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. Please include File Number SR–CboeBZX–2022–015 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–CboeBZX–2022–015. 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 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 comments. Persons submitting comments are cautioned that we do not redact or edit comments. All submissions should refer to File Number SR–CboeBZX–2022–015 and should be submitted on or before April 12, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.15

J. Matthew DeLesDernier,
Assistant Secretary.

[FR Doc. 2022–05982 Filed 3–21–22; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Order Approving Proposed Rule Change To Enable Exchange Participants To Enter Midpoint Extended Life Orders and M–ELO Plus Continuous Book Orders With an Immediate-or-Cancel Time-in-Force Instruction

March 16, 2022.

I. Introduction

On January 19, 2022, the Nasdaq Stock Market LLC (“Exchange” or “Nasdaq”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)1 and Rule 19b–4 thereunder,2 a proposed rule change to enable Exchange participants to enter Midpoint Extended Life Orders (“M–ELOs”) and M–ELO Plus Continuous Book Orders (“M–ELO+CBs”) with an immediate-or-cancel (“IOC”) Time-in-Force (“TIF”) instruction. The proposed rule change was published for comment in the Federal Register on February 2, 2022.3 The Commission has not received any comment letters on the proposed rule change. This order approves the proposed rule change.

II. Description of the Proposal

M–ELO is an order type with a non-display order attribute that is priced at the midpoint between the national best bid and national best offer (“NBBO”) and that will not be eligible to execute until a holding period of 10 milliseconds (“Holding Period”) has passed after acceptance of the order by the Exchange system.4 Once a M–ELO becomes eligible to execute, the order may only execute against other eligible M–ELOs and M–ELO+CBs.5 M–ELO+CB is an order type that has all of the characteristics and attributes of a M–ELO, except that after satisfying its Holding Period, in addition to executing against other eligible M–ELO+CBs and M–ELOs, it may also execute against certain orders on the Exchange’s continuous book.6 Specifically, a M–ELO+CB may also execute against non-displayed orders with midpoint pegging and midpoint peg post-only orders (collectively, “Midpoint Orders”) resting on the Exchange’s continuous book, if: (1) The Midpoint Order has the midpoint trade now order attribute enabled; (2) the Midpoint Order has rested on the continuous book for at least 10 milliseconds after the NBBO midpoint falls within the limit price set by the participant; (3) no other order is resting on the continuous book that has a more aggressive price than the current NBBO midpoint; and (4) the Midpoint Order satisfies any minimum quantity requirement of the M–ELO+CB.7

Currently, M–ELOs and M–ELO+CBs may not be entered with a TIF of IOC.8 The Exchange now proposes to amend Nasdaq Rule 4702(b)(14) to enable Exchange participants to enter M–ELOs and M–ELO+CBs with an IOC instruction.9 As proposed, if a M–ELO or M–ELO+CB is entered with a TIF of IOC, it would execute against eligible resting interest immediately upon the expiration of the Holding Period.10 If no eligible resting interest is available, or shares of the order remain unexecuted after trading against available eligible resting interest, then the system would automatically cancel the order or the remaining shares of the order, as applicable.11 If the order is ineligible to begin the Holding Period upon entry (i.e., the NBBO is crossed at the time of order entry, there is no NBBO or NBO at the time of order entry, or the order is entered with a limit price that is not at or better than the NBBO midpoint), then the system would cancel the order immediately.12

As proposed, M–ELOs and M–ELO+CBs with a TIF of IOC would be subject to real-time surveillance to determine if they are being abused by

1 See Nasdaq Rule 4702(b)(15).
2 See id.
3 See Nasdaq Rule 4702(b)(14)(B), (b)(15). An order with a TIF of IOC is one that is designated to deactivate immediately after determining whether the order is marketable. See Nasdaq Rule 4703(a)(1).
4 See proposed Nasdaq Rule 4702(b)(14)(B). Because Nasdaq Rule 4702(b)(15) incorporates by reference the M–ELO characteristics and attributes set forth in Nasdaq Rule 4702(b)(14), the proposed rule change would also allow M–ELO+CBs to be entered with a TIF of IOC. 5
5 See id.
6 See proposed Nasdaq Rule 4702(b)(14)(B).
7 See id.
8 See id.; Notice, supra note 3, at 5928.
As proposed, these order types would continue to be available to market participants that are willing to wait a prescribed period of time following their order submission to receive a potential execution against other market participants that have similarly elected to forgo an immediate execution. As described above, the IOC instruction would activate only at the expiration of the Holding Period, rather than immediately upon order entry. In addition, while M–ELOs and M–ELO+CBs with an IOC instruction would be cancelled immediately upon entry if they do not meet the conditions to start the Holding Period at the time of entry, such cancellation would not depend on the availability of eligible resting interest on the Exchange, and therefore would not provide any indication of the availability of such interest on the Exchange. Finally, as described above, the Exchange will continue to conduct real-time surveillance and monitor the use of M–ELOs and M–ELO+CBs, including those with a TIF of IOC, to determine whether these order types are being abused by market participants and whether their usage is appropriately tied to the intent of the order types.

Based on the foregoing, the Commission finds that the proposed rule change is consistent with the Act.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,\(^{24}\) that the proposed rule change (SR–NASDAQ–2022–006) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.\(^{26}\)

J. Matthew DeLesDernier,
Assistant Secretary.

[FR Doc. 2022–05979 Filed 3–21–22; 8:45 am]

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\(^{19}\) See Notice, supra note 3, at 5928.

\(^{20}\) See id.

\(^{21}\) See id.

\(^{22}\) See id.

\(^{23}\) See id.

\(^{24}\) See supra notes 13–16 and accompanying text.
