

- Send an email to rule-comments@sec.gov. Please include File Number SR-PEARL-2019-35 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-PEARL-2019-35. 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-PEARL-2019-35 and should be submitted on or before January 21, 2020.

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

J. Matthew DeLesDernier,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-87844; File No. SR-GEMX-2019-18]

Self-Regulatory Organizations; Nasdaq GEMX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt a Mass Cancellation Rule and Amend Other Sections of the Rulebook

December 23, 2019.

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 December 9, 2019, Nasdaq GEMX, LLC (“GEMX” 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 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 amend definitions within General 1, Section 1, adopt a new definition for “Away Best Bid or Offer” within Options 1, Section 1, and update rule citations in various other rules.

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

The Exchange proposes to adopt a new rule at Options 3, Section 19 titled “Mass Cancellation of Trading Interest.” The Exchange also proposes to amend definitions within General 1, Section 1, adopt a new definition for “Away Best Bid or Offer” within Options 1, Section 1, and update rule citations in various other rules.

Mass Cancellation of Trading Interest

The Exchange proposes to adopt a new rule at Options 3, Section 19 titled “Mass Cancellation of Trading Interest.” The Nasdaq Options Market LLC (“NOM”) and Nasdaq BX, Inc. (“BX”) rules at Chapter VII, Section 11 permit Participants on those markets to contact market operations and manually request cancellation of interest. The Exchange proposes to adopt a rule which also permits Members to contact market operations and request the Exchange to manually cancel interest. The proposed new rule would state, “A Member may cancel any bids, offers, and orders in any series of options by requesting GEMX Market Operations³ staff to effect such cancellation as per the instructions of the Member.” This new rule reflects the Exchange's current practice of allowing Members to contact GEMX Market Operations and request the Exchange to cancel any bid, offer or order in any series of options. The Exchange would cancel such bid, offer or order pursuant to the Member's instruction. The Exchange desires to memorialize the availability of this service.

Definitions

The Exchange proposes to make a technical amendment to General 1, Section 1(a)(6) to note the acronym for an Electronic Access Member, an “EAM” within the definition. The acronym is utilized throughout the Rulebook. Defining the acronym within the definition will add transparency to the Rulebook.

The Exchange proposes to add the definition of an “Away Best Bid or Offer” or “ABBO” within Options 1, Section 1(a)(4). This term is utilized throughout the Rulebook. Defining this term will bring greater transparency to the Rulebook. The Exchange also proposes to update the numbering in the remainder of the rule and also update

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The request to Market Operations is a manual request which is made telephonically.

¹⁰ 17 CFR 200.30-3(a)(12).

cross-references throughout the Rulebook⁴ as a result of the renumbering.

Other Changes

The Exchange proposes to reserve certain rules⁵ in connection with a Rulebook harmonization project which organizes the rules of the Nasdaq affiliated markets.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁶ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁷ 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.

Mass Cancellation of Trading Interest

The Exchange's proposal to memorialize the Mass Cancellation of Trading Interest rule within Options 3, Section 19 is consistent with the Act because permitting Members to contact Market Operations as a manual alternative to automated functionality which similarly allows Members to cancel interest provides Members experiencing their own system issues with a means to manage risk. Today, Members are able to cancel interest, in an automated fashion through protocols⁸ and the Kill Switch.⁹ This is a voluntary services offered to all Members.

The Exchange notes that offering this service, which permits Members to cancel interest, will not diminish a Market Maker's obligation with respect to providing two-sided quotations and this rule is not inconsistent with other firm quote obligations of the Market Maker. Upon the request of a Member, GEMX Market Operations will manually input a mass cancellation message into the System consistent with the Member's instruction to cancel trading interest. Once the mass cancellation message is entered into the System by GEMX Market Operations, the message will be accepted by the System in the order of receipt in the queue such that the interest that was already accepted into the System will be processed prior

⁴ See Options 3, Section 10 and Options 7, Section 1.

⁵ Options 2, Section 3 and Options 3, Section 28 are being reserved.

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

⁸ See Options 3 at Supplementary Material .03 to Section 7.

⁹ See Options 3, Section 17.

to the mass cancellation message. In addition, mass cancellation messages entered into the System by GEMX Market Operations are handled by the System through the same queuing mechanism that a quote or order message is handled by the System. The Exchange notes its processing of a mass cancellation message inputted by GEMX Market Operations and handled by the System is consistent with firm quote and order handling rules.

As noted above, NOM and BX Rules at Chapter VII, Section 11 allow NOM and BX Participants to also contact market operations and request cancellations of interest. This new rule reflects the Exchange's current practice.

Definitions

The Exchange's proposal to add the acronym for an Electronic Access Member, an "EAM" within General 1, Section 1 and add the definition of an "Away Best Bid or Offer" or "ABBO" within Options 1, Section 1(a)(4) are consistent with the Act because these amendments will add transparency to the Rulebook.

Other Changes

The remainder of the changes to correct numbering and citations are non-substantive.

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.

Mass Cancellation of Trading Interest

The Exchange's proposal to memorialize the Mass Cancellation of Trading Interest rule within Options 3, Section 19 does not impose an undue burden on competition because all Members may utilize this service. This new rule reflects the Exchange's current practice.

Definitions

The Exchange's proposal to add the acronym for an Electronic Access Member, an "EAM" within General 1, Section 1 and add the definition of an "Away Best Bid or Offer" or "ABBO" within Options 1, Section 1(a)(4) do not impose an undue burden on competition because these amendments will add transparency to the Rulebook.

Other Changes

The remainder of the changes to correct numbering and citations are non-substantive.

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 Act¹⁰ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹¹

A proposed rule change filed under Rule 19b-4(f)(6)¹² normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹³ 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 notes that NOM and BX currently have rules that permit NOM and BX Participants to cancel interest,¹⁴ and that the Exchange proposes the additional changes to provide greater clarity in its rules. 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.¹⁵

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

¹⁰ 15 U.S.C. 78s(b)(3)(A)(iii).

¹¹ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires the Exchange 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.

¹² 17 CFR 240.19b-4(f)(6).

¹³ 17 CFR 240.19b-4(f)(6)(iii).

¹⁴ See NOM and BX Rules at Chapter VII, Section 11.

¹⁵ 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).

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. Please include File Number SR-GEMX-2019-18 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-GEMX-2019-18. 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-GEMX-2019-18 and should be submitted on or before January 21, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁶

Eduardo A. Aleman,
Deputy Secretary.

[FR Doc. 2019-28172 Filed 12-27-19; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-87821; File No. SR-NYSE-2019-67]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change, as Modified by Amendment No. 1, To Amend Chapter One of the Listed Company Manual To Modify the Provisions Relating to Direct Listings

December 20, 2019.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 ("Act")² and Rule 19b-4 thereunder,³ notice is hereby given that on December 11, 2019, New York Stock Exchange LLC ("NYSE" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change. On December 13, 2019, the Exchange filed Amendment No. 1 to the proposed rule change, which amended and replaced the proposed rule change in its entirety. The proposed rule change, as modified by Amendment No. 1, is 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, as modified by Amendment No. 1, from interested persons.

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

The Exchange proposes to amend Chapter One of the Listed Company Manual (the "Manual") to modify the provisions relating to direct listings.⁴

¹⁶ 17 CFR 200.30-3(a)(12).

¹⁵ U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ The Exchange has previously filed a proposed rule change to amend Chapter One of the Manual to modify the provisions related to direct listings. See SR-NYSE-2019-67. The Exchange is now filing this Amendment No. 1 to SR-NYSE-2019-67 to make clear in Exhibit 5 to this filing that a company conducting a Primary Direct Floor Listing in which the company sells shares in the opening auction with a market value of less than \$100 million will be eligible to list if the aggregate of the market value of publicly-held shares immediately prior to listing

The proposed rule change is available on the Exchange's website at www.nyse.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 self-regulatory organization 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 those 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 parts of such statements.

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

1. Purpose

Section 102.01B of the Manual includes initial listing requirements for a company that has not previously had its common equity securities registered under the Act, to list its common equity securities on the Exchange at the time of effectiveness of a registration statement filed solely for the purpose of allowing existing shareholders to sell their shares (a "Selling Shareholder Direct Floor Listing").⁵ To allow a company to sell shares on its own behalf in connection with its initial listing upon effectiveness of a registration statement, without a traditional underwritten public offering, the Exchange proposes to amend Section 102.01B. The proposed change would allow a company that has not previously had its common equity securities registered under the Act, to list its common equity securities on the Exchange at the time of effectiveness of a registration statement pursuant to which the company will sell shares in the opening auction on the first day of trading on the Exchange (a "Primary Direct Floor Listing"). The proposal would permit a company to conduct a Primary Direct Floor Listing in addition to, or instead of, a Selling Shareholder Direct Floor Listing.

together with the market value of shares sold by the company in the opening auction totals at least \$250 million. This Amendment No.1 to SR-NYSE-2019-67 replaces SR-NYSE-2019-67 as originally filed and supersedes such filing in its entirety.

⁵ Securities Exchange Act Release No. 82627 (February 2, 2018), 83 FR 5650 (February 8, 2018) (SR-NYSE-2017-30).