

or party on each side of a Block Trade or ECRP transaction must agree upon the mistake, inaccuracy or error that occurred in order for the Trade Desk to bust or adjust the transaction under Section G of Policy and Procedure III. Additionally, the proposed rule change will not interfere with CFE's ability to capture and retain required audit trail information relating to these transactions.

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

CFE 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, in that the proposed rule change will contribute to reducing market risk by enhancing the ability of the Exchange to correct transaction reporting errors. The Exchange believes that the proposed rule change is equitable and not unfairly discriminatory in that the rule amendments included in the proposed rule change would apply equally to all CFE market participants.

#### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

No written comments were solicited or received with respect to the proposed rule change.

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

The proposed rule change will become operative on November 15, 2018. At any time within 60 days of the date of effectiveness of the proposed rule change, the Commission, after consultation with the CFTC, may summarily abrogate the proposed rule change and require that the proposed rule change be refiled in accordance with the provisions of Section 19(b)(1) of the Act.<sup>5</sup>

### **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-CFE-2018-002 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-CFE-2018-002. 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 such 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-CFE-2018-002, and should be submitted on or before December 7, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2018-24982 Filed 11-15-18; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-84571; File No. SR-NASDAQ-2018-086]

### **Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend General 8 of the Exchange's Rules**

November 9, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 29, 2018, The Nasdaq Stock Market LLC ("Nasdaq" 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 amend General 8 of the Exchange's Rules, as described below.

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**

The Exchange proposes to amend General 8 of its Rules, which govern the provision by the Exchange of colocation, connectivity, and direct connectivity

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>5</sup> 15 U.S.C. 78s(b)(1).

<sup>6</sup> 17 CFR 200.30-3(a)(73).

services and related products, and which set forth the fees that the Exchange charges for those products and services, to: (1) Clarify that all of the products and services set forth in General 8 are shared among the Nasdaq Inc. affiliated exchanges—The Nasdaq Stock Market LLC, Nasdaq BX, Inc., Nasdaq PHLX LLC, Nasdaq ISE, LLC, Nasdaq MRX, LLC, and Nasdaq GEMX, LLC (collectively, the “Nasdaq, Inc. Exchanges”)—meaning that a firm need only purchase these products and services once to be able to use them to connect to all of the Nasdaq, Inc. Exchanges to which the firm is otherwise entitled to connect, and to receive the third party services and market data feeds that it is otherwise entitled to receive; and (2) make other non-substantive changes that will further the objective of harmonizing General 8 with parallel rules that exist among the other Nasdaq, Inc. Exchanges.<sup>3</sup>

The Nasdaq, Inc. Exchanges offer colocation, connectivity, and direct connectivity services and related products to their customers on a shared basis, meaning that a customer may utilize these products and services to gain access to any or all of the Nasdaq, Inc. Exchanges to which they are otherwise entitled to receive access under the Rules. The Nasdaq, Inc. Exchanges only charge customers once for these shared products and services, even to the extent that customers use the products and services to connect to more than one of the Nasdaq, Inc. Exchanges. For example, a firm that is a member or member organization, as applicable, of all six Nasdaq, Inc. Exchanges, and which co-locates its servers in the Nasdaq Data Center by purchasing a 10 GB fiber connection, cabinet space, cooling fans, and patch cables, only needs to purchase these products and services once to use them to connect to all six Nasdaq, Inc. Exchanges.

Likewise, the Rules were intended to provide for connectivity to third-party services and market data feeds on a shared basis, meaning that a firm need only purchase a subscription to these services once, regardless of whether the firm is a member or member organization, as applicable, of multiple Nasdaq, Inc. Exchanges.

Historically, the Exchange has billed customers on a shared basis for all of the products and services currently set forth in General 8. Presently, however, only certain provisions of General 8 state this fact expressly. That is, provisions in

General 8 pertaining to connectivity to the Exchange, direct circuit connectivity to the Exchange, and point-of-presence connectivity to the Exchange, each state that they include connectivity to the other markets of the Nasdaq, Inc. Exchanges. However, other provisions in General 8—such as cabinets, cabinet power, fiber and wireless connectivity to market data feeds, and fiber and wireless connectivity to third party services—do not contain such language.

Notwithstanding the absence of express language in these provisions of General 8, the Exchange believes that it is or should be apparent that a firm need only pay once to purchase products and services—like server cabinets, power supplies, and cables—that the firm will use to connect to multiple Nasdaq, Inc. Exchanges or to connect to third party services or market data feeds. Indeed, the Exchange is aware of no actual customer confusion on this issue. Nevertheless, the Exchange believes that the existing Rules would benefit from clarification so as to avoid the potential for any confusion in the future.

Accordingly, the Exchange proposes to amend General 8 by doing the following: (1) Deleting the existing selective references therein to shared connectivity services; and (2) replacing selective references with the following language, which will serve as a general preface to General 8:

The connectivity products and services that this Rule describes are shared among all of the Nasdaq, Inc. exchanges (The Nasdaq Stock Market, LLC, Nasdaq BX, Inc., Nasdaq PHLX, LLC, Nasdaq ISE, LLC, Nasdaq MRX, LLC, and Nasdaq GEMX, LLC). Fees for these products and services are also the same among all of the Nasdaq, Inc. exchanges. As such, a firm need only purchase the products and services listed below from any Nasdaq, Inc. exchange once to connect to any and all of the Nasdaq, Inc. exchanges to which it is otherwise entitled to connect, or to connect to third party market data feeds or services. For example, if a firm purchases connectivity to one Nasdaq, Inc. exchange and then subsequently qualifies to connect to a second Nasdaq, Inc. exchange, then the firm may utilize its existing services for connecting to the first exchange to also connect to the second exchange, without incurring an additional charge.

This preface will clarify that all products and services set forth in General 8 are offered on a shared basis and that a firm need only purchase them once from any of the Nasdaq, Inc. Exchanges.

In addition to adding this preface, the Exchange also proposes several other non-substantive amendments to General 8 to correct technical errors and to harmonize it with parallel provisions set forth in the rules of the other Nasdaq,

Inc. Exchanges. These changes will reconcile minor, non-substantive differences in the phrasing and placement of text between the Exchange’s General 8 and the other Nasdaq, Inc. Exchanges’ Sections 8. The amendments will also remove certain references to the name “Nasdaq” or replace it with general references to “the Exchange.” Finally, the amendments will replace a specific reference in General 8, Section 1(b) to millimeter or microwave wireless subscriptions under Section 7015(g)(1) with a general reference to “any other provision of these Rules that provides for such subscriptions, as may exist, from time to time.” The intended result of the proposed changes—along with similar changes that the other Nasdaq, Inc. Exchanges plan to propose—will be to generalize General 8 and render it completely identical across all six Nasdaq, Inc. Exchanges.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>4</sup> in general, and that it furthers the objectives of Section 6(b)(4) of the Act,<sup>5</sup> in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. Likewise, the Exchange believes that its proposal is consistent with Section 6(b)(5) of the Act,<sup>6</sup> 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 believes that it is equitable for the Exchange and the other Nasdaq, Inc. Exchanges to collectively charge a firm only once for the products and services set forth in General 8 because the same instance of such products and services may be used by the firm to connect to any or all of the Nasdaq, Inc. Exchanges to which it is otherwise entitled to connect. Said otherwise, the Exchange does not believe that it would be fair for the Nasdaq, Inc. Exchanges to each charge separate fees to a firm to, say, rent the same cabinet space in the same data center or to purchase the same wires to connect its servers to the market data feed. Moreover, the practice of charging a firm once for products and services

<sup>4</sup> 15 U.S.C. 78f(b).

<sup>5</sup> 15 U.S.C. 78f(b)(4).

<sup>6</sup> 15 U.S.C. 78f(b)(5).

<sup>3</sup> The other Nasdaq, Inc. Exchanges plan to file similar proposals in the near future.

with shared applicability among the Nasdaq, Inc. Exchanges is not unfairly discriminatory because each of the Nasdaq, Inc. Exchanges makes the products and services that are set forth in General 8 of their respective rulebooks available to all similarly situated members at the same prices.

Meanwhile, the Exchange believes that it is just and equitable, and in the interests of the public and investors, for the Exchange to amend General 8 to clarify the existing practice of the Nasdaq, Inc. Exchanges to charge firms once to purchase shared products and services, and to codify that practice where it is not stated expressly in the Rule. Although the Exchange believes that such codification and clarification of General 8 are not necessary in this instance—given that it should be (and in the Exchange's experience, it is) apparent to firms that each of the Nasdaq, Inc. Exchanges will not charge them more than once to, say, rent the same cabinet space or to purchase the same wires or power supplies—the Exchange believes, nevertheless, that the public and investors will benefit from increased clarity to General 8. Even if the proposal is not needed to dispel any actual confusion about the Rules, it will help to limit any potential confusion in the future.

The Exchange also believes that it is just and equitable, and in the interests of the public and investors, to harmonize the language of General 8 among all six of the Nasdaq, Inc. Exchanges. Given that General 8 in each of the Nasdaq, Inc. Exchanges' rulebooks sets forth the same products, services, and associated fees that are assessed on a shared basis, the language of General 8 should be uniform across these Exchanges to avoid any confusion about unintended disparities. The proposal makes minor, non-substantive changes to accomplish this harmonization, which include removing cross-references and names that are idiosyncratic to this Exchange and are not common among all of the Nasdaq, Inc. Exchanges.

Lastly, the Exchange believes that its proposals to amend General 8 are non-controversial because they merely codify and clarify the Exchange's existing interpretation of General 8, serve the interests of the public and investors in promoting a more clear and transparent Rulebook that is harmonized with the shared rules of the other Nasdaq, Inc. Exchanges, and because the proposals will not impact competition or limit access to or availability of the Exchange or its systems.

### *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 proposals merely codify and clarify existing practice of the Nasdaq, Inc. Exchanges to collectively charge a customer only once to connect to any or all of the Nasdaq, Inc. Exchanges of which it is a member and to connect to third party services. The proposals also harmonize Section 8 with corresponding provisions of the rulebooks of the other Nasdaq, Inc. Exchanges.

### *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) of the Act<sup>7</sup> and Rule 19b-4(f)(6) thereunder.<sup>8</sup>

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act<sup>9</sup> normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)<sup>10</sup> 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. Waiver of the operative delay would allow the Exchange to immediately amend its rules to specify that the products and services set forth in General 8 are shared

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>8</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization 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.

<sup>9</sup> 17 CFR 240.19b-4(f)(6).

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

among the Nasdaq, Inc. Exchanges and to harmonize General 8 with parallel rules of the other Nasdaq, Inc. Exchanges. 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.<sup>11</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 change 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-NASDAQ-2018-086 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-2018-086. 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

<sup>11</sup> 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).

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-2018-086, and should be submitted on or before December 7, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

**Brent J. Fields,**  
Secretary.

[FR Doc. 2018-25031 Filed 11-15-18; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

### Submission for OMB Review; 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:

Regulation S-P SEC File No. 270-480,  
OMB Control No. 3235-0537

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 ("PRA") (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget ("OMB") a request for approval of extension of the previously approved collection of information provided for in the privacy notice and opt out notice provisions of Regulation S-P—Privacy of Consumer Financial Information (17 CFR part 248, subpart A) under the Securities Exchange Act of 1934 ("Exchange Act") (15 U.S.C. 78a *et seq.*).

The privacy notice and opt out notice provisions of Regulation S-P (the "Rule") implement the privacy notice and opt out notice requirements of Title

V of the Gramm-Leach-Bliley Act ("GLBA"), which include the requirement that, at the time of establishing a customer relationship with a consumer and not less than annually during the continuation of such relationship, a financial institution shall provide a clear and conspicuous disclosure to such consumer of such financial institution's policies and practices with respect to disclosing nonpublic personal information to affiliates and nonaffiliated third parties ("privacy notice"). Title V of the GLBA also provides that, unless an exception applies, a financial institution may not disclose nonpublic personal information of a consumer to a nonaffiliated third party unless the financial institution clearly and conspicuously discloses to the consumer that such information may be disclosed to such third party; the consumer is given the opportunity, before the time that such information is initially disclosed, to direct that such information not be disclosed to such third party; and the consumer is given an explanation of how the consumer can exercise that nondisclosure option ("opt out notice"). The Rule applies to broker-dealers, investment advisers registered with the Commission, and investment companies ("covered entities").

Commission staff estimates that, as of March 31, 2018, the Rule's information collection burden applies to approximately 20,465 covered entities (approximately 3,857 broker-dealers, 12,643 investment advisers registered with the Commission, and 3,965 investment companies). In view of (a) the minimal recordkeeping burden imposed by the Rule (since the Rule has no recordkeeping requirement and records relating to customer communications already must be made and retained pursuant to other SEC rules); (b) the summary fashion in which information must be provided to customers in the privacy and opt out notices required by the Rule (the model privacy form adopted by the SEC and the other agencies in 2009, designed to serve as both a privacy notice and an opt out notice, is only two pages); (c) the availability to covered entities of the model privacy form and online model privacy form builder; and (d) the experience of covered entities' staff with the notices, SEC staff estimates that covered entities will each spend an average of approximately 12 hours per year complying with the Rule, for a total of approximately 245,580 annual burden-hours (12 × 20,465 = 245,580). SEC staff understands that the vast majority of covered entities deliver their privacy and opt out notices with other

communications such as account opening documents and account statements. Because the other communications are already delivered to consumers, adding a brief privacy and opt out notice should not result in added costs for processing or for postage and materials. Also, privacy and opt out notices may be delivered electronically to consumers who have agreed to electronic communications, which further reduces the costs of delivery. Because SEC staff assumes that most paper copies of privacy and opt out notices are combined with other required mailings, the burden-hour estimates above are based on resources required to integrate the privacy and opt notices into another mailing, rather than on the resources required to create and send a separate mailing. SEC staff estimates that, of the estimated 12 annual burden-hours incurred, approximately 8 hours would be spent by administrative assistants at an hourly rate of \$82, and approximately 4 hours would be spent by internal counsel at an hourly rate of \$422, for a total annualized internal cost of compliance of \$2,344 for each of the covered entities (8 × \$82 = \$656; 4 × \$422 = \$1,688; \$656 + \$1,688 = \$2,344). Hourly cost of compliance estimates for administrative assistant time are derived from the Securities Industry and Financial Markets Association's *Office Salaries in the Securities Industry 2013*, modified by SEC staff to account for an 1,800-hour work-year and multiplied by 2.93 to account for bonuses, firm size, employee benefits and overhead. Hourly cost of compliance estimates for internal counsel time are derived from the Securities Industry and Financial Markets Association's *Management & Professional Earnings in the Securities Industry 2013*, modified by SEC staff to account for an 1,800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead. Accordingly, SEC staff estimates that the total annualized internal cost of compliance for the estimated total hour burden for the approximately 19,876 covered entities subject to the Rule is approximately \$47,969,960 (\$2,344 × 20,465 = \$47,969,960).

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following website: [www.reginfo.gov](http://www.reginfo.gov). Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission,

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