

Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

##### *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-Phlx-2021-05 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-Phlx-2021-05. 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-Phlx-2021-05 and should be submitted on or before March 3, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>51</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2021-02710 Filed 2-9-21; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-91058; File No. SR-Phlx-2021-04]

### Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Relocate Its PSX Equity and General Rules From Its Current Rulebook Into Its New Rulebook Shell and Make Other Changes to the Phlx Rules

February 4, 2021.

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 January 22, 2021, Nasdaq PHLX LLC ("Phlx" 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 relocate its PSX equity and general rules from its current Rulebook into its new Rulebook shell and make other changes to the Phlx Rules.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/phlx/rules>, 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 this rule change is to relocate the PSX equity and general rules from the current Rulebook into the new Rulebook shell<sup>3</sup> and also make other amendments to the Phlx Rules. The Exchange also proposes a number of minor, non-substantive changes to the Rulebook shell as described below. The relocation and harmonization of these rules is part of the Exchange's continued effort to promote efficiency and conformity of its processes with those of its affiliated exchanges. The Exchange believes that the placement of these rules into their new location in the Rulebook shell will facilitate the use of the Rulebook by members and member organizations.

##### Universal Changes

The Exchange proposes to update all cross-references within the Rulebook shell to the new relocated rule cites. The Exchange proposes to replace internal rule references to simply state "this Rule" where the rule is citing itself without a more specific cite included in the Rule. For example, if PSX Rule 4619 refers currently to "Rule 4619" or "this Rule 4619" the Exchange will amend the phrase to simply "this Rule." Except where the Exchange specifies below that it will retain the current rule numbering, the Exchange also proposes to conform the paragraph numbering and lettering to that used in the Rulebook shell for greater consistency, and to correct punctuation. The Exchange proposes to replace "PSX Rules" with "Equity Rules" where applicable as the title of the ruleset is proposed to be "Equity Rules." Furthermore, the Exchange proposes to delete any empty reserved rules and already deleted rules in the current Rulebook. Finally, the Exchange proposes to make certain technical corrections to add hyphens and spacing where necessary.

In addition to updating rule citations impacted by the proposed rule relocations herein, the Exchange

<sup>3</sup> Previously, the Exchange filed to relocate other rules within its Rulebook. See Securities Exchange Act Release No. 88213 (February 14, 2020), 85 FR 9859 (February 20, 2020) (SR-Phlx-2020-03) ("Prior Relocation Rule Change").

<sup>51</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.

proposes to update several rule citations to rules which were previously relocated in the Prior Relocation Rule Change. Accordingly, rule citations to the following rules are being updated with this proposal: Rule 133 (now Rule 3101); Rule 703 (now Options 6D, Section 1); Rule 707 (currently PSX Rule 3503);<sup>4</sup> Rule 765 (now General 9, Section 1(a)); Rule 910 (now General 3, Section 1); Rule 911 (now General 3, Section 12); Rule 985 (now General 2, Section 4); and Rule 1092 (now Options 3, Section 20).

General 1

The Exchange proposes to add a title under “General 1 General Provisions” which states “Section 1 Definitions.” Also, the Exchange proposes to update rule citations to relocated rules as well as rule citations to rules which were previously relocated in the Prior Relocation Rule Change. The Exchange notes that The Nasdaq Stock Market LLC (“Nasdaq”) recently amended certain rule citations which also impact proposed changes herein, particularly with respect to General 4 rule numbering.<sup>5</sup>

General 2

The Exchange proposes to relocate Rule 3600. Regulatory Services Agreements to General 2, Section 5, which was reserved. The Exchange proposes to update rule citations to rules which were previously relocated in the Prior Relocation Rule Change.

General 4

The Exchange proposes to re-title General 4 as “Registration Requirements.” The rule is currently titled “Regulation.” The Exchange proposes to add a period at the end of General 4, Section 1. The Exchange also proposes to amend rule numbering to conform with a recent Nasdaq rule change.<sup>6</sup>

General 5

The Exchange proposes to relocate the text of Minor Rule Violations rules into General 5. Today, the Minor Rule Violations, except for violations of General 7, are delineated within General 5. The Exchange proposes to relocate the rule text of each Minor Rule violation rule from the PSX Rulebook into General 5 and remove the

duplicative list of Minor Rule Violations from the PSX Rulebook. With respect to violations of General 7, the Exchange proposes to add General 7, Failure to Comply with the Consolidated Audit Trail Compliance Rule requirements, into the list of Equity Floor Procedure Advices within General 5, Section 3, Code of Procedure. General 7 was recently added to The Equity Minor Rule Violations.<sup>7</sup> The Exchange also proposes to remove the reference in General 5 to A–5 Training as there is no corresponding Minor Rule Plan for A–5.

The Exchange proposes to remove “Floor” from the title “Equity Floor Procedure Advices” as PSX is an electronic only market.

The Exchange proposes to delete the title “A. Miscellaneous,” “E. Staffing,” “F. Miscellaneous,” and “S. Pre-Opening Procedures,” “Rule 60 Regulations” including Regulation 1–Regulations 7 from the PSX Rulebook.

General 9

The Exchange proposes to relocate the below rules into General 9.

Shell rule	Current rule	Deleted options rule
General 9, Section 1(c) .....	3503. Conduct Inconsistent with Just and Equitable Principles of Trade.	Options 9, Section 1.
General 9, Section 1(d) .....	3504. Acts Detrimental to the Interest or Welfare of the Exchange .....	Options 9, Section 5.
General 9, Section 5 .....	3507. Telemarketing .....	Options 10, Section 23.
General 9, Section 37 .....	3506. Anti-Money Laundering Compliance Program .....	Options 9, Section 21.

Today, the Rulebook contains both an equity and option rule, which are identical, for Conduct Inconsistent with Just and Equitable Principles of Trade, Acts Detrimental to the Interest or Welfare of the Exchange, Telemarketing, and Anti-Money Laundering Compliance Program. The Exchange is relocating a version of each of these rules to General 9 and eliminating the corresponding options and equity rules. The General 9 rules apply to both the equity and options markets.

The Exchange also proposes a number of corrective changes to Disruptive Quoting and Trading Activity Prohibited which was relocated to General 9, Section 53 in the Prior Relocation Rule Change. First, in Section 53(a), the Exchange proposes to update the references to “subsections (i)

and (ii)” to “subsections (1) and (2).” Second, the Exchange proposes in Section 53(a)(1)(B)(ii) to update the reference to “paragraph (b)(i)” to “paragraph (B)(i).” The Exchange proposes to reserve Section 71 to harmonize Phlx’s rule numbers with Nasdaq.

Equity 1

The Exchange proposes to relocate Rule 3301, Equity Definitions, into new Equity 1, Section 1. The Exchange is amending the first sentence of new Equity 1, Section 1 to provide, “The following definitions apply to the Equity Rules for the trading of securities on PSX.” While Rule 3301 currently provides that the definitions apply to the Rule 3200 and 3300 Series, the Exchange notes that the definitions

apply to all rules under the heading Equity Rules and therefore proposes to amend the current text further to apply the relocated definitions to the entire section related to the equity market.

The definition for “PSX Participant” currently is defined to mean, “. . . an entity that fulfills the obligations contained in Rule 3211 regarding participation in the System, and shall include: . . .”. PSX Rule 3211 was previously deleted.<sup>8</sup> Phlx Rule 1094 became applicable to the market participants trading on PSX with the Rule 3211 Removal Rule Change. Phlx Rule 1094 was relocated to General 2, Section 22 in the Prior Phlx Relocation Rule Change.

<sup>4</sup> PSX Rule 3503 is being relocated to General 9, Section 1(c) as proposed herein.

<sup>5</sup> See Securities Exchange Act Release No. 90577 (December 7, 2020), 85 FR 80202 (December 11, 2020) (SR–NASDAQ–2020–079) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Relocate Its Equity and General Rules

From Its Current Rulebook Into Its New Rulebook Shell).

<sup>6</sup> *Id.*  
<sup>7</sup> See Securities Exchange Act Release No. 89667 (August 25, 2020), 85 FR 53876 (August 31, 2020) (SR–Phlx–2020–40) (Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change To Add the Consolidated Audit Trail

Industry Member Compliance Rules to the List of Minor Rule Violations).

<sup>8</sup> See Securities Exchange Act Release No. 76452 (November 17, 2015), 80 FR 73019 (November 23, 2015) (SR–Phlx–2015–93) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Sponsored Access) (“Rule 3211 Removal Rule Change”).

Equity 2

The Exchange proposes to relocate the following rules into Equity 2 which is titled Equity Market Participants. The Exchange proposes to instead title this section “Market Participants” to conform to Nasdaq’s Rulebook Structure.<sup>9</sup>

Shell rule	Current rule
Section 1 .....	3201. Scope.
Section 2 .....	3203. Definitions.
Section 3 .....	Reserved.
Section 4 .....	3212. Registration as a Market Maker.
Section 5 .....	3213. Market Maker Obligations.
Section 6 .....	3214. Stabilizing Bids.
Section 7 .....	3216. Reports.
Section 8 .....	3217. Normal Business Hours.
Section 9 .....	3218. Clearance and Settlement.
Section 10 .....	3219. Withdrawal of Quotations.
Section 11 .....	3220. Voluntary Termination of Registration.
Section 12 .....	3221. Suspension and Termination of Quotations and Order Entry.
Section 13 .....	3222. Termination of PSX Service.
Section 14 .....	3223. Alternative Trading Systems.
Section 15 .....	3224. Penalty Bids and Syndicate Covering Transactions.
Section 16 .....	3225. Obligation to Provide Information.
Section 17 .....	3226. Limitation of Liability.
Section 18 .....	3227. Obligation to Honor System Trades.
Section 19 .....	3228. Compliance with Rules and Registration Requirements.
Section 20 .....	3231. Customer Disclosures.

The Exchange is amending the first sentence of new Equity 2, Section 1 to provide, “Unless otherwise specified, the Equity Rules apply only to the quoting and trading of System Securities via PSX.” Current Rule 3201 references the 3200 Series (Requirements for PSX Participants). However all equity rules apply to equities trading on PSX. Broadening the language of Equity 2, Section 1 is consistent with the manner in which equities rules are applied today with respect to trading and other aspects of conducting business on PSX.

The Exchange also proposes to amend Equity 2, Section 2(a) to provide, “For purposes of the Equity Rules, unless the context requires otherwise:” The original reference was to the 3000 Series, although the definitions which follow relate to federal rules which would apply to all Equity Rules. The

Exchange proposes to amend the current text to apply the relocated definitions to the entire section related to the equity market to distinguish these rules from the General Rules and Options Rules.

The Exchange also proposes to update a rule citation within proposed Equity 2, Section 10, Withdrawal of Quotations, at paragraph (d). This paragraph (d) which discusses withdrawal status, relates to quotations, and provides,

Excused withdrawal status may be granted to a PSX Market Maker that fails to maintain a clearing arrangement with a registered clearing agency or with a member of such an agency and is withdrawn from participation in the trade reporting service of PSX, thereby terminating its registration as a PSX Market Maker; provided, however, that if the Exchange finds that the PSX Market Maker’s failure to maintain a clearing arrangement is voluntary, the withdrawal of quotations will be considered voluntary and unexcused pursuant to Rule 3220 and the Rule 3300 Series governing PSX. PSX Market Makers that fail to maintain a clearing relationship will have their PSX system status set to “suspend” and be thereby prevented from entering, or executing against, any quotes/orders in the system.

The Exchange proposes to replace Rule 3220 (Voluntary Termination of Registration) with its relocated rule reference, Equity 2, Section 11. The Exchange proposes to replace the Rule 3300 Series rules reference with Equity 4. The Rule 3300 Series was relocated to Equity 4 with the exception of the Equity 6, Section 3, Phlx Kill Switch. The Phlx Kill Switch’s relocation to Equity 6 does not impact its reference within this rule which described a PSX Market Maker’s voluntary failure to maintain a clearing arrangement and its impact on the withdrawal of quotations.

Equity 3

The Exchange proposes to reserve Equity 3, currently titled “Equity Trading Rules.”

Equity 4

The Exchange proposes to re-title Equity 4, currently titled “Limit Up-Limit Down,” to “Equity Trading Rules.” The Exchange proposes to relocate the following rules into Equity 4 and retain the current rule numbering:

Current rule
3100. Limit Up-Limit Down Plan and Trading Halts on PSX.
3101. Trading Halts Due to Extraordinary Market Volatility.
3301A. Order Types.
3301B. Order Attributes.
3302. Opening Process.
3303. Short Sale Price Test Pursuant to Rule 201 of Regulation SHO.
3304. Data Feeds Utilized.

Current rule
3306. Entry and Display of Quotes and Orders.
3307. Processing of Orders.
3309. Trade Reporting.
3310. Anonymity.
3311. Issuer Corporate Actions Related to a Dividend, Payment or Distribution.
3312. Clearly Erroneous Transactions.
3315. Order Routing.
3317. Compliance with Regulation NMS Plan to Implement a Tick Size Pilot.
3102. Limitation of Exchange Liability and Reimbursement of Certain Expenses.

The Exchange proposes to delete Rule 3202, Application of Other Rules of the Exchange, as The Limited Liability Company Agreement of the Exchange and The By-Laws of the Exchange are part of the Phlx Rulebook and therefore apply to PSX already. As such, the Exchange believes that the rule is duplicative and not necessary.

The Exchange proposes to delete the reference to “Sec. 44 FINRA Jurisdiction Over Arbitrations Against Exchange Members” within PSX Rule 3202, Application of Other Rules of the Exchange, as that rule is not located in the Phlx Rulebook. Rule 950 describes Arbitration rules related to members on Phlx and PSX.

The Exchange proposes to update an erroneous citation to PSX Rule 0120(x), currently within PSX Rule 3303, to Equity 1, Section 1(a).

The Exchange also proposes to delete PSX Rules 3210 and 3211 because these rules do not contain substantive text.

The Exchange proposes to remove an outdated reference to Rule 4770 within Supplementary Material .01 to PSX Rule 3317 and instead utilize the term “Rule” to refer to Rule 3317. There is no Rule 4770 within the current Phlx Rulebook.

Equity 5

The Exchange proposes to relocate the below rules into Equity 5, “Order Audit Trail Services”:

Shell rule	Current rule
Section 1 .....	7410A. Definitions.
Section 2 .....	7420A. Applicability.
Section 3 .....	7430A. Synchronization of Member Organization Business Clocks.
Section 4 .....	7440A. Recording of Order Information.
Section 5 .....	7450A. Order Data Transmission Requirements.
Section 6 .....	7460A. Violation of Order Audit Trail System Rules.

The Exchange proposes to amend a rule citation within Equity 5, Section 6, Violation of Order Audit Trail System Rules. The definition of System is being

<sup>9</sup> See note 5 above.

relocated to from current Rule 3301 as proposed herein. The current Phlx Rulebook does not contain PSX Rule 0120.

Equity 6

The Exchange proposes to title Equity 6, which is currently reserved, as “PSX Risk Management Services; Other Systems and Programs,” and to relocate the following rules into Equity 6:

Shell rule	Current rule
Section 1 .....	Reserved.
Section 2 .....	Reserved.
Section 3 .....	3316. PHLX Kill Switch.
Section 4 .....	3215. Exchange Sharing of PSX Participant Risk Settings (excluding Commentary).
Section 5 .....	Commentary to 3215. Exchange Sharing of PSX Participant Risk Settings.
Section 6 .....	Reserved.

Equity 8

The Exchange proposes to reserve Equity 8 which is currently titled “Uniform Practice Code.”

Equity 8A

The Exchange proposes to title Equity 8A as “Unlisted Trading Privileges, Proxy and Other Rules.” The Exchange proposes to relocate the following rules into Equity 8A:

Shell rule	Current rule
Section 1 .....	Reserved.
Section 2 .....	Reserved.
Section 3 .....	Reserved.
Section 4 .....	Reserved.
Section 5 .....	3204. Securities Traded under Unlisted Trading Privileges.
Section 6 .....	3232. Advertising Practices.
Section 7 .....	3233. Prevention of the Misuse of Material, Nonpublic Information.
Section 8 .....	3234. Additional Requirements for Securities Issued by Nasdaq or its Affiliates.
Section 9 .....	3236. Restriction.
Section 10 .....	3237. Voting Instructions.
Section 11 .....	3238. Proxies at Direction of Owner.
Section 12 .....	3239. Proxy to Show Number of Shares.
Section 13 .....	3240. Transfer to Facilitate Solicitation.
Section 14 .....	3241. Rule Applicable to Individual Members and Nominees.
Section 15 .....	3242. Transmission of Interim Reports and Other Material.

Equity 9

The Exchange proposes to re-title Equity 9, currently “Supplementary Conduct Rules,” to “Business Conduct,” and to relocate the following rules into Equity 9:

Shell rule	Current rule
Section 1 .....	Reserved.
Section 2 .....	Reserved.
Section 3 .....	Reserved.
Section 4 .....	Reserved.
Section 5 .....	Reserved.
Section 6 .....	Reserved.
Section 7 .....	Reserved.
Section 8 .....	Reserved.
Section 9 .....	Reserved.
Section 10 .....	Reserved.
Section 11 .....	Reserved.
Section 12 .....	Reserved.
Section 13 .....	Reserved.
Section 14 .....	Reserved.
Section 15 .....	3410. Limitations on Members’ Trading Because of Customers’ Orders.
Section 16 .....	3411. Successive Transactions by Members.
Section 17 .....	3412. Short Sales.
Section 18 .....	3413. Proper and Adequate Margin.
Section 19 .....	3414. Prohibition on Free-Riding in Cash Accounts.
Section 20 .....	3500. Financial Responsibility and Reporting.
Section 21 .....	3502. Automated Submission of Trading Data.
Section 22 .....	3505. Restrictions on Pledge of Customers’ Securities.
Section 23 .....	3501. Independent Audit.

Equity 10

The Exchange proposes to title Equity 10, which is currently reserved, to “Other Products and Securities,” and to relocate the following rules into Equity 10:

Shell rule	Current rule
Section 1 .....	Reserved.
Section 2 .....	Reserved.
Section 3 .....	Reserved.
Section 4 .....	Reserved.
Section 5 .....	Reserved.
Section 6 .....	Reserved.
Section 7 .....	Reserved.
Section 8 .....	3230. Trading in Commodity-Related Securities.

Equity 11

The Exchange proposes to adopt a new Equity 11 and title this section “Uniform Practice Code.” The following rules will be relocated into Equity 11:

Shell rule	Current rule
Section 1 .....	3400. Dealings on the Exchange—Securities.
Section 2 .....	3401. Bids and Offers—“When Issue”.

Shell rule	Current rule
Section 3 .....	3402. Price of Execution Binding.
Section 4 .....	3403. Payment on Delivery—Collect on Delivery.
Section 5 .....	3404. Book-Entry Settlement.
Section 6 .....	3405. Ex-dividend, Ex-rights.
Section 7 .....	3406. Ex-warrants.
Section 8 .....	3407. Buyer Entitled to Dividend, etc.
Section 9 .....	3408. Claims for Dividend, etc.
Section 10 .....	3409. Taking or Supplying Securities Named in Order.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>10</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>11</sup> in particular, in that it is designed to promote just and equitable principles of trade and to protect investors and the public interest by bringing greater transparency to its rules by relocating the equity and general rules into the new Rulebook shell together with other rules which have already been relocated.<sup>12</sup> The Exchange’s proposal is consistent with the Act and will protect investors and the public interest by harmonizing its rules, where applicable, across Nasdaq markets so that members can readily locate rules which cover similar topics. The relocation and harmonization of the Exchange’s Rules are part of the Exchange’s continued effort to promote efficiency and conformity of its processes with those of its affiliated exchanges. The Exchange believes that the placement of the PSX Rules into their new location in the shell will facilitate the use of the Rulebook by members. Specifically, the Exchange believes that market participants that are members of more than one Nasdaq market will benefit from the ability to compare Rulebooks.

The Exchange is not substantively amending rule text. The renumbering, re-lettering, deleting reserved and already deleted rules, amending cross-references and other minor technical changes will bring greater transparency to the Exchange’s Rules. The Exchange’s affiliates intend to file similar rule changes to relocate their respective equity and general rules into the same location in each Rulebook for ease of reference. The Exchange believes its proposal will benefit investors and the general public by increasing the transparency of its Rulebook and

<sup>10</sup> 15 U.S.C. 78f(b).

<sup>11</sup> 15 U.S.C. 78f(b)(5).

<sup>12</sup> See *supra* note 3.

promoting easy comparisons among the various Nasdaq affiliated exchanges' Rulebooks.

#### *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 not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed amendments do not impose an undue burden on competition because the amendments to relocate the equity and general rules are non-substantive. This rule change is intended to bring greater clarity to the Exchange's Rules and to promote easy comparisons among the various Nasdaq affiliated exchanges' Rulebooks. Renumbering, re-lettering, deleting reserved rules and amending cross-references will bring greater transparency to the Exchange's Rules.

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

No written comments were either solicited or 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<sup>13</sup> and Rule 19b-4(f)(6) thereunder.<sup>14</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>15</sup> normally does not become operative for 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>16</sup> 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. Waiver of the operative delay would allow the Exchange to immediately

relocate its rules and continue to file other rules that are affected by this relocation in a timely manner. 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 waives the 30-day operative delay and designates the proposal operative upon filing.<sup>17</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-Phlx-2021-04 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-Phlx-2021-04. 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

<sup>17</sup> 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).

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-Phlx-2021-04 and should be submitted on or before March 3, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>18</sup>

**J. Matthew DeLesDernier,**  
*Assistant Secretary.*

[FR Doc. 2021-02709 Filed 2-9-21; 8:45 am]

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## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-91066; File No. SR-FINRA-2020-038]

### **Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of Amendment No. 1 and Order Instituting Proceedings To Determine Whether To Approve or Disapprove the Proposed Rule Change, as Modified by Amendment No. 1, to FINRA Rules 5122 (Private Placements of Securities Issued by Members) and 5123 (Private Placements of Securities) That Would Require Members To File Retail Communications Concerning Private Placement Offerings That Are Subject to Those Rules' Filing Requirements**

February 4, 2021.

#### **I. Introduction**

On October 28, 2020, Financial Industry Regulatory Authority, Inc. ("FINRA") filed with the Securities and Exchange Commission ("Commission") the proposed rule change SR-FINRA-2020-038 ("Proposed Rule Change") pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934

<sup>18</sup> 17 CFR 200.30-3(a)(12).

<sup>13</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>14</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>15</sup> 17 CFR 240.19b-4(f)(6).

<sup>16</sup> 17 CFR 240.19b-4(f)(6)(iii).