

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-86787; File No. SR-PEARL-2019-24]

### Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rules 503, Openings on the Exchange, and 515, Execution of Orders

August 28, 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 August 19, 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 Exchange Rules 503, Openings on the Exchange, and 515, Execution of Orders, to make minor, non-substantive edits and clarifying changes to the rule text.

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

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 Exchange Rule 503, Openings on the Exchange, to amend paragraph (c), Deviation from Standard Opening Process, to adopt new rule text that identifies the Help Desk staff authorized to take actions during the Opening Process to maintain a fair and orderly market and to add greater specificity to the language currently in place.

First, the Exchange proposes to amend Exchange Rule 503(c), Deviation from Standard Opening Process, to further clarify which authorized personnel at the Exchange that may deviate from the standard Opening Process in certain market conditions. Exchange Rule 503(c) currently states that the Exchange may deviate from the standard manner of the Opening Process, including adjusting the timing of the Opening Process in any option class, when it believes it is necessary in the interests of a fair and orderly market. The Exchange now proposes to amend subparagraph (c) to state that Senior Help Desk personnel may deviate from the standard manner of the Opening Process when necessary, including delay or compel the opening of any series in any option class, adjusting the timing of the Opening Process in any option class, when necessary in the interests of commencing or maintaining a fair and orderly market, in the event of unusual market conditions or in the public interest. The Exchange also proposes that it will make and maintain records to document all determinations to deviate from the standard manner of the Opening Process, and periodically review these determinations for consistency with the interests of a fair and orderly market.

The Exchange is amending the rule to add additional specificity by designating that only Senior Help Desk personnel may deviate from the standard manner of the Opening Process when necessary. The Exchange is also providing examples of the type of actions that Senior Help Desk personnel may take to ensure a fair and orderly market is maintained. Additionally, the Exchange is proposing to amend the rule to adopt a provision stating that the Exchange will maintain records to document all determinations to deviate from the standard manner of the Opening Process, and periodically review these determinations for consistency with the interests of a fair

and orderly market. The Exchange notes that the proposed rule text is similar to that found in the rules for the Opening Process of the Exchange’s affiliates, Miami International Securities Exchange, LLC (“MIAX”) and MIAX Emerald, LLC (“MIAX Emerald”).<sup>3</sup>

Next, the Exchange proposes to amend Exchange Rule 515, Execution of Orders, to make minor, non-substantive edits and clarifying changes to the rule text in order to provide consistency and clarity within the rule text. Specifically, the Exchange proposes to make a number of minor non-substantive edits to references to “Rule 515” throughout the rule text. Currently, there are several references in Exchange Rule 515 where the rule refers back to itself generally as “Rule 515.” The Exchange proposes to amend all general references in Exchange Rule 515 that are to “Rule 515” that do not refer to any particular subsection or paragraph to be replaced with “this Rule” in order to provide consistency and clarity within the rule text. The proposed changes would be to references to “Rule 515” that are currently in the following subsections and paragraphs in Exchange Rule 515: Paragraph (a); paragraph (d); subsection (d)(1); subsection (d)(2)(i); subsection (d)(2)(iii)(C); subsection (g)(3)(i); and Interpretation and Policy .02.

Next, the Exchange proposes to amend several paragraphs and subsections to make corrective changes to the numerical and alphabetical list item identifiers to properly conform to the hierarchical heading scheme and list item identifiers used throughout the Exchange’s rulebook. The Exchange notes that anytime there is block text in a paragraph or subsection that contains a list of numbered clauses or items that are not specifically broken out into their own subsections, the Exchange uses romanettes to identify each clause or item. Accordingly, paragraph (b) contains independent clauses currently numbered “(1)” and “(2)” which will be renumbered as “(i)” and “(ii)”. Paragraph (c) contains three separate sentences each with independent clauses numbered “(1)” and “(2)” which will each be renumbered as “(i)” and “(ii)”. Subparagraph (d)(2)(i) contains three independent clauses currently numbered “(A)”, “(B)” and “(C)” which will be renumbered as “(i)”, “(ii)” and “(iii)”, respectively. Subparagraph (d)(2)(ii) contains four independent clauses currently numbered “(A)”, “(B)”, “(C)” and “(D)” which will be renumbered as “(i)”, “(ii)”, “(iii)” and “(iv)”, respectively. Subparagraph

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

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

<sup>3</sup> See MIAX Rule 503(g) and MIAX Emerald Rule 503(g).

(g)(3)(i) contains three independent clauses currently numbered “(A)”, “(B)” and “(C)” which will be renumbered as “(i)”, “(ii)” and “(iii)”, respectively. Finally, subparagraph (g)(3)(ii) contains four independent clauses currently numbered “(A)”, “(B)”, “(C)” and “(D)” which will be renumbered as “(i)”, “(ii)”, “(iii)” and “(iv)”, respectively.

## 2. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act<sup>4</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>5</sup> in particular, in that it is 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 facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

First, the Exchange is proposing to amend its current provision pertaining to the actions that the Exchange may take in the interests of maintaining a fair and orderly market to adopt a more detailed and nuanced provision from the Exchange’s affiliates, MIAX and MIAX Emerald.<sup>6</sup> This provision now identifies which Help Desk personnel may take actions during the Opening Process (Senior Help Desk personnel) and provides examples of the type of actions which may be undertaken. Additionally, the provision provides that the Exchange will make and maintain records to document all determinations to deviate from the standard manner of the Opening Process and will periodically review these determinations for consistency with the interests of a fair and orderly market. The Exchange believes its proposal promotes just and equitable principles of trade, removes impediments to and perfects the mechanisms of a free and open market and a national market system and, in general, protects investors and the public interest by providing additional detail in the Exchange’s rules and by providing a review process for instances where there was a deviation from the standard Opening Process.

The Exchange believes its proposal removes impediments to and perfects the mechanisms of a free and open market by providing clarity in the Exchange’s rules and more detail

concerning the Opening Process on the Exchange. The Exchange believes clarity and transparency benefits investors and the public and allows investors and the public to make informed decisions regarding the Opening Process on the Exchange.

Additionally, the Exchange believes that although MIAX PEARL rules may, in certain instances, intentionally differ from MIAX and MIAX Emerald rules, the proposed changes will promote uniformity with MIAX and MIAX Emerald with respect to rules that are intended to be identical. The Exchange believes that it will reduce the potential for confusion by its members that are also members of MIAX and MIAX Emerald if the only differences between MIAX PEARL, MIAX and MIAX Emerald rules are those that are intended.

The Exchange also believes the proposed changes to Exchange Rule 515 promote just and equitable principles of trade and remove impediments to and perfect the mechanism of a free and open market and a national market system because the proposed changes make clarifying edits to the rule text of Exchange Rule 515, and correct errors in the hierarchical heading scheme and list item identifiers to provide uniformity in the Exchange’s rulebook and paragraph formatting. The Exchange believes that these proposed changes will provide greater clarity to Members and the public regarding the Exchange’s rules and that it is in the public interest for rules to be accurate and concise so as to eliminate the potential for confusion.

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

The Exchange does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the Exchange believes the proposed changes will not impose any burden on intra-market competition as there is no functional change to the Exchange’s System and because the rules of the Exchange apply to all MIAX PEARL participants equally. The proposed rule changes will have no impact on competition as they are not designed to address any competitive issues but rather are designed to remedy minor non-substantive issues and provide added clarity to the rule text of Exchange Rules 503 and 515. In addition, the Exchange does not believe the proposal will impose any burden on inter-market competition as the proposal does not address any competitive issues and is intended to protect investors by providing further

transparency regarding the Exchange’s functionality. The Exchange does not believe that the proposed rule change to amend the provision concerning the actions that the Help Desk may take to deviate from the standard manner of the Opening Process to maintain a fair and orderly market will impose any burden on inter-market competition as the proposed rule change is designed to identify the specific Help Desk personnel authorized to deviate from the standard manner of the Opening Process and to provide some examples of the type of actions that may be undertaken to ensure the operation of a fair and orderly market.

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

Written comments were neither solicited nor received.

## 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 after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act<sup>7</sup> and Rule 19b-4(f)(6)<sup>8</sup> thereunder.

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. 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:

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>8</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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>4</sup> 15 U.S.C. 78f(b).

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

<sup>6</sup> See *supra* note 3.

*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-PEARL-2019-24 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-PEARL-2019-24. 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-PEARL-2019-24 and should be submitted on or before September 25, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>9</sup>

**Jill M. Peterson,**  
Assistant Secretary.

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<sup>9</sup> 17 CFR 200.30-3(a)(12).

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-86799; File No. SR-ICC-2019-007]

**Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change Relating to the ICC Rules, ICC End-of-Day Price Discovery Policies and Procedures, and ICC Risk Management Framework**

August 28, 2019.

On June 28, 2019, ICE Clear Credit LLC ("ICC"), filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to make certain changes to ICC's Clearing Rules and related procedures to provide for the clearing of credit default index swaptions. The proposed rule change was published for comment in the **Federal Register** on July 17, 2019.<sup>3</sup> To date, the Commission has not received comments on the proposed rule change.

Section 19(b)(2) of the Act<sup>4</sup> provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day from the publication of notice of filing of this proposed rule change is August 31, 2019.

The Commission is extending the 45-day time period for Commission action on the proposed rule change, in which ICC would introduce clearing of credit default index swaptions. The Commission finds it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider ICC's proposed rule change.

Accordingly, pursuant to Section 19(b)(2)<sup>5</sup> of the Act, and for the reasons discussed above, the Commission

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

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

<sup>3</sup> Securities Exchange Act Release No. 86358 (July 11, 2019), 84 FR 34220 (July 17, 2019) (SR-ICC-2019-007).

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> 15 U.S.C. 78s(b)(2).

designates October 15, 2019, as the date by which the Commission should either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR-ICC-2019-007).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**Jill M. Peterson,**  
Assistant Secretary.

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-86784; File No. SR-NYSE-2019-45]

**Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Its Price List To Revise the Remove and Adding Liquidity Tiers for Tape B and C Securities**

August 28, 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 August 15, 2019, New York Stock Exchange LLC ("NYSE" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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 its Price List to (1) revise the Remove Tier for Tape B and C securities to add a new Tier charge for removing liquidity, and (2) increase the credits available to Supplemental Liquidity Providers ("SLPs") under SLP Provide Tier 1 for adding displayed and non-displayed liquidity to the Exchange in Tapes B and C securities. The Exchange proposes to implement the fee changes effective August 15, 2019. 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

<sup>6</sup> 17 CFR 200.30-3(a)(31).

<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.