

options becoming available to all market participants.

Furthermore, the Commission expects the Cboe Options to report any undue effects that may occur as a result of these fungibility rule changes, including taking prompt action should any unanticipated consequences occur. The Commission also expects, prior to the effective date of the new rule, the Exchange to address whether additional position limit aggregation rules should be adopted prior to the rule's delayed implementation date. We note that currently the FLEX rules require that certain FLEX Options positions be aggregated with the position limits in the standardized market.<sup>30</sup>

The Commission believes that the remaining proposed changes will help protect investors and the public interest by providing clarity and transparency to the rules. The proposed rule text regarding Exchange holidays will clarify the fungibility of FLEX Options with expiration dates on Exchange holidays and are consistent with the expiration of the same standardized options on Exchange holidays. Amending the intra-day add provision to state that it applies solely to American-style expirations will codify in the rule text the Exchange's original intent with respect to this provision. Further, the other non-substantive, clarifying changes will make the rule easier to read and understand.

Finally, as noted above the Exchange cannot actually implement this rule change immediately because OCC bylaws currently restrict fungibility of quarterly and short term options. The Commission believes that the delayed implementation date of July 31, 2018 should provide OCC with time to consider fungibility in quarterly and short-term options and determine whether to amend the OCC By-laws to accommodate the changes being adopted by the Exchange. The Exchange has also committed to announce the implementation of the change at least 30 days prior to the effective date pursuant to a Regulatory Circular, which should provide adequate advance notice to market participants. To the extent OCC is not able to implement a bylaw change at or prior to the July 31, 2018, we would expect the Exchange to amend its rules or extend the implementation date.

For the reasons above, the Commission finds that the proposed rule change is consistent with the Act.

#### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>31</sup> that the proposed rule change (SR-CBOE-2018-008) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>32</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2018-10272 Filed 5-14-18; 8:45 am]

**BILLING CODE 8011-01-P**

#### SECURITIES AND EXCHANGE COMMISSION

**[Release No. 34-83199; File No. SR-BX-2018-016]**

#### **Self-Regulatory Organizations; Nasdaq BX, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Memorialize Its Order and Execution Information Into Chapter VI, Section 19, Entitled Data Feeds**

May 9, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 27, 2018, Nasdaq BX, Inc. ("BX" 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 a proposal to memorialize its order and execution information into Chapter VI, Section 19, entitled "Data Feeds."

The text of the proposed rule change is available on the Exchange's website at <http://nasdaqbx.cchwallstreet.com/>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

##### **1. Purpose**

The Exchange proposes to memorialize its order and execution information into Chapter VI, Section 19, entitled "Data Feeds." The Exchange proposes to rename this rule "Data Feeds and Trade Information." The Exchange proposes other grammatical corrections in Section 19(a) as well.

##### **Section 19(b)**

First, the Exchange proposes to adopt a new Section 19(b) and memorialize the following order and execution information which were previously filed by the Exchange: (1) CTI;<sup>3</sup> (2) TradeInfo<sup>4</sup>; and (3) FIX DROP.<sup>5</sup>

The Exchange originally noted in the CTI and FIX DROP Filing that CTI offers real-time clearing trade updates.<sup>6</sup> The message containing the trade details is also simultaneously sent to The Options Clearing Corporation. The trade messages are routed to a member's connection containing certain information. The administrative and market event messages include, but are not limited to: System event messages to communicate operational-related events; options directory messages to relay basic option symbol and contract information for options traded on the Exchange; complex strategy messages to relay information for those strategies traded on the Exchange; trading action messages to inform market participants when a specific option or strategy is halted or released for trading on the Exchange; and an indicator which distinguishes electronic and non-electronically delivered orders.

<sup>3</sup> See Securities Exchange Act Release No. 73894 (December 19, 2014), 79 FR 78119 (December 29, 2014) (SR-BX-2014-060) ("CTI and FIX DROP Filing").

<sup>4</sup> See Securities Exchange Act Release No. 60826 (October 14, 2009), 74 FR 54605 (October 22, 2009) (SR-BX-2009-062) ("TradeInfo Filing").

<sup>5</sup> See note 3 above.

<sup>6</sup> A real-time clearing trade update is a message that is sent to a member after an execution has occurred and contains trade details. See Securities Exchange Act Release No. 73894 (December 19, 2014), 79 FR 78119 (December 29, 2014) (SR-BX-2014-060).

<sup>31</sup> 15 U.S.C. 78s(b)(2).

<sup>32</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>30</sup> See Cboe Options Rule 24A.7, concerning FLEX position limits and reporting requirements.

The Exchange is proposing to more specifically describe the CTI offering and memorialize it within Section 19(b)(1). The description provides more detail as to the current functionality of CTI, which is not changing. The description would continue to state that CTI is a real-time clearing trade update message that is sent to a Participant after an execution has occurred and contains trade details specific to that Participant. The information includes, among other things, the following: (i) The Clearing Member Trade Agreement or “CMTA” or The Options Clearing Corporation or “OCC” number; (ii) Exchange badge or house number; (iii) the Exchange internal firm identifier; (iv) an indicator which will distinguish electronic and non-electronically delivered orders; (v) liquidity indicators and transaction type for billing purposes; and (vi) capacity. The Exchange proposes to not add the sentence which states, “The message containing the trade details is also simultaneously sent to The Options Clearing Corporation.” The Exchange’s System sends clearing information to OCC for each transaction. This sentence does not add information that is useful or relevant and therefore the Exchange proposes to remove it. The Exchange notes that while the description is being amended, it retains more broadly the former descriptions. The information provided is specific to a market participant. The Exchange is expressing more specifically the type of data contained in CTI. The CTI offering is not changing. The Exchange is providing more details regarding the CTI offering than was originally filed in the CTI and FIX DROP Filing.

The Exchange originally noted in the TradeInfo Filing that TradeInfo allows subscribing members to scan for their orders submitted to BX. Members can scan for all orders in a particular security or all orders of a particular type, regardless of their status (open, canceled, executed, etc.). Members are also able to cancel open orders at the order, port or MPID level (an MPID is a firm mnemonic). For example, after scanning for open orders, the member is then able to select an open order and cancel the order. TradeInfo BX also allows members to scan other order statuses, such as executed, cancelled, broken, rejected and suspended orders. TradeInfo BX enables members to generate reports of execution, order or cancel information, which can be exported into a spreadsheet for review.

The Exchange proposes to amend and memorialize TradeInfo within Section 19(b)(2). The Exchange proposes to note that TradeInfo is a user interface, as compared to a data stream, to add more

detail to the description. While some descriptive language is being removed from the rules, such as permitting a subscribing member to scan other order statuses, such as executed, cancelled, broken, rejected and suspended orders, the Exchange believes that this language is covered in the current description in that the text indicates that all orders may be searched regardless of their status. Similarly, the description which provides that a subscribing member may generate reports of execution, order or cancel information, which can be exported into a spreadsheet for review is covered in that the Exchange notes that a view of the orders and execution may be downloaded.

The Exchange originally noted in its FIX DROP filing that the Order Entry DROP provides real time information regarding orders sent to BX and executions that occurred on BX. The DROP interface is not a trading interface and does not accept order messages. The “Order Entry DROP” interface is being renamed “FIX DROP” for clarity as it relates to FIX ports.

The Exchange is now expanding on the original description by providing more detail by stating that it is a real-time order and execution update message that is sent to a Participant after an order has been received/modified or an execution has occurred and contains trade details specific to that Participant. The information includes, among other things, the following: (1) Executions; (2) cancellations; (3) modifications to an existing order (4) busts or post-trade corrections. The Exchange believes that the additional specificity will provide more information to Participants.

The Exchange considers it appropriate to memorialize the order and execution information available on BX within a rule so that Participants may understand the trade information which is available on the Exchange as it pertains to a firm’s trading information. This data is available to all Participants regarding that Participant’s transactions. Pricing for these products is included in the Exchange’s fee schedule at Chapter XV, Section 3.<sup>7</sup>

#### Section 19(a)

The Exchange proposes minor changes to Section 19(a)(1) and (2) to change the language to indicate the BX Depth of Market and BX Top of Market each separately are data feeds and removing the “A” before the description.

<sup>7</sup> See also SR-BX-2018-017 (not yet published) which proposes conforming changes to the fee schedule.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the “Act”),<sup>8</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>9</sup> in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest, by providing greater transparency as to the order and execution information offered on BX. The Exchange notes that it described this information in prior rule changes.<sup>10</sup> The Exchange believes that memorializing this information within a rule and updating the information will provide market participants with a list of information available specific to their trading on BX. The Exchange believes that this proposal is consistent with the Act because it provides information on the content available to market participants regarding the trades they execute on BX.

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

In accordance with Section 6(b)(8) of the Act,<sup>11</sup> the Exchange does not believe that the proposed rule change will impose any burden on intermarket or intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange’s proposal does not impose an undue burden on competition, rather the Exchange is seeking to provide greater transparency within its rules with respect to the various order and execution information offered on BX.

#### *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 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, if

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

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

<sup>10</sup> See notes 3 and 4 above.

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

consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>12</sup> and Rule 19b-4(f)(6) thereunder.<sup>13</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>9</sup> normally does not become operative for 30 days after the date of filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>10</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 so that the proposal may become operative immediately upon filing. The Exchange states that such waiver will allow it to update its rules immediately to provide more information regarding the order and execution information it offers and further the protection of investors and the public interest because it will provide greater transparency as to the trade detail available to members. For this reason, the Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest and, therefore, the Commission designates the proposed rule change to be operative upon filing.<sup>14</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 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-BX-2018-016 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-BX-2018-016. 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-BX-2018-016 and should be submitted on or before June 5, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>15</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2018-10259 Filed 5-14-18; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-221, OMB Control No. 3235-0232]

### Proposed Collection; Comment Request

*Upon Written Request, Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

#### Extension:

Form 1-E, Regulation E

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (the "Commission") is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information of the Office of Management and Budget for extension and approval.

Form 1-E (17 CFR 239.200) under the Securities Act of 1933 (15 U.S.C. 77a *et seq.*) ("Securities Act") is the form that a small business investment company ("SBIC") or business development company ("BDC") uses to notify the Commission that it is claiming an exemption under Regulation E from registering its securities under the Securities Act. Rule 605 of Regulation E (17 CFR 230.605) under the Securities Act requires an SBIC or BDC claiming such an exemption to file an offering circular with the Commission that must also be provided to persons to whom an offer is made. Form 1-E requires an issuer to provide the names and addresses of the issuer, its affiliates, directors, officers, and counsel; a description of events which would make the exemption unavailable; the jurisdictions in which the issuer intends to offer the securities; information about unregistered securities issued or sold by the issuer within one year before filing the notification on Form 1-E; information as to whether the issuer is presently offering or contemplating offering any other securities; and exhibits, including copies of the rule 605 offering circular and any underwriting contracts.

The Commission uses the information provided in the notification on Form 1-E and the offering circular to determine whether an offering qualifies for the exemption under Regulation E. The Commission estimates that, each year, one issuer files one notification on Form 1-E, together with offering circulars,

<sup>12</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>13</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice the Exchange's 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>9</sup> 17 CFR 240.19b-4(f)(6).

<sup>10</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>14</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).

<sup>15</sup> 17 CFR 200.30-3(a)(12).