

arise from eliminating position and exercise limits.³⁴ Furthermore, as described more fully above, options on other ETFs have the position limits proposed herein and those ETFs have trading characteristics and trading volumes that are similar to those of the ETFs subject to this proposed rule change.

Last, the Commission has expressed the belief that removing position and exercise limits may bring additional depth and liquidity without increasing concerns regarding intermarket manipulation or disruption of the options or the underlying securities.³⁵ The Exchange's enhanced surveillance and reporting safeguards continue to be designed to deter and detect possible manipulative behavior which might arise from eliminating position and exercise limits.

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. On the contrary, the Exchange believes that the proposed rule change will result in additional opportunities to achieve the investment and trading objectives of market participants seeking efficient trading and hedging vehicles, to the benefit of investors, market participants, and the marketplace in general.

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 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 Act³⁶ and Rule 19b-4(f)(6) thereunder.³⁷

³⁴ *Id.*

³⁵ *Id.*

³⁶ 15 U.S.C. 78s(b)(3)(A).

³⁷ 17 CFR 240.19b-4(f)(6). As required under Rule 19b-4(f)(6)(iii), the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and the text of the proposed rule change, at least five business days prior to the date

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act³⁸ normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)³⁹ 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 asked the Commission to waive the 30-day operative delay so that the proposed rule change may become effective and operative upon filing. The Exchange states that waiver of the operative delay would permit the Exchange to immediately implement the proposed rule change to increase the position limits as proposed herein and thereby seamlessly continue to offer traders and the investing public the ability to use these products as effective hedging and trading vehicles. The Exchange further states that waiver would allow the Exchange to remain competitive with other exchanges. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission hereby waives the operative delay and designates the proposal as operative upon filing.⁴⁰

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 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

of filing of the proposed rule change, or such shorter time as designated by the Commission.

³⁸ 17 CFR 240.19b-4(f)(6).

³⁹ 17 CFR 240.19b-4(f)(6)(iii).

⁴⁰ 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).

- Send an email to rule-comments@sec.gov. Please include File Number SR-Phlx-2018-24 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-Phlx-2018-24. 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 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-Phlx-2018-24, and should be submitted on or before April 18, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴¹

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2018-06140 Filed 3-27-18; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting; Cancellation

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: To be published.

⁴¹ 17 CFR 200.30-3(a)(12).

PREVIOUSLY ANNOUNCED TIME AND DATE OF THE MEETING: Thursday, March 29, 2018 at 2:00 p.m.

CHANGES IN THE MEETING: The Closed Meeting scheduled for Thursday, March 29, 2018 at 2:00 p.m., has been cancelled.

CONTACT PERSON FOR MORE INFORMATION: For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact Brent J. Fields of the Office of the Secretary at (202) 551-5400.

Dated: March 23, 2018.

Brent J. Fields,
Secretary.

[FR Doc. 2018-06294 Filed 3-26-18; 11:15 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82931; File No. SR-MIAX-2018-10]

Self-Regulatory Organizations; Miami International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 307, Position Limits, and Exchange Rule 309, Exercise Limits

March 22, 2018.

Pursuant to the provisions of 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 March 8, 2018, Miami International Securities Exchange, LLC (“MIAX Options” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a 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 the Substance of the Proposed Rule Change

The Exchange is filing a proposal to amend Exchange Rules 307, Position Limits, Interpretations and Policies .01, and 309, Exercise Limits, Interpretations and Policies .01, to increase the position and exercise limits for options on the following exchange traded funds (“ETFs”): iShares China Large-Cap ETF (“FXI”), iShares MSCI Emerging Markets ETF (“EEM”), iShares Russell 2000 ETF (“IWM”), iShares MSCI EAFE ETF (“EFA”), iShares MSCI Brazil

Capped ETF (“EWZ”), iShares 20+ Year Treasury Bond Fund ETF (“TLT”), PowerShares QQQ Trust (“QQQ”), and iShares MSCI Japan ETF (“EWJ”).

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

The purpose of the proposed rule change is to amend Exchange Rules 307, Position Limits, Interpretations and Policies .01, and 309, Exercise Limits, Interpretations and Policies .01, to increase position and exercise limits, respectively, for options on the following ETFs: FXI, EEM, IWM, EFA, EWZ, TLT, QQQ, EWJ.

Market participants’ trading activity has been adversely impacted by the current position limits as such limits have caused options trading in the symbols subject to this proposal to move from exchanges to the over-the-counter market. The Exchange submits this proposal with the understanding that market participants’ on-exchange activity has been hindered by the existing position limits, causing them to be unable to provide additional liquidity not just on the Exchange, but also on other options exchanges on which they participate.³ The Exchange understands that certain market participants wishing to make trades involving a large number of options

³ Cboe has received approval from the Commission for its proposed rule change to increase its position limits for the following ETFs: FXI, EEM, IWM, EFA, EWZ, TLT, QQQ, EWJ. See Securities Exchange Act Release No. 82770 (February 23, 2018) (Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment Nos. 1 and 2) (SR-CBOE-2017-057).

contracts in the symbols subject to this proposal are opting to execute those trades in the over-the-counter market. The over-the-counter transactions occur via bi-lateral agreements, the terms of which are not publicly disclosed to other market participants. Therefore, these large trades do not contribute to the price discovery process performed on a lit market.

Position limits are designed to address potential manipulative schemes and adverse market impact surrounding the use of options, such as disrupting the market in the security underlying the options. The potential manipulative schemes and adverse market impact are balanced against the potential of setting the limits so low as to discourage participation in the options market. The level of those position limits must be balanced between curtailing potential manipulation and the cost of preventing potential hedging activity that could be used for legitimate economic purposes. Position limits for options on ETFs, such as those subject to this proposal are determined pursuant to Exchange Rule 307, and vary according to the number of outstanding shares and the trading volume of the underlying stocks or ETFs over the past six-months. The Exchange notes that the ETFs that underlie options subject to this proposal are highly liquid, and are based on a broad set of highly liquid securities and other reference assets. Likewise, the Commission has recognized the liquidity of the securities comprising the underlying interest of the SPDR S&P 500 ETF (“SPY”) in permitting no position limits on SPY options since 2012,⁴ and expanded position limits for options on EEM, IWM and QQQ.

The largest in capitalization and the most frequently traded stocks and ETFs have an option position limit of 250,000 contracts (with adjustments for splits, re-capitalizations, etc.) on the same side of the market; and smaller capitalization stocks and ETFs have position limits of 200,000, 75,000, 50,000 or 25,000 contracts (with adjustments for splits, re-capitalizations, etc.) on the same side of the market. Options on FXI, EFA, EWZ, TLT, and EWJ are currently subject to the standard position limit of 250,000 contracts, as set forth in Exchange Rule 307. Interpretation and Policy .01 of Exchange Rule 307 sets forth separate position limits for options on specific ETFs as follows:

- Options on EEM are 500,000 contracts;

⁴ See Securities Exchange Act Release Nos. 67672 (August 15, 2012), 77 FR 50750 (August 22, 2012) (SR-NYSEAmex-2012-29); 67937 (September 27, 2012), 77 FR 60489 (October 3, 2012) (SR-CBOE-2012-091).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.