inspection and copying at the principal office of OCC and on OCC’s website at https://www.theocc.com/about/publications/bylaws.jsp.

All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal or 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–OCC–2017–809 and should be submitted on or before August 22, 2018.

By the Commission.
Brent J. Fields,
Secretary.

[FR Doc. 2018–16824 Filed 8–6–18; 8:45 am]
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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organization; Cboe BYX Exchange, Inc.; Order Granting an Extension to Limited Exemption From Rule 612(c) of Regulation NMS in Connection With the Exchange’s Retail Price Improvement Program

August 1, 2018.

On November 27, 2012, the Securities and Exchange Commission (“Commission”) issued an order pursuant to its authority under Rule 612(c) of Regulation NMS (“Sub-Penny Rule”) 1 that granted the BATS BYX-Exchange, Inc. (nka “Cboe BYX” or the “Exchange”) a limited exemption from the Sub-Penny Rule in connection with the operation of the Exchange’s Retail Price Improvement (“RPI”) Program (the “Program”). The limited exemption was granted concurrently with the Commission’s approval of the Exchange’s proposal to adopt the Program for a one-year pilot term. 2 The exemption was granted coterminous with the effectiveness of the pilot Program and has been extended five times; 3 both the pilot Program and

exemption are scheduled to expire on July 31, 2018. The Exchange now seeks to extend the exemption until December 31, 2018. 4 The Exchange’s request was made in conjunction with an immediately effective filing that extends the operation of the Program until December 31, 2018. 5 In its request to extend the exemption, the Exchange notes that the Program was implemented gradually over time. Accordingly, the Exchange has asked for additional time to allow itself and the Commission to analyze data concerning the Program, which the Exchange committed to provide to the Commission, as well as to allow additional opportunities for greater participation in the Program. 6 For this reason and the reasons stated in the Order originally granting the limited exemption, the Commission finds that extending the exemption, pursuant to its authority under Rule 612(c) of Regulation NMS, is appropriate in the public interest and consistent with the protection of investors.

THEREFORE, IT IS HEREBY ORDERED, that, pursuant to Rule 612(c) of Regulation NMS, the Exchange is granted a limited exemption from Rule 612(c) of Regulation NMS that allows it to accept and rank orders priced equal to or greater than $1.00 per share in increments of $0.001, in connection with the operation of its RPI Program.

The limited and temporary exemption extended by this Order is subject to modification or revocation if at any time the Commission determines that such action is necessary or appropriate in furtherance of the purposes of the Securities Exchange Act of 1934. Responsibility for compliance with any applicable provisions of the federal securities laws must rest with the persons relying on the exemptions that are the subject of this Order.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority. 7
Brent J. Fields,
Secretary.

[FR Doc. 2018–16798 Filed 8–6–18; 8:45 am]
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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–83757]

Order Granting Applications by Nasdaq BX, Inc., Nasdaq GEMX, LLC, Nasdaq ISE, LLC, Nasdaq MRX, LLC, and Nasdaq PHXL LLC for Exemption Pursuant to Section 36(a) of the Exchange Act From the Rule Filing Requirements of Section 19(b) of the Exchange Act With Respect to Certain CAT Rules Incorporated by Reference

August 1, 2018.

Nasdaq BX, Inc. (“BX”), Nasdaq GEMX, LLC (“GEMX”), Nasdaq ISE, LLC (“ISE”), Nasdaq MRX, LLC (“MRX”), and Nasdaq PHXL LLC (“Phlx”) (each the “Exchange” and collectively, the “Exchanges”) have filed with the Securities and Exchange Commission (the “Commission”) an application for an exemption from the rule filing requirements of Section 19(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) 8 with respect to certain rules of The Nasdaq Stock Market LLC (the “Nasdaq Market”) that the Exchanges seek to incorporate by reference. Section 36(a) of the Exchange Act, 9 subject to certain limitations, authorizes the Commission to conditionally or unconditionally exempt any person, security, or transaction, or any class thereof, from any provision of the Exchange Act or rule thereunder, if necessary or appropriate in the public interest and consistent with the protection of investors.

1 17 CFR 242.612(c).
4 The Exchange now seeks to extend the exemption until December 31, 2018.
5 In its request to extend the exemption, the Exchange notes that the Program was implemented gradually over time. Accordingly, the Exchange has asked for additional time to allow itself and the Commission to analyze data concerning the Program, which the Exchange committed to provide to the Commission, as well as to allow additional opportunities for greater participation in the Program. For this reason and the reasons stated in the Order originally granting the limited exemption, the Commission finds that extending the exemption, pursuant to its authority under Rule 612(c) of Regulation NMS, is appropriate in the public interest and consistent with the protection of investors.
6 The Exchange now seeks to extend the exemption until December 31, 2018.5 In its request to extend the exemption, the Exchange notes that the Program was implemented gradually over time. Accordingly, the Exchange has asked for additional time to allow itself and the Commission to analyze data concerning the Program, which the Exchange committed to provide to the Commission, as well as to allow additional opportunities for greater participation in the Program. For this reason and the reasons stated in the Order originally granting the limited exemption, the Commission finds that extending the exemption, pursuant to its authority under Rule 612(c) of Regulation NMS, is appropriate in the public interest and consistent with the protection of investors.
The Nasdaq Market and the Exchanges are Participants in the National Market System Plan Governing the Consolidated Audit Trail (“CAT NMS Plan” or “Plan”). Each Participant in the CAT NMS Plan is required to enforce compliance by its members with the provisions of the Plan by adopting a Compliance Rule applicable to its members. In 2017, pursuant to the CAT NMS Plan, the Nasdaq Market and the Exchanges each adopted a Compliance Rule. On April 10, 2018, the Exchanges filed proposed rule changes with the Commission to delete each Exchange’s Compliance Rule from the rulebook and instead incorporate by reference, in each respective Exchange’s rulebook, the Nasdaq Market’s Compliance Rule (“Nasdaq Market Compliance Rule”).

The Exchanges request, pursuant to Rule 0–12 under the Exchange Act, that the Commission grant the Exchanges an exemption from the rule filing requirements of Section 19(b) of the Exchange Act for changes that are effected solely by virtue of a change to the Nasdaq Market Compliance Rule. Specifically, the Exchanges request that they be permitted to incorporate by reference changes made to the Nasdaq Market Compliance Rule that would be incorporated by reference in the Exchanges’ rulebooks, without the need for each Exchange to file separately the same proposed rule changes pursuant to Section 19(b) of the Exchange Act. 

By virtue of incorporating the Nasdaq Market Compliance Rule by reference, members of each Exchange will be required to comply with the Nasdaq Market Compliance Rule as though it is fully set forth within each of the Exchanges’ rulebooks.

The Exchanges do not intend to incorporate by reference any trading rules. Instead, they represent that the Nasdaq Market Compliance Rule is regulatory in nature. Further, the Exchanges represent that they will, as a condition of this exemption, provide written notice to their members whenever the Nasdaq Market proposes a change to the Nasdaq Market Compliance Rule. Such notice will alert the members of each Exchange to the proposed rule change and give them an opportunity to comment on the proposal. The Exchanges state that they will also inform members in writing when the Commission approves any such proposed rule change.

The Exchanges believe this exemption is appropriate because it will result in the Exchanges’ rules pertaining to CAT NMS Plan compliance to remain consistent at all times, thus ensuring consistent regulation of joint members of the Nasdaq Market and Exchanges with respect to the incorporated rules. The Commission has issued exemptions similar to the Exchanges’ request. In granting such an exemption in 2010, the Commission repeated a prior, 2004 Commission statement that it would consider similar future exemption requests from other self-regulatory organizations (“SROs”), provided that:

- An SRO wishing to incorporate rules of another SRO by reference has submitted a written request for an order exempting it from the requirement in Section 19(b) of the Exchange Act to file proposed rule changes relating to the rules incorporated by reference, has identified the applicable originating SRO(s), together with the rules it wants to incorporate by reference, and otherwise has complied with the procedural requirements set forth in the Commission’s release governing procedures for requesting exemptive orders pursuant to Rule 0–12 under the Exchange Act;
- The incorporating SRO has requested incorporation of categories of rules (rather than individual rules within a category) that are not trading rules (e.g., the SRO has requested incorporation of rules such as margin, suitability, or arbitration); and
- The incorporating SRO has reasonable procedures in place to provide written notice to its members each time a change is proposed to the incorporated rules of another SRO.

The Commission believes that the Exchanges have satisfied each of these conditions. Further, the Commission also believes that granting the Exchanges an exemption from the rule filing requirements under Section 19(b) of the Exchange Act will promote efficient use of the Commission’s and the Exchanges’ resources by avoiding duplicative rule filings based on simultaneous changes to identical rule text sought by more than one SRO.

The Commission therefore finds it appropriate in the public interest and consistent with the protection of investors to exempt the Exchanges from the rule filing requirements under Section 19(b) of the Exchange Act with respect to the above-described rules they incorporate by reference. This exemption is conditioned upon the Exchanges promptly providing written notice to their members whenever the
SECURITIES AND EXCHANGE COMMISSION

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Partial Amendments No. 1, 2, and 3 to Advance Notice Concerning Updates to and Formalization of OCC’s Recovery and Orderly Wind-Down Plan

Nasdaq Market changes a rule that the Exchanges have incorporated by reference. Accordingly, it is ordered, pursuant to Section 36 of the Exchange Act, that the Exchanges are exempt from the rule filing requirements of Section 19(b) of the Exchange Act solely with respect to changes to the rules identified in its request that incorporate by reference certain Nasdaq Market rules that are the result of changes to such Nasdaq Market rules, provided that the Exchanges promptly provide written notice to their members whenever the Nasdaq Market proposes to change a rule that the Exchanges have incorporated by reference.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.18

Brent J. Fields, Secretary.

August 1, 2018.

I. Introduction

Pursuant to Section 806(e)(1) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, entitled Payment, Clearing, and Settlement Supervision Act of 2010 (“Clearing Supervision Act”) and Rule 19b-4(n)(1)(i)2 under the Securities Exchange Act of 1934 (“Act”),3 the Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) an advance notice pursuant to which OCC would formalize and update its Recovery and Orderly Wind-Down Plan (“RWD Plan” or “Plan”), consistent with the applicable requirement in Rule 17Ad–22(e)[3](ii)4 (“Advance Notice”). The Advance Notice was published for public comment in the Federal Register on January 23, 2018.5 On January 23, 2018, the Commission requested OCC provide it with additional information regarding the Advance Notice.6 OCC responded to this request for information, and the information was received on July 13, 2018.7 On July 11 and 12, 2018, OCC filed Partial Amendment No. 1 and Partial Amendment No. 2 to the Initial Filing. On July 12, 2018, OCC also filed a partial amendment (“Partial Amendment No. 3”) to the Initial Filing. This Partial Amendment No. 3 is intended to supersede and replace Amendments No. 1 and 2 in their entirety.8 Therefore, the Initial Filing together with Partial Amendment No. 3 reflects the changes being proposed.

The Advance Notice, as amended by Partial Amendment No. 3 is described in Item II below, which Item has been prepared by OCC. The Commission is publishing this notice to solicit comments on the Advance Notice, as amended by Partial Amendments No. 1, 2, and 3, from interested persons.

II. Clearing Agency’s Statement of the Terms of Substance of Partial Amendment No. 3 to the Advance Notice

This Partial Amendment No. 3 would make the following three amendments to the Initial Filing: (1) Removal of sections of the RWD Plan concerning OCC’s proposed authority to require cash settlement of certain physically delivered options and single stock futures; (2) updating the list of OCC’s Critical Support Functions;9 and (3) making three changes to Chapter 5 of the RWD Plan in order to conform to a change contemporaneously proposed in Amendment No. 2 to OCC advance notice filing SR–OCC–2017–809 concerning enhanced and new tools for recovery scenarios.10

With regard to the removal of sections of the RWD Plan concerning OCC’s proposed authority to require cash settlement of certain physically delivered options and single stock futures, OCC proposes to amend the following text on pages 16–17 and 55 of the Initial Filing (new text is underlined and proposed deletions are marked in strikethrough text).

Initial Filing, as reflected in Partial Amendment No. 3, are described in Item II below.

The amendment to the list of Critical Support Functions would be made to the confidential and redacted portions of the RWD Plan.

17 Ad–22(e)(3)(ii).
6 This Partial Amendment No. 3 is substantially the same as Partial Amendments No. 1 and 2 but would correct certain technical errors in the previous amendments (e.g., update a cross-reference to OCC filing SR–OCC–2017–809, as now amended by Amendment No. 2, and correct a pagination error in Exhibits 4 and 5). Substantive changes to the