

how similar orders are priced when crossed by an Away Market. The proposed change is also consistent with how IEX processes the reserve interest of Reserve Orders.<sup>26</sup>

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

In accordance with Section 6(b)(8) of the Act,<sup>27</sup> the Exchange believes that the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change is competitive because it is designed to conform how the Exchange processes previously-displayed orders with the functionality available on other exchanges, *i.e.*, that such orders would stand their ground if locked or crossed by an Away Market and be eligible to be disseminated to the SIP at their original price. The Exchange believes that the proposed change would promote competition because fewer orders would need to be repriced on the Exchange and therefore liquidity providers seeking for their orders to retain priority may route additional orders to the Exchange. Likewise, liquidity takers may be more likely to route orders to the Exchange if they have greater determinism regarding the price at which their orders would be executed.

Without this proposed rule change regarding how displayed orders would stand their ground if locked or crossed by an Away Market, the Exchange is currently at a competitive disadvantage vis-à-vis all other equity exchanges, which do not reprice orders in this manner. As discussed above, displayed orders on all other equity exchanges, including the two exchanges that recently had their Form 1 applications to be approved as an exchange (IEX and LTSE), stand their ground when locked or crossed by an Away Market and such orders are disseminated to the SIP if they become those exchanges' best bid or offer. In addition, MEMX proposes that displayed orders would stand their ground if locked or crossed by an Away Market.

#### *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**

Within 45 days of the date of publication of this notice in the **Federal Register**, or such 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 the 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-NYSEAMER-2020-12 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-NYSEAMER-2020-12. 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-NYSEAMER-2020-12, and should be submitted on or before April 8, 2020.

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

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-88364; File No. SR-NYSEArca-2020-07]

### **Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change Relating to Listing and Trading of Shares of the SPDR SSGA Responsible Reserves ESG ETF Under NYSE Arca Rule 8.600-E**

March 12, 2020.

On January 14, 2020, NYSE Arca, Inc. filed with the Securities and Exchange Commission ("Commission"), 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> a proposed rule change to list and trade shares of the SPDR SSGA Responsible Reserves ESG ETF under NYSE Arca Rule 8.600-E. The proposed rule change was published for comment in the **Federal Register** on January 30, 2020.<sup>3</sup> The Commission has received no comment letters 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 will either approve the

<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> See Securities Exchange Act Release No. 88031 (Jan. 24, 2020), 85 FR 5493.

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

<sup>26</sup> See *supra* note 21.

<sup>27</sup> 15 U.S.C. 78f(b)(8).

proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is March 15, 2020. The Commission is extending this 45-day time period.

The Commission finds it 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, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>5</sup> designates April 29, 2020 as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR-NYSEArca-2020-07).

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

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88367; File No. SR-NYSECHX-2020-06]

### Self-Regulatory Organizations; NYSE Chicago, Inc.; Notice of Filing of Proposed Rule Change Amending Rule 7.31 (Orders and Modifiers) Relating to How Orders Are Repriced and Make Related Changes to Rules 7.36 and 7.38

March 12, 2020.

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 February 28, 2020, the NYSE Chicago, Inc. (“NYSE Chicago” or the “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.

<sup>5</sup> *Id.*

<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.

### I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Rule 7.31 (Orders and Modifiers) relating to how orders are repriced and make related changes to Rules 7.36 and 7.38. The proposed 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 Exchange proposes to amend Rule 7.31 (Orders and Modifiers) relating to how orders are repriced and make related changes to Rules 7.36 and 7.38.

##### Background

Currently, if an Away Market updates its PBBO and crosses not only the Exchange’s BBO, but also displayed orders in the Exchange Book not represented in the BBO, *i.e.*, depth-of-book orders, and then the Exchange’s BBO cancels or trades, the Exchange will not disseminate its next-best priced displayed order as its new BBO to the securities information processor (“SIP”).<sup>4</sup> Instead, the Exchange reprices

<sup>4</sup> The term “Away Market” is defined in Rule 1.1(b) to mean “any exchange, alternative trading system (“ATS”) or other broker-dealer (1) with which the Exchange maintains an electronic linkage and (2) that provides instantaneous responses to orders routed from the Exchange.” The term “BBO” is defined in Rule 1.1(c) to mean the best bid or offer on the Exchange, and the term “BB” means the best bid on the Exchange, and the term “BO” means the best offer on the Exchange. The term “PBB” is defined in Rule 1.1(n) to mean the highest Protected Bid, the term “PBO” means the lowest Protected Offer, and “PBBO” means the Best Protected Bid and Best Protected Offer. The terms “Protected Bid” and “Protected Offer” are defined in Rule 1.1(q). The term “Exchange Book” is defined in Rule 1.1(j) to mean the Exchange’s electronic file of orders, which contains all orders entered on the Exchange.

such order before it is disseminated to the SIP.<sup>5</sup>

For example, if the Exchange’s BB is \$10.05 and on the Exchange Book, there is an order to buy 100 shares ranked Priority 2—Display Orders at \$10.04 (“Order A”), Order A is displayed in the Exchange’s proprietary depth-of-book market data at that \$10.04 price but is not disseminated to the SIP.<sup>6</sup> If next, an Away Market publishes a PBO of \$10.03, the Exchange’s BB of \$10.05 will stand its ground. However, if that \$10.05 BB trades, cancels, or routes, the Exchange will not disseminate Order A to the SIP as the new BB at \$10.04. Instead, as provided for in Rule 7.31(a)(2)(C), Order A will be assigned a display price of \$10.02 and a working price of \$10.03, which is equal to the Away Market PBO, and will be disseminated to the SIP as the Exchange’s BB at \$10.02. Order A will be repriced to \$10.04 once the Away Market PBBO no longer locks or crosses the Exchange BBO. Each time Order A is repriced, including back to its original price, it is assigned a new working time.<sup>7</sup> The Exchange also applies this repricing functionality to Primary Pegged Orders.<sup>8</sup>

The Exchange believes that no other exchange reprices resting depth orders in this manner. The Exchange understands that in the same scenario on other exchanges, “Order A” would stand its ground and be disseminated to the SIP as their new BBO at \$10.04, even if that price would cross the Away Market PBO of \$10.03. The rules of other exchanges vary regarding how much detail is used to describe circumstances when displayed orders stand their ground, and none explicitly address the specific scenario described above, *i.e.*, when a resting, displayed, depth-of-book order is crossed by an Away Market quotation and then

<sup>5</sup> See Rule 7.31(a)(2)(C), which provides that “[i]f a BB (BO) that is locked or crossed by an Away Market PBO (PBB) is cancelled, executed or routed and the next best-priced resting Limit Order(s) on the Exchange Book that would become the new BB (BO) would have a display price that would lock or cross the PBO (PBB), such Limit Order(s) to buy (sell) will be assigned a display price one MPV below (above) the PBO (PBB) and a working price equal to the PBO (PBB). When the PBO (PBB) is updated, the Limit Order(s) to buy (sell) will be repriced consistent with the original terms of the order. If a Day ISO to buy (sell) arrives before the PBO (PBB) is updated, such repriced Limit Order(s) to buy (sell) will be repriced to the lower (higher) of the display price of the Day ISO or the original price of the Limit Order(s).”

<sup>6</sup> See Rule 7.36(b)(3) (describing which orders are collected and made available to quotation vendors for dissemination pursuant to the requirements of Rule 602 under Regulation NMS under the Act).

<sup>7</sup> See Rule 7.36(f)(2) (an order is assigned a new working time any time its working price changes).

<sup>8</sup> See Rule 7.31(h)(2)(B).