

securities, no member or person associated with a member shall directly or indirectly accept or make payments or offers of payments of any non-cash compensation, except as provided in this provision, 'or as permitted elsewhere in this Rule.'” Alternatively, SIFMA suggested adding guidance in the Supplementary Material providing that the receipt of non-cash compensation items (including securities, derivatives and ROFRs) that are permitted under other provisions of Rule 5110 will not be prohibited by, or deemed inconsistent with, the restrictions in Rule 5110(g).

ABA also suggested addressing Rule 5110's non-cash compensation-related provisions in this proposed rule change. ABA suggested that if applied literally, the non-cash compensation provisions state that members may not receive any non-cash compensation other than those limited items set forth in the provision itself, and those items do not include certain forms of non-cash compensation such as securities, derivative instruments or ROFRs that are expressly permitted elsewhere in the Rule.

Consistent with the *Notice 17–15* Proposal, because the provisions are the subject of a separate consolidated approach to non-cash compensation, the proposed rule change would incorporate the Rule's current non-cash compensation provisions without modification.

#### Rule 5121

ABA suggested some clarifications and amendments to Rule 5121. Because any substantive changes to Rule 5121 are more appropriately considered as part of FINRA's separate consideration of our rules and programs governing the capital raising process and their effects on capital formation, this proposed rule change does not include any amendments to Rule 5121 beyond the conforming definitional amendments discussed above.

#### Regulation A+

ADISA stated that FINRA should be more responsive to the review and clearance of filings made pursuant to SEC Regulation A+ as extensive and long reviews of those offerings have impacted members' ability to effectively raise capital through the public markets. FINRA will continue to review our internal operations and administrative processes to improve the review and clearing of these filings. Separate from this proposed rule change, FINRA will consider the appropriateness of issuing guidance regarding underwriting and related services and financial services

provided to issuers in offerings pursuant to Regulation A+.

#### Guidance

EGS requested that the Public Offering Frequently Asked Questions available on FINRA's website be enhanced and that FINRA publish informal interpretations more broadly and circulate guidance to members and their counsel more frequently. If the proposed rule change is approved, FINRA will consider providing additional guidance as necessary and appropriate.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

A. By order approve or disapprove such proposed rule change, or

B. institute proceedings to determine whether the proposed rule change should be 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-FINRA-2019-012 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-FINRA-2019-012. 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 FINRA. 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-FINRA-2019-012, and should be submitted on or before May 22, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>150</sup>

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

[FR Doc. 2019-08774 Filed 4-30-19; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-85723; File No. SR-NYSE-2019-10]

### Self-Regulatory Organizations; NYSE National, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule 7.11, Limit Up-Limit Down Plan and Trading Pauses in Individual Securities Due to Extraordinary Market Volatility

April 25, 2019.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the "Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that on April 19, 2019, NYSE National, Inc. ("NYSE National" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit

<sup>150</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

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 Rule 7.11, Limit Up-Limit Down Plan and Trading Pauses in Individual Securities Due to Extraordinary Market Volatility. The proposed rule change is available on the Exchange's website at [www.nyse.com](http://www.nyse.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 self-regulatory organization 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 those 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 parts of such statements.

#### *A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

##### 1. Purpose

The Participants filed the Plan to Address Extraordinary Market Volatility (the "Limit Up-Limit Down Plan" or the "Plan") with the Commission on April 5, 2011 to create a market-wide limit up-limit down mechanism intended to address extraordinary market volatility in NMS Stocks,<sup>4</sup> as defined in Rule 600(b)(47) of Regulation NMS under the Exchange Act.<sup>5</sup> The Plan sets forth procedures that provide for market-wide limit up-limit down requirements to prevent trades in individual NMS Stocks from occurring outside of the specified Price Bands. These limit up-limit down requirements are coupled with Trading Pauses, as defined in Section I(Y) of the Plan, to accommodate more fundamental price moves. In particular, the Participants adopted this Plan to address extraordinary volatility in the securities markets, *i.e.*, significant fluctuations in individual securities' prices over a short

period of time, such as those experienced during the "Flash Crash" on the afternoon of May 6, 2010.

The Plan was originally approved on a pilot basis to allow the public, the Participants, and the Commission to assess the operation of the Plan and whether the Plan should be modified prior to consideration of approval on a permanent basis.<sup>6</sup> The Commission recently approved an amendment to the Plan to allow the Plan to operate on a permanent basis.<sup>7</sup>

Rule 7.11 is designed to comply with the Plan's requirement that exchanges establish, maintain, and enforce written policies and procedures that are reasonably designed to comply with the limit up-limit down and trading pause requirements specified in the Plan.<sup>8</sup> In sum, Rule 7.11 provides that the Exchange will not display or execute trading interest outside the Price Bands as required by the limit up-limit down and trading pause requirements specified in the Plan. Rule 7.11 is designed to ensure that trading interest on the Exchange is either repriced or canceled in a manner consistent with the Plan.

Rule 7.11 currently includes a provision that ties the Rule's effectiveness to the pilot period for the Plan, including any extensions to the pilot period for the Plan. The Exchange proposes to amend Rule 7.11 to delete this provision because the Plan has been made permanent and is no longer operating as a pilot program. The Exchange does not propose any additional changes to Rule 7.11. The proposed rule change would continue to align the effectiveness of Rule 7.11 to the Plan and ensure that the Exchange maintains written policies and procedures that are reasonably designed to comply with the limit up-limit down and trading pause requirements specified in the Plan.

##### 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the requirements of Section 6(b) of the Act,<sup>9</sup> in general, and Section 6(b)(5) of the Act,<sup>10</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. Rule 7.11 complies with the Plan's requirement that exchanges establish, maintain, and enforce written policies and procedures that are reasonably designed to comply with the limit up-limit down and trading pause requirements specified in the Plan. The Exchange believes that the proposed rule change promotes just and equitable principles of trade because it would continue to align the effectiveness of Rule 7.11 to the Plan, without any changes. The proposed rule change would also ensure that the Exchange continues to maintain transparent written policies and procedures reasonably designed to comply with the limit up-limit down and trading pause requirements specified in the Plan.

#### *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 remove a provision from Rule 7.11 that ties its effectiveness to the pilot period for the Plan that was recently approved on a permanent basis. The proposal would continue to ensure that the Exchange continues to maintain written policies and procedures reasonably designed to comply with the Plan without implicating any competitive issues.

#### *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>11</sup> and Rule 19b-4(f)(6) thereunder.<sup>12</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

<sup>4</sup> On May 31, 2012, the Commission approved the Plan, as modified by Amendment No. 1. See Securities Exchange Act Release No. 67091, 77 FR 33498 (June 6, 2012) (File No. 4-631) ("Approval Order").

<sup>5</sup> 17 CFR 242.600(b)(47).

<sup>6</sup> See *supra* note 4.

<sup>7</sup> See Securities Exchange Act Release No. 85623 (April 11, 2019), 84 FR 16086 (April 17, 2019) (File No. 4-631).

<sup>8</sup> See Securities Exchange Act Release No. 83289 (May 17, 2018), 83 FR 23968 (May 23, 2018) (SR-NYSE-NAT-2018-02).

<sup>9</sup> 15 U.S.C. 78f(b).

<sup>10</sup> 15 U.S.C. 78f(b)(5).

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

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

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>13</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b4(f)(6)(iii),<sup>14</sup> 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 immediately upon filing. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because the Commission approved making the Plan pilot permanent on April 11, 2019, and therefore the Exchange's proposed changes to its rules reflecting that the Plan is now permanent should go into effect immediately. Therefore, the Commission hereby waives the 30-day operative delay and designates the proposed rule change to be operative upon filing with the Commission.<sup>15</sup>

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>16</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-2019-10 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-2019-10. 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-2019-10 and should be submitted on or before May 22, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

**Eduardo A. Aleman,**

*Deputy Secretary.*

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**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release Nos. 33-10634; 34-85721; File No. 265-32]

### Small Business Capital Formation Advisory Committee

**AGENCY:** Securities and Exchange Commission.

**ACTION:** Notice of meeting.

**SUMMARY:** The Securities and Exchange Commission Small Business Capital Formation Advisory Committee, established pursuant to Section 40 of the Securities Exchange Act of 1934 as added by the SEC Small Business Advocate Act of 2016, is providing notice that it will hold a public meeting. The public is invited to submit written statements to the Committee.

**DATES:** The meeting will be held on Monday, May 6, 2019, from 1:00 p.m. to 3:30 p.m. (ET) and will be open to the public. Written statements should be received on or before May 6, 2019.

**ADDRESSES:** The meeting will be held at the Commission's headquarters, 100 F Street NE, Washington, DC. The meeting will be webcast on the Commission's website at [www.sec.gov](http://www.sec.gov). Written statements may be submitted by any of the following methods:

##### *Electronic Statements*

- Use the Commission's internet submission form (<http://www.sec.gov/rules/other.shtml>); or
- Send an email message to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number 265-32 on the subject line; or

##### *Paper Statements*

- Send paper statements to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to File No. 265-32. This file number should be included on the subject line if email is used. To help us process and review your statement more efficiently, please use only one method. The Commission will post all statements on the SEC's website at [www.sec.gov](http://www.sec.gov).

Statements also 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. All statements received will be posted without change; we do not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

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

<sup>14</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>15</sup> For purposes only of waiving the operative delay for this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>16</sup> 15 U.S.C. 78s(b)(2)(B).

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