

plans to submit this collection of information to the Office of Management and Budget for extension and approval.

Rule 0-4 (17 CFR 275.0-4) under the Investment Advisers Act of 1940 (“Act” or “Advisers Act”) (15 U.S.C. 80b-1 *et seq.*) entitled “General Requirements of Papers and Applications,” prescribes general instructions for filing an application seeking exemptive relief with the Commission. Rule 0-4 currently requires that every application for an Order for which a form is not specifically prescribed and which is executed by a corporation, partnership or other company and filed with the Commission contain a statement of the applicable provisions of the articles of incorporation, bylaws or similar documents, relating to the right of the person signing and filing such application to take such action on behalf of the applicant, and a statement that all such requirements have been complied with and that the person signing and filing the application is fully authorized to do so. If such authorization is dependent on resolutions of stockholders, directors, or other bodies, such resolutions must be attached as an exhibit to or quoted in the application. Any amendment to the application must contain a similar statement as to the applicability of the original statement of authorization. When any application or amendment is signed by an agent or attorney, rule 0-4 requires that the power of attorney evidencing his authority to sign shall state the basis for the agent’s authority and shall be filed with the Commission. Every application subject to rule 0-4 must be verified by the person executing the application by providing a notarized signature in substantially the form specified in the rule. Each application subject to rule 0-4 must state the reasons why the applicant is deemed to be entitled to the action requested with a reference to the provisions of the Act and rules thereunder, the name and address of each applicant, and the name and address of any person to whom any questions regarding the application should be directed. Rule 0-4 requires that a proposed notice of the proceeding initiated by the filing of the application accompany each application as an exhibit and, if necessary, be modified to reflect any amendment to the application.

The requirements of rule 0-4 are designed to provide Commission staff with the necessary information to assess whether granting the Orders of exemption are necessary and appropriate in the public interest and consistent with the protection of

investors and the intended purposes of the Act.

Applicants for Orders under the Advisers Act can include registered investment advisers, affiliated persons of registered investment advisers, and entities seeking to avoid investment adviser status, among others. Commission staff estimates that it receives up to 4 applications per year submitted under rule 0-4 of the Act seeking relief from various provisions of the Advisers Act and, in addition, up to 3 applications per year submitted under Advisers Act rule 206(4)-5, which addresses certain “pay to play” practices and also provides the Commission the authority to grant applications seeking relief from certain of the rule’s restrictions. Although each application typically is submitted on behalf of multiple applicants, the applicants in the vast majority of cases are related entities and are treated as a single respondent for purposes of this analysis. Most of the work of preparing an application is performed by outside counsel and, therefore, imposes no hourly burden on respondents. The cost outside counsel charges applicants depends on the complexity of the issues covered by the application and the time required. Based on conversations with applicants and attorneys, the cost for applications ranges from approximately \$13,600 for preparing a well-precedented, routine (or otherwise less involved) application to approximately \$212,800 to prepare a complex or novel application. We estimate that the Commission receives 1 of the most time-consuming applications annually, 3 applications of medium difficulty, and 3 of the least difficult applications subject to rule 0-4.<sup>1</sup> This distribution gives a total estimated annual cost burden to applicants of filing all applications of \$392,500 [(1 × \$212,800) + (3 × \$46,300) + (3 × \$13,600)]. The estimate of annual cost burden is made solely for the purposes of the Paperwork Reduction Act, and is not derived from a comprehensive or even representative survey or study of the costs of Commission rules and forms.

The requirements of this collection of information are required to obtain or retain benefits. Responses will not be kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid control number.

Written comments are invited on: (a) Whether the proposed collection of

information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency’s estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to 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).

Dated: October 24, 2019.

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

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**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-87389; File No. SR-NYSECHX-2019-15]

### Self-Regulatory Organizations; NYSE Chicago, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Establish the NYSE Chicago BBO, NYSE Chicago Trades and NYSE Chicago Integrated Feed Market Data Feeds

October 23, 2019.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 18, 2019, NYSE Chicago, Inc. (“NYSE Chicago” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II.A, and II.C 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 the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> The Commission is publishing this notice to

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

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

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

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

<sup>1</sup> The estimated 3 least difficult applications include the estimated 3 applications per year submitted under Advisers Act rule 206(4)-5.

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 establish the NYSE Chicago BBO ("NYSE Chicago BBO"), NYSE Chicago Trades ("NYSE Chicago Trades") and NYSE Chicago Integrated Feed ("NYSE Chicago Integrated Feed") market data feeds. 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 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 Exchange proposes to establish NYSE Chicago BBO, NYSE Chicago Trades and NYSE Chicago Integrated Feed ("NYSE Chicago Market Data Feeds"). The Exchange recently got approval to decommission the Book Feed market data product when it transitions to the Pillar trading platform.<sup>5</sup> As proposed, once the Exchange transitions to the Pillar trading platform, it will offer the NYSE Chicago Market Data Feeds in lieu of the current Book Feed market data product. The Exchange believes that utilizing the standardized Pillar market data feeds

across NYSE exchanges would create efficiencies for customer feed handlers.

The Exchange believes that the proposed NYSE Chicago Market Data Feeds will provide subscribers of the Book Feed market data product with the same scope of Exchange information once the Exchange transitions to Pillar, but with greater optionality. Subscribers that would like to continue to receive both order data (including depth of book) and last-sale data would be able to replace Book Feed with NYSE Chicago Integrated and would not need to separately subscribe to either NYSE Chicago BBO or NYSE Chicago Trades. Subscribers that do not need as much data could opt instead to subscribe to only NYSE Chicago BBO or NYSE Chicago Trades. In anticipation of the transition to the Pillar trading system, the Exchange has provided notice of the availability of the proposed market data products and related testing opportunities.<sup>6</sup>

##### **NYSE Chicago BBO**

NYSE Chicago BBO is a NYSE Chicago-only market data feed that would provide vendors and subscribers on a real-time basis with the same best-bid-and-offer information that NYSE Chicago reports under the Consolidated Quotation Plan ("CQ Plan") and the Plan Governing the Collection, Consolidation, and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privilege Basis ("UTP Plan"). NYSE Chicago BBO would include the best bids and offers ("NYSE Chicago BBO Information") for all securities that are traded on the Exchange. NYSE Chicago will make the NYSE Chicago BBO available over a single datafeed, regardless of the markets on which the securities are listed.

NYSE Chicago BBO would allow vendors, broker-dealers, and others ("NYSE Chicago Vendors") to consume and make available NYSE Chicago BBO Information on a real-time basis. NYSE Chicago Vendors may distribute the NYSE Chicago BBO to both professional and non-professional subscribers. The Exchange would make NYSE Chicago BBO Information available through the NYSE Chicago BBO datafeed no earlier

than it makes that information available to the processor under the CQ Plan or the UTP Plan, as applicable.

##### **NYSE Chicago Trades**

NYSE Chicago Trades is a NYSE Chicago-only market data feed that would provide vendors and subscribers on a real-time basis with the same last sale information that NYSE Chicago reports under the Consolidated Tape Association Plan ("CTA Plan") and the UTP Plan for inclusion in the consolidated feeds. NYSE Chicago Trades would include the real-time last sale price, time and size information ("NYSE Chicago Last Sale Information") for all securities that are traded on the Exchange. NYSE Chicago will make the NYSE Chicago Trades available over a single datafeed, regardless of the markets on which the securities are listed.

NYSE Chicago Trades would allow NYSE Chicago Vendors to consume and make available NYSE Chicago Last Sale Information on a real-time basis. NYSE Chicago Vendors may distribute the NYSE Chicago Trades to both professional and non-professional subscribers. The Exchange would make NYSE Chicago Last Sale Information available through the NYSE Chicago Trades datafeed no earlier than it makes that information available to the processor under the CTA Plan or the UTP Plan, as applicable. In addition to the information that the Exchange provides to the processor, NYSE Chicago Last Sale Information will also include a unique sequence number that the Exchange assigns to each trade and that allows an investor to track the context of a trade through other Exchange market data products.

##### **NYSE Chicago Integrated Feed**

NYSE Chicago Integrated Feed is a NYSE Chicago-only market data feed that would provide vendors and subscribers on a real-time basis with a unified view of events, in sequence, as they appear on the NYSE Chicago matching engines. The NYSE Chicago Integrated Feed would include both top of book and depth of book order data, last sale data, and security status updates (e.g., trade corrections and trading halts) and stock summary messages. The stock summary message would update every minute and would include the Exchange's aggregation of NYSE Chicago's opening price, high price, low price, closing price, and the cumulative volume for a security, which information is available to vendors and subscribers to calculate on their own should they so choose. The NYSE Chicago Integrated Feed would include

<sup>5</sup> See Securities Exchange Act Release No. 86709 (August 20, 2019), 84 FR 44654 (August 20, 2019) (SR-NYSECHX-2019-08) (Notice proposing trading rules to support the transition of trading to the Pillar trading platform, including proposing to delete Article 4, Rule 1, which currently describes the Book Feed, because it will not be offered once the Exchange transitions to Pillar); see also Securities Exchange Act Release No. 87264 (October 9, 2019) (SR-NYSECHX-2019-08) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, to Add Rules to Support the Transition of Trading to the Pillar Trading Platform).

<sup>6</sup> On August 16, 2019, the Exchange provided notice of the proposed NYSE Chicago Market Data Feeds, including that such feeds would be available to customers in shadow, i.e., for testing, on September 16, 2019. See Trader Update available here: <https://www.nyse.com/trader-update/history#110000144335>. See also additional Trader Updates about the feeds, available here: <https://www.nyse.com/trader-update/history#110000137761>; and <https://www.nyse.com/trader-update/history#110000154859>.

information available to vendors and subscribers of both NYSE Chicago BBO and NYSE Chicago Trades, as described above.

As described in Article 4, Rule 1, the current Book Feed allows a subscriber to view all individual Participant orders displayed in the Matching System, including the size and price associated with such order and the trade data for executions that occur within the Matching System. When the Exchange transitions to Pillar, current subscribers to the Book Feed will be able to obtain the same scope of information via the proposed NYSE Chicago Integrated Feed. Accordingly, after the transition to Pillar, subscribers of Book Feed would still need only one data product to satisfy their data needs. The Exchange proposes to offer NYSE Chicago BBO and NYSE Chicago Trades to provide additional optionality to data subscribers that may not need the scope of data included in NYSE Chicago Integrated.

Offering an integrated product addresses requests received from vendors and subscribers that would like to receive the data described above in an integrated fashion. An integrated data feed would provide greater efficiencies and reduce errors for vendors and subscribers that currently choose to integrate the data after receiving it from the Exchange. The Exchange believes that providing vendors and subscribers with the option of a market data product that both integrates existing products and includes additional market data would allow vendors and subscribers to choose the best solution for their specific businesses.

The Exchange proposes to offer connectivity to the NYSE Chicago Market Data Feeds over the Liquidity Center Network and IP network, the local area networks available to users of the Exchange's co-location services in the Mahwah, New Jersey data center. The Exchange would also offer connectivity to the NYSE Chicago Market Data Feeds over the ICE Global Network, through which all other users and members access the Exchange's trading and execution systems and other proprietary market data products. In addition, the proposal would not permit unfair discrimination because the products will be available to all of the Exchange's customers and broker-dealers.

At this time, the Exchange does not intend to charge any fees associated with the receipt of NYSE Chicago BBO, NYSE Chicago Trades or NYSE Chicago Integrated Feed. The Exchange will submit a proposed rule change should it determine to charge fees associated with

the receipt of NYSE Chicago BBO, NYSE Chicago Trades or NYSE Chicago Integrated Feed. Accordingly, subscribers of the current Book Feed product, which is also not subject to any fees, would not be subject to any additional fees in order to receive any of the proposed NYSE Chicago Market Data Feeds.

Subject to effectiveness of proposed rule changes, the NYSE Chicago Market Data Feeds will be available when the Exchange transitions to the Pillar trading platform.<sup>7</sup>

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b)<sup>8</sup> of the Act ("Act"), in general, and furthers the objectives of Section 6(b)(5)<sup>9</sup> of the Act, 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 mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest, and it is not designed to permit unfair discrimination among customers, brokers, or dealers. This proposal is in keeping with those principles in that it promotes increased transparency through the dissemination of the NYSE Chicago Market Data Feeds to those interested in receiving it.

The Exchange also believes this proposal is consistent with Section 6(b)(5) of the Act because it protects investors and the public interest and promotes just and equitable principles of trade by providing investors with new options for receiving market data as requested by market data vendors and purchasers. The proposed rule change would benefit investors by facilitating their prompt access to the real-time information contained in the NYSE Chicago Market Data Feeds. The Exchange further believes that the proposed NYSE Chicago Market Data Feeds would remove impediments to and perfect the mechanism of a free and open market and a national market system because once the Exchange transitions to the Pillar trading platform, current subscribers to the Book Feed

market data product would be able to obtain the same level of data from NYSE Chicago Integrated without incurring any new fees.

In adopting Regulation NMS, the Commission granted self-regulatory organizations ("SROs") and broker dealers increased authority and flexibility to offer new and unique market data to consumers of such data. It was believed that this authority would expand the amount of data available to users and consumers of such data and also spur innovation and competition for the provision of market data. The Exchange believes that the NYSE Chicago Market Data Feeds are precisely the sort of market data products that the Commission envisioned when it adopted Regulation NMS. The Commission concluded that Regulation NMS would itself further the Act's goals of facilitating efficiency and competition:

Efficiency is promoted when broker-dealers who do not need the data beyond the prices, sizes, market center identifications of the NBBO and consolidated last sale information are not required to receive (and pay for) such data. The Commission also believes that efficiency is promoted when broker-dealers may choose to receive (and pay for) additional market data based on their own internal analysis of the need for such data.<sup>10</sup>

The Exchange further notes that the existence of alternatives to the Exchange's product, including real-time consolidated data, free delayed consolidated data, and proprietary data from other sources, as well as the continued availability of the Exchange's separate data feeds, ensures that the Exchange is not unreasonably discriminatory because vendors and subscribers can elect these alternatives as their individual business cases warrant.

The NYSE Chicago Market Data Feeds will help to protect a free and open market by providing additional data to the marketplace and by giving investors greater choices. In addition, the proposal would not permit unfair discrimination because the products will be available to all of the Exchange's customers and broker-dealers.

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

In accordance with Section 6(b)(8) of the Act,<sup>11</sup> the Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in

<sup>7</sup> The Exchange has announced that, subject to rule approvals, the Exchange will transition to trading on Pillar on November 4, 2019. See Trader Update, available here: [https://www.nyse.com/publicdocs/nyse/notifications/trader-update/NYSEChicago\\_Migration\\_update\\_9.4.pdf](https://www.nyse.com/publicdocs/nyse/notifications/trader-update/NYSEChicago_Migration_update_9.4.pdf).

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

<sup>9</sup> 15 U.S.C. 78f(b)(5).

<sup>10</sup> See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496 (June 29, 2005) (Regulation NMS Adopting Release).

<sup>11</sup> 15 U.S.C. 78f(b)(8).

furtherance of the purposes of the Act. Because other exchanges already offer similar products, the Exchange's proposed NYSE Chicago Market Data Feeds will enhance competition. For example, NYSE Chicago BBO would provide an alternative to NYSE Arca BBO,<sup>12</sup> offered by the Exchange's affiliate, Arca, Inc. ("NYSE Arca"), Nasdaq Basic,<sup>13</sup> offered by The Nasdaq Stock Market, Inc. ("Nasdaq"), and Cboe Top,<sup>14</sup> offered by Cboe Global Markets, Inc. ("Cboe"). Additionally, NYSE Chicago Trades would provide an alternative to NYSE Arca Trades,<sup>15</sup> offered by NYSE Arca, Nasdaq Basic,<sup>16</sup> offered by Nasdaq, and Cboe Last Sale,<sup>17</sup> offered by Cboe. Finally, NYSE Chicago Integrated Feed would provide an alternative to NYSE Arca Integrated Feed,<sup>18</sup> offered by NYSE Arca, Nasdaq TotalView-Itch,<sup>19</sup> offered by Nasdaq, and Cboe Depth,<sup>20</sup> offered by Cboe.

The NYSE Chicago Market Data Feeds provide investors with new options for receiving market data, which was a primary goal of the market data amendments adopted by Regulation NMS.<sup>21</sup>

<sup>12</sup> See NYSE Arca BBO, <https://www.nyse.com/market-data/real-time/bbo> (provides best bid/ask quotations for all traded securities).

<sup>13</sup> See Nasdaq Basic, <http://www.nasdaqtrader.com/Trader.aspx?id=NASDAQBASIC> (provides Best Bid and Offer and Last Sale Information).

<sup>14</sup> See Cboe Top, [https://markets.cboe.com/us/equities/market\\_data\\_products/](https://markets.cboe.com/us/equities/market_data_products/) (provides real-time top-of-book quotations, matched trade price, volume and execution time).

<sup>15</sup> See NYSE Arca Trades, <https://www.nyse.com/market-data/real-time/trades> (provides real-time Last Sale information for all traded securities).

<sup>16</sup> See Nasdaq Basic, <http://www.nasdaqtrader.com/Trader.aspx?id=NASDAQBASIC> (provides Best Bid and Offer and Last Sale Information).

<sup>17</sup> See Cboe Last Sale, [https://markets.cboe.com/us/equities/market\\_data\\_products/](https://markets.cboe.com/us/equities/market_data_products/) (provides real-time matched trade price, volume and execution time).

<sup>18</sup> See NYSE Arca Integrated Feed, <https://www.nyse.com/market-data/real-time/integrated-feed> (provides a comprehensive order-by-order view of events in the equities market, including depth of book, trades, order imbalance data, and security status messages).

<sup>19</sup> See Nasdaq TotalView-ITCH, <http://www.nasdaqtrader.com/Trader.aspx?id=Totalview2> (displays the full order book depth for Nasdaq market participants and also disseminates the Net Order Imbalance Indicator (NOII) for the Nasdaq Opening and Closing Crosses and Nasdaq IPO/Halt Cross).

<sup>20</sup> See Cboe Depth, [https://markets.cboe.com/us/equities/market\\_data\\_products/](https://markets.cboe.com/us/equities/market_data_products/) (provides real-time, depth-of-book quotations and execution information).

<sup>21</sup> See *supra* note 6 [sic], at 37503.

*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**

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 Act<sup>22</sup> and Rule 19b-4(f)(6) thereunder.<sup>23</sup>

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act<sup>24</sup> normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)<sup>25</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 requested that the Commission waive the 30-day operative delay so that the proposed rule change may become operative upon filing. The Exchange asserts that waiver of the operative delay would be consistent with the protection of investors and the public interest because it would allow the Exchange to provide the NYSE Chicago Market Data Feeds when it migrates to the Pillar platform. The Exchange notes that it has previously announced that, subject to rule approvals, it will transition to Pillar on November 4, 2019. The Exchange will provide the NYSE Chicago Market Data Feeds free of charge and they are comparable to feeds provided by other national securities exchanges.<sup>26</sup> Therefore, the Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the operative delay and

<sup>22</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>23</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>24</sup> 17 CFR 240.19b-4(f)(6).

<sup>25</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>26</sup> See *supra* Section II.B.

designates the proposed rule change operative upon filing.<sup>27</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 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 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-NYSECHX-2019-15 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-NYSECHX-2019-15. 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

<sup>27</sup> For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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–2019–15, and should be submitted on or before November 19, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>28</sup>

**Jill M. Peterson,**

*Assistant Secretary.*

[FR Doc. 2019–23546 Filed 10–28–19; 8:45 am]

BILLING CODE 8011–01–P

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34–87390; File No. SR–ISE–2019–26]

**Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Market Maker Plus Program**

October 23, 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 October 10, 2019, Nasdaq ISE, LLC (“ISE” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “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 Exchange’s Market Maker Plus program under Options 7, Section 3.

The text of the proposed rule change is available on the Exchange’s website at <http://ise.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 purpose of the proposed rule change is to amend the qualifications for Market Makers to achieving Market Maker Plus status.

The Exchange initially filed the proposed pricing changes on October 1, 2019 (SR–ISE–2019–25). On October 10, 2019, the Exchange withdrew that filing and submitted this filing.

As set forth in Section 3 of the Pricing Schedule, the Exchange operates a Market Maker Plus program for regular orders in Select Symbols<sup>3</sup> that provides the below tiered rebates to Market Makers<sup>4</sup> based on time spent quoting at the National Best Bid or National Best Offer (“NBBO”). This program is designed to reward Market Makers that contribute to market quality by maintaining tight markets in Select Symbols.

**SELECT SYMBOLS OTHER THAN SPY, QQQ, IWM, AMZN, FB, AND NVDA**

| Market Maker Plus tier (specified percentage) | Maker rebate |
|---|--------------|
| Tier 1 (80% to less than 85%) .....           | (\$0.15)     |
| Tier 2 (85% to less than 95%) .....           | (0.18)       |
| Tier 3 (95% or greater) .....                 | (0.22)       |

**SPY, QQQ, AND IWM**

| Market Maker Plus tier (specified percentage) | Regular Maker rebate | Linked Maker rebate <sup>5</sup> |
|---|----------------------|----------------------------------|
| Tier 1 (70% to less than 80%) .....           | (\$0.00)             | N/A                              |
| Tier 2 (80% to less than 85%) .....           | (0.18)               | (0.15)                           |
| Tier 3 (85% to less than 90%) .....           | (0.22)               | (0.19)                           |
| Tier 4 (90% or greater) .....                 | (0.26)               | (0.23)                           |

<sup>28</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>3</sup> “Select Symbols” are options overlying all symbols listed on the Nasdaq ISE that are in the Penny Pilot Program.

<sup>4</sup> The term “Market Makers” refers to “Competitive Market Makers” and “Primary Market Makers” collectively. See Options 1, Section 1(a)(20).

<sup>5</sup> To encourage Market Makers to maintain quality markets in SPY, QQQ, and IWM in particular,

members that maintain tight markets in those symbols are eligible for higher regular maker rebates and may also be eligible for linked maker rebates, as shown in the table above. Specifically, the following symbols are linked for purposes of the linked maker rebate: (1) SPY and QQQ, and (2) SPY and IWM. Market Makers that qualify for Market Maker Plus Tiers 2–4 above for executions in SPY, QQQ, or IWM may be eligible for a linked maker rebate in a linked symbol in addition to the regular maker rebate for the applicable tier. The linked maker rebate applies to executions in SPY, QQQ, or IWM if the Market Maker does not achieve the

applicable tier in that symbol but achieves the tier (*i.e.*, any of Market Maker Plus Tiers 2–4) for any badge/suffix combination in the other linked symbol, in which case the higher tier achieved applies to both symbols. If a Market Maker would qualify for a linked maker rebate in SPY based on the tier achieved in QQQ and the tier achieved in IWM then the higher of the two linked maker rebates will be applied to SPY. The regular maker rebate will be provided in the symbol that qualifies the Market Maker for the higher tier based on percentage of time at the NBBO.