a new MIDP routing option under Rule 4758 and make a conforming change to Rule 4703(e).

The text of the proposed rule change is available on the Exchange's website at *http://nasdaq.cchwallstreet.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 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 is proposing to adopt MIDP, a new order routing[3] option under Rule 4758(a)(1)(A). The Exchange provides a variety of routing options under Rule 4758(a)(1). Routing options may be combined with all available Order Types and Times-in-Force, with the exception of Order Types and Times-in-Force whose terms are inconsistent with the terms of a particular routing option. The MIDP routing option would allow members to seek midpoint liquidity on Nasdaq and other markets on the System routing table.[4] Specifically, the MIDP routing option may be assigned only to a Non-Displayed Order Type[5] with a Midpoint Pegging Order Attribute.[6] An Order with MIDP will check the System for available shares and then the remaining shares are routed to destinations on the System routing table[7] that support midpoint eligible orders with a limit price that is at the lesser (greater) of: (1) The current NBO (NBB); or (2) the Order's entered limit price (if applicable).[8] If shares remain unexecuted after routing, the Order returns to Nasdaq and will check the System for available shares, with remaining shares posted on the Nasdaq Book[9] as a Non-Displayed Order with a Midpoint Pegging Order Attribute.[10]

A member may specify a Minimum Quantity Order Attribute upon entry.[11] Minimum Quantity is an Order Attribute that allows a Participant to provide that an Order will not execute unless a specified minimum quantity of shares can be obtained.[12] If at any point during the routing process, but prior to returning to post on the Nasdaq Book (unless an IOC), the remaining size of the Order becomes less than the specified minimum quantity, the Order will be cancelled back to the member. This will avoid an execution of a member's Order that is inconsistent with its minimum quantity instructions. If shares remain unexecuted after routing, they return to Nasdaq and check the System for available shares with remaining shares posted on the Nasdaq Book as a Non-Displayed Order with a Midpoint Pegging Order Attribute and the minimum quantity condition specified by the member upon entry of the Order. For example, if the National Best Bid and Offer (''NBBO'') is $5.00 × $5.01 and a member enters a Non-Displayed Order with a Midpoint Pegging Order Attribute to buy 500

[11] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] Routing is an Order Attribute that allows a Participant to designate an Order to employ one of several Routing Strategies (also called ''routing options'') offered by Nasdaq, as described in Rule 4758; such an Order may be referred to as a ''Routable Order.'' Upon receipt of an Order with the Routing Order Attribute, the System will process the Order in accordance with the applicable Routing Strategy. In the case of a limited number of Routing Strategies, the Order will be sent directly to other market centers for potential execution. For most other Routing Strategies, including MIDP, the Order will attempt to access liquidity available on Nasdaq in the manner specified for the underlying Order Type and will then be routed in accordance with the applicable Routing Strategy. Shares of the Order that cannot be executed are then returned to Nasdaq, where they will (i) again attempt to access liquidity available on Nasdaq and (ii) post to the Nasdaq Book or be cancelled, depending on the Time-in- Force of the Order. *See* Rule 4703(f).

[4] The term ''System routing table'' refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. Nasdaq reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. *See* Rule 4758(a)(1)(A).

[5] *See* Rule 4702(b)(3).

[6] Midpoint Pegging means Pegging with reference to the midpoint between the Inside Bid and the Inside Offer (the ''Midpoint''). *See* Rule 4703(d).

[7] The Order is routed sequentially to the various venues on the System routing table in the full amount. An Order with MIDP and a Minimum Quantity Order Attribute will similarly route to the venues sequentially.

[8] If the entered limit price of a buy (sell) Order entered with MIDP is less (greater) than the current Midpoint price, the Order will not be routed but will instead be posted on the Nasdaq Book as a Midpoint Peg Order (if not an IOC). Once on the Nasdaq Book, if the NBBO moves and the Order's limit price is equal to or greater (less) than the NBO (NBB), the Order would not subsequently route.

[9] *See* Rule 4701(a).

[10] An Order with the MIDP routing option will only be accepted with a Time-in-Force of Market Hours DAY or IOC and may not be flagged to participate in any of the Nasdaq Crosses. Unexecuted shares of an order with the MIDP routing option will be cancelled after routing if the order has a Time-in-Force of IOC.

[11] If upon entry the Order size is less than the minimum quantity designated by the member the Order will be rejected.

[12] *See* Rule 4703(e).