applicable to a national securities exchange.[15] In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,[16] which requires that the rules of an exchange be designed to promote just and equitable principles of trade, to remove impediments and to perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The Commission also believes that the proposal is consistent with Sections 6(b)(1) and 6(b)(6) of the Act [17] which require that the rules of an exchange enforce compliance with, and provide appropriate discipline for, violations of Commission and Exchange rules. Finally, the Commission finds that the proposal is consistent with the public interest, the protection of investors, or otherwise in furtherance of the purposes of the Act, as required by Rule 19d–1(c)(2) under the Act,[18] which governs minor rule violation plans.

As stated above, the Exchange proposes to amend Exchange Rule 1014 to add certain rules applicable to the trading of equity securities to the list of rules eligible for disposition pursuant to a minor fine under Exchange Rule 1014. The Commission believes that the amended MRVP will permit the Exchange to carry out its oversight and enforcement responsibilities as a self-regulatory organization (''SRO'') more efficiently in cases where full disciplinary proceedings are not necessary due to the minor nature of the particular violation.

In declaring the Exchange's amended MRVP effective, the Commission in no way minimizes the importance of compliance with Exchange rules and all other rules subject to the imposition of sanctions under Exchange Rule 1014. The Commission believes that the violation of an SRO's rules, as well as Commission rules, is a serious matter. However, Exchange Rule 1014 provides a reasonable means of addressing violations that do not rise to the level of requiring formal disciplinary proceedings, while providing greater flexibility in handling certain violations. The Commission expects that the Exchange will continue to conduct surveillance and make determinations based on its findings, on a case-by-case basis, regarding whether a sanction under the amended MRVP is appropriate, or whether a violation requires formal disciplinary action.

For the same reasons discussed above, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,[19] for approving the proposed rule change, as modified by Amendment No. 1, prior to the thirtieth day after the date of publication of the notice of the filing thereof in the **Federal Register**. The proposal merely amends Exchange Rule 1014 to add certain rules applicable to the trading of equity securities to the current list of rules eligible for disposition pursuant to a minor fine under Exchange Rule 1014. In addition, the Commission notes that the proposal is consistent with the minor rule violation plans of other SROs.[20] Accordingly, the Commission believes that a full notice-and-comment period is not necessary before approving the proposal.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act [21] and Rule 19d–1(c)(2) thereunder,[22] that the proposed rule change (SR–PEARL–2020–15), 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.[23]

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2020–21405 Filed 9–28–20; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–89971; File No. SR–PEARL–2020–16]

Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 2618, Risk Settings and Trading Risk Metrics

September 23, 2020.

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 14, 2020, MIAX PEARL, LLC (''MIAX PEARL'' 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 the Substance of the Proposed Rule Change

The Exchange is filing a proposed rule change to provide Equity Members [3] certain optional risk settings under Exchange Rule 2618 when trading equity securities on the Exchange's equity trading platform (referred to herein as ''MIAX PEARL Equities'').

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 purpose of the proposed rule change is to provide Equity Members certain optional risk settings under Exchange Rule 2618 when trading equity securities on MIAX PEARL Equities.[4] To help Equity Members

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[15] In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[16] 15 U.S.C. 78f(b)(5).

[17] 15 U.S.C. 78f(b)(1) and 78f(b)(6).

[18] 17 CFR 240.19d–1(c)(2).

[19] 15 U.S.C. 78s(b)(2).

[20] *See* Securities Exchange Act Release Nos. 87415 (October 29, 2019), 84 FR 59427 (November 4, 2019) (File No. 4–753) (order declaring effective the LTSE MRVP); and 89485 (September 11, 2020), 85 FR 58081 (September 17, 2020) (File No. 4–764) (order declaring effective the MEMX MRVP).

[21] *Id.*

[22] 17 CFR 240.19d–1(c)(2).

[23] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Exchange Rule 1901 for the definition of Equity Member.

[4] The proposed rule changes are substantially similar to a recent rule amendment by Cboe BZX Exchange, Inc. (''BZX'') and Cboe EDGX Exchange, Inc. (''EDGX''). *See* Interpretation and Policy .03 to BZX Rule 11.13 *and* Interpretation and Policy .03 to EDGX Rule 11.10. *See* Securities Exchange Act Nos. 88599 (April 8, 2020) 85 FR 20793 (April 14, 2020) (the ''BZX Approval''); and 88783 (April 30, 2020), 85 FR 26991 (May 6, 2020) (the ''EDGX Notice''). *See also* Securities Exchange Act Release

Continued

manage their risk, the Exchange proposes to offer optional risk settings that would authorize the Exchange to take automated action if a designated limit for an Equity Member is breached. Such risk settings would provide Equity Members with enhanced abilities to manage their risk with respect to orders on the Exchange. Proposed paragraph (a)(2) of Rule 2618[5] sets forth the specific risk control the Exchange proposes to offer. Specifically, the Exchange proposes to offer the following risk setting:

- The ''Gross Notional Trade Value'', which refers to a pre-established maximum daily dollar amount for purchases and sales across all symbols, where both purchases and sales are counted as positive values. For purposes of calculating the Gross Notional Trade Value, only executed orders are included.[6]

The Gross Notional Trade Value risk setting is similar to credit controls measuring gross exposure provided for in paragraph (a)(1)(A) of Exchange Rule 2618 and allow limits to be set at the Market Participant Identifier (''MPID''), session, and firm level.[7] Therefore, the proposed risk management functionality would allow an Equity Member to manage its risk more comprehensively and across various level settings. Further, like our existing credit controls measuring gross exposure, the proposed risk setting would also be based on a notional execution value. The Exchange notes that the current gross notional control noted in paragraph (a)(1)(A) of Exchange Rule 2618 will continue to be available in addition to the proposed risk setting.

Proposed paragraph (a)(4) of Exchange Rule 2618 provides that an Equity Member that does not self-clear may allocate and revoke[8] the responsibility of establishing and adjusting the risk settings identified in proposed paragraph (a)(2) of Exchange Rule 2618 to a Clearing Member that clears transactions on behalf of the Equity Member, if designated in a manner prescribed by the Exchange. Specifically, Exchange Rule 2620(a): (i) Defines the term ''Clearing Member'';[9] (ii) outlines the process by which a Clearing Member shall affirm its responsibility for clearing any and all trades executed by the Equity Member designating it as its Clearing Firm; and (iii) provides that the rules of a Qualified Clearing Agency shall govern with respect to the clearance and settlement of any transactions executed by the Equity Member on the Exchange.

By way of background, Exchange Rule 2620(a) requires that all transactions passing through the facilities of the Exchange shall be cleared and settled through a Qualified Clearing Agency using a continuous net settlement system.[10] As reflected on Exchange Rule 2620(a), this requirement may be satisfied by direct participation, use of direct clearing services, or by entry into a corresponding clearing arrangement with another Member that clears through a Qualified Clearing Agency (*i.e.,* a Clearing Member). If an Equity Member clears transactions through another Equity Member that is a Clearing Member, such Clearing Member shall affirm to the Exchange in writing, through letter of authorization, letter of guarantee or other agreement acceptable to the Exchange, its agreement to assume responsibility for clearing and settling any and all trades executed by the Member designating it as its clearing firm.[11] Thus, while not all Equity Members are Clearing Members, all Equity Members are required either to clear their own transactions or to have in place a relationship with a Clearing Member that has agreed to clear transactions on their behalf in order to conduct business on the Exchange. Therefore, the Clearing Member that guarantees the Member's transactions on the Exchange has a financial interest in the risk settings utilized within the System[12] by the Member.

Paragraph (a) of Rule 2620 allows Clearing Members an opportunity to manage their risk of clearing on behalf of other Equity Members, if authorized to do so by the Equity Member trading on MIAX PEARL Equities. Such functionality is designed to help Clearing Members to better monitor and manage the potential risks that they assume when clearing for Equity Members of the Exchange. An Equity Member may allocate or revoke the responsibility of establishing and adjusting the risk settings identified in proposed paragraph (a)(2) of Exchange Rule 2618 to its Clearing Member in a manner prescribed by the Exchange. By allocating such responsibility, an Equity Member cedes all control and ability to establish and adjust such risk settings to its Clearing Member unless and until such responsibility is revoked by the Equity Member, as discussed in further detail below. Because the Equity Member is responsible for its own trading activity, the Exchange will not provide a Clearing Member authorization to establish and adjust risk settings on behalf of an Equity Member without first receiving consent from the Equity Member. The Exchange considers an Equity Member to have provided such consent if it allocates the responsibility to establish and adjust risk settings to its Clearing Member in a manner prescribed by the Exchange. By allocating such responsibilities to its Clearing Member, the Equity Member consents to the Exchange taking action, as set forth in proposed paragraph (a)(6) of Exchange Rule 2618, with respect to the Equity Member's trading activity. Specifically, if the risk setting(s) established by the Clearing Member are breached, the Equity Member consents that the Exchange will automatically block new orders submitted and cancel open orders until such time that the applicable risk setting is adjusted to a higher limit by the Clearing Member. An Equity Member may also revoke responsibility allocated to its Clearing Member pursuant to this paragraph at any time in a manner prescribed by the Exchange.

Nos. 89032 (June 9, 2020), 85 FR 36246 (June 15, 2020) (SR–CboeBZX–2020–44); *and* 89000 (June 3, 2020), 85 FR 35344 (June 9, 2020) (SR–CboeEDGX–2020–023).

[5] The Exchange proposes to renumber the current paragraph (2) under Exchange Rule 2618 as paragraph (7) to account for proposed paragraphs (a)(2) through (6) described in this proposed rule change.

[6] One difference between this proposed rule change and those of BZX and EDGX is that the Exchange does not propose at this time to offer a net credit risk setting, which refers to a pre-established maximum daily dollar amount for purchases and sales across all symbols, where purchases are counted as positive values and sales are counted as negative values. *See supra* note 4. The Exchange will submit a separate proposed rule change with the Commission to adopt a ''Net Notional Trade Value'' in the future.

[7] Another difference between this proposed rule change and those of BZX and EDGX is that both BZX and EDGX only allow the gross credit risk limits to be set at the MPD Level or to a subset of orders identified within that MPID (the ''risk group identifier'' level). *See supra* note 4. The Exchange believes allowing for limits to be set at the MPID, session, or firm level provides Equity Members greater flexibility in managing their risk exposure.

[8] As discussed below, if an Equity Member revokes the responsibility of establishing and adjusting the risk settings identified in proposed paragraph (a), the settings applied by the Equity Member would be applicable.

[9] The term ''Clearing Member'' refers to a Member that is a member of a Qualified Clearing Agency and clears transactions on behalf of another Member. *See* Exchange Rule 2620(a).

[10] The term ''Qualified Clearing Agency'' means a clearing agency registered with the Commission pursuant to Section 17A of the Act that is deemed qualified by the Exchange. *See* Exchange Rule 1901. The rules of any such clearing agency shall govern with the respect to the clearance and settlement of any transactions executed by the Member on the Exchange.

[11] An Equity Member can designate one Clearing Member per MPID associated with the Equity Member.

[12] *See* Exchange Rule 100 for a definition of ''System.''

Proposed paragraph (a)(3) Exchange Rule 2618 provides that either an Equity Member or its Clearing Member, if allocated such responsibility pursuant to proposed paragraph (a)(4) of Exchange Rule 2618, may establish and adjust limits for the risk settings provided in proposed paragraph (a)(2) of Exchange Rule 2618. An Equity Member or Clearing Member may establish and adjust limits for the risk settings in a manner prescribed by the Exchange. The risk management web portal page will also provide a view of all applicable limits for each Equity Member, which will be made available to the Equity Member and its Clearing Member, as discussed in further detail below.

Proposed paragraph (a)(5) of Exchange Rule 2618 would provide optional alerts to signal when an Equity Member is approaching its designated limit. If enabled, the alerts would generate when the Equity Member breaches certain percentage thresholds of its designated risk limit, as determined by the Exchange. Based on current industry standards, the Exchange anticipates initially setting these thresholds at seventy-five or ninety percent of the designated risk limit. Both the Equity Member and Clearing Member [13] would have the option to enable the alerts via the risk management tool on the web portal and designate email recipients of the notification. The proposed alert system is meant to warn an Equity Member and Clearing Member of the Equity Member's trading activity, and will have no impact on the Equity Member's order and trade activity if a warning percentage is breached. Proposed paragraph (a)(6) of Exchange Rule 2618 would authorize the Exchange to automatically block new orders submitted and cancel all open orders in the event that a risk setting is breached. The Exchange will continue to block new orders submitted until the Equity Member or Clearing Member, if allocated such responsibility pursuant to proposed paragraph (a)(4) of Exchange Rule 2618, adjusts the risk settings to a higher threshold. The proposed functionality is designed to assist Equity Members and Clearing Members in the management of, and risk control over, their credit risk. Further, the proposed functionality would allow the Equity Member to seamlessly avoid unintended executions that exceed their stated risk tolerance.

[13] A Clearing Member would have the ability to enable alerts regardless of whether it was allocated responsibilities pursuant to proposed paragraph (a)(4) of Exchange Rule 2618.

The Exchange does not guarantee that the proposed risk settings described in proposed paragraphs (a)(2) through (6) are sufficiently comprehensive to meet all of an Equity Member's risk management needs. Pursuant to Rule 15c3–5 under the Act,[14] a broker-dealer with market access must perform appropriate due diligence to assure that controls are reasonably designed to be effective, and otherwise consistent with the rule.[15] Use of the Exchange's risk settings included in proposed paragraphs (a)(2) through (6) of Exchange Rule 2618 will not automatically constitute compliance with Exchange or federal rules and responsibility for compliance with all Exchange and SEC rules remains with the Equity Member.

Lastly, as the Exchange currently has the authority to share any of an Equity Member's risk settings specified in paragraph (a) of Exchange Rule 2618 under Exchange Rule 2620(f) with the Clearing Member that clears transactions on behalf of the Equity Member. Existing Exchange Rule 2620(f) provides the Exchange with authority to directly provide Clearing Members that clear transactions on behalf of an Equity Member, to share any of the Equity Member's risk settings set forth under paragraph (a) of Exchange Rule 2618.[16] The purpose of such a provision under Exchange Rule 2620(f) was implemented to reduce the administrative burden on participants on MIAX PEARL Equities, including both Clearing Members and Equity Members, and to ensure that Clearing Members receive information that is up to date and conforms to the settings active in the System. Further, the provision was adopted because the Exchange believed such functionality would help Clearing Members to better monitor and manage the potential risks that they assume when clearing for Equity Members of the Exchange. Paragraph (f) of Exchange Rule 2620 would further authorize the Exchange to share any of an Equity Member's risk settings specified in proposed paragraph (a)(2) to Exchange Rule 2618 with the Clearing Member that clears transactions on behalf of the Equity Member.

The Exchange notes that the use by an Equity Member of the risk settings offered by the Exchange is optional. By using these proposed optional risk settings, an Equity Member therefore also opts-in to the Exchange sharing its designated risk settings with its Clearing Member. The Exchange believes that its proposal to offer an additional risk setting will allow Equity Members to better manage their credit risk. Further, by allowing Equity Members to allocate the responsibility for establishing and adjusting such risk settings to its Clearing Member, the Exchange believes Clearing Members may reduce potential risks that they assume when clearing for Equity Members of the Exchange. The Exchange also believes that its proposal to share a Member's risk settings set forth under proposed paragraph (a)(2) to Exchange Rule 2618 directly with Clearing Members reduces the administrative burden on participants on the Exchange, including both Clearing Members and Equity Members, and ensures that Clearing Members are receiving information that is up to date and conforms to the settings active in the System.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,[17] in general, and furthers the objectives of Section 6(b)(5),[18] in particular, because 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 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.

Specifically, the Exchange believes the proposed amendment will remove impediments to and perfect the mechanism of a free and open market and a national market system because it provides additional functionality for an Equity Member to manage its credit risk. In addition, the proposed risk setting could provide Clearing Members, who have assumed certain risks of Equity Members, greater control over risk tolerance and exposure on behalf of their correspondent Equity Members, if

[14] 17 CFR 240.15c3–5.

[15] *See* Division of Trading and Markets, Responses to Frequently Asked Questions Concerning Risk Management Controls for Brokers or Dealers with Market Access, *available at https://www.sec.gov/divisions/marketreg/faq-15c-5-risk-management-controls-bd.htm.*

[16] By using the optional risk settings provided in paragraph (a)(1) of Exchange Rule 2618, an Equity Member opts-in to the Exchange sharing its risk settings with its Clearing Member. Any Equity Member that does not wish to share such risk settings with its Clearing Member can avoid sharing such settings by becoming a Clearing Member. *See* Securities Exchange Act Release No. 89563 (August 14, 2020), 85 FR 51510 (August 20, 2020) (SR–PEARL–2020–03) (''Equities Approval Order'').

[17] 15 U.S.C. 78f(b).

[18] 15 U.S.C. 78f(b)(5).

allocated responsibility pursuant to proposed paragraph (a)(4) of Exchange Rule 2618, while also providing an alert system that would help to ensure that both Equity Members and its Clearing Member are aware of developing issues. As such, the Exchange believes that the proposed risk settings would provide a means to address potentially market-impacting events, helping to ensure the proper functioning of the market.

In addition, the Exchange believes that the proposed rule change is designed to protect investors and the public interest because the proposed functionality is a form of risk mitigation that will aid Equity Members and Clearing Members in minimizing their financial exposure and reduce the potential for disruptive, market-wide events. In turn, the introduction of such risk management functionality could enhance the integrity of trading on the securities markets and help to assure the stability of the financial system.

Further, the Exchange believes that the proposed rule will foster cooperation and coordination with persons facilitating transactions in securities because the Exchange will provide alerts when an Equity Member's trading activity reaches certain thresholds, which will be available to both the Equity Member and Clearing Member. As such, the Exchange may help Clearing Members monitor the risk levels of correspondent Equity Members and provide tools for Clearing Members, if allocated such responsibility, to take action.

The proposal will permit Clearing Members who have a financial interest in the risk settings of Equity Members to better monitor and manage the potential risks assumed by Clearing Members, thereby providing Clearing Members with greater control and flexibility over setting their own risk tolerance and exposure. To the extent a Clearing Member might reasonably require an Equity Member to provide access to its risk settings as a prerequisite to continuing to clear trades on the Equity Member's behalf, the Exchange's proposal to share those risk settings directly reduces the administrative burden on participants on the Exchange, including both Clearing Members and Equity Members. Moreover, providing Clearing Members with the ability to see the risk settings established for Equity Members for which they clear will foster efficiencies in the market and remove impediments to and perfect the mechanism of a free and open market and a national market system. The proposal also ensures that Clearing Members are receiving information that is up to date and conforms to the settings active in the System. The Exchange believes that the proposal is consistent with the Act, particularly Section 6(b)(5),[19] because it will foster cooperation and coordination with persons engaged in facilitating transactions in securities and more generally, will protect investors and the public interest, by allowing Clearing Members to better monitor their risk exposure and by fostering efficiencies in the market and removing impediments to and perfect the mechanism of a free and open market and a national market system.

Finally, the Exchange believes that the proposed rule change does not unfairly discriminate among the Exchange's Members because use of the risk settings is optional and are not a prerequisite for participation on the Exchange. The proposed risk settings are completely voluntary and, as they relate solely to optional risk management functionality, no Member is required or under any regulatory obligation to utilize them.

The proposed rule change is based on Interpretation and Policy .03 of EDGX Rule 11.10 and Interpretation and Policy .03 of BZX Rule 11.13, with four minor differences.[20] First, both BZX and EDGX only allow the gross credit risk limits to be set at the MPID level or to a subset of orders identified within that MPID (the ''risk group identifier'' level) while the Exchange proposes to allow the risk limits to be set at the MPID, session, and firm level. Second, the Exchange only proposes to adopt a Gross Notional Trade Value risk setting while EDGX and BZX adopted both gross notional and net notional risk settings. Third, EDGX proposed additional changes to its Rule 11.13(a) to allow their clearing members access to its members risk settings. The Exchange does not need to include similar changes in this proposal as Exchange Rule 2620(a) already provides Clearing Members this ability and includes text identical to that which EDGX recently adopted.[21] Lastly, the Exchange notes that it proposes to generate alerts when the Equity Member breaches certain percentage thresholds of its designated risk limit, as determined by the Exchange. Based on current industry standards, the Exchange anticipates initially setting these thresholds at seventy-five or ninety percent of the designated risk limit. The Exchange notes that EDGX stated these thresholds would be set at fifty, seventy, or ninety percent.

[19] 15 U.S.C. 78f(b)(5).

[20] *See supra* note 4.

[21] *Id.*

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. In fact, the Exchange believes that the proposal may have a positive effect on competition because it would allow the Exchange to offer risk management functionality that is comparable to functionality that has been adopted by other national securities exchanges.[22] Further, by providing Equity Members and their Clearing Members additional means to monitor and control risk, the proposed rule may increase confidence in the proper functioning of the markets and contribute to additional competition among trading venues and broker-dealers. Rather than impede competition, the proposal is designed to facilitate more robust risk management by Equity Members and Clearing Members, which, in turn, could enhance the integrity of trading on the securities markets and help to assure the stability of the financial system.

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 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 [23] and Rule 19b–4(f)(6) thereunder.[24]

A proposed rule change filed pursuant to Rule 19b–4(f)(6) under the Act [25] normally does not become operative for 30 days after the date of its filing. However, Rule 19b–4(f)(6)(iii) [26] permits the Commission to designate a

[22] *Id.*

[23] 15 U.S.C. 78s(b)(3)(A).

[24] 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.

[25] 17 CFR 240.19b–4(f)(6).

[26] 17 CFR 240.19b–4(f)(6)(iii).

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 Exchange may implement the proposed risk controls on the anticipated launch date of MIAX PEARL Equities on September 25, 2020. The Exchange states that waiver of the operative delay would allow Equity Members to immediately utilize the proposed functionality to manage their risk. For this reason, 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 30-day operative delay and designates the proposed rule change operative upon filing.[27]

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.* Please include File Number SR–PEARL–2020–16 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–2020–16. 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 such 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–2020–16, and should be submitted on or before October 20, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[28]

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2020–21407 Filed 9–28–20; 8:45 am]

BILLING CODE 8011–01–P

[27] 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).

[28] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–89970; File No. SR–CboeEDGX–2020–045]

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Fee Schedule

September 23, 2020.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on September 11, 2020, Cboe EDGX Exchange, Inc. (the ''Exchange'' or ''EDGX'') 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 Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

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

Cboe EDGX Exchange, Inc. (the ''Exchange'' or ''EDGX'') is filing with the Securities and Exchange Commission (''Commission'') a proposed rule change to amend the fee schedule. 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://markets.cboe.com/us/options/regulation/rule_filings/edgx/*), 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

The Exchange proposes to amend its fee schedule applicable to its equities trading platform (''EDGX Equities'') by: (1) Amending certain standard rates; (2) adding a new fee code; (3) updating the Non-Displayed Add Volume Tiers; and (4) including a Remove Volume Tier.[3]

The Exchange first notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. More specifically, the Exchange is only one of 13 registered equities exchanges, as well as a number of alternative trading

[3] The Exchange initially filed the proposed fee changes on September 1, 2020 (SR–CboeEDGX–2020–044). On September 11, 2020, the Exchange withdrew that filing and submitted this proposal.