

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-NYSECHX-2019-08 and should be submitted on or before November 6, 2019.

V. Accelerated Approval of Proposed Rule Change, as Modified By Amendment No. 1

The Commission finds good cause to approve the proposed rule change, as modified by Amendment No. 1, prior to the thirtieth day after the date of publication of notice of the filing of Amendment No. 1 in the **Federal Register**. As discussed above, in Amendment No. 1, the Exchange proposes, among other things, to: (i) Extend the pilot period for proposed NYSE Chicago Rule 7.12 (Trading Halts Due to Extraordinary Market Volatility) to October 18, 2020; (ii) amend NYSE Chicago Article 17, Rule 5(c)(3) to add definitions of stock-option combination order and stock-future combination order and amend NYSE Chicago Article 1, Rule 1 to state that the definitions of stock-option combination order and stock-future combination order in NYSE Chicago Article 1, Rule 1 (jj) and (kk) are not applicable to trading on the Pillar trading platform; and (iii) cross reference Article 21, Rule 1 in proposed NYSE Chicago Rule 7.45(d)(2)(A). The proposed changes do not introduce any rules that differ in any substantive manner from rules that previously have been approved by the Commission, or that have become immediately effective, pursuant to Section 19(b) of the Act. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,⁶⁹ to approve the proposed rule change, as modified by Amendment No. 1, on an accelerated basis so that the Exchange can commence its transition

to the Pillar platform without unnecessary delay.

VI. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁷⁰ that the proposed rule change (SR-NYSECHX-2019-08), as modified by Amendment No. 1, be and hereby is approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷¹

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 2019-22483 Filed 10-15-19; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-87266; File No. SR-BOX-2019-24]

Self-Regulatory Organizations; BOX Exchange LLC; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change To Amend Rule 7600

October 9, 2019.

On August 8, 2019, BOX Exchange LLC ("BOX" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² a proposed rule change to provide split-price functionality to Complex and multi-leg QOO Orders on the BOX Trading Floor. The proposed rule change was published for comment in the **Federal Register** on August 27, 2019.³ The Commission has received no comment letters on the proposed rule change.

Section 19(b)(2) of the Act⁴ 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

⁷⁰ *Id.*

⁷¹ 17 CFR 200.30-3(a)(31).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 86723 (August 21, 2019), 84 FR 44954.

⁴ 15 U.S.C. 78s(b)(2).

disapproved. The 45th day for this filing is October 11, 2019.

The Commission is extending the 45-day time period for Commission action on the proposed rule change. The Commission finds that 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 the proposed rule change.

Accordingly, pursuant to Section 19(b)(2)(A)(ii)(I) of the Act⁵ and for the reasons stated above, the Commission designates November 25, 2019, as the date by which the Commission shall either approve, disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. BOX-2019-24).

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

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 2019-22485 Filed 10-15-19; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-87261; File No. SR-CBOE-2019-096]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Make Minor Updates and Consolidate Various Exchange Rules in Connection With Business Conduct on the Exchange, and Move Those Rules From the Currently Effective Rulebook to Proposed Chapter 8 of the Shell Structure for the Exchange's Rulebook That Will Become Effective Upon the Migration of the Exchange's Trading Platform to the Same System Used by the Cboe Affiliated Exchanges

October 9, 2019.

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 October 4, 2019, 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 Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of

⁵ 15 U.S.C. 78s(b)(2)(A)(ii)(I).

⁶ 17 CFR 200.30-3(a)(31).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

⁶⁹ 15 U.S.C. 78s(b)(2).

the Act³ and Rule 19b-4(f)(6) thereunder.⁴ 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 make minor updates and consolidate various Exchange Rules in connection with business conduct on the Exchange, and move those Rules from the currently effective Rulebook (“current Rulebook”) to proposed Chapter 8 of the shell structure for the Exchange’s Rulebook that will become effective upon the migration of the Exchange’s trading platform to the same system used by the Cboe Affiliated Exchanges (as defined below) (“shell Rulebook”). The text of the proposed rule change is provided in Exhibit 5.

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

In 2016, the Exchange’s parent company, Cboe Global Markets, Inc. (formerly named CBOE Holdings, Inc.) (“Cboe Global”), which is also the parent company of Cboe C2 Exchange, Inc. (“C2”), acquired Cboe EDGA Exchange, Inc. (“EDGA”), Cboe EDGX Exchange, Inc. (“EDGX” or “EDGX Options”), Cboe BZX Exchange, Inc. (“BZX” or “BZX Options”), and Cboe BYX Exchange, Inc. (“BYX” and,

together with Cboe Options, C2, EDGX, EDGA, and BZX, the “Cboe Affiliated Exchanges”). The Cboe Affiliated Exchanges are working to align certain system functionality, retaining only intended differences, between the Cboe Affiliated Exchanges, in the context of a technology migration. Cboe Options intends to migrate its trading platform to the same system used by the Cboe Affiliated Exchanges, which the Exchange expects to complete on October 7, 2019. In connection with this technology migration, the Exchange has a shell Rulebook that resides alongside its current Rulebook, which shell Rulebook will contain the Rules that will be in place upon completion of the Cboe Options technology migration.

The Exchange proposes to consolidate current Chapter 4 and various other current rules in connection with business conduct on the Exchange into sections of proposed Chapter 8 (Business Conduct) in the shell Rulebook. The Exchange notes that in addition to consolidating and moving the various rules related to business conduct to proposed Chapter 8, the proposed rule change deletes the rules from the current Rulebook. The proposed rule change moves and, where applicable, consolidates the rules as follows:

Proposed rule	Current rule
Section A. General Conduct	
8.1 Just and Equitable Principles of Trade	4.1 Just and Equitable Principles of Trade.
8.2 Adherence to Law	4.2 Adherence to Law.
8.3 Gratuities	4.4 Gratuities.
8.4 Nominal Employment	4.5 Nominal Employment.
8.5 False Statements	4.6 False Statements.
8.6 Manipulation	4.7 Manipulation.
8.7 Rumors	4.8 Rumors.
8.8 Disciplinary Action by Other Organizations	4.9 Disciplinary Action by Other Organizations.
8.9 Other Restrictions on Trading Permit Holders	4.10 Other Restrictions on Trading Permit Holders. ⁵
8.10 Prevention of the Misuse of Material, Nonpublic Information	4.18 Prevention of the Misuse of Material, Nonpublic Information.
8.11 Prohibition Against Harassment	4.19 Prohibition Against Harassment.
8.12 Anti-Money Laundering Compliance Program	4.20 Anti-Money Laundering Compliance Program.
8.13 Third Party Deposits Prohibited	4.21 Third Party Deposits Prohibited.
8.14 Communications to the Exchange or the Clearing Corporation	4.22 Communications to the Exchange or the Clearing Corporation.
8.15 Unbundling of Orders to Maximize Rebates of Fees	4.23 Unbundling of Orders to Maximize Rebates of Fees.
8.16 Supervision	4.24 Supervision.
8.17 Proxy Voting	4.25 Proxy Voting.
8.18 Failure to Pay Premium ⁶	10.3 Failure to Pay Premium.
8.20 Prohibition Against Customers Functioning as Market-Makers	6.8 Prohibition Against Customers Functioning as Market-Makers.
8.21 Multiple Representation Prohibited	6.55 Multiple Representation Prohibited.
8.22 Trading by Trading Permit Holders on the Floor	6.22 Trading by Trading Permit Holders on the Floor.
Section B. Position Limits, Exercise Limits, Liquidation and Reports	
8.30 Position Limits	4.11 Position Limits.
8.31 Position Limits for Broad-Based Index Options	24.4 Position Limits for Broad-Based Index Options.
8.32 Position Limits for Industry Index Options	24.4A Position Limits for Industry Index Options.
8.33 Position Limits for Position Limits for Options on Micro Narrow-Based Indexes.	24.4B Position Limits for Options on Micro Narrow-Based Indexes As Defined Under Rule 24.2(d).
8.34 Position Limits for Individual Stock or ETF Based Volatility Index Options.	24.4C Position Limits for Individual Stock or ETF Based Volatility Index Options.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

Proposed rule	Current rule
8.35 Position Limits for FLEX Options	24A.7(a)–(c) Position Limits and Reporting Requirements [FLEX options, provisions regarding position limits].
8.36 Position Limits for Binary Options	22.6 Position Limits [binary options].
8.37 Position Limit for Range Options	20.6 Position Limits [range options].
8.38 Position Limits for Corporate Debt Security Options	28.2 Position Limits [corporate debt security options].
8.39 Position Limits for Credit Options	29.5 Position Limits [credit options].
8.40 Position Limits for Government Security Options	21.3 Position Limits [Treasury Bonds and Notes].
8.41 Position Limits on Interest Rate Options	23.3 Position Limits [interest rate options].
8.42 Exercise Limits	
8.42(a)	4.12 Exercise Limits.
8.42(b)	24.5 Exercise Limits [index options, including Interpretations and Policies].
8.42(c)	20.8 Exercise Limits [range options].
8.42(d)	28.3 Exercise Limits [corporate debt security options].
8.42(e)	21.4 Exercise Limits [government security options].
8.42(f)	23.4 Exercise Limits [interest rate options].
8.42(g)	24A.8 Exercise Limits [FLEX options].
8.42(h)	22.7 Exercise Limits [binary options], and 29.7 Exercise Limits [credit options].
8.43 Reports Related to Position Limits	
8.43(a)–(d)	4.13 Reports Related to Position Limits.
8.43(e)	20.7 Reports Related to Position Limits and Liquidation of Positions [range options].
8.43(f)	22.8 Reports Related to Position Limits and Liquidation of Positions [binary options].
8.43(g)	28.4 Reports Related to Position Limits and Liquidation of Positions [corporate debt security options].
8.43(h)	29.6 Reports Related to Position Limits and Liquidation of Positions [credit options].
8.43(i)	21.5 Reports Related to Position Limits and Liquidation of Positions (Treasury Bonds and Notes) [government security options].
8.43(j)	24A.7(d) Position Limits and Reporting Requirements [FLEX options, provision regarding reporting requirements].
8.44 Liquidation of Positions	4.14 Liquidation of Positions.
8.45 Limit on Outstanding Uncovered Short Positions	4.15 Limit on Outstanding Uncovered Short Positions.
8.46 Other Restrictions on Options Transactions and Exercises	
8.46(a)–(b)	4.16 Other Restrictions on Options Transactions and Exercises.
8.46(c)	22.9 Other Restrictions on Binary Options Transactions, and 24.10 Restrictions on Contracts [index options].

The proposed rule changes make only non-substantive changes to the rules in order to update headings that better flow with the consolidated rules, update references to other rule text that will be implemented upon migration, as well as correct inaccurate references, update certain technical text formatting that will be used in the Rules upon migration (specifically, changing all times to Eastern Time without time zone indication pursuant to Rule 1.6 in the shell Rulebook which states that unless otherwise specified, all times in the

Rules are Eastern Time), and reformat the paragraph lettering and numbering.

The proposed rule also makes non-substantive changes in connection with removing redundant rules and rule language. The proposed rule change removes Rule 29.8 which states that current Rule 4.16 (proposed Rule 8.46) shall be applicable to Credit Options, as this is redundant of the rule itself. The proposed change also removes redundant language under current Rules 21.5, 28.4, and 29.6, in connection with Government security options, Corporate Debt Security options, and Credit Options, respectively. The proposed rule change removes the language under each that states that the respective rule supplements current Rules 4.13 and 4.14. This language is redundant given the fact that these rules are being consolidated into the rules in which they reference and, as described below, the rules in which they reference are being updated so that they clearly cover Government security, Corporate Debt Security, and Credit options. The proposed rule change also removes the introductory clause (“in determining

compliance with Rule 4.12”) to current Rules 28.3, 21.4, 23.4, and 24A.8, because, as indicated in the table above, these rules will be consolidated into current Rule 4.12 (proposed Rule 8.42) which would make this language redundant. Additionally, the proposed rule change removes the language under current Rules 21.5, 28.4, and 29.6 that states that for the purposes of current Rules 4.13 and 4.14 (proposed Rules 8.43 and 8.44), references to current Rule 4.11 (proposed Rule 8.30) in connection with position limits shall be deemed, in the case of each respective option type, to be to the current position limit rule that governs that option type (e.g., in the case of Credit Options, references to current Rule 4.11 are deemed to be to current Rule 29.5). Instead, the proposed rule change replaces the references to current Rule 4.11 in proposed Rules 8.43 and 8.44 with the phrase “the applicable position limits Rule”, thereby encompassing the position limit provision for all respective options types and eliminating the need for the existing multiple cross-reference language in currently in Rules

⁵ See Securities Exchange Act Release No. 86910 (September 19, 2019) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rule 4.10(b) Regarding the Notice Requirement in Connection with Trading Permit Holders that Clear Market-Maker Trades) (SR-CBOE-2019-055). The changes in SR-C2-2019-015 are currently effective but not yet operative; however, the proposed rule changes assume operativeness of those effective changes.

⁶ The Exchange notes that Rule 8.25 (Restriction on Acting as Market-Maker and Floor Broker) is currently in the shell Rulebook, and the proposed rule change merely updates the rule number to Rule 8.19 to fit within the structure of proposed Chapter 8 in its entirety.

21.5, 28.4, 29.6. Likewise, the proposed rule change removes the provision under current Rule 21A.7 which states that Rule 24A.7 supplements current Rule 4.11 generally, but supersedes Interpretations .02 and .04 of current Rule 4.11 and all of current Rules 24.4, 24.4A, 24.4B, 24.4C and 29.5 except to the extent those Rules are referred to in this rule. The Exchange proposes to remove the language in the above-described rules, as it believes the multiple layers of cross-references are unnecessarily cumbersome and potentially confusing for investors. It believes the proposed consolidated rules with updated and more concise cross-references make the proposed rules clear as to the specific position limit provisions that apply to different types of options.

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.⁷ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁸ 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)⁹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The proposed rule change does not make any substantive changes to the rules and is merely intended to consolidate, reorganize, and make nonsubstantive updates to the Exchange's rules in anticipation of the technology migration on October 7, 2019. The Exchange believes that the non-substantive proposed changes, which update technical text and formatting (e.g. paragraph headings and time-related references), update rule cross-references, correct inaccurate rule

cross-references, consolidate and reorganize rules and rule paragraphs and/or Interpretations and Policies, and remove redundant and/or cumbersome provisions that are potentially confusing for market participants, particularly in light of the consolidated shell Rulebook format, will foster cooperation and coordination with those facilitating transactions in securities and remove impediments to and perfect the mechanism of a free and open market and national market system by simplifying the Exchange Rules and Rulebook as a whole, and making its Rules easier to follow and understand, which will also result in less burdensome and more efficient regulatory compliance.

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 Exchange reiterates that the proposed rule change is being proposed in the context of a technology migration of the Cboe Affiliated Exchanges, and not as a competitive filing. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition because it does not make any substantive changes to the current Exchange Rules. The proposed rule change merely intends to provide consolidated rules upon migration and consistent technical text and formatting in the shell Rulebook that will be in place come October 7, 2019. The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition because the proposed rules are substantively the same as the Exchange's current rules, all of which have all been previously filed with the Commission.

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 Act¹⁰ and Rule 19b-4(f)(6) thereunder.¹¹

A proposed rule change filed under Rule 19b-4(f)(6)¹² normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹³ 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. As the Exchange represents above, the proposed rule change would consolidate current Chapter 4 and various other current rules in connection with business conduct on the Exchange into sections of proposed Chapter 8 (Business Conduct) in the shell Rulebook and would make only non-substantive changes to the relocated rules. The Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest because the proposal does not raise any new or novel issues and makes only non-substantive changes to the rules. The Commission therefore waives the 30-day operative delay and designates the proposal operative upon filing.¹⁴

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:

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 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.

¹² *Id.*

¹³ 17 CFR 240.19b-4(f)(6)(iii).

¹⁴ 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).

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

⁹ *Id.*

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-2019-096 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-2019-096. 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-CBOE-2019-096, and should be submitted on or before November 6, 2019.

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

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 2019-22481 Filed 10-15-19; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-87262; File No. SR-NASDAQ-2019-082]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend The Nasdaq Options Market LLC Rules at Chapter VI and Chapter VII

October 9, 2019.

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 September 26, 2019, The Nasdaq Stock Market LLC ("Nasdaq" 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 Nasdaq Options Market LLC Rules at Chapter VI, Section 5, "Minimum Increments," Chapter VI, Section 6, "Acceptance of Quotes and Orders," Chapter VI, Section 7, "Entry and Display Orders," Chapter VI, Section 10, "Book Processing," Chapter VI, Section 21, "Order and Quote Protocols," Chapter VII, Section 5, "Obligations of Market Makers," and Chapter VII, Section 12, "Order Exposure Requirements." The Exchange proposes to relocate certain current rules to new Rules Chapter VI, Section 22, titled "Kill Switch" and 23, titled "Detection of Loss of Communication." The text of the proposed rule change is available on the Exchange's website at <http://nasdaq.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 Exchange proposes to amend Chapter VI, Section 5, "Minimum Increments," Chapter VI, Section 6, "Acceptance of Quotes and Orders," Chapter VI, Section 7, "Entry and Display Orders," Chapter VI, Section 10, "Book Processing," Chapter VI, Section 21, "Order and Quote Protocols," Chapter VII, Section 5, "Obligations of Market Makers," and Chapter VII, Section 12, "Order Exposure Requirements." The Exchange proposes to relocate certain current rules to new Rules Chapter VI, Section 22, titled "Kill Switch" and 23, titled "Detection of Loss of Communication." Each rule change will be discussed in greater detail below.

Chapter VI, Section 5 Minimum Increments

The Exchange proposes to amend Chapter VI, Section 5 to add a new Section 5(c) which provides, "A quote submitted to the System with an invalid trading increment will be re-priced. The quote will be rounded up to the nearest valid minimum price variation for offers and rounded down for bids." Today, a quote submitted to NOM with an invalid trading increment will be re-priced. The Exchange will round the price up to the nearest valid minimum price variation for offers and will round the price down for bids. The Exchange believes that providing this transparency within the Exchange's rules will provide Market Makers with greater information on the manner in which invalid increments will be handled by the System and provide them with expectations.

Chapter VI, Section 6 Acceptance of Quotes and Orders

Currently, Chapter VI, Section 6 is titled "Acceptance of Quotes and Orders." The Exchange proposes to retitle Chapter VI, Section 6 as "Entry and Display of Quotes." The Exchange proposes to add an (a) before the first paragraph. The Exchange is removing references to orders in this Rule because it also proposes to adopt a new Chapter VI, Section 7, titled "Entry and Display of Orders" to describe requirements for order entry.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

¹⁵ 17 CFR 200.30-3(a)(12).