

Reserve Order has setter priority, and the Permitted Price at which the order would be replenished would be a different price, the replenish quantity would not be eligible for setter priority.⁴⁰

The Exchange also proposes to add two circumstances in which an order would be evaluated for setter priority. Currently, an order will be evaluated for setter priority on arrival (including any portion that has been routed and returns unexecuted) and when the order becomes eligible to trade for the first time upon transitioning to a new trading session.⁴¹ First, NYSE proposes that an order would be evaluated for setter priority when resting and assigned a new display price.⁴² If multiple orders reprice at the same time, none of the orders would be eligible for setter priority unless one order is equal to or greater than a round lot and the sum of the other orders at the same price is less than one round lot.⁴³ Second, the Exchange proposes that an order would be evaluated for setter priority when the display quantity of a Reserve Order is replenished.⁴⁴ The Exchange asserts that, if a repriced resting or replenished Reserve Order meets the conditions for establishing setter priority,⁴⁵ then that order is aggressively displaying liquidity on the Exchange, which the Exchange seeks to encourage by providing a setter priority allocation.⁴⁶

III. Discussion and Commission Findings

After careful review of the proposal, as modified by Amendment No. 1, the Commission finds that the proposed rule change is consistent with the requirements of the Act⁴⁷ and the rules and regulations thereunder applicable to a national securities exchange.⁴⁸ In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,⁴⁹ which

requires that the rules of an exchange be 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.

The proposal would alter how UTP Securities trade on the Exchange's Pillar trading platform with respect to two order types—reserve orders and primary pegged orders—and would also amend the rules that determine when orders are eligible for setter priority. The proposed changes relating to Reserve Orders would seek to reduce the quantity of child orders and the potential for information leakage. The Commission believes that the proposal to replenish the displayed quantity when it falls below one round lot is consistent with reserve order functioning on other national securities exchanges that the Commission has found to be consistent with the Exchange Act.⁵⁰ The Commission also believes that the proposal is consistent with Section 6(b)(5)—with respect to replenishing a Reserve Order that has two existing child orders totaling less than one round lot, routing from reserve interest before publishing the display quantity, and aligning the Exchange's rule text to the existing treatment of Reserve Orders that are not routable and of routed Reserve Orders that return unexecuted—because the proposed changes are reasonably designed to encourage the provision of liquidity on the exchange by reducing the likelihood of adverse selection against liquidity providers through information leakage and providing clarity to market participants, while not permitting unfair discrimination on the exchange.

The proposed changes relating to Primary Pegged Reserve Orders would provide that, if the PBBO is locked or crossed when the display quantity of the order is to be replenished, the entire order would be canceled. The Commission believes that the proposal is reasonably designed to prevent the display of locked or crossed quotations in NMS securities.

The rules relating to the setter priority would change in two ways. First, the rules would be amended to reflect that, under existing order function, an order is not eligible for setter priority if there

is an odd-lot sized order with setter priority at that price. Second, orders would be evaluated for setter priority under two additional circumstances—when an order is resting and assigned a new display price, and when the display quantity of a Reserve Order is replenished. The Commission believes that these proposed changes are reasonably designed to provide incentives for market participants to display liquidity on the Exchange.

Accordingly, the Commission finds that the proposal is consistent with the requirements of the Act, and is designed to promote just and equitable principles of trade, 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.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁵¹ that the proposed rule change (SR-NYSE-2018-26), as modified by Amendment No. 1, be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁵²

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018-17004 Filed 8-8-18; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83771; File No. SR-NASDAQ-2018-060]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Certain Terms Under Chapter I, Section 1 of the Options Rules

August 3, 2018.

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 July 20, 2018, The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to

⁴⁰ See Proposed NYSE Rule 7.36(h)(1)(D).

⁴¹ See NYSE Rule 7.36(h)(1)(A)–(B).

⁴² See Proposed NYSE Rule 7.36(h)(1)(C).

⁴³ *Id.*

⁴⁴ See Proposed NYSE Rule 7.36(h)(1)(D). In connection with this proposed change, the Exchange also proposed to delete current NYSE Rule 7.36(h)(4)(B), which states that setter priority is not available when the reserve quantity replenishes the display quantity of a Reserve Order.

⁴⁵ The requirements for an order to achieve setter priority are that it is an order ranked Priority 2—Display Orders with a display quantity of at least one round lot, that it establishes a new BBO, and that it either establishes a new NBBO or joins an Away Market NBBO. See NYSE Rule 7.36(h).

⁴⁶ See Notice, *supra* note 7, at 28704–05.

⁴⁷ 15 U.S.C. 78f.

⁴⁸ 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).

⁴⁹ 15 U.S.C. 78f(b)(5).

⁵⁰ See Notice, *supra* note 7, at 28704.

⁵¹ 15 U.S.C. 78s(b)(2).

⁵² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 proposal to amend The Nasdaq Options Market LLC ("NOM") Rules at Chapter I, Section 1 to define certain terms.

The text of the proposed rule change is available on the Exchange's website at <http://nasdaq.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 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

NOM rules currently do not define an "in-the-money" or "out-of-the-money" option. The Exchange proposes to define these terms at Chapter I, Section 1 to bring greater transparency to NOM rules. In addition, the Exchange notes that the terms, "in-the-money" and "out-of-the-money" are generally accepted terms in the options industry. These terms are utilized throughout the options industry. The Exchange desires for its Participants to have a clear understanding of how NOM's System defines these terms.

The Exchange proposes to define an "in-of-the-money" option at Chapter I, Section 1(a)(68). The Exchange proposes that the term "in-the-money" shall mean the following: For call options, all strike prices below the offer in the underlying security on the primary listing market; for put options, all strike prices above the bid in the underlying security on the primary listing market. The Exchange proposes to define an "out-of-the-money" option at Chapter I, Section 1(a)(69). The Exchange proposes that the term "out-of-the-money" shall mean the following: For call options, all

strike prices above the offer in the underlying security on the primary listing market; for put options, all strike prices below the bid in the underlying security on the primary listing market.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,³ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁴ in particular, in that it is designed to promote just and equitable principles of trade, 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. The Exchange's proposal to define the terms "in-the-money" and "out-of-the-money" options is consistent with the Act and protects investors and the public interest by bringing greater transparency to the Rulebook. In addition, the Exchange notes that the terms, "in-the-money" and "out-of-the-money" are generally accepted terms in the options industry. These terms are utilized throughout the options industry. The Exchange desires for its Participants to have a clear understanding of how NOM's System defines these terms.

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's proposal to define the terms "in-the-money" and "out-of-the-money" options does not unduly burden competition, rather it adds greater transparency to the Rulebook.

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)(iii) of the Act⁵ and subparagraph (f)(6) of Rule 19b-4 thereunder.⁶

A proposed rule change filed under Rule 19b-4(f)(6)⁷ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),⁸ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange represents that immediately defining the terms "in-the-money" and "out-of-the-money" options within its Rulebook would provide greater transparency to its Participants. For the same reason, the Commission believes that waiving 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 proposed rule change operative upon filing.⁹

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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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

⁵ 15 U.S.C. 78s(b)(3)(A)(iii).

⁶ 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 Exchange has satisfied this requirement.

⁷ 17 CFR 240.19b-4(f)(6).

⁸ 17 CFR 240.19b-4(f)(6)(iii).

⁹ For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(5).

- Send an email to rule-comments@sec.gov. Please include File Number SR–NASDAQ–2018–060 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–NASDAQ–2018–060. 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–NASDAQ–2018–060 and should be submitted on or before August 30, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2018–17006 Filed 8–8–18; 8:45 am]

BILLING CODE 8011–01–P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #15616 and #15617; IOWA Disaster Number IA–00078]

Administrative Declaration of a Disaster for the State of Iowa

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a notice of an Administrative declaration of a disaster for the State of Iowa dated 07/30/2018.

Incident: Tornado.

Incident Period: 07/19/2018.

DATES: Issued on 07/30/2018.

Physical Loan Application Deadline Date: 09/28/2018.

Economic Injury (EIDL) Loan Application Deadline Date: 04/30/2019.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205–6734.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the Administrator’s disaster declaration, applications for disaster loans may be filed at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties: Marshall

Contiguous Counties:

Iowa: Grundy, Hardin, Jasper, Poweshiek, Story, Tama

The Interest Rates are:

	Percent
<i>For Physical Damage:</i>	
Homeowners with Credit Available Elsewhere	3.875
Homeowners without Credit Available Elsewhere	1.938
Businesses with Credit Available Elsewhere	7.220
Businesses without Credit Available Elsewhere	3.610
Non-Profit Organizations with Credit Available Elsewhere	2.500
Non-Profit Organizations without Credit Available Elsewhere	2.500
<i>For Economic Injury:</i>	
Businesses & Small Agricultural Cooperatives without Credit Available Elsewhere	3.610
Non-Profit Organizations without Credit Available Elsewhere	2.500

The number assigned to this disaster for physical damage is 15616 C and for economic injury is 15617 O.

The State which received an EIDL Declaration # is Iowa.

(Catalog of Federal Domestic Assistance Number 59008)

Dated: July 30, 2018.

Linda E. McMahan,
Administrator.

[FR Doc. 2018–17022 Filed 8–8–18; 8:45 am]

BILLING CODE 8025–01–P

DEPARTMENT OF STATE

[Public Notice: 10490]

Defense Trade Advisory Group; Notice of Open Meeting

The Defense Trade Advisory Group (DTAG) will meet in open session from 1:00 p.m. until 5:00 p.m. on Thursday, October 25, 2018 at 1777 F Street NW, Washington, DC 20006. Entry and registration will begin at 12:30 p.m. The membership of this advisory committee consists of private sector defense trade representatives, appointed by the Assistant Secretary of State for Political-Military Affairs, who advise the Department on policies, regulations, and technical issues affecting defense trade. The purpose of the meeting will be to discuss current defense trade issues and topics for further study. The following agenda topics will be discussed and final reports presented: (1) Oversight of technical data under the ITAR and NISPOM; (2) Challenges regulated entities face in advising the Department of ownership changes that implicate existing licenses and foreign persons, and processes the Department may implement to facilitate the provisions of this information; (3) Possible schedule for future ongoing periodic review of USML categories; (4) Developing a definition for common carrier; and (5) Issues that exist with licensing of defense articles, including intelligence related products, related technical data, and defense services to the “Five Eyes” countries of the U.S., UK, Australia, Canada and New Zealand. Members of the public may attend this open session and will be permitted to participate in the question and answer discussion period following the formal DTAG presentation on each agenda topic in accordance with the Chair’s instructions. Members of the public may also, if they wish, submit a brief statement (less than 3 pages) to the committee in writing for inclusion in the public minutes of the meeting. As seating is limited to 125 persons, each member of the public that wishes to attend this plenary session must provide: His/her name and contact information such as email address and/

¹⁰ 17 CFR 200.30–3(a)(12).