

IV. Conclusion

On the basis of the foregoing, the Commission finds that the Proposed Rule Change is consistent with the requirements of the Exchange Act, and in particular, the requirements of Section 17A of the Exchange Act²⁰ and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act,²¹ that the Proposed Rule Change (SR–OCC–2019–008) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²²

Jill M. Peterson,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–87578; File No. SR–IEX–2019–12]

Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Table in Rule 11.410(a) To Update the Market Data Source That the Exchange Will Use To Determine the Top of Book Quotation for NYSE Chicago, Inc. and To Amend Rules 2.220(a)(7) and 11.410(a) To Reflect the Name Change of Chicago Stock Exchange, Inc. to NYSE Chicago, Inc.

November 20, 2019.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the “Act”)² and Rule 19b–4 thereunder,³ notice is hereby given that, on November 15, 2019, the Investors Exchange LLC (“IEX” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

²⁰ In approving this Proposed Rule Change, the Commission has considered the proposed rules’ impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

²¹ 15 U.S.C. 78s(b)(2).

²² 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b–4.

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

Pursuant to the provisions of Section 19(b)(1) under the Act,⁴ and Rule 19b–4 thereunder,⁵ IEX is filing with the Commission a proposed rule change to amend the table in Rule 11.410(a) to update the market data source that the Exchange will use to determine the Top of Book⁶ quotation for NYSE Chicago, Inc. (“XCHI”) and to amend Rules 2.220(a)(7) and 11.410(a) to reflect the name change of Chicago Stock Exchange, Inc. to NYSE Chicago, Inc. The Exchange has designated this rule change as “non-controversial” under Section 19(b)(3)(A) of the Act⁷ and provided the Commission with the notice required by Rule 19b–4(f)(6) thereunder.⁸

The text of the proposed rule change is available at the Exchange’s website at www.iextrading.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 the 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 these statements may be examined at the places specified in Item IV below. The self-regulatory organization 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend the table in IEX Rule 11.410(a) to update the market data source that the Exchange will use to determine the Top of Book quotation for NYSE Chicago, Inc. (“XCHI”) and to amend IEX Rules 2.220(a)(7) and 11.410(a) to reflect the name change of Chicago Stock Exchange, Inc. to NYSE Chicago, Inc.

Specifically, the Exchange proposes to amend and update the table in Rule 11.410(a) specifying the primary and secondary sources for XCHI as a result

of XCHI’s establishment of NYSE Chicago BBO, NYSE Chicago Trades and NYSE Chicago Integrated Feed (“NYSE Chicago Market Data Feeds”) or “direct feeds”.⁹ As specified in Rule 11.410(a)(2), the Exchange uses market data from each away trading center that produces a Protected Quotation¹⁰ to determine its Top of Book quotation, as well as the NBBO¹¹ for certain reporting, regulatory and compliance systems within IEX. As proposed, the Exchange will use securities information processor (“SIP”) data, *i.e.*, CQS SIP data for securities reported under the Consolidated Quotation Services and Consolidated Tape Association plans and UQDF SIP data for securities reported under the Nasdaq Unlisted Trading Privileges national market system plan, to determine XCHI Top of Book quotes. No secondary source is proposed to be specified as SIP data will be used exclusively. While the Exchange uses proprietary market data feeds to determine the Protected Quotations of all but one of the other away markets,¹² as specified in Rule 11.410, it has determined to utilize the SIP quote feeds for XCHI because the Exchange is in the process of implementing technology changes to support use of the NYSE Chicago Market Data Feeds. Once these changes are complete, IEX will file a rule change under Section 19(b) of the Act and Rule 19b–4 thereunder to amend relevant portions of Rule 11.410 once these steps are complete, to again specify that the Exchange will use XCHI’s direct feeds as the primary source of XCHI’s Protected Quotations.¹³ The Exchange notes that it is not necessary to utilize the XCHI direct feed in order to determine XCHI Top of Book quotes and thereby enable the Exchange to comply with applicable requirements of Regulation NMS with respect to its Top of Book quotes. The Exchange also notes that other exchanges also use SIP market data feeds to determine Top of Book quotes for some away markets, including XCHI, pursuant to effective rule filings.¹⁴

The Exchange is also proposing a conforming change to Rule 11.410(a)(2) to reflect that, as proposed, the Exchange will not use proprietary market data feeds as the primary source

⁹ See Securities Exchange Act Release No. 87389 (October 23, 2019), 84 FR 57904 (October 29, 2019) (SR–NYSECHX–2019–15).

¹⁰ See IEX Rule 1.160(bb).

¹¹ See IEX Rule 1.160(u).

¹² The Exchange uses CQS/UQDF SIP data as the exclusive source of market data for NYSE National (XCIS). See IEX Rule 11.410(a).

¹³ See *supra* note 5[sic].

¹⁴ See, *e.g.*, Nasdaq Stock Market Rule 4759(a).

⁴ 15 U.S.C. 78s(b)(1).

⁵ 17 CFR 240.19b–4.

⁶ See IEX Rule 11.410(a)(1).

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b–4.

from which it will determine Top of Book quotations for XCHI.

Finally, the Exchange proposes to amend Rules 2.220(a)(7) and 11.410(a) to reflect the name change of XCHI from Chicago Stock Exchange, Inc. to NYSE Chicago, Inc.¹⁵ IEX Rule 2.220(a)(7) lists the away trading centers that IEX Services LLC (“IEX Services”) routes to as outbound router for the Exchange. Rule 11.410(a), as discussed above, specifies the market data sources for each away trading center that the Exchange uses for necessary price reference points.

The Exchange is not proposing any other changes to Rule 11.410 with respect to its use of market data feeds and calculations of necessary price reference points. The proposed change merely specifies the market data feeds that the Exchange will use to determine XCHI Top of Book quotes, and does not alter the manner in which orders are handled or routed by the Exchange.

2. Statutory Basis

IEX believes that the proposed rule change is consistent with the provisions of Section 6(b)¹⁶ of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act¹⁷ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, 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 the proposed rule change removes impediments to and perfects the mechanism of a free and open market and protects investors and the public interest because it provides transparency with respect to the sources of market data that it will use to determine XCHI Top of Book quotes. For the reasons discussed in the Purpose section, the Exchange believes that use of SIP market data will enable it to determine XCHI Top of Book quotes and comply with applicable requirements of Regulation NMS. In addition, and as further noted in the Purpose section, other exchanges use SIP market data to determine Top of Book quotes for some away markets, including NYSE National, Inc., so the proposed change does not raise any new or novel issues not already considered by the Commission.

The Exchange also believes it is consistent with the Act to make a conforming change to Rule 11.410(a)(2) so that provision is consistent with the table in Rule 11.410(a).

Further, the Exchange believes it is consistent with the Act to update the referenced rules to reflect the name change of XCHI so that IEX’s rules accurately specify away markets referenced, as well as to avoid any potential confusion on the part of market participants. As noted in the Purpose section, the proposed changes are nonsubstantive and do not alter the manner in which orders are handled or routed by the Exchange.

B. Self-Regulatory Organization’s Statement on Burden on Competition

IEX does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed update does not impact competition in any respect since its purpose is to enhance transparency and with respect to the operation of the Exchange and its use of market data feeds, and to update an away market name.

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

Written comments were neither solicited nor 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 Act¹⁸ and subparagraph (f)(6) of Rule 19b–4 thereunder.¹⁹

A proposed rule change filed under Rule 19b–4(f)(6)²⁰ normally does not become operative for 30 days after the date of filing. However, pursuant to

Rule 19b–4(f)(6)(iii),²¹ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative upon filing. The Exchange noted in its filing that other exchanges use SIP market data to determine Top of Book quotes for some away markets, including NYSE National, Inc., so the proposed change does not raise any new or novel issues. For these reasons, the Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. The Commission hereby designates the proposed rule change to be operative upon filing.²²

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. Please include File Number SR–IEX–2019–12 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–IEX–2019–12. This file number should be included in the subject line if email is used. To help the Commission process and review your comments more efficiently, please use

¹⁸ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁹ 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.

²⁰ *Id.*

²¹ 17 CFR 240.19b–4(f)(6)(iii).

²² For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹⁵ See Securities Exchange Act Release No. 84494 (October 26, 2018), 83 FR 54953 (November 1, 2018) (SR–NYSECHX–2018–05).

¹⁶ 15 U.S.C. 78f.

¹⁷ 15 U.S.C. 78f(b)(5).

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 Section, 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 will also be available for inspection and copying at the IEX's principal office and on its internet website at www.iextrading.com. 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-IEX-2019-12 and should be submitted on or before December 17, 2019.

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

Jill M. Peterson,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-87576; File No. SR-NYSEArca-2019-14]

Self-Regulatory Organizations; NYSE Arca, Inc.; Order Approving a Proposed Rule Change, as Modified by Amendment No. 1, Relating to the Permitted Investments of the PGIM Ultra Short Bond ETF

November 20, 2019.

I. Introduction

On March 13, 2019, NYSE Arca, Inc. ("Exchange" or "NYSE Arca") 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 make certain changes to the listing rule for shares ("Shares") of the PGIM Ultra Short Bond ETF ("Fund"). The proposed rule change was published for comment in the **Federal Register** on April 2, 2019.³ On May 10, 2019, pursuant to Section 19(b)(2) of the Act,⁴ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to approve or disapprove the proposed rule change.⁵ On June 27, 2019, the Commission instituted proceedings pursuant to Section 19(b)(2)(B) of the Act⁶ to determine whether to approve or disapprove the proposed rule change.⁷ On September 23, 2019, the Commission designated a longer period within which to issue an order approving or disapproving the proposed rule change.⁸ On November 14, 2019, the Exchange filed Amendment No. 1 to the proposed rule change.⁹ The Commission has received no comment letters on the proposal. This order approves the proposed rule change, as modified by Amendment No. 1.

II. Description of the Proposal

A. The Fund and the Shares

PGIM Investments LLC ("Adviser") is the investment adviser for the Fund. PGIM Fixed Income ("Subadviser"), a unit of PGIM, Inc., is the subadviser to the Fund. According to the Exchange, the investment objective of the Fund is to seek total return through a combination of current income and capital appreciation, consistent with preservation of capital. The Fund seeks to achieve its investment objective by investing primarily in a portfolio of U.S. dollar denominated short-term fixed, variable and floating rate debt instruments. Under normal market

conditions,¹⁰ the Fund invests at least 80% of its net assets (plus any borrowings for investment purposes) in a portfolio of financial instruments consisting of (1) the Principal Investment Instruments (as defined in the First Prior Order); and (2) derivatives (as described in the Prior Orders) that (a) provide exposure to such Principal Investment Instruments, or (b) are used to enhance returns, manage portfolio duration, or manage the risk of securities price fluctuations, as described in the Prior Orders.¹¹

The Shares commenced trading on the Exchange on April 10, 2018, pursuant to the generic listing standards under Commentary .01 to NYSE Arca Rule 8.600-E ("Managed Fund Shares").¹² Since then, the Exchange has proposed—and the Commission has approved—two proposed rule changes to expand the permitted investments of the Fund beyond what is permitted under the generic listing requirements.¹³ By this proposed rule change, the Exchange proposes to again amend the listing rule applicable to the Shares.

B. The Proposed Modifications to the Shares' Listing Rule

The Exchange proposes to amend two requirements of the Shares' current listing rule as set forth in the First Prior Order, namely the requirements that: (1) The Fund's investments in non-U.S. Government, non-agency, non-GSE and other privately issued asset backed securities (including mortgage-backed securities) ("Private ABS/MBS") are limited to 20% of the total assets of the Fund;¹⁴ and (2) the Fund may invest

¹⁰ The term "normal market conditions" is defined in NYSE Arca Rule 8.600-E(c)(5).

¹¹ The terms "First Prior Order" and "Prior Orders" are defined *infra* at note 13.

¹² A Managed Fund Share is a security that represents an interest in an investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1) organized as an open-end investment company or similar entity that invests in a portfolio of securities selected by its investment adviser consistent with its investment objectives and policies. In contrast, an open-end investment company that issues Investment Company Units, listed and traded on the Exchange under NYSE Arca Rule 5.2-E(j)(3), seeks to provide investment results that correspond generally to the price and yield performance of a specific foreign or domestic stock index, fixed income securities index or combination thereof.

¹³ See Securities Exchange Act Release No. 83319 (May 24, 2018), 83 FR 25097 (May 31, 2018) (SR-NYSEArca-2018-15) ("First Prior Order"); and Securities Exchange Act Release No. 84818 (December 13, 2018) (SR-NYSEArca-2018-75) (together with the First Prior Order, "Prior Orders").

¹⁴ At the time the proposed rule change was filed, Commentary .01(b)(5) to NYSE Arca Rule 8.600-E provided that non-agency, non-government sponsored entity and privately issued mortgage-related and other asset-backed securities

²³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 85430 (Mar. 27, 2019), 84 FR 12646 (Apr. 2, 2019) ("Notice").

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 85829 (May 10, 2019), 84 FR 22221 (May 16, 2019). The Commission designated July 1, 2019, as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to approve or disapprove, the proposed rule change.

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ See Securities Exchange Act Release No. 86220, 84 FR 31868 (Jul. 3, 2019).

⁸ See Securities Exchange Act Release No. 87058, 84 FR 51210 (Sep. 27, 2019).

⁹ In Amendment No. 1, the Exchange supplemented the proposed rule change by adding additional details regarding certain of the asset backed securities in which the Fund may invest.

Amendment No. 1 is available at: <https://www.sec.gov/comments/sr-nysearca-2019-14/srnysearca201914-6425213-198531.pdf>.