

period will allow the Commission and the Exchange to continue to monitor the Program for its potential effects on public price discovery, and on the broader market structure.

#### *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 that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change simply extends an established pilot program for an additional six months, thus allowing the Retail Liquidity Program to enhance competition for retail order flow and contribute to the public price discovery process.

#### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

No written comments were solicited or received with respect to the proposed rule change.

### **III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>10</sup> and Rule 19b-4(f)(6) thereunder.<sup>11</sup> 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 prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)<sup>12</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>13</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of such 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 under Section 19(b)(2)(B)<sup>14</sup> of the Act 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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSE-2017-64 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-NYSE-2017-64. 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-NYSE-2017-64 and should be submitted on or before January 3, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>15</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2017-26821 Filed 12-12-17; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-82235; File No. 4-443]

### **Joint Industry Plan; Order Approving the Fourth Amendment to the Plan for the Purpose of Developing and Implementing Procedures Designed To Facilitate the Listing and Trading of Standardized Options**

December 7, 2017.

#### **I. Introduction**

On August 16, 2017, Chicago Board Options Exchange, Incorporated (now known as Cboe Exchange, Inc.), on behalf of the BATS Exchange, Inc. (now known as Cboe BZX Exchange, Inc.); Box Options Exchange, LLC; C2 Exchange, Incorporated (now known as Cboe C2 Exchange, Inc.); EDGX Exchange, Inc. (now known as Cboe EDGX Exchange, Inc.); Miami International Securities Exchange, LLC; MIAX PEARL, LLC; Nasdaq BX, Inc.; Nasdaq GEMX, LLC; Nasdaq ISE, LLC; Nasdaq MRX, LLC; Nasdaq Options Market, LLC; Nasdaq PHLX, LLC; NYSE American, LLC; NYSE Arca, Inc.; and the Options Clearing Corporation ("OCC") (together, the "Plan Sponsors"), filed with the Securities and Exchange Commission ("Commission" or "SEC") pursuant to Section 11A(a)(3) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 608 thereunder,<sup>2</sup> a proposal to amend the Plan for the Purpose of Developing and Implementing Procedures Designed to Facilitate the Listing and Trading of Standardized Options ("OLPP" or "Plan").<sup>3</sup> The proposed amendment ("Amendment" or "Amendment No. 4")

<sup>15</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78k-1(a)(3).

<sup>2</sup> 17 CFR 242.608.

<sup>3</sup> The full text of the OLPP is available at: [https://www.theocc.com/components/docs/clearing/services/options\\_listing\\_procedures\\_plan.pdf](https://www.theocc.com/components/docs/clearing/services/options_listing_procedures_plan.pdf). See also Securities Exchange Act Release No. 44521, 66 FR 36809 (July 13, 2001) (order approving the OLPP).

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>11</sup> 17 CFR 240.19b-4(f)(6).

<sup>12</sup> 17 CFR 240.19b-4(f)(6).

<sup>13</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>14</sup> 15 U.S.C. 78s(b)(2)(B).

was published for comment in the **Federal Register** on October 24, 2017.<sup>4</sup> No comment letters were received in response to the Notice. This order approves proposed Amendment No. 4 to the Plan.

## II. Description of the Amendment

The Plan Sponsors propose to amend the Plan to: (1) Change the earliest date on which new January Long-term Equity Anticipation (“LEAP”) series on equity options, options on Exchange Traded Funds (“ETF”), or options on Trust Issued Receipts (“TIR”) may be added to a single date (from three separate months); (2) allow equity, ETF, and TIR option series to be added based on trading after regular trading hours; (3) make technical and procedural changes to the certification processes for new option classes and communication provisions; and (4) correct a cross-referencing error in the Plan.<sup>5</sup>

## III. Discussion and Commission Findings

The Commission finds that the Amendment is consistent with the requirements of the Act and the rules and regulations thereunder. Specifically, the Commission finds that the Amendment is consistent with Section 11A(a)(1) of the Act<sup>6</sup> and Rule 608 thereunder<sup>7</sup> in that it is appropriate in the public interest, for the protection of investors and the maintenance of fair and orderly markets, and that it removes impediments to, and perfects the mechanisms of, a national market system.

The Plan Sponsors propose to consolidate the addition of new January LEAP options series so that they all may be added in September. Because the addition of new January LEAP options historically has been a manual process, to avoid potential operational issues, the Plan currently requires that the addition of these LEAP options series take place over three calendar months (September, October, and November). The Plan Sponsors state that today, however, new January LEAP options now can be added in bulk electronically and, therefore, the operational concerns relating to the historic manual process have been alleviated. Thus, the Plan Sponsors propose to consolidate the addition of new January LEAP options series so that they all may be added in

September.<sup>8</sup> The Plan Sponsors believe that this change would simplify the process for adding new January LEAP options series because all new January LEAP options would be made available beginning at the same time. The Commission believes that it is appropriate in the public interest, for the protection of investors, and the maintenance of a fair and orderly market to approve this change to the timing of when January LEAP options series may be added because it should simplify and help clarify the process by which new January LEAP options may be added.

The Plan Sponsors also propose to amend the Plan to add options series based on trading of the underlying securities after regular trading hours (“post-market”), based on the most recent share price reported by all national securities exchanges between 3:15 p.m. and 5:00 p.m. CT. This change would allow an options exchange to add a new options series in response to post-market trading activity the same day as when the post-market trading occurred, with the series available for trading on the opening of the regular trading session (*i.e.*, 8:30 a.m. CT) of the options markets the following trading day. The Commission believes that it is appropriate in the public interest, for the protection of investors, and the maintenance of a fair and orderly market to approve this proposed change because allowing options series to be added based on post-market trading should provide market participants with earlier notice regarding what options series will be available for trading the following day, and should help to enhance investors’ ability to plan their options trading.

In addition, the Amendment proposes to streamline the processes by which the options exchanges seek to trade a new option class. Currently, the OLPP requires an options exchange to submit a certificate containing certain specified information to the OCC (“Certificate”) when it seeks to trade an option class that is not currently trading on another registered options exchange or that has not been previously certified for listing and trading on any registered options exchange. Because sometimes more than one options exchange will submit a Certificate to the OCC seeking to list and trade the same selected option class, the OLPP requires the OCC to determine which Certificate was submitted first

among all the Certificates it received,<sup>9</sup> and then to notify the applicable options exchanges of certain information regarding the option.<sup>10</sup> The Amendment would require that, after the OCC receives and processes a Certificate from an options exchange, the OCC would make publicly available on its website the underlying security name, options symbol, and all options exchanges eligible to trade such option class, instead of requiring the OCC to send a customized email to each options exchange. In addition, the OCC would notify all options exchanges that the list of option classes covered by such Certificate is available on the OCC website. The Plan Sponsors believe that these changes would eliminate administrative burdens for the OCC and streamline the notification process, while ensuring that all of the information currently required to be available to options exchanges would continue to be available to them. Therefore, for the reasons stated, the Commission believes that it is appropriate in the public interest, for the protection of investors, and the maintenance of a fair and orderly market to approve these proposed changes.

In addition, the Amendment would allow Certificates and any associated information and/or documentation to be submitted to the OCC via electronic means that is reasonably agreed upon by the Plan Sponsors, rather than via telefacsimile, as is currently required. The proposed amendment would also allow all other notices required under the terms of the OLPP to be given through “electronic mail or other electronic means reasonably agreed upon by the Plan Sponsors.”<sup>11</sup> Because implementing these changes would allow for more efficient processes for certifications and communications among Plan Sponsors, the Commission believes that approving these changes is

<sup>9</sup> Specifically, the Plan currently requires the OCC to determine the options symbol, initial exercise prices, expiration cycle, and position and exercise limits for the selected option class as provided in the Certificate that the OCC determined was first submitted. Under the proposed amendment, the OCC would remove the reference to “options symbol” from this list as it is no longer necessary because, with the implementation of the Options Symbol Initiative in 2010, all options now generally have the same symbol as the underlying security and, as a result, conflicting options symbol submissions is no longer an issue. *See* Notice, *supra* note 4, at 49250.

<sup>10</sup> The required information includes the options symbol, initial exercise prices, expiration cycle, and position and exercise limits for the selected option class, as well as the identity of each options exchange that has also submitted a Certificate to list and trade the selected option class. *See* Notice, *supra* note 4, at 49250–51.

<sup>11</sup> *See* Section 5 of the Plan.

<sup>4</sup> Securities Exchange Act Release No. 81893 (October 18, 2017), 82 FR 49249 (“Notice”).

<sup>5</sup> *See* Notice, *supra* note 4, for a more detailed description of the proposed changes.

<sup>6</sup> 15 U.S.C. 78k–1(a)(1).

<sup>7</sup> 17 CFR 240.608.

<sup>8</sup> Specifically, the Plan would be revised to move the addition of the new January LEAP options to a specific date no earlier than the Monday before the September expiration. *See* Notice, *supra* note 4, at 49249.

appropriate in the public interest, for the protection of investors, and the maintenance of a fair and orderly market.

Finally, the Plan Sponsors propose to amend the Plan to make a non-substantive edit to correct an inaccurate cross-reference to “Section 8” in Section 7(ii) of the Plan with “Section 9.” The Commission believes that it is appropriate in the public interest, for the protection of investors and the maintenance of a fair and orderly market to approve this proposed change because it will clarify and correct an inaccuracy in the Plan.

For the reasons discussed above, the Commission finds that Amendment No. 4 is consistent with Section 11A of the Act<sup>12</sup> and Rule 608 thereunder.<sup>13</sup>

#### IV. Conclusion

*It is therefore ordered*, pursuant to Section 11A of the Act,<sup>14</sup> and Rule 608 thereunder,<sup>15</sup> that Amendment No. 4 to the OLPP (File No. 4-443) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

**Eduardo Aleman,**

*Assistant Secretary.*

[FR Doc. 2017-26818 Filed 12-12-17; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82229; File No. SR-ISE-2017-95]

### Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Clarify the Application of the Crossing Fee Cap

December 7, 2017.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on November 28, 2017, Nasdaq ISE, LLC (“ISE” 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 Exchange’s Schedule of Fees to clarify the application of the Crossing Fee Cap.

The text of the proposed rule change is available on the Exchange’s website at <http://ise.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 purpose of the proposed rule change is to provide greater clarity as to the manner in which the Exchange applies the Crossing Fee Cap.

By way of background, Crossing Orders are contracts that are submitted as part of a Facilitation, Solicitation, PIM, Block or QCC Order. Crossing Order fees are capped at \$90,000 per month per member on all Firm Proprietary and Non-Nasdaq ISE Market Maker transactions that are part of the originating or contra side of a Crossing Order.<sup>3</sup> The following fees are not included in the calculation of the monthly Crossing Fee Cap: (1) Fees for Responses to Crossing Orders; (2) surcharge fees for licensed products and the fees for index options as set forth in Section I; and (3) service fee.<sup>4</sup> The

<sup>3</sup> Members that elect prior to the start of the month to pay \$65,000 per month will have these crossing fees capped at that level instead. All eligible volume from affiliated Members is aggregated for purposes of the Crossing Fee Cap, provided there is at least 75% common ownership between the Members as reflected on each Member’s Form BD, Schedule A.

<sup>4</sup> A service fee of \$0.00 per side applies to all order types that are eligible for the fee cap. The service fee does not apply once a Member reaches

manner in which the Exchange calculates the Crossing Fee Cap is not changing.

The Exchange proposes to make clear how it attributes eligible volume for purposes of the Crossing Fee Cap. The Exchange proposes to add the following language to the rule text, “For purposes of the Crossing Fee Cap the Exchange will attribute eligible volume to the ISE Member on whose behalf the Crossing Order was executed.” Only ISE Members are subject to the Crossing Fee Cap. This is the manner in which the Exchange attributes eligible volume for purposes of the Crossing Fee Cap today. To provide greater transparency to the Schedule of Fees, the Exchange proposes to include this language in the rule text. While the Exchange is not aware of any confusion with respect to this fee with its Members, the Exchange believes this specificity will avoid any confusion.

###### 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>5</sup> in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,<sup>6</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange’s proposal to add the clarifying language regarding the Crossing Fee Cap to the Schedule of Fees is reasonable because the proposed rule text will bring greater clarity to the manner in which the Exchange attributes eligible volume for purposes of the Crossing Fee Cap today and applies the Crossing Fee Cap. The calculation and the application of the Crossing Fee Cap are not changing with this proposal. This rule text is intended to provide additional clarity to the current rule to describe who benefits from the volume for purposes of the application of the cap.

The Exchange’s proposal to add the clarifying language regarding the Crossing Fee Cap to the Schedule of Fees is equitable and not unfairly discriminatory because the Exchange

the fee cap level and does apply to every contract side above the fee cap. A Member who does not reach the monthly fee cap will not be charged the service fee. Once the fee cap is reached, the service fee applies to eligible Firm Proprietary and Non-Nasdaq ISE market Maker orders in all Nasdaq ISE products. The service fee is not calculated in reaching the cap.

<sup>5</sup> 15 U.S.C. 78ff(b).

<sup>6</sup> 15 U.S.C. 78ff(b)(4) and (5).

<sup>12</sup> 15 U.S.C. 78k-1.

<sup>13</sup> 17 CFR 242.608.

<sup>14</sup> 15 U.S.C. 78k-1.

<sup>15</sup> 17 CFR 242.608.

<sup>16</sup> 17 CFR 200.30-3(a)(29).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.