

rule change.⁶ The Commission received no comment letters regarding the proposed rule change.

On June 18, 2020, the Exchange withdrew the proposed rule change (SR-CboeBZX-2020-011).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

J. Matthew DeLesDernier,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-89261; File No. SR-MIAX-2020-24]

Self-Regulatory Organizations; Miami International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Temporarily Extend Filing Deadlines for Certain Supervision-Related Reports

July 8, 2020.

Pursuant to the provisions of 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 July 2, 2020, Miami International Securities Exchange, LLC (“MIAX Options” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a 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 is filing a proposal to amend Exchange Rule 1308, Supervision of Accounts, to temporarily extend the filing requirements for certain supervision-related reports, currently given an extension to June 30, 2020, to July 31, 2020.

The text of the proposed rule change is available on the Exchange’s website at <http://www.miaxoptions.com/rule-filings/> at MIAX Options’ 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

Given current market conditions, the Exchange proposes to provide its members temporary relief from filing certain supervision-related reports pursuant to Exchange Rule 1308 (Supervision of Accounts).³

The Exchange has been closely monitoring the current situation regarding the novel coronavirus (“COVID-19”) pandemic. The Exchange understands COVID-19 has placed stress on market participants’ information technology infrastructure and the required deployment of significant resources, including to implement and continuously adapt business continuity plans. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic.⁴ To slow the spread of the disease, federal and state officials implemented social-distancing measures, placed significant limitations on large gatherings, limited travel, and closed non-essential businesses. These measures have affected the U.S. markets.⁵ In the United States, Level 1

³ The Exchange notes that MIAX Rule 1308 is incorporated by reference into the rulebooks of MIAX PEARL, LLC (“PEARL”) and MIAX Emerald, LLC (“Emerald”). As such, the amendments to MIAX Rule 1308 proposed herein will also impact PEARL and Emerald Rules 1308. The Exchange initially filed the proposal on June 1, 2020 (SR-MIAX-2020-14). On June 4, 2020, the Exchange withdrew that filing and submitted this filing.

⁴ See WHO Director-General’s Opening Remarks at the Media Briefing on COVID-19 (March 11, 2020), available at <https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19--11-march-2020>.

⁵ “Analysts showed that we saw the fastest ‘correction’ in history (down 10% from a high), occurring in a matter of days. In the last week of February, the Dow fell 12.36% with notional trading of \$3.6 trillion.” See Phil Mackintosh, Putting the Recent Volatility in Perspective, available at <https://www.nasdaq.com/articles/>

market wide circuit breaker halts were triggered on March 9, March 12, March 16, and March 18, 2020. While markets have seen significant declines, governments around the world are undertaking efforts to stabilize the economy and assist affected companies and their employees.⁶ While many state governments recently relaxed some social distancing measures and permitted the limited reopening of non-essential businesses, many State governments have now paused the reopening of non-essential businesses due to increased infection rates. Significant uncertainty remains.

Amidst this continued and unprecedented market uncertainty, the Exchange sought to address potential challenges that members may face in timely meeting their obligations to submit to the Exchange annual supervision-related reports under Rule 1308(g) and (h) (“Supervision Reporting Requirements”), especially in light of unforeseen and uncertain demands on resources required to respond to COVID-19. By way of background, Exchange Rule 1308(g) requires each Exchange member that conducts a non-member customer business to submit to the Exchange a written report on the member’s supervision and compliance effort during the preceding year and on the adequacy of the member’s ongoing compliance processes and procedures. Each member that conducts a public customer options business is also required to specifically include its options compliance program in the report.⁷ The Exchange Rule 1308(g) report is due on April 1 of each year. Exchange Rule 1308(h) requires that each member submit, by April 1 of each year, a copy of the Rule 1308(g) report to one or more control persons or, if the member has no control person, to the audit committee of its board of directors or its equivalent committee or group.⁸

On each of March 31, 2020 and June 4, 2020, the Exchange filed a proposal to temporarily extend the filing requirements for these annual supervision-related reports from April 1, 2020 to June 1, 2020 and from June 1,

⁶ putting-the-recent-volatility-in-perspective2020-03-05.

⁷ See, e.g., the list of actions undertaken by the Board of Governors of the Federal Reserve System at <https://www.federalreserve.gov/covid-19.htm>. See also Families First Coronavirus Response Act, Public Law 116-127.

⁸ The report shall include, but not be limited to, the information set out in Exchange Rule 1308(g)(1)-(6).

⁹ See Exchange Rule 1308(h) for the meaning of the term “control person” and requirements in the case of a control person that is an organization.

⁶ See Securities Exchange Act Release No. 88771, 85 FR 26741 (May 5, 2020).

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

2020 to June 30, 2020, respectively.⁹ However, as COVID-19 remains an ongoing pandemic, to meet the current June 1 deadlines in Rule 1308, member personnel would have to divide their efforts and resources that are otherwise necessary to address continued disruptions and stresses as a result of the ongoing COVID-19 pandemic. Accordingly, the Exchange proposes to provide additional, temporary relief for members from the Supervision Reporting Requirements by further extending the June 30, 2020 filing deadlines described above to July 31, 2020. The Exchange believes that this additional, temporary relief will permit those members who have been unable to submit their annual supervision-related reports to continue to focus on running their businesses and the health crisis caused by the COVID-19 pandemic, including its impact on their employees, customers, and communities.

The Exchange notes that in response to COVID-19, the Financial Industry Reporting Authority (“FINRA”) recently reissued temporary relief for member firms by, among other things, extending the deadline for submitting its supervision-related reports (FINRA Rule 3120 Report and FINRA Rule 3130 certification) from its second extension deadlines of June 30, 2020¹⁰ to July 31, 2020.¹¹ The Exchange notes, too, that at least one other options exchange that had twice previously extended the supervisory report deadlines from April 1 to June 1 and then from June 1 to June 30 for its members,¹² also other exchanges either plan to or have already submitted a similar filing to, again, extend its deadlines through July 31, 2020.¹³ In light of these deadline extensions, the Exchange believes that a consistent regulatory approach is important and therefore that extending its deadline would avoid unnecessary confusion and added burden among entities that are members of both the Exchange and FINRA because the deadline to submit supervisory reports would remain uniform.

2. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act¹⁴ in general, and furthers the objectives of Section 6(b)(5) of the Act¹⁵ 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 regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁶ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes that the proposed rule will foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities. The proposed rule change will allow the Exchange to extend temporary relief to its members by issuing another extension of certain supervisory reporting deadlines from June 30, 2020 to July 31, 2020 in light of the ongoing COVID-19 crisis. The Exchange understands this pandemic has caused, and continues to cause, stress on market participants’ information technology infrastructure and the deployment of significant resources to address ongoing disruptions and continued stresses. By allowing the Exchange to re-extend the deadlines for filing certain supervision related reports in Rule 1308, the Exchange believes the proposed rule will allow member personnel, who would normally be tasked with organizing and compiling such reports, to focus their attention on maintaining critical operations and sustainable business continuity plans, and otherwise adjusting their trading operations in line with evolving market conditions and initiatives in response to the ongoing COVID-19 pandemic. The Exchange also believes the proposed rule change removes impediments to and perfects the mechanism of a free and open market and a national market system because, as noted above, FINRA

has also re-extended the time for their members to file supervision-related reports from June 30, 2020 to July 31, 2020.¹⁷ Additionally, as indicated above, other options exchanges that had previously extended the supervisory report deadlines to June 30, 2020 for their members, plan to submit similar filings to re-extend their deadlines through July 31, 2020.¹⁸

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not intended to address competitive issues. The Exchange does not believe the proposed rule would impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the Act, because the additional June 30, 2020 extension for supervision-related reports in Rule 1308 will apply equally to all members. The Exchange does not believe that the proposed rule change would impose any burden on intermarket competition because it relates only to the extension of the filing deadline for supervision-related reports. Additionally, and as stated above, FINRA has recently notified its members that the filing deadline for their supervision-related reports has again been extended to July 31, 2020,¹⁹ and other options exchanges have filed or plan to file for the same relief through July 31, 2020, as well.²⁰

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 Act²¹ and

⁹ See Securities Exchange Act Release Nos. 88543 (April 2, 2020), 85 FR 19788 (April 8, 2020) (SR-MIAX-2020-06); and 89093 (June 18, 2020), 85 FR 37986 (June 24, 2020) (SR-MIAX-2020-15).

¹⁰ See FINRA Regulatory Notice 20-08 (March 9, 2020) available at <https://www.finra.org/rules-guidance/notices/20-08>.

¹¹ See FINRA Regulatory Notice 20-08, FAQs, Supervision (June 29, 2020) available at <https://www.finra.org/rules-guidance/key-topics/covid-19/faq#supe>.

¹² See Securities Exchange Act No. 88528 (March 31, 2020), 85 FR 19196 (April 6, 2020) (SR-CBOE-2020-029).

¹³ See SR-Phlx-2020-35 and SR-ISE-2020-26 [sic].

¹⁴ 15 U.S.C. 78f(b).

¹⁵ 15 U.S.C. 78f(b)(5).

¹⁶ *Id.*

¹⁷ See *supra* note 11.

¹⁸ See *supra* notes 12 and 13.

¹⁹ See *supra* note 11.

²⁰ See *supra* notes 12 and 13.

²¹ 15 U.S.C. 78s(b)(3)(A).

subparagraph (f)(6) of Rule 19b-4 thereunder.²²

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act²³ normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)²⁴ 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 Commission notes that the proposed rule change would allow the Exchange, in light of the COVID-19 pandemic, to provide temporary relief for members by extending the deadlines in paragraphs (g) and (h) of Exchange Rule 1308 (Supervision of Accounts) from June 30, 2020, to July 31, 2020. This is consistent with extensions for certain supervision-related reports provided by other exchanges.²⁵ 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 designates the proposed rule change operative upon filing.²⁶

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

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

²² 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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 Commission has waived this requirement.

²³ 17 CFR 240.19b-4(f)(6).

²⁴ 17 CFR 240.19b-4(f)(6)(iii).

²⁵ See Securities Exchange Act Release Nos. 89246 (July 8, 2020) (ISE-2020-28); 89247 (July 8, 2020) (SR-PHLX-2020-35); and 89248 (July 8, 2020) (SR-CBOE-2020-063).

²⁶ 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).

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-MIAX-2020-24 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-MIAX-2020-24. 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-MIAX-2020-24 and should be submitted on or before August 4, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁷

J. Matthew DeLesDernier,

Assistant Secretary.

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²⁷ 17 CFR 200.30-3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-89257; File No. SR-CBOE-2020-065]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change To Add the Consolidated Audit Trail Industry Member Compliance Rules to the List of Minor Rule Violations in Rule 13.15

July 8, 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 July 2, 2020, Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") filed with the Securities and Exchange Commission (the "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 and approving the proposal on an accelerated basis.

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

Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") proposes to add the Consolidated Audit Trail ("CAT") industry member compliance rules ("CAT Compliance Rules") to the list of minor rule violations in Rule 13.15. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange's website (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.