

what is required by statute, the impact of the proposed changes on the Members and Limited Members would be minimal. As discussed above, NSCC believes that the proposed changes to the notice provisions are removing unnecessary and impractical timing requirements for notices, and Members and Limited Members would continue to receive adequate notice under the rule change process and continue to be treated equally with respect to such notices. As such, NSCC believes the proposed rule changes would not have any impact on competition.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

NSCC has not received or solicited any written comments relating to this proposal. NSCC will notify the Commission of any written comments received by NSCC.

III. Date of Effectiveness of the Proposed Rule Change, and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)²¹ of the Act and paragraph (f)²² of Rule 19b-4 thereunder. 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:

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-NSCC-2021-006 on the subject line.

Paper Comments

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

All submissions should refer to File Number SR-NSCC-2021-006. 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 NSCC and on DTCC's website (<https://dtcc.com/legal/sec-rule-filings.aspx>). 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-NSCC-2021-006 and should be submitted on or before June 8, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²³

J. Matthew DeLesDernier,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-91864; File No. SR-BX-2021-022]

Self-Regulatory Organizations; Nasdaq BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Delay the Implementation of BX's Request for PRISM

May 12, 2021.

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 May 4, 2021, Nasdaq BX, Inc. (“BX” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to delay the implementation of an amendment to Options 3, Section 7(d)(1)(A) relating to “Financial Information eXchange” or “FIX” in connection with offering BX Participants the ability to utilize FIX to submit orders to its Price Improvement Auction (“PRISM”) mechanism.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/bx/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

BX received approval³ to amend Options 3, Section 7(d)(1)(A), relating to FIX, to offer BX Participants the ability to utilize FIX to submit orders to its PRISM mechanism. BX's amendment permitted it to offer Participants a manner in which to send messages

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 91124 (February 12, 2021), 86 FR 10363 (February 19, 2021) (SR-BX-2020-033) (Order Granting Approval of a Proposed Rule Change To Utilize the FIX Protocol To Submit Orders to BX's Price Improvement Auction Mechanism) (“Approval Order”).

²¹ 15 U.S.C. 78s(b)(3)(A).

²² 17 CFR 240.19b-4(f).

²³ 17 CFR 200.30-3(a)(12).

through FIX, to other BX Participants, for the specific purpose of requesting another BX Participant submit an “Initiating Order”⁴ along with the sender’s PRISM Order⁵ into the PRISM mechanism⁶ for execution pursuant to Options 3, Section 13.

Specifically, the amendment expanded the capabilities of the FIX protocol to allow a BX Participant (sender) to utilize FIX to send a message to other BX Participants (responders) with an order the sender represents as agent (“PRISM Order”) on behalf of a Public Customer, broker dealer or other entity requesting the responders provide a contra-side Initiating Order (a “response”) and begin a PRISM auction (collectively a “Request for PRISM”).⁷ If a BX Participant desires to respond to the request, the BX Participant adds an Initiating Order to the sender’s PRISM Order and submits the paired order directly into PRISM, through FIX, for processing in accordance with Options 3, Section 13.⁸

The Exchange intended to begin implementation of the proposed rule change by June 30, 2021.⁹ At this time, the Exchange proposes to delay the implementation so that it would begin implementation prior to November 1, 2021. The Exchange will issue an Options Trader Alert to Participants with the date of implementation.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹¹ in particular, in that it is designed to promote just and equitable principles of

⁴ An Initiating Order is an order executed against principal interest or against any other order it represents as agent. See Options 3, Section 13.

⁵ A PRISM Order is an order submitted by a BX Participant that it represents as agent on behalf of a Public Customer, broker dealer, or any other entity, electronically, for execution. See Options 3, Section 13.

⁶ This proposal does not amend the PRISM rule within Options 3, Section 13 in connection with offering Participants the ability to submit a Request for PRISM through FIX.

⁷ The Request for PRISM, if accepted and submitted into PRISM, would become the “PRISM Order” pursuant to Options 3, Section 13.

⁸ BX Participants may elect to “opt in” to receive Requests for PRISM. BX Participants that do not elect to “opt in” will not receive such requests. Once a BX Participant elects to receive Requests for PRISM, they would receive all requests from any BX Participant submitting a Request for PRISM. The BX Participant cannot elect to only receive requests from certain Participants and the sender may not elect to send the request to a select group of BX Participants.

⁹ See Approval Order page 10364, “The Exchange intends to begin implementation of the proposed rule change by June 30, 2021.”

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

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, by delaying the implementation of its amendment to Options 3, Section 7(d)(1)(A) to allow the Exchange additional time to develop and test this functionality. The Exchange believes that additional testing will ensure a successful launch of the functionality.

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 delay the adoption of the amendment to Options 3, Section 7(d)(1)(A) does not impose an undue burden on competition. Delaying the implementation of the functionality will allow the Exchange additional time to develop and test the functionality.

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 Act¹² and subparagraph (f)(6) of Rule 19b–4 thereunder.¹³

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

¹² 15 U.S.C. 78s(b)(3)(A)(iii).

¹³ 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.

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. Please include File Number SR–BX–2021–022 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–2021–022. 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–2021–022 and should be submitted on or before June 8, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

J. Matthew DeLesDernier,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-91876; File No. SR-FINRA-2021-009]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of a Proposed Rule Change To Adopt a Supplemental Liquidity Schedule, and Instructions Thereto, Pursuant to FINRA Rule 4524 (Supplemental FOCUS Information)

May 12, 2021.

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 April 30, 2021, the Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. 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

FINRA is proposing to adopt a Supplemental Liquidity Schedule, and Instructions thereto, pursuant to FINRA Rule 4524 (Supplemental FOCUS Information).

The text of the proposed rule change is available on FINRA’s website at <http://www.finra.org>, at the principal office of FINRA 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, FINRA 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. FINRA 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

FINRA Rule 4524 provides in part that, as a supplement to filing FOCUS Reports required pursuant to SEA Rule 17a-5³ and FINRA Rule 2010, each member, as FINRA shall designate, shall file such additional financial or operational schedules or reports as FINRA may deem necessary or appropriate for the protection of investors or in the public interest. Pursuant to FINRA Rule 4524, FINRA is proposing to adopt a Supplemental Liquidity Schedule (“SLS”), and Instructions thereto (the “Instructions”).⁴ The proposed SLS, which would be filed as a supplement to the FOCUS Report, is tailored to apply only to members with the largest customer and counterparty exposures, as discussed further below. The SLS is designed to improve FINRA’s ability to monitor for events that signal an adverse change in the liquidity risk of the members that would be subject to the requirement.

Effective monitoring of liquidity and funding risks is an essential element of members’ financial responsibility and an ongoing focus for FINRA’s financial supervision programs. Liquidity and funding stress was a significant factor in the financial crisis of 2008.⁵ Since that time, FINRA has looked closely at members’ liquidity and funding risk management practices.⁶ *Regulatory*

³ 17 CFR 240.17a-5 (hereinafter cited as SEA “Rule 17a-5”). SEA Rule 17a-5 governs financial and operational reporting by brokers and dealers. Members are required to file with FINRA, through the eFOCUS System, reports concerning their financial and operational status using SEC Form X-17A-5 (the “FOCUS Report”). See, e.g., *Information Notice*, November 23, 2020 (2021 and First Quarter of 2022 Report Filing Due Dates); *Regulatory Notice* 18-38 (November 2018) (Amendments to the SEC’s Financial Reporting Requirements—eFOCUS System Updates and Annual Audit Requirements). “FOCUS” stands for Financial and Operational Combined Uniform Single.

⁴ The proposed SLS and Instructions are included as Exhibit 3 to this rule filing.

⁵ See, e.g., Final Report of the National Commission on the Causes of the Financial and Economic Crisis in the United States (January 2011), available at: <<https://fraser.stlouisfed.org/title/financial-crisis-inquiry-report-5034>>.

⁶ See *Regulatory Notice* 10-57 (November 2010) (Risk Management) and *Regulatory Notice* 15-33 (September 2015) (Liquidity Risk). However, even prior to the financial crisis, FINRA noted the importance of risk management practices. See, e.g., *Notice to Members* 99-92 (November 1999) (Risk Management Practices) (setting forth a joint

Notice 10-57 expressed FINRA’s expectation that members develop and maintain robust funding and liquidity risk management practices and discussed results of examinations that FINRA had conducted of the practices of selected members. In addition, *Regulatory Notice* 15-33 provided guidance on liquidity risk management practices and described FINRA’s review of policies and practices at selected members related to managing liquidity needs in a stressed environment. FINRA believes that the proposed SLS is a logical complement to these ongoing priorities and guidance that FINRA has communicated to members and would provide essential information about members’ sources and uses of liquidity to enable FINRA to better understand their liquidity profile. FINRA notes that events in connection with market volatility and other stress stemming from the COVID-19 pandemic,⁷ and events such as the extreme price volatility of certain stocks in January 2021,⁸ have reinforced the importance of effective liquidity risk monitoring. As such, FINRA believes that the proposed SLS is necessary to enhance its ongoing monitoring of members’ liquidity risk and to have additional information that can be used to assess the impact of stress events on a member’s liquidity. Members that would be subject to the SLS requirement would provide detailed reporting, using the SLS, as to their:

- Reverse repurchase and repurchase agreements;
- securities borrowed and securities loaned;
- non-cash reverse repurchase and securities borrowed transactions;
- non-cash repurchase and securities loaned transactions;
- bank loan and other committed and uncommitted credit facilities;
- total available collateral in the member’s custody;
- margin and non-purpose loans;

statement by the SEC, NASD and NYSE on broker-dealer risk management practices). FINRA has also discussed liquidity risk in its Annual Regulatory and Examination Priorities Letters. See, e.g., 2019 Annual Risk Monitoring and Examination Priorities Letter, available at: <[finra.org](http://www.finra.org)>.

⁷ See, e.g., S.P. Kothari et al., U.S. Credit Markets: Interconnectedness and the Effects of the COVID-19 Economic Shock (October 2020) (report of the SEC Division of Economic and Risk Analysis regarding market stress during the COVID-19 shock of March 2020), available at: <https://www.sec.gov/files/US-Credit-Markets_COVID-19_Report.pdf>.

⁸ See Acting Chair Allison Herren Lee, Commissioners Hester M. Peirce, Elad L. Roisman, and Caroline A. Crenshaw, Public Statement Regarding Recent Market Volatility (January 29, 2021), available at: <<https://www.sec.gov/news/public-statement/joint-statement-market-volatility-2021-01-29>>.

¹⁴ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.