

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
• Send an email to rule-comments@sec.gov. Please include File Number SR-CboeEDGX-2018-057 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-CboeEDGX-2018-057. 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-CboeEDGX-2018-057 and should be submitted on or before December 27, 2018.

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

Eduardo A. Aleman, Assistant Secretary.

[FR Doc. 2018-26512 Filed 12-4-18; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Securities Exchange Act of 1934; Release No. 84689/November 29, 2018]

Order Regarding Alternative Net Capital Computation for BofAML Securities, Inc.

BofAML Securities, Inc. (“BofAMLS”), a broker-dealer registered with the Securities and Exchange Commission (“Commission”), has submitted an application to the Commission for authorization to use the market risk standards of Appendix E of Rule 15c3-1 to the Securities Exchange Act of 1934 (“Exchange Act”).¹

Based on a review of the application that BofAMLS submitted, including an assessment of the firm’s financial position, the adequacy of the firm’s internal risk management controls, and the statistical models the firm will use for internal risk management and regulatory capital purposes, the Commission has determined that the application meets the requirements of paragraphs (a), (b), (d)(1)(i)–(iv), and (d)(2) of Appendix E.² The Commission also has determined that Bank of America Corporation, BofAMLS’s ultimate holding company, is in compliance with the terms of its undertakings, as provided to the Commission under Appendix E.

Using the market-risk standards of Appendix E of Rule 15c3-1 should help BofAMLS align its supervisory risk management practices and regulatory capital requirements more closely, and would adequately capture the material risks. As a result, this also should help to ensure that integrity of the risk measurement, monitoring and management process. The Commission, therefore, finds that approval of the application is necessary or appropriate in the public interest or for the protection of investors.

Accordingly, IT IS ORDERED, under paragraph (a)(7) of Rule 15c3-1³ to the Exchange Act, that BofAMLS may calculate net capital using the market risk standards of Appendix E to

¹ See 17 CFR 240.15c3-1e.

² See 17 CFR 240.15c3-1e(a); 17 CFR 240.15c3-1e(b); 17 CFR 240.15c3-1e(d)(i)–(iv); 17 CFR 240.15c3-1e(d)(2).

³ See 17 CFR 240.15c3-1(a)(7).

compute a deduction for market risk on some or all its positions instead of the provisions of paragraphs (c)(2)(vi) and (c)(2)(vii) of Rule 15c3-1.⁴

By the Commission.

Eduardo A. Aleman, Assistant Secretary.

[FR Doc. 2018-26404 Filed 12-4-18; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84698; File No. SR-CBOE-2018-073]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rule 5.8, Long-Term Equity Options Series (LEAPS)

November 30, 2018.

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 November 23, 2018, Cboe Exchange, Inc. (“Exchange” or “Cboe Options”) 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

Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to amend Rule 5.8, Long-Term Equity Options Series (LEAPS). The text of the proposed rule change is provided below.

(additions are italicized; deletions are [bracketed])

* * * * *

Rules of Cboe Exchange, Inc.

* * * * *

Rule 5.8. Long-Term Equity Option Series (LEAPS)

(a) Notwithstanding conflicting language in Exchange Rule 5.5, the Exchange may list long-term equity option series (LEAPS) that expire from 12 to 180 months from the time they are listed. There may be up to ten additional expiration months for

⁴ See 17 CFR 240.15c3-1(c)(2)(vi); 17 CFR 240.15c3-1(c)(2)(vii).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

¹⁸ 17 CFR 200.30-3(a)(12).

options on SPY and up to six additional expiration months for all other option classes.

* * * * *

The text of the proposed rule change is also available on the Exchange's website (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange's Office of the Secretary, 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 proposes to amend Rule 5.8, Long-Term Equity Option Series (LEAPS), to permit the listing and trading of up to ten long-term expiration months for long-term options on the SPDR® S&P 500® exchange-traded fund ("SPY") in response to customer demand.³ Rule 5.8 currently provides that the Exchange may list long-term option contracts that expire from 12 to 180 months from the time they are listed (LEAPS). There may be up to six long-term expiration months per option class. The proposal will add liquidity to the SPY options market by allowing market participants to hedge risks relating to SPY positions over a longer period with a known and limited cost.

The SPY options market today is characterized by its tremendous daily and annual liquidity. As a consequence, the Exchange believes that the listing of additional SPY long-term expiration months would be well received by

³ In contrast to Rule 5.8, Rule 24.9(b)(1)(B) (which applies to index options) permits the Exchange to list long-term index options series based on either the full or reduced value of the underlying index, adding up to ten (10) expiration months. The Exchange seeks to list ten (10) long-term expiration months on SPY, just as it now may list ten (10) expiration months on long-term index option series, in order to provide investors with a wider choice of investments.

investors. This proposal to expand the number of permitted SPY long-term expiration months would not apply to long-term expiration months on any other class of options.⁴

The Exchange proposes to implement the proposed rule change on the date of this rule filing.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act") and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.⁵ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁶ requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁷ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the proposed rule change offers market participants additional long-term expiration months on SPY options for their investment and risk management purposes. The proposal is intended simply to provide additional trading opportunities which have been requested by customers, thereby facilitating transactions in options and contributing to the protection of investors and the maintenance of fair and orderly markets. The proposed rule change responds to the continuing needs of market participants, particularly portfolio managers and other institutional customers, by providing protection from long-term market moves and by offering an alternative to hedging portfolios with future positions or off-exchange customized derivative instruments.

Rule 5.8 has permitted up to six (6) long-term expiration months in option

⁴ Historically, SPY is the largest and most actively traded ETF in the United States as measured by its assets under management and the value of shares traded.

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

⁷ *Id.*

classes since 1991, when it increased the number of permissible expiration months from four to six.⁸ Other exchanges, such as Nasdaq PHLX LLC ("Phlx"), have similarly permitted up to six "LEAPS" since 1991.⁹ When the Securities and Exchange Commission (the "Commission") approved the increase to six expiration months, the Commission stated that it did not believe that increasing the number of expiration months to six would cause, by itself, a proliferation of expiration months. The Commission also required that the Exchange monitor the volume of additional options series listed as a result of the rule change, and the effect on the Exchange's system capacity and quotation dissemination displays.¹⁰

The Exchange believes that the addition today of four (4) additional long-term expiration months on SPY options likewise does not represent a proliferation of expiration months, but is instead a very modest expansion of long-term options in response to stated customer demand. Significantly, the proposal would feature new long-term expiration months in only a single class of options that are very liquid and heavily traded, as discussed above. Additionally, the Exchange notes by way of precedent, that ten (10) expiration months are already permitted for long-term index options series. Further, the Exchange has the necessary systems capacity to support the new SPY long-term expiration months.

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 proposal merely provides investors additional investment and risk management opportunities by providing flexibility to the Exchange to list additional long-term options expiration series, expanding the number of SPY long-term expiration months offered on the Exchange from six (6) long-term expiration months to ten (10) long-term expiration months. Other options exchanges currently permit the listing of

⁸ See Securities Exchange Act Release No. 28890 (February 15, 1991), 56 FR 7439 (February 22, 1991) (approving SR-CBOE-90-32).

⁹ See Securities Exchange Act Release No. 84449 (October 18, 2018), 83 FR 53699 (October 24, 2018) (SR-Phlx-2018-64); see also Securities Exchange Act Release No. 29103 (April 18, 1991), 56 FR 19132 (April 25, 1991) (approving SR-Phlx-91-18).

¹⁰ See Securities Exchange Act Release No. 28890 (February 15, 1991), 56 FR 7439 (February 22, 1991) (approving SR-CBOE-90-32).

ten (10) long-term expiration months for SPY.¹¹

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

The Exchange neither solicited nor received comments on the proposed rule change.

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 Act¹² and Rule 19b-4(f)(6) thereunder.¹³

A proposed rule change filed under Rule 19b-4(f)(6)¹⁴ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹⁵ the Commission may 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 proposal may become operative upon filing. The Exchange's proposal would conform the Exchange's rules relating to the permitted number of long term expiration months for long-term options on SPY to those of other exchanges.¹⁶ Accordingly, the Commission believes that the proposal raises no new or novel regulatory issues, and waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. The Commission therefore waives the 30-day operative delay and designates the proposal operative upon filing.¹⁷

¹¹ See, e.g., Phlx Rule 1012(a)(i)(D); Miami International Securities Exchange, LLC ("MIAX") Rule 406(a); and NYSE Arca, Inc. ("Arca") Rule 6.4-O(d)(i).

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Commission has waived this requirement in this case.

¹⁴ *Id.*

¹⁵ 17 CFR 240.19b-4(f)(6)(iii).

¹⁶ See *supra* note 11.

¹⁷ For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on

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-CBOE-2018-073 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-CBOE-2018-073. 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

efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2018-073, and should be submitted on or before December 27, 2018.

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

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018-26515 Filed 12-4-18; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 33310]

Notice of Applications for Deregistration Under Section 8(f) of the Investment Company Act of 1940

November 30, 2018.

The following is a notice of applications for deregistration under section 8(f) of the Investment Company Act of 1940 for the month of November 2018. A copy of each application may be obtained via the Commission's website by searching for the file number, or for an applicant using the Company name box, at <http://www.sec.gov/search/search.htm> or by calling (202) 551-8090. An order granting each application will be issued unless the SEC orders a hearing. Interested persons may request a hearing on any application by writing to the SEC's Secretary at the address below and serving the relevant applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on December 26, 2018, and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to Rule 0-5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

ADDRESSES: The Commission: Secretary, U.S. Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

FOR FURTHER INFORMATION CONTACT: Shawn Davis, Branch Chief, at (202) 551-6413 or Chief Counsel's Office at

¹⁸ 17 CFR 200.30-3(a)(12).