investments in OTC Derivatives be limited to 20% of the assets of the Fund’s portfolio. Instead, the Fund’s investments in OTC Derivatives would be limited to 60% of the Fund’s assets. Such OTC Derivatives may be forwards, options, and swaps on commodities (which commodities are from the same sectors as those included in the Reference Benchmark); currencies; U.S. and non-U.S. equity securities; fixed income securities (as defined in Commentary .01(b) to NYSE Arca Rule 8.600–E, but excluding Short-Term Fixed Income Securities); interest rates; and financial rates; or a basket or index of any of the foregoing. The Commission specifically seeks comment on whether the Fund’s proposed investments in OTC Derivatives are consistent with the requirement that the rules of a national securities exchange be “designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and “to protect investors and the public interest.” 39 Has the Exchange provided sufficient information relating to OTC Derivatives, including the underlying reference assets of such OTC Derivatives, for the Commission to determine that trading of the Fund’s Shares would be consistent with the Act?

Comments may be submitted by any of the following methods:

Electronic Comments

• Use the Commission’s internet comment form at [http://www.sec.gov/rules/sro.shtml] or

• Send an email to [rule-comments@sec.gov]. Please include File Number SR–NYSEArca–2018–98 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–NYSEArca–2018–98. 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–NYSEArca–2018–98 and should be submitted by April 16, 2019. Rebuttal comments should be submitted by April 30, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority. 40

Eduardo A. Alemán,
Deputy Secretary.

[F] [FR Doc. 2019–05704 Filed 3–25–19; 8:45 am]
BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Equity 7, Section 118(a)(3)

March 20, 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 March 12, 2019, 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, 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.

1. Purpose

The purpose of the proposed rule change is to amend the Exchange’s transaction fees at Equity 7, Section 118(a)(3) to adopt a $0.00005 per share executed credit provided to members for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) in securities listed on exchanges other than Nasdaq and NYSE (“Tape B Securities”) that provide liquidity, as described further 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

The Exchange proposes to amend the Exchange’s transaction fees at Equity 7, Section 118(a)(3) to adopt a $0.00005 per share executed credit provided to members for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) in securities listed on exchanges other than Nasdaq and NYSE (“Tape B Securities”) that provide liquidity, as described further 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.

B. Self-Regulatory Organization’s Statement of the Basis for, and the Effectiveness of, the Proposed Rule Change

The Exchange believes that the proposed rule change is consistent with the statutory framework of the Act and the protection of investors and the public interest because (i) the proposed credit is tailored to provide liquidity in Tape B Securities and (ii) the proposed rule change is limited to a $0.00005 per share executed credit that should be small enough to minimize the impact on member profitability and competitive pressure on the Exchange to reduce the credit.

C. Financial Impact and Other Considerations

The Exchange does not believe that the proposed rule change will have any impact on member profitability.”


The Exchange provides the credit to members with shares of liquidity provided in Tape B securities during the month representing at least 0.10% of Consolidated Volume during the month through one or more of its Nasdaq Market Center MPIDs. Thus, a member that qualifies for the proposed credit would also qualify for the existing $0.0001 per share executed credit, resulting in a combined credit of $0.00015 per share executed credit.

Continued
qualify for the proposed credit, a member must have shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that represent at least 1.75% of Consolidated Volume \(^4\) during the month, including shares of liquidity provided with respect to Tape B securities that represent at least 0.60% of Consolidated Volume.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,\(^5\) in general, and further the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,\(^6\) in particular, 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.

The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, while adopting a series of steps to improve the current market model, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”\(^7\)

Likewise, in NetCoalition v. Securities and Exchange Commission\(^8\) ("NetCoalition") the D.C. Circuit upheld the Commission’s use of a market-based approach in evaluating the fairness of market data fees against a challenge claiming that Congress mandated a cost-based approach.\(^9\) As the court emphasized, the Commission “intended

\[^{10}\] Federal Register / Vol. 84, No. 58 / Tuesday, March 26, 2019 / Notices

\[^{11}\] Id. at 537.

for execution of securities in Tape B securities does not impose a burden on competition because the Exchange’s execution services are completely voluntary and subject to extensive competition both from other exchanges and from off-exchange venues. The proposed change provides another opportunity for members to receive a credit based on their market-improving behavior. As noted above, the proposed credit would be provided in addition to other credits under the rule for which the member qualifies. Thus, any member may elect to provide the levels of market activity required by the credit’s qualification criteria in order to receive the credit. Moreover, other market venues are free to adopt the same or similar credits and incentives as a competitive response to this proposed change. As a consequence, the Exchange does not believe that the proposed credit burdens competition among market participants or market venues. In sum, if the changes proposed herein are unattractive to market participants, it is likely that the Exchange will lose market share as a result and, conversely, if the proposal is successful at attracting greater volume to the Exchange other market venues are free to make similar changes as a competitive response. Accordingly, the Exchange does not believe that the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

G. 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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.12

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
- Send an email to rule-comments@sec.gov Please include File Number SR-NASDAQ–2019–015 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–2019–015. 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 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–2019–015 and should be submitted on or before April 16, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.13

Eduardo A. Aleman,
Deputy Secretary.

[FR Doc. 2019–05706 Filed 3–25–19; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meetings

TIME AND DATE: Notice is hereby given, pursuant to the provisions of the Government in Sunshine Act, Public Law 94–409, that the Securities and Exchange Commission Investor Advisory Committee will hold a meeting on Thursday, March 28, 2019 at 9:00 a.m. (ET).

PLACE: The meeting will be held in Multi-Purpose Room LL–006 at the Commission’s headquarters, 100 F Street NE, Washington, DC 20549.

STATUS: This meeting will begin at 9:00 a.m. (ET) and will be open to the public. Seating will be on a first-come, first-served basis. Doors will open at 8:30 a.m. Visitors will be subject to security checks. The meeting will be webcast on the Commission’s website at www.sec.gov.

MATTERS TO BE CONSIDERED: On March 8, 2019, the Commission issued notice of the Committee meeting (Release No. 33–10611), indicating that the meeting is open to the public (except during that portion of the meeting reserved for an administrative work session during lunch), and inviting the public to submit written comments to the Committee. This Sunshine Act notice is being issued because a quorum of the Commission may attend the meeting.

The agenda for the meeting includes: Welcome remarks; a discussion regarding stock exchanges and, specifically, investor protection under the modern exchange regulatory structure; a discussion regarding disclosures on human capital (which may include a recommendation from the Investor as Owner subcommittee); a discussion regarding trends in investment research and potential regulatory implications; subcommittee reports; and a nonpublic administrative work session during lunch.

CONTACT PERSON FOR MORE INFORMATION: For further information and to ascertain what, if any, matters have been added, deleted or postponed; please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551–5400.