

hours<sup>10</sup> for existing funds and 130 hours<sup>11</sup> for new money market funds. Based on an estimate of 146 existing fund filers and 4 new fund filers each year, we estimate that filing reports on Form N–MFP in house takes 23,536 hours and costs funds, in aggregate, \$6,754,832 per year.<sup>12</sup>

We estimate that 65% of money market funds (or 279 money market funds, broken down into 272 existing fund and 7 new funds)<sup>13</sup> retain the services of a third party to provide data aggregation and validation services as part of the preparation and filing of reports on Form N–MFP on the fund's behalf; we further estimate that each fund requires an average of approximately 26 burden hours to compile and review the information with the service provider prior to electronically filing the report for the first time and an average of approximately 9 burden hours for subsequent filings. Therefore, we estimate the per fund average annual hour burden is 108 hours<sup>14</sup> for existing

funds and 125 hours<sup>15</sup> for new money market funds. Based on an estimate of 272 existing fund filers and 7 new fund filers each year, we estimate that filing reports on Form N–MFP using a service provider takes 41,131 hours and costs funds, in aggregate, \$8,682,037 per year.<sup>16</sup> In sum, we estimate that filing reports on Form N–MFP imposes a total annual hour burden of 64,667 hours,<sup>17</sup> at an aggregate cost of \$15,436,869 on all money market funds.<sup>18</sup>

#### Cost to Respondents

Cost burden is the cost of goods and services purchased in connection with complying with the collection of information requirements of rule 30b1–7 and Form N–MFP. The cost burden does not include the cost of the hour burden discussed in Item 12 above.

Based on discussions with industry participants, we estimate that money market funds that file reports on Form N–MFP in house license a third-party software solution to assist in filing their reports at an average cost of \$3,900 per fund per year. In addition, we estimate that money market funds that use a service provider to prepare and file reports on Form N–MFP pay an average fee of \$9,300 per fund per year. In sum,

we estimate that all money market funds incur on average, in the aggregate, external annual costs of \$3,179,700.<sup>19</sup>

The public may view the background documentation for this information collection at the following website, [www.reginfo.gov](http://www.reginfo.gov). Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to: [Lindsay.M.Abate@omb.eop.gov](mailto:Lindsay.M.Abate@omb.eop.gov); and (ii) Charles Riddle, Acting Director/Chief Information Officer, Securities and Exchange Commission, c/o Candace Kenner, 100 F Street NE, Washington, DC 20549 or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments must be submitted to OMB within 30 days of this notice.

Dated: April 12, 2019.

**Eduardo A. Aleman,**  
Deputy Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–85604; File No. SR–CboeBZX–2019–026]

### Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Extend the Pilot for Certain Options Market Rules That Are Linked to the Equity Market Plan To Address Extraordinary Market Volatility

April 11, 2019.

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 April 9, 2019, Cboe BZX Exchange, Inc. (“Exchange” or “BZX”) 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

<sup>19</sup> This estimate is based on the following calculation: (150 money market funds (146 existing funds + 4 new funds) that file reports on Form N–MFP in house × \$3,900 per fund, per year) + (279 money market funds (272 existing funds + 7 new funds) that file reports on Form N–MFP using a service provider × \$9,300 per fund, per year) = \$3,179,700.

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

<sup>2</sup> 17 CFR 240.19b–4.

<sup>10</sup> This estimate is based on the following calculation: 12 filings per year × 13 burden hours per filing = 156 burden hours per year.

<sup>11</sup> This estimate is based on the following calculation: (First month's initial filing × 47 burden hours) + (11 subsequent month filings × 13 burden hours per filing) = 190 burden hours per year.

<sup>12</sup> These estimates are based on the following calculations: Existing fund filers: (156 hours × blended hourly rate of \$287 for a Financial Reporting Manager (\$280 per hour), Fund Senior Accountant (\$209 per hour), Senior Database Administrator (\$329 per hour), Senior Portfolio Manager (\$317 per hour), Compliance Manager (\$298 per hour)) = \$44,772. The blended hourly rate was calculated as (\$280 + \$209 + \$329 + \$317 + 209)/5 = \$287. There are 146 existing money market funds who use in house solutions × 156 hours with a monetized cost of \$44,772 per fund = 22,776 hours with a monetized cost of \$6,536,712.

New money market fund filers: (190 hours × blended hourly rate of \$287 for a Financial Reporting Manager (\$280 per hour), Fund Senior Accountant (\$209 per hour), Senior Database Administrator (\$329 per hour), Senior Portfolio Manager (\$317 per hour), Compliance Manager (\$298 per hour)) = \$54,530. The blended hourly rate was calculated as (\$280 + \$209 + \$329 + \$317 + 209)/5 = \$287. Four new money market funds × 190 hours with a monetized cost of \$54,530 per fund = 760 hours with a monetized cost of \$218,120.

Aggregate annual hourly burden for all funds filing reports on Form N–MFP in house: 22,776 hours + 760 hours = 23,536 hours.

Aggregate annual costs for all funds filing reports on Form N–MFP in house: \$6,536,712 + \$218,120 = \$6,754,832.

<sup>13</sup> The estimate is based on the following calculation: (429 money market funds × 65% = 279 money market funds. Of that amount, we estimate that 7 are new money market funds (10 new money market fund filers each year × 65% = 6.5 funds, rounded to 7). Therefore, 279 money market funds—7 new money market funds = 272 existing money market funds.

<sup>14</sup> This estimate is based on the following calculation: 12 filings per year × 9 burden hours per filing = 108 burden hours per year.

<sup>15</sup> This estimate is based on the following calculation: (First month's initial filing × 26 burden hours) + (11 subsequent month filings × 9 burden hours per filing) = 125 burden hours per year.

<sup>16</sup> These estimates are based on the following calculations: Existing fund filers: (108 hours × blended hourly rate of \$287 for a Financial Reporting Manager (\$280 per hour), Fund Senior Accountant (\$209 per hour), Senior Database Administrator (\$329 per hour), Senior Portfolio Manager (\$317 per hour), Compliance Manager (\$298 per hour)) = \$30,996. The blended hourly rate was calculated as (\$280 + \$209 + \$329 + \$317 + 209)/5 = \$287. There are 272 existing money market funds who use a third-party service provider × 148 hours with a monetized cost of \$30,996 per fund = 40,256 hours with a monetized cost of \$8,430,912.

New money market fund filers: (125 hours × blended hourly rate of \$287 for a Financial Reporting Manager (\$280 per hour), Fund Senior Accountant (\$209 per hour), Senior Database Administrator (\$329 per hour), Senior Portfolio Manager (\$317 per hour), Compliance Manager (\$298 per hour)) = \$35,875. The blended hourly rate was calculated as (\$280 + \$209 + \$329 + \$317 + 209)/5 = \$287. Seven new money market funds × 125 hours with a monetized cost of \$35,875 per fund = 875 hours with a monetized cost of \$251,125.

Aggregate annual hourly burden for all funds filing reports on Form N–MFP in house: 40,256 hours + 875 hours = 41,131 hours.

Aggregate annual costs for all funds filing reports on Form N–MFP in house: \$8,430,912 + \$251,125 = \$8,682,037.

<sup>17</sup> This estimate is based on the following calculation: 23,536 hours for filers licensing a software solution and filing in-house + 41,131 hours for filers using a third-party service provider = 64,667 hours in total.

<sup>18</sup> This estimate is based on the following calculation: \$6,754,832 (in-house filers) + \$8,682,037 (filers using a service provider) = \$15,436,869.

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 BZX Exchange, Inc. ("BZX" or the "Exchange") is filing with the Securities and Exchange Commission (the "Commission") a proposed rule change to extend the pilot to the close of business on October 18, 2019, for certain options market rules that are linked to the equity market Plan to Address Extraordinary Market Volatility. The text of the proposed rule change is attached as Exhibit 5 [sic].

The text of the proposed rule change is also available on the Exchange's website ([http://markets.cboe.com/us/equities/regulation/rule\\_filings/bzx/](http://markets.cboe.com/us/equities/regulation/rule_filings/bzx/)), 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 purpose of the proposed rule change is to extend the pilot to the close of business on October 18, 2019, for certain options market rules that are linked to the equity market Plan to Address Extraordinary Market Volatility (the "Limit Up-Limit Down Plan" or the "Plan"). This change is being proposed in connection with a proposed amendment to the Limit Up-Limit Down Plan that would allow the Plan to continue to operate on a permanent basis ("Amendment 18").

In an attempt to address extraordinary market volatility in NMS Stock, and, in particular, events like the severe volatility on May 6, 2010, U.S. national securities exchanges and the Financial Industry Regulatory Authority, Inc. (collectively, "Participants") drafted the Plan pursuant to Rule 608 of Regulation

NMS and under the Act.<sup>3</sup> On May 31, 2012, the Commission approved the Plan, as amended, on a one-year pilot basis.<sup>4</sup> Though the Plan was primarily designed for equity markets, the Exchange believed it would, indirectly, potentially impact the options markets as well. Thus, the Exchange has previously adopted Interpretation and Policy .01 to Rule 20.6 to ensure the option markets were not harmed as a result of the Plan's implementation and has implemented such rule on a pilot basis that has coincided with the pilot period for the Plan (the "Options Pilot").<sup>5</sup>

The Commission recently published an Amendment 18, which would allow the Plan to operate on a permanent, rather than pilot, basis.<sup>6</sup> In connection with this change, the Exchange proposes to amend the Options Pilot to expire at the close of business on October 18, 2019—*i.e.*, six months after the expiration of the current pilot period for the Plan. Specifically, the Exchange proposes to amend Interpretation and Policy .01 to Rule 20.6 to untie the Options Pilot's effectiveness from that of the Plan and to extend the Options Pilot's effectiveness to the close of business on October 18, 2019. The Exchange understands that the other national securities exchanges will also file similar proposals to extend their respective pilot programs, the substance of which are identical to the proposal.

The Exchange does not propose any additional changes to Interpretation and Policy .01 to Rule 20.6. The Exchange believes the benefits to market participants from the Options Pilot should continue on a limited six month pilot basis after Commission approves the Plan to operate on a permanent basis. Assuming the Plan is approved by the Commission to operate on a permanent, rather than pilot, basis the Exchange intends to assess whether additional changes should also be made to the Options Pilot. Extending the Options Pilot for an additional six months should provide the Exchange and other national securities exchanges additional time to consider further amendments to their rules in light of proposed Amendment 18.

<sup>3</sup> See Securities Exchange Act Release No. 64547 (May 25, 2011), 76 FR 31647 (June 1, 2011) (File No. 4-631).

<sup>4</sup> See Securities and Exchange Act Release No. 67091 (May 31, 2012) 77 FR 33498 (June 6, 2012).

<sup>5</sup> See Securities Exchange Act Release No. 76231 (October 22, 2015), 80 FR 66069 (October 28, 2015) (SR-BATS-2015-91) (amending Interpretation and Policy .01 to Rule 20.6 to coincide with the pilot period for the Plan).

<sup>6</sup> See Securities Exchange Act Release Nos. 84843 (December 18, 2018), 83 FR 66464 (December 26, 2018) (Amendment No. 18 Proposing Release).

##### **2. Statutory Basis**

The Exchange believes the proposed rule change is consistent with the requirements of Section 6(b) of the Act,<sup>7</sup> in general, and Section 6(b)(5) of the Act,<sup>8</sup> in particular, in that it is designed to remove impediments to and perfect the mechanism of a free and open market and a national market system, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest and not to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange believes that the proposed rule change promotes just and equitable principles of trade in that it promotes transparency and uniformity across markets concerning rules for options markets adopted to coincide with the Plan. The Exchange believes that extending the Options Pilot for an additional six months would help assure that the rules subject to such Pilot are either similarly made permanent, amended or removed, following additional discussion and analysis by the Exchange and other national securities exchanges. The proposed rule change would also help assure that such rules are not immediately eliminated, thus furthering fair and orderly markets, the protection of investors and the public interest. Based on the foregoing, the Exchange believes the Options Pilot should continue to be in effect on a pilot basis while the Exchange and the other national securities exchanges consider and develop a permanent proposal for such rules.

#### *B. Self-Regulatory Organization's Statement on Burden on Competition*

The Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposal would ensure the continued, uninterrupted operation of the Options Pilot while the Exchange and other national securities exchanges consider further amendments to these rules in light of proposed Amendment 18. The Exchange understands that the other national securities exchanges will also file similar proposals to extend their respective pilot programs, the substance of which are identical to this proposal. Thus, the proposed rule change will help to ensure consistency across market centers without implicating any competitive issues.

<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

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

No comments were solicited or received 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)(iii) of the Act<sup>9</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>10</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>11</sup> normally does not become operative prior to 30 days after the date of the filing. However, Rule 19b-4(f)(6)(iii)<sup>12</sup> 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 immediately upon filing. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest, as it will allow the current the Options Pilot to continue uninterrupted, without any changes, while the Exchange and the other national securities exchanges consider and develop a permanent proposal for the Options Pilot. For this reason, the Commission hereby waives the 30-day operative delay and designates the proposed rule change as operative upon filing.<sup>13</sup>

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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-CboeBZX-2019-026 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-CboeBZX-2019-026. 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-CboeBZX-2019-026 and should be submitted on or before May 8, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>14</sup>

**Eduardo A. Aleman,**  
*Deputy Secretary.*

[FR Doc. 2019-07632 Filed 4-16-19; 8:45 am]

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-85608; File No. SR-PEARL-2019-13]

**Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the MIAX PEARL Fee Schedule**

April 11, 2019.

Pursuant to the provisions of 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 March 29, 2019, MIAX PEARL, LLC ("MIAX PEARL" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I, II, and III 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 is filing a proposal to amend the MIAX PEARL Fee Schedule (the "Fee Schedule").

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

<sup>14</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>10</sup> 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 Exchange has satisfied this requirement.

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

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

<sup>13</sup> 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).